Preliminary Placement Document
Subject to completion
Not for circulation and strictly confidential
Serial Number: ________

The information in this Preliminary Placement Document is not complete and may be changed. The Issue is meant only for Eligible Investors on a private placement basis and is not an offer to the public or to any other class of investors to purchase or subscribe to the Units. This Preliminary Placement Document is not an offer to subscribe to or sell any Units and is not soliciting an offer to subscribe to or buy the Units in any jurisdiction where such offer, subscription or sale is not permitted.

AnZen INDIA ENERGY TRUST

ANZEN INDIA ENERGY YIELD PLUS TRUST

(Registered in the Republic of India as an irrevocable trust set up under the Indian Trusts Act, 1882, and registered as an infrastructure investment trust under the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, on January 18, 2022 having registration number IN/InvIT/21-22/0020)

Principal place of business: Plot no. 294/3, Edelweiss House, Off CST Road, Kalina, Santacruz East, Mumbai 400 098
Tel: +9122 4009 4400; **Compliance Officer**: Jalpa Parekh
E-mail: jalpa.parekh@eaaa.in; **Website**: www.anzenenergy.in

FOR CIRCULATION TO ELIGIBLE INVESTORS ONLY

TRUSTEE	SPONSOR	INVESTMENT MANAGER
Axis Trustee Services Limited	SEPL Energy Private Limited	EAAA Real Assets Managers Limited

ISSUE OF [●] UNITS^ (THE "UNITS") REPRESENTING AN UNDIVIDED BENEFICIAL INTEREST IN ANZEN INDIA ENERGY YIELD PLUS TRUST ("ANZEN TRUST" OR THE "TRUST") BY WAY OF AN INSTITUTIONAL PLACEMENT TO ELIGIBLE INVESTORS, AT A PRICE OF ₹ [●] PER UNIT ("ISSUE PRICE"), AGGREGATING TO ₹ 4,250 MILLION BY THE TRUST (THE "ISSUE")

^ THE BOARD OF DIRECTORS OF THE INVESTMENT MANAGER ("IM BOARD") BY WAY OF ITS RESOLUTION DATED JANUARY 18, 2025, AND THE UNITHOLDERS OF ANZEN BY WAY OF THEIR RESOLUTION DATED JANUARY 17, 2025, HAVE APPROVED THE ISSUE.

THE ISSUE, AND THE DISTRIBUTION OF THE PRELIMINARY PLACEMENT DOCUMENT AND THE PLACEMENT DOCUMENT, 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-PoD-2/P/CIR/2024/44 DATED MAY 15, 2024, 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.

LISTING

The Units of the Trust to be Allotted pursuant to the Issue are proposed to be listed on National Stock Exchange of India Limited ("**NSE**") and BSE Limited ("**BSE**" and together with NSE, the "**Stock Exchanges**"). The Trust has received in-principle approval from NSE and BSE for listing of the Units pursuant to letters dated February 24, 2025. Applications shall be made to the Stock Exchanges for obtaining the final listing and trading approvals for the Units to be Allotted pursuant to the Issue. The Stock Exchanges assume no responsibility for the correctness of any statements made, opinions expressed or reports contained herein. Admission of the Units to be Allotted pursuant to the Issue for trading on the Stock Exchanges should not be taken as an indication of the merits of the Trust or of the Units. A copy of the Preliminary Placement Document, has been, and a copy of the Placement Document will be delivered to NSE and BSE.

The Issue Price, should not be taken to be indicative of the market price of the Units after the Units to be Allotted pursuant to the Issue are listed. No assurance can be given regarding an active or sustained market for trading in the Units or regarding the price at which the Units will be traded after listing. This Preliminary Placement Document has not been, and will not be, registered as a prospectus, will not be circulated or distributed to the public at large in India or any other jurisdiction, and will not constitute a public offer in India or any other jurisdiction.

The Units have not been and will not be registered under the United States Securities Act of 1933, as amended (the "**Securities Act**") and may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable U.S. state securities laws. Accordingly, the Units are only being offered and sold outside the United States in "offshore transactions" as defined in, and in reliance on, Regulation S under the Securities Act ("**Regulation S**") and the applicable law of the jurisdictions where such offers and sales are made. The Units are transferable only in accordance with the restrictions described under the section entitled *"Selling and Transfer Restrictions"* on page 429 of this Preliminary Placement Document.

PRELIMINARY PLACEMENT DOCUMENT

THIS PRELIMINARY PLACEMENT DOCUMENT WILL BE PERSONAL TO EACH ELIGIBLE INVESTOR. THIS PRELIMINARY PLACEMENT DOCUMENT HAS BEEN PREPARED BY THE TRUST SOLELY FOR PROVIDING INFORMATION IN CONNECTION WITH THE ISSUE. YOU MAY NOT, AND ARE NOT AUTHORIZED TO, (1) DELIVER THIS PRELIMINARY PLACEMENT DOCUMENT TO ANY OTHER PERSON; OR (2) REPRODUCE THIS PRELIMINARY PLACEMENT DOCUMENT IN ANY MANNER WHATSOEVER. ANY DISTRIBUTION OR REPRODUCTION OF THIS PRELIMINARY PLACEMENT DOCUMENT, IN WHOLE OR IN PART, IS UNAUTHORIZED. FAILURE TO COMPLY WITH THIS INSTRUCTION MAY RESULT IN A VIOLATION OF THE SECURITIES AND EXCHANGE BOARD OF INDIA (INFRASTRUCTURE INVESTMENT TRUSTS) REGULATIONS, 2014, AS AMENDED OR OTHER APPLICABLE LAWS OF INDIA AND OF OTHER JURISDICTIONS.

Unless a serially numbered Preliminary Placement Document along with an Application Form is addressed to a particular Eligible Investor, no invitation to offer shall be deemed to have been made to such Eligible Investor to make an offer to subscribe to Units pursuant to the Issue. For further details, please see the section entitled "*Issue Information*" on page 437. The distribution of the Preliminary Placement Document or the Placement Document or the disclosure of its contents without the Investment Manager's prior consent, to any person, is unauthorized and prohibited.

The information on the Trust's/Investment Manager's/Sponsor Group members' website (to the extent such Sponsor Group member has a website), the Trustee's website, any website directly or indirectly linked to such websites or the websites of the Lead Managers does not form part of this Preliminary Placement Document and prospective investors should not rely on such information contained in, or available through, any such websites, unless specified in this Preliminary Placement Document. As at the date of this Preliminary Placement Document, the Sponsor does not have a website. Each addressee, by accepting delivery of this Preliminary Placement Document, agrees to observe the foregoing restrictions and shall make no copies of this Preliminary Placement Document or any documents referred to in this Preliminary Placement Document.

GENERAL RISKS

INVESTMENTS IN UNITS INVOLVE RISKS AND INVESTORS SHOULD NOT INVEST ANY FUNDS IN THE ISSUE UNLESS THEY CAN AFFORD TO TAKE THE RISK OF LOSING THEIR ENTIRE INVESTMENT. IN MAKING AN INVESTMENT DECISION, INVESTORS MUST RELY ON THEIR OWN EXAMINATION OF THE TRUST, THE UNITS, THE ISSUE, THE PRELIMINARY PLACEMENT DOCUMENT AND THE PLACEMENT DOCUMENT, INCLUDING THE RISKS INVOLVED. INVESTORS ARE ADVISED TO CAREFULLY READ THE PRELIMINARY PLACEMENT DOCUMENT AND PLACEMENT DOCUMENT, INCLUDING THE SECTION ENTITLED "*RISK FACTORS*" ON PAGE 116 BEFORE MAKING AN INVESTMENT DECISION. EACH ELIGIBLE INVESTOR IS ADVISED TO CONSULT ITS OWN ADVISORS, ABOUT THE PARTICULAR CONSEQUENCES OF AN INVESTMENT IN THE UNITS BEING ISSUED PURSUANT TO THE ISSUE.

LEAD MANAGERS		REGISTRAR TO THE ISSUE
Motilal Oswal Investment Advisors Limited	Ambit Private Limited	KFin Technologies Limited

This Preliminary Placement Document is dated February 25, 2025

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NOTICE TO INVESTORS

The statements contained in this Preliminary Placement Document relating to the Anzen Trust and the Units are, in all material respects, true and accurate and not misleading. The opinions and intentions expressed in this Preliminary Placement Document with regard to the Anzen Trust and the Units are honestly held, have been reached after considering all relevant circumstances and are based on reasonable assumptions and information presently available with the Investment Manager. There are no other facts in relation to the Anzen Trust and the Units, the omission of which would, in the context of the Issue, make any statement in this Preliminary Placement Document misleading in any material respect. Further, the Investment Manager has made all reasonable enquiries to ascertain such facts and to verify the accuracy of all such information and statements disclosed in this Preliminary Placement Document in all material respects.

Each Eligible Investor receiving this Preliminary Placement Document acknowledges that such person has neither relied on the Lead Managers nor any of their shareholders, employees, counsel, officers, directors, representatives, agents, associates or affiliates in connection with their investigation of the accuracy of such information or such person's investment decision. Each Eligible Investor must rely on its own examination of the Anzen Trust and the merits and risks involved in investing in the Units. Eligible Investors should not construe the contents of this Preliminary Placement Document as legal, tax, accounting or investment advice. Each Eligible Investor receiving this Preliminary Placement Document acknowledges that in making an investment decision, such investor has relied solely on the information contained in this Preliminary Placement Document and not on any other disclosure or representation by the Investment Manager, the Trustee, the Sponsor, the Lead Managers or any other party. Save as expressly stated in this Preliminary Placement Document, nothing contained herein is, or may be relied upon as, a promise or representation as to the future performance of the Anzen Trust.

No person is authorized to give any information or to make any representation not contained in this Preliminary Placement Document and any information or representation not so contained must not be relied upon as having been authorized by or on behalf of the Anzen Trust or by, or on behalf of the Lead Managers. The delivery of this Preliminary Placement Document, at any time, does not imply that the information contained in it is correct as of any time subsequent to its date.

The distribution of this Preliminary Placement Document to persons in certain jurisdictions outside India are restricted by legal requirements prevailing in those jurisdictions. Persons into whose possession this Preliminary Placement Document are required to inform themselves about and observe such restrictions, and the Investment Manager or the Sponsor shall bear no responsibility or liability in this regard. This Issue is being made as an institutional placement to the Eligible Investors alone and shall not be construed as an offer or advertisement to offer Units to a persons or entities other than the Eligible Investors.

No action has been or will be taken by Anzen Trust, the Trustee, the Investment Manager, the Sponsor (as Sponsor and Project Manager) or the Lead Managers to permit the Issue in any jurisdiction where action would be required for that purpose. As such, this Preliminary Placement Document does not constitute, and may not be used for or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. Accordingly, the Units may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any Issue material in connection with the Units may be distributed or published in or from any country or jurisdiction that would require registration of the Units in such country or jurisdiction. Receipt of the Preliminary Placement Document or any Issue material in connection with the Units will not constitute an offer in those jurisdictions in which it would be illegal to make such an offer and, in those circumstances, the Preliminary Placement Document and/or any Issue material in connection with the Units must be treated as sent for information only and should not be acted upon for subscription to the Issue or the Units and should not be copied or re-distributed. Accordingly, persons receiving a copy of the Preliminary Placement Document or any Issue material in connection with the Units should not, in connection with the Issue of the Units, distribute or send the Preliminary Placement Document nor any Issue material in connection with the Units in or into any jurisdiction where to do so, would or might contravene local securities laws or regulations. If the Preliminary Placement Document or any Issue material in connection with the Units is received by any person in any such jurisdiction, or by their agent or nominee, they must not seek to subscribe to the Units referred to in the Preliminary Placement Document or any Issue material in connection with the Units.

Neither the delivery of this Preliminary Placement Document or the Placement Document nor any sale hereunder, shall, under any circumstances, create any implication that there has been no change in the affairs of the Anzen Trust from the date hereof or the date of such information or that the information contained herein is correct as at any time subsequent to the date of this Preliminary Placement Document or the date of such information. The contents of the Preliminary Placement Document or any Issue material in connection with the Units should not be construed as legal, tax or investment advice. Bidders may be subject to adverse foreign, state or local tax or legal consequences as a result of the offer of Units. As a result, each investor should consult its own counsel, business advisor and tax advisor as to the legal, business, tax and related matters concerning the offer of the Units. In addition, none of the Anzen Trust, the Trustee, the Investment Manager, the Sponsor (as Sponsor and Project Manager) or the Lead Managers are making any representation to any offeree or purchaser of the Units regarding the legality of an investment in the Units by such offeree or purchaser under any applicable laws or regulations. Each subscriber to the Units also acknowledges that it has been afforded an opportunity to request from the Investment Manager and review information pertaining to the Anzen Trust and the Units. This Preliminary Placement Document contains summaries of certain terms of certain documents, which summaries are qualified in their entirety by the terms and conditions of such documents. All references herein to "you" or "your" is to the prospective investors in the Issue.

This Preliminary Placement Document does not, directly or indirectly, relate to any invitation, offer or sale of any securities, instruments or loans (including any debt securities or instruments) that may be issued by the Trust or any of the InvIT Assets concurrently with or after the listing of the Units pursuant to the Issue. Any person or entity investing in such issue or transaction by the Trust or any of the InvIT Assets should consult its own advisors and neither the Lead Managers nor their respective associates or affiliates have any responsibility or liability for such issue or transaction.

Certain U.S. Matters

The Units to be issued pursuant to the Issue have not been approved, disapproved or recommended by any regulatory authority in any jurisdiction, including the United States Securities and Exchange Commission, any other federal or state authorities in the United States, the securities authorities of any non-United States jurisdiction or any other United States or non-United States regulatory authority. No authority has passed on or endorsed the merits of the Issue or the accuracy or adequacy of this Preliminary Placement Document. Any representation to the contrary is a criminal offence in the United States and may be a criminal offence in other jurisdictions.

The Units have not been and will not be registered under the Securities Act or any other applicable state securities laws of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Units are being offered and sold only outside the United States in "offshore transactions" as defined in, and in reliance on, Regulation S and the applicable laws of the jurisdictions where those offers and sales are made. The Units are transferable only in accordance with the restrictions described under the section "*Selling and Transfer Restrictions*" on page 429 of this Preliminary Placement Document.

Each purchaser of the Units offered by this Preliminary Placement Document will be deemed to have made the representations, agreements and acknowledgments as described in this section entitled "*Notice to Investors - Representations by Eligible Investors"* on page 2 and in the section entitled "*Selling and Transfer Restrictions*" on page 429.

Notice to Investors in certain other jurisdictions

The distribution of this Preliminary Placement Document and the issue of the Units in certain jurisdictions may be restricted by law. As such, this Preliminary Placement Document does not constitute, and may not be used for, or in connection with, an offer or solicitation by anyone in any jurisdiction in which such offer or solicitation is not authorized or to any person to whom it is unlawful to make such offer or solicitation. In particular, no action has been taken by the Sponsor Group, the Investment Manager or the Lead Managers or any other Person which would permit an Issue of the Units or distribution of this Preliminary Placement Document in any jurisdiction, other than India. Accordingly, the Units may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any Issue materials in connection with the Units be distributed or published in or from any country or jurisdiction that would require registration of the Units in such country or jurisdiction. Please see the section entitled "*Selling and Transfer Restrictions*" on page 429.

Representations by Eligible Investors

References herein to "you" or "your" is to each Eligible Investor in the Issue.

By purchasing, or subscribing to, the Units pursuant to the Issue, you are deemed to have represented to the Trustee, the Investment Manager and the Lead Managers, and acknowledge and agree as follows:

1. You are entitled to acquire the Units under the laws of all relevant jurisdictions and that you have all necessary capacity and have obtained all necessary consents, governmental or otherwise and authorisations to enable you to commit to this participation in the Issue and to perform your obligations in relation thereto (including, without limitation, in the case of any person on whose behalf you are acting, all necessary consents and authorisations to agree to the terms set out or referred to in this Preliminary Placement Document) and will honour such obligations;

2. You undertake to (i) hold, manage or dispose of any Units that are Allotted to you in accordance with the InvIT Regulations and all other applicable laws; and (ii) to comply with all requirements under applicable law in relation to reporting obligations, if any, in this relation;

3. You will make all necessary filings and reportings, in relation to the Issue and your investment in the Units, with appropriate governmental, statutory or regulatory authorities, including the RBI, as may be required, in accordance with applicable law in your respective jurisdiction, as applicable;

4. You agree to provide on request in a timely manner, and consent to the use and disclosure (including to any taxation or other regulatory authorities) of, any information or documentation in relation to yourself and, if and to the extent required, the direct or indirect beneficial ownership of your Units (if any), as may be necessary for the Anzen Trust (or the Trustee and its agents) and the Investment Manager and the Lead Managers to comply with any regulatory obligations and/or prevent the withholding of tax or other penalties under FATCA, the CRS or other similar exchange of tax information regimes. You acknowledge and agree that you shall have no claim against the Anzen Trust (or the Trustee and its agents), the Investment Manager, any other Parties to the Trust or the Lead Managers, for any losses suffered by you (including in relation to the direct or indirect beneficial ownership of your Units (if any) as a result of such use or disclosure of such information or documentation to any regulatory, governmental or statutory authority.

5. You are aware that the Units have not been, and will not be registered through offer document under the InvIT Regulations, or under any other law in force in India, and no Units will be offered in India or overseas to the public or any members of the public in India or any other class of investors other than Institutional Investors and Bodies Corporate. This Preliminary Placement Document will be submitted to the Stock Exchanges;

6. You confirm that, either: (i) you have not participated in or attended any investor meetings or presentations by the Anzen Trust, the Investment Manager, the Trustee, the Sponsor or their respective agents ("**Presentations**") with regard to the Anzen Trust, the Units or the Issue; or (ii) if you have participated in or attended any Presentations, you understand and acknowledge that the Lead Managers or the Trustee or the Sponsor may not have knowledge of the statements that the Anzen Trust, the Sponsor or their respective agents may have made at such Presentations and are therefore unable to determine whether the information provided to you at such Presentations may have included any material misstatements or omissions, and, accordingly you acknowledge that the Lead Managers, the Trustee (or its agents), the Investment Manager or any other Party to the Anzen Trust have advised you not to rely in any way on any information that was provided to you at such Presentations and confirm that you have not been provided with any price sensitive information relating to the Anzen Trust or the Issue that was not made publicly available by the Anzen Trust;

7. None of the Investment Manager, the Trustee or any other Party to the Anzen Trust or the Lead Managers or any of their respective shareholders, members, directors, officers, employees, counsel, representatives, agents or affiliates is making any recommendations to you or advising you regarding the suitability of any transactions it may enter into in connection with the Issue. None of the Trustee, the Investment Manager, the Lead Managers or any other Party to the Trust or any of their respective shareholders, members, employees, counsel, officers, directors, representatives, agents or affiliates have any duties or responsibilities to you for providing the protection afforded to their clients, or for providing advice in relation to the Issue and are in no way acting in a fiduciary capacity towards you;

8. Certain statements, other than statements of historical fact included in this Preliminary Placement Document, including, without limitation, those regarding the Anzen Trust's financial position, business strategy, plans and objectives for future operations, the Investment Objectives are forward-looking statements. Such forward-looking statements involve known and unknown risks, uncertainties and other important factors that could cause actual results to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Such forward-looking statements are based on numerous assumptions regarding the Anzen Trust's present and future business strategies and the environment in which the Anzen Trust will operate in the future. You should not place undue reliance on forward-looking statements, which speak only of opinions held as of the date of this Preliminary Placement Document. The Anzen Trust, the Trustee, the Investment Manager or any other Party to the Trust and the Lead Managers or any of their respective shareholders, members, directors, officers, employees, counsel, representatives, advisors, agents, associates or affiliates assume no responsibility to update any of the forward-looking statements contained in this Preliminary Placement Document;

9. You have been provided a serially numbered copy of the Preliminary Placement Document and will be deemed to have read the Preliminary Placement Document in its entirety, including, in particular, the section entitled "*Risk Factors*" on page 116;

10. You are aware and understand that the Units are being offered only to Eligible Investors and are not being offered to the general public and the Allotment shall be on a discretionary basis;

11. You have made, or are deemed to have made, as applicable, the representations provided in the section entitled "*Selling and Transfer Restrictions*" on page 429;

12. You are not acquiring or subscribing for the Units as a result of any "directed selling efforts" (as defined in Regulation S);

13. You are acquiring or subscribing for the Units in an "offshore transaction" as defined in, and in reliance on Regulation S, and are not an affiliate of the Anzen Trust or the Lead Managers or a person acting on behalf of such an affiliate;

14. You understand and agree that the Units are transferable only in accordance with the restrictions described in the section entitled "*Selling and Transfer Restrictions*" on page 429, and you warrant that you will comply with such restrictions;

15. In making your investment decision, you have (i) relied on your own examination of the Anzen Trust, the Units and the terms of the Issue, including the merits and risks involved, (ii) made and will continue to make your own assessment of the Anzen Trust, the Units and the terms of the Issue based solely on the information contained in the Preliminary Placement Document and the Placement Document, (iii) consulted your own independent advisors or otherwise have satisfied yourself concerning, without limitation, the effects of local laws, (iv) relied solely on the information contained in the Preliminary Placement Document and the Placement Document and no other disclosure or representation by the Investment Manager or the Lead Managers any other party; (v) received all information in the Preliminary Placement Document that you believe is necessary or appropriate in order to make an investment decision in respect of the Anzen Trust and the Units, and (vi) relied upon your own investigation in deciding to invest in the Issue;

16. You have such knowledge and experience in financial, business and investment matters as to be capable of evaluating the merits and risks of an investment in the Units. You and any accounts for which you are subscribing to the Units, (i) are each able to bear the economic risk of the investment in the Units; (ii) will not, subject to the terms of this Preliminary Placement Document, look to any of the Investment Manager, the Trustee, or any other Party to the Trust or the Lead Managers or any of their respective shareholders, members, employees, counsel, officers, directors, representatives, financial advisors, agents or affiliates for all, or part, of any such loss or losses that may be suffered due to your investment in the Units; and (iii) are able to sustain a complete loss on the investment in the Units; (iv) have no need for immediate liquidity with respect to the investment in the Units, and (v) have no reason to anticipate any change in your or their circumstances, financial or otherwise, which may cause or require any sale or distribution by you or them of all or any part of the Units. You acknowledge that an investment in the Units involves a high degree of risk and that the Units are, therefore, a speculative investment. You are seeking to subscribe to the Units in the Issue for your own investment and not with a view to resell or distribute in any manner that could characterise you as an underwriter or similar entity in any jurisdiction;

17. The Trustee, the Investment Manager, the Lead Managers or any other Party to the Trust or any of their respective shareholders, members, directors, officers, employees, counsel, representatives, advisors, agents or affiliates have not provided you with any legal, financial or tax advice or otherwise made any representations regarding the tax consequences of the Units (including, but not limited to, the Issue and the use of the proceeds of the Issue). You will obtain your own independent legal, financial or tax advice and will not rely on the Investment Manager, the Trustee, the Lead Managers or any other Party to the Trust or any of their respective shareholders, members, employees, counsel, officers, directors, representatives, advisors, agents or affiliates when evaluating the tax consequences in relation to the Units (including but not limited to the Issue and the use of the proceeds of the Issue). You waive and agree not to assert any claim against the Lead Managers, the Trustee or the Investment Manager or any of their respective financial advisors, agents or affiliates with respect to the tax aspects of the Units or the Issue or as a result of any tax audits by tax authorities, in relation to the Units and the Issue, wherever situated;

18. You are not the Trustee, or the Valuer or an employee of the Valuer involved in the valuation of the Anzen Trust's InvIT Assets;

19. You are aware that (i) we have received in-principle approvals from NSE and BSE dated February 24, 2025, and (ii) the application for the final listing and trading approval will be made only after Allotment. There can be no assurance that the final approval for listing and trading of the Units will be obtained in a timely manner, or at all. The Anzen Trust, the Trustee, the Investment Manager or the Sponsor, shall not be responsible for any delay or non-receipt of such final approval (except to the extent prescribed under the InvIT Regulations) or any loss arising from such delay or non-receipt;

20. You shall not undertake any trade in the Units credited to your demat account until such time that the final listing and trading approval for the Units has been issued by the Stock Exchanges, subject to compliance with applicable law;

21. The only information you are entitled to rely on, and on which you have relied, in committing yourself to acquire the Units is contained in this Preliminary Placement Document and the Placement Document, such information being all that you deem necessary to make an investment decision in respect of the Units and that you have neither received nor relied on any other information given or representations, warranties or statements made by the Trustee, the Lead Managers, the Investment Manager or the Sponsor, and neither the Trustee, the Lead Managers, the Investment Manager nor any other Party to the Trust will be liable for your decision to accept an invitation to participate in the Issue based on any other information, representation, warranty or statement that you have obtained or received;

22. You understand that the Units to be Allotted in this Issue will, when issued, be credited as fully paid and will rank *pari passu* in all respect with all other Units, including in respect of the right to receive all distributions declared, made or paid in respect of the Units after the Allotment. For details, please see the section entitled "*Distribution*" on page 342;

23. You agree to indemnify and hold the Trustee, Investment Manager, the Sponsor and the Lead Managers and all other Parties to the Trust harmless from any and all costs, claims, liabilities and expenses (including legal fee and expenses) arising out of or in connection with any breach of the representations and warranties in this section;

24. The Trustee, the Investment Manager, any other Party to the Trust, the Lead Managers, their respective shareholders, members, employees, counsel, offices, directors, representatives, agents or affiliates, will rely on the truth and accuracy of these foregoing representations, warranties, acknowledgements and undertakings which are given to the Lead Managers on their own behalf and on behalf of the Anzen Trust, the Investment Manager, the Trustee or any other Party to the Trust, and the same are irrevocable;

25. You are eligible to invest in India and in the Units under applicable law, including the FEMA Rules, and have not been prohibited by SEBI from buying, selling or dealing in securities;

26. You understand that, subject to the terms of this Preliminary Placement Document, neither the Lead Managers, the Investment Manager, the Trustee nor any other Party to the Trust has any obligation to purchase or subscribe to all, or any part, of the Units purchased by you in the Issue, or to support any losses directly or indirectly sustained or incurred by you for any reason whatsoever in connection with the Issue;

27. Any dispute arising in connection with the Issue will be governed by, and construed in accordance with, the laws of the Republic of India and the courts at Mumbai, Maharashtra shall have exclusive jurisdiction to settle any disputes which may arise out of or in connection with this Preliminary Placement Document or the Placement Document;

28. You have made, or are deemed to have made, as applicable, the representations provided in this section and each of the representations, warranties, acknowledgements and agreements set out above shall continue to be true and accurate at all times, up to and including the Allotment, listing and trading of the Units in the Issue; and

29. You are eligible to hold the Units, so Allotted. You are aware that your holding after the Allotment of the Units cannot exceed the investment level permissible as per any applicable law and regulations.

Available Information

The Investment Manager agrees to comply with any undertakings given by it from time to time in connection with the Units to the Stock Exchanges and, without prejudice to the generality of foregoing, shall furnish to the Unitholders all such information as the rules of the Stock Exchanges may require in connection with the listing of the Units on such Stock Exchanges.

DEFINITIONS AND ABBREVIATIONS

This Preliminary Placement Document uses the definitions and abbreviations provided below which you should consider when reading the information contained herein.

References to any legislation, act, regulations, rules, guidelines or policies shall be to such legislation, act, regulations, rules, guidelines or policies as amended, supplemented, or re-enacted from time to time and any reference to a statutory provision shall include any subordinate legislation made under that provision.

The words and expressions used in this Preliminary Placement Document, but not defined herein shall have the meaning ascribed to such terms under the InvIT Regulations, SEBI Institutional Placement Guidelines, the SEBI Act, the SCRA, the Depositories Act, and the rules and regulations made thereunder.

Notwithstanding the foregoing, the terms not defined but used in the sections entitled "Statement of Possible Tax Benefits Available to the Trust and its Unitholders under the Applicable Laws in India" and "Legal and Other Information" on pages 449 *and* 398*, respectively, shall have the meanings ascribed to such terms in those respective sections.*

In this Preliminary Placement Document, unless the context otherwise requires, a reference to "we", "us" and "our" refers to (i) the Anzen Trust and the Project SPVs on a consolidated basis, for the sole purpose of audited consolidated financial statements and financial information, as at and for the year ended March 31, 2024; (ii) Project SPVS on a combined basis, for the sole purpose of audited special purpose combined financial statements and financial information, as at and for the year ended March 31, 2023 and March 31, 2022; and (iii) the Anzen Trust and the Project SPVs on a consolidated basis, for the sole purpose of unaudited interim consolidated financial results and financial information, for the nine months ending December 31, 2024. Since, Audited Consolidated Financial Statements are not comparable with the Audited Special Purpose Combined Financial Statements and accordingly, the comparison has not been provided for the same in this Preliminary Placement Document.

Anzen Trust Related Terms

Term	Description
Amended and Restated Investment Management Agreement	The amended and restated investment management agreement dated February 27, 2024, executed between the Trustee, the Investment Manager and the Portfolio Assets.
Amended and Restated Trust Deed	The amended and restated trust deed dated February 27, 2024, executed between the Sponsor and the Trustee.
Anzen Trust or the Trust or the InvIT	Anzen India Energy Yield Plus Trust
Associate	Associate shall have the meaning as defined under Regulation 2(1)(b) of the InvIT Regulations
Audited Special Purpose Combined Financial Statements	Each of the special purpose combined financial statements of DMTCL and NRSS which comprise the combined balance sheets as on March 31, 2022 and March 31, 2023, the combined statement of profit and loss (including other comprehensive income), combined cash flow statements, combined statement of changes in equity for the financial years ended March 31, 2022 and March 31, 2023 and combined statement of net assets at fair value as at March 31, 2023 and March 31, 2022 and the combined statement of total returns at fair value for the financial year ended March 31, 2023 and March 31, 2022, and a summary of significant accounting policies and other explanatory information, prepared in accordance with Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015, as amended, prescribed under Section 133 of the Companies Act, 2013 ("**Ind AS**") except for Ind AS 33: Earning Per Share, read with InvIT Regulations and the circulars issued thereunder and the Guidance Note on Combined and Carve-Out Financial Statements issued by the Institute of Chartered Accountants of India ("**Guidance Note**").
Audited Consolidated Financial Statements	Each of consolidated financial statements of the Anzen Trust, DMTCL and NRSS comprise of the Consolidated Balance Sheet as at March 31, 2024 and March 31, 2023, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Unit Holders' Equity for the year then ended and the Consolidated Statement of Net Assets at fair value as at March 31, 2024 and March 31, 2023 and the Consolidated Statement of Total Returns at fair value and the Statement of Net Distributable Cash Flows ("**NDCFs**") of the Anzen Trust, the underlying holding company ("HoldCo") and each of its subsidiaries for the year then ended and a summary of material accounting policies and other explanatory notes prepared in accordance with

Term	Description
	Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015, as amended, prescribed under Section 133 of the Companies Act, 2013 (“**Ind AS**”) read with InvIT Regulations, as amended, and Master Circular No. SEBI/HO/DDHS-PoD-2/P/CIR/2023/115 dated July 6, 2023, issued thereunder.
Auditors	M/s. S R B C & Co LLP, Chartered Accountants, the statutory auditors of the Anzen Trust
Capital Contribution	The total subscription amounts (either by way of cash or share swap or otherwise including transfer of interest in the InvIT Assets by the Sponsor and any other entities) received by the Anzen Trust from the Unitholders (including the Sponsor), for subscription of Units, in accordance with applicable law and the InvIT Documents, through private placement (as defined in the InvIT Regulations)
DMTCL	Darbhanga – Motihari Transmission Company Limited
DMTCL TSA	Transmission service agreement dated August 6, 2013 entered into between DMTCL, Maithan Power Limited, Grid Corporation of Orissa Ltd., Bihar State Electricity Board; Power Grid Corporation of India Limited, HDVC Pusauli, Damodar Valley Corporation; Power Department, Government of Sikkim; Jharkhand State Electricity Board; and West Bengal State Electricity Distribution Company Limited
EIYP	Edelweiss Infrastructure Yield Plus, an alternative investment fund having SEBI Registration Number IN/AIF1/17-18/0511 dated January 9, 2018, represented by its investment manager, EAAA India Alternatives Limited
Holding Company	A holding company, as defined under Regulation 2(1)(sa) of the InvIT Regulations
IIYP II	India Infrastructure Yield Plus II
IYP II	Infrastructure Yield Plus II
IYP IIA	Infrastructure Yield Plus IIA
Investment Manager or ERAML	EAAA Real Assets Managers Limited
Investment Objectives	The investment objectives of the Anzen Trust, as provided under the section entitled “*Overview of the Anzen Trust*” on page 24
InvIT Assets	InvIT assets as defined under Regulation 2(l)(zb) of the InvIT Regulations, in this case being the Portfolio Assets and the Target Asset.
InvIT Documents	The Amended and Restated Trust Deed, the Amended and Restated Investment Management Agreement, the Project Implementation and Management Agreement, any other document, letter or agreement with respect to the Anzen Trust or the Units, executed for the purpose of the Anzen Trust, the offer documents and such other documents in connection therewith, as originally executed and amended, modified, supplemented or restated from time to time, together with the respective annexures, schedules and exhibits, if any
JV Group or JV Partner	Such group or partner as may be defined in the ROFO Agreement 1
Net Debt	Debt net of (i) unamortized borrowing cost, (ii) cash and cash equivalents including bank balances and liquid funds (iii) fixed deposits
NRSS	NRSS -XXXI (B) Transmission Limited
NRSS TSA	Transmission services agreement dated January 02, 2014 entered into by NRSS with certain long term transmission customers as set out in this Preliminary Placement Document including Uttar Pradesh Power Corporation Limited.
Original Investment Management Agreement	The investment management agreement dated December 8, 2021 entered into between the Trustee and the Investment Manager
Original Trust Deed	The trust deed dated November 1, 2021 entered into between the Sponsor and the Trustee
Parties to the Anzen Trust or Party to the Trust	Collectively, the Sponsor Group, the Trustee, the Investment Manager and the Project Manager
Portfolio Assets	Collectively, Darbhanga – Motihari Transmission Company Limited and NRSS -XXXI (B) Transmission Limited
Project Implementation and Management Agreement	The project implementation and management agreement dated November 1, 2022 entered into amongst the Trustee, the Project Manager, the Investment Manager and the Portfolio Assets
Project Manager	SEPL Energy Private Limited
Project SPVs	The Portfolio Assets and other projects, as the context may require, which are owned by the Trust from time to time
Related Parties	Related parties, as defined under Regulation 2(1)(zv) of the InvIT Regulations.
ROFO Agreements	Collectively, the ROFO Agreement 1 and the ROFO Agreement 2

Term	Description
ROFO Agreement 1	Right of first offer agreement dated November 1, 2022 entered into between the Trustee (acting on behalf of the Anzen Trust), the Investment Manager, EIYP and the Sponsor
ROFO Agreement 2	Right of first offer agreement dated December 19, 2024 entered into between the Trustee (acting on behalf of the Anzen Trust), the Investment Manager, IYP II, IYP IIA and IIYP II
ROFO Assets	Collectively, the ROFO 1 Assets and the ROFO 2 Asset
ROFO 1 Assets	11 renewable energy projects held by EIYP and one renewable energy project held by the Sponsor
ROFO 2 Asset	One power transmission project held by IYP II, IYP IIA and IIYP II
SECI	Solar Energy Corporation of India Limited
Securities Purchase Agreements	The securities purchase agreements dated November 1, 2022 entered into amongst EIYP, the Trustee (acting on behalf of the Anzen Trust), the Investment Manager, the Sponsor and each of the Portfolio Assets, pursuant to which 100.00% equity shareholding and certain debt securities (along with 100.00% economic interest) of each of the Portfolio Assets were transferred to the Anzen Trust.
Shared Services Agreement	Shared services agreement dated November 1, 2022 entered into between the Trustee (acting on behalf of the Anzen Trust), the Investment Manager, the Project Manager, and each of the Portfolio Assets
Sponsor	SEPL Energy Private Limited
Sponsor Group	The Sponsor, Solaire Surya Urja Private Limited, Edelweiss Infrastructure Yield Plus (EIYP), Dhola Infra Projects Private Limited, Dibang Infra Projects Private Limited, Pokaran Solaire Energy Private Limited, Solairepro Urja Private Limited, Solairedirect Projects India Private Limited, Solaire Power Private Limited, Solaire Urja Private Limited, Northern Solaire Prakash Private Limited, Suryauday Solaire Prakash Private Limited, Enviro Solaire Private Limited, Suprasanna Solaire Energy Private Limited, Ujjvalatejas Solaire Urja Private Limited, Nirjara Solaire Urja Private Limited, Jorabat Shillong Expressway Limited, Thrissur Expressway Limited and SRPL Roads Private Limited.
SPV(s)	Special purpose vehicles, as defined under Regulation 2(l)(zy) of the InvIT Regulations
Target Asset or RSWPL	ReNew Sun Waves Private Limited
Target Asset PPA	Power purchase agreement dated August 13, 2019, entered into between RSWPL and SECI.
Target Asset SPA	Share purchase agreement dated December 19, 2024 entered into between Anzen Trust (represented by its Trustee), Investment Manager, ReNew Private Limited and ReNew Sun Waves Private Limited and any amendments from time to time
Technical Consultants	Sgurr Energy Private Limited
Technical Reports	The technical reports dated July 11, 2022 in relation to Portfolio Assets and the technical report dated September 30, 2024 in relation to Target Asset, issued by Technical Consultants pursuant to the technical due diligence of the InvIT Assets.
Total Borrowings	Total of current and non-current borrowings
Trust Loan Agreement	Trust loan agreement dated November 1, 2022 entered into between the Trustee (acting on behalf of the Anzen Trust), the Investment Manager, and each of the Portfolio Assets
Trustee	Axis Trustee Services Limited
Unaudited Interim Consolidated Financial Results	Unaudited statement of profit and loss of the Anzen Trust, DMTCL and NRSS along with explanatory notes thereto for the nine months period ended December 31, 2024 prepared in accordance with Regulation 23 of the InvIT Regulations, as amended, read with the SEBI Circulars, being submitted by the Investment Manager pursuant to the Investment Manager's requirement, for voluntary submission to the designated stock exchanges as additional information to the unitholders of the Anzen Trust
Unit	An undivided beneficial interest in the Anzen Trust, and such Units together represent the entire beneficial interest in the Anzen Trust
Unitholder	Any person who holds Units upon making a defined contribution as determined by the Trustee
Valuation Reports	The valuation report dated May 20, 2024 issued by the Valuer, which sets out its opinion as to the fair enterprise value of the Portfolio Assets as on March 31, 2024 and the valuation report dated December 25, 2024 issued by the Valuer, which sets out its opinion as to the fair enterprise value of the Target Asset as on June 30, 2024.
Valuer	S Sundararaman
We / us / our	Unless the context otherwise requires or implies, the Anzen Trust and the Portfolio Assets

Issue Related Terms

Term	Description
Allocated/ Allocation	The allocation of the Units, to successful Bidders on the basis of the Application Form submitted by them, by the Investment Manager, in consultation with the Lead Managers
Allot/ Allotment/ Allotted	Unless the context otherwise requires, the issue and allotment or transfer of the Units to successful Bidders, pursuant to the Issue
Allottees	Bidders to whom Units are issued and Allotted pursuant to the Issue
Application Form	The serially numbered form pursuant to which Eligible Investors have submitted a Bid for the Units in the Issue
Bid(s)	Indication of interest of an Eligible Investor, as provided in the Application Form, to subscribe for the Units at the Issue Price, in terms of this Preliminary Placement Document and the Application Form
Bid Amount	The amount payable by a Bidder for the number of Units Bid for at the Issue Price specified in the Preliminary Placement Document
Bid/Issue Closing Date	[●], 2025, which is the last date up to which the Application Forms have been accepted
Bid/Issue Opening Date	February 25, 2025, which is the date on which the Application Forms shall be dispatched to Eligible Investors by the Registrar and the date from which, the Registrar shall accept Application Forms
Bid/Issue Period	Period between the Bid/Issue Opening Date and the Bid/Issue Closing Date, inclusive of both days, during which Eligible Investors can submit their Bids
Bid Lot	23,79,600 units and in multiple of 100 units thereafter
Bidder	Any Eligible Investor, who has made a Bid pursuant to the terms of the Placement Document and the Application Form
Body Corporate / Bodies Corporate	Body Corporate / Bodies corporate as defined in Regulation 2(1)(d) of the InvIT Regulations
Business Day	Any day from Monday to Friday, excluding any public holiday
CAN or Confirmation of Allocation Note	Note or advice or intimation to successful Bidders confirming the Allocation of Units to such successful Bidders after determination of the Issue Price
Cash Escrow Account	'No-lien' and 'non-interest bearing' account to be opened with the Escrow Collection Bank and in whose favour Bidders should transfer money through direct credit/NEFT/NECS/RTGS in respect of the Bid Amount when submitting a Bid
Cash Escrow Agreement	The cash escrow agreement dated February 25, 2025 entered into amongst the Anzen Trust (acting through the Trustee), the Trustee, the Investment Manager, the Lead Managers, and the Escrow Collection Bank for, among others, collection of the Bid Amounts and for remitting refunds, if any, of the amounts collected, to the Bidders
Client ID	Client identification number maintained with one of the Depositories in relation to a demat account
Closing Date	The date on which Allotment of the Units pursuant to the Issue shall be made, i.e. on or about [●], 2025
Demographic Details	Details of the Bidders, including the Bidder's address, investor status, occupation and bank account details
Designated Account	The account wherein the Bidders should transfer money through direct credit/NEFT/NECS/RTGS in respect of the Bid Amount when submitting a Bid
Designated Date	The date of credit of Units to the Bidders' demat accounts
Eligible Investors	Institutional Investors
Escrow Collection Bank	ICICI Bank Limited
Floor Price	The minimum price at which the Issue will be made, being the price not less than the NAV per unit, being ₹ 105.06 per unit, based on full valuation of all Portfolio Assets conducted in terms of InvIT Regulations.
Institutional Investors	Institutional investor as defined in Regulation 2(1)(ya) of the InvIT Regulations being: i. a qualified institutional buyer; or ii. family trust or systematically important NBFCs registered with Reserve Bank of India or intermediaries registered with the Board, all with net-worth of more than five hundred crore rupees, as per the last audited financial statements
Issue	Issue of [●] Units by way of a fresh issue, through an institutional placement to Eligible Investors aggregating up to ₹ 4,250 million by the Trust
Issue Price	₹ [●] per Unit, being the price at which Units will be Allotted to successful Bidders.
Issue Proceeds	The proceeds of the Issue of ₹ [●] million

Term	Description
	For further details about the use of the Issue Proceeds and the Issue Expenses, please see the section entitled "*Use of Proceeds*" on page 329
Issue Size	The issue of [●] Units aggregating up to ₹ 4,250 million
Lead Managers	Motilal Oswal Investment Advisors Limited and Ambit Private Limited
Mutual Funds	Mutual funds registered with SEBI under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996
Net Proceeds	Proceeds of the Issue that will be available to the Anzen Trust i.e., Issue Proceeds, less Issue expenses
Placement Document	The placement document to be issued in relation to the Issue in accordance with the SEBI Institutional Placement Guidelines, the InvIT Regulations and circulars issued thereunder
Preliminary Placement Document	This Preliminary Placement Document dated February 25, 2025, issued in relation to the Issue in accordance with the SEBI Institutional Placement Guidelines, the InvIT Regulations and circulars issued thereunder
Registrar/ Unit Transfer Agent	Kfin Technologies Limited
Working Day	Working Day, with reference to (a) Bid/Issue Period, shall mean all days, excluding Saturdays, Sundays and public holidays, on which commercial banks in Mumbai are open for business; and (b) the time period between the Bid/Issue Closing Date and the listing of the Units on the Stock Exchanges, shall mean all trading days of Stock Exchanges, excluding Sundays and bank holidays

Technical and Industry Related Terms

Term	Description
ARR	Aggregate Revenue Requirement
BOO	Build, own, operate
BOOM	Build, own, operate and maintain
BPC	Bid process co-ordinator
BPTA	Bulk Power Transmission Agreement
ckm/ckt km	Circuit kilometers
CARE	CARE Analytics and Advisory Private Limited
CARE Report	A report entitled "*Industry Research Report on Energy Sector*" dated January 2025 issued by CARE
CEIG	Chief Electrical Inspector to Government
CERC	Central Electricity Regulatory Commission
COD	Commercial Operations Date
CTU	Central Transmission Utility
D/C	Double Circuit
DC	Direct Current
DIC	Designated inter-state transmission system customers
DISCOM	Distribution companies
EHS	Environment, Occupational Health and Safety
EHV	extra high voltage
EPC	Engineering, Procuring and Construction
GW	Giga watt
HVDC	High Voltage Direct Current
LILO	Loop-in-Loop-out
ISTS	Inter State Transmission Systems
LTTC	Long term transmission customer
MoP	Ministry of Power
MVA	Mega Volt Ampere
MVAR	Million volt ampere reactive
MW	Mega watt
NPCIL	Nuclear Power Corporation of India Limited
O&M	Operation and maintenance
PFC	Power Finance Corporation of India Limited
PGCIL	Power Grid Corporation of India Limited
PoC	Point of Connection
POSOCO	Power System Operation Corporation Limited
PPA	Power Purchase Agreement
REC	Rural Electrification Corporation of India Limited
RLDC	Regional Load Dispatch Centre
RSA	Revenue Sharing Agreement
SEB(s)	State Electricity Boards
SLDC	State Load Dispatch Centre
TBCB	Tariff Based Competitive Bidding
TSA	Transmission Services Agreement
TSP	Transmission Service Provider

Abbreviations

Term	**Description**
AIF	Alternative Investment Fund as defined in and registered with SEBI under the SEBI AIF Regulations
BSE	BSE Limited
CAN	Confirmation of Allocation Note
CCEA	Cabinet Committee on Economic Affairs
CCI	Competition Commission of India
CDSL	Central Depository Services (India) Limited
Companies Act	Companies Act, 1956 and/or the Companies Act, 2013, as applicable
Companies Act, 1956	Companies Act, 1956, as amended without reference to the provisions thereof that have ceased to have effect

Term	Description
Companies Act, 2013	Companies Act, 2013
Competition Act	Competition Act, 2002
Depositories Act	Depositories Act, 1996
Depository	A depository registered with SEBI under the Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018
Depository Participant	A depository participant as defined under the Depositories Act
DIN	Director Identification Number
EBITDA	Earnings before interest, taxes, depreciation and amortization
Electricity Act	Electricity Act, 2003
FEMA	Foreign Exchange Management Act, 1999, read with rules and regulations thereunder
FEMA Rules	Foreign Exchange Management (Non-debt Instruments) Rules, 2019
Financial Year or Fiscal Year or Fiscal*	Period of 12 months ended March 31 of that particular year, unless otherwise stated
FVCI	Foreign venture capital investors, as defined under the SEBI FVCI Regulations
GAAR	General Anti-Avoidance Rules
GoI or Government	Government of India
ICAI	Institute of Chartered Accountants of India
IFRS	International Financial Reporting Standards
Ind AS/Indian Accounting Standards	Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013, including any amendments or modifications thereto
Indian GAAP	Accounting standards notified under section 133 of the Companies Act, 2013, read with Companies (Accounting Standards) Rules, 2006, as amended) and the Companies (Accounts) Rules, 2014, as amended
Indian GAAS	Generally Accepted Auditing Standards in India
InvIT	Infrastructure Investment Trust
InvIT Regulations	Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended and circulars, notifications, guidelines and clarifications issued thereunder
IRDAI	Insurance Regulatory and Development Authority of India
IRR	Internal Rate of Return
Listing Regulations	Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended
MCA	Ministry of Corporate Affairs
MoEF	Ministry of Environment, Forest and Climate Change
NACH	National Automated Clearing House
NASD	National Association of Securities Dealers
NCDs	Non-convertible debentures
NEFT	National Electronic Funds Transfer
NSDL	National Securities Depository Limited
NSE	The National Stock Exchange of India Limited
OCDs	Optionally convertible debentures
PAN	Permanent Account Number
RBI	Reserve Bank of India
Regulation S	Regulation S under the Securities Act
ROFO	Right of First Offer
RoW	Right of Way
Rs./Rupees/INR/₹	Indian Rupees
RTGS	Real Time Gross Settlement
RTM	Regulated Tariff Mechanism
SCRA	Securities Contracts (Regulation) Act, 1956
SCR (SECC) Regulations	Securities Contract (Regulation) (Stock Exchanges and Clearing Corporations) Regulations, 2018
SEBI	Securities and Exchange Board of India
SEBI Act	The Securities and Exchange Board of India Act, 1992
SEBI AIF Regulations	Securities and Exchange Board of India (Alternative Investments Funds) Regulations, 2012, as amended
SEBI FPI Regulations	Securities and Exchange Board of India (Foreign Portfolio Investors) Regulations, 2019
SEBI FVCI Regulations	Securities and Exchange Board of India (Foreign Venture Capital Investors) Regulations, 2000, as amended

Term	Description
SEBI ICDR Regulations	Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, as amended
SEBI Institutional Placement Guidelines	Chapter 7 read with Annexure 6 on "*Guidelines for preferential issue and institutional placement of units by listed InvITs*" of Master Circular No. SEBI/HO/DDHS-PoD-2/P/CIR/2024/44 dated May 15, 2024, issued by the SEBI, as amended from time to time.
SEBI Merchant Bankers Regulations	Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended
SEBI VCF Regulations	Securities and Exchange Board of India (Venture Capital Funds) Regulations, 1996
Securities Act	United States Securities Act of 1933, as amended
Stock Exchanges	NSE and BSE
U.S./USA/United States	United States of America
USD/US$	United States Dollars
VCF	Venture capital funds as defined under the SEBI VCF Regulations

** Fiscal 2022 in reference to the Anzen Trust would mean the period when the Anzen Trust was not in existence and would refer to combined data of the Portfolio Assets whereas in reference to the Target Asset, it would mean the part period from October 5, 2021 to March 31, 2022, where October 5, 2021 is the date on which the Target Asset achieved COD.*

PRESENTATION OF FINANCIAL DATA AND OTHER INFORMATION

Certain Conventions

All references in this Preliminary Placement Document to "India" are to the Republic of India and all references to the "U.S.", or the "United States" are to the United States of America.

Unless stated otherwise, all references to page numbers in this Preliminary Placement Document are to the page numbers of this Preliminary Placement Document.

Financial Data

Unless the context requires otherwise, the financial information in this Preliminary Placement Document is derived from the Audited Consolidated Financial Statements for the financial year 2024, Audited Special Purpose Combined Financial Statements for the financial years 2023 and 2022 and Unaudited Interim Consolidated Financial Results for the nine months ended December 31, 2024. Since, Audited Consolidated Financial Statements are not comparable with the Audited Special Purpose Combined Financial Statements and accordingly, the comparison has not been provided for the same in this Preliminary Placement Document. Further, information for the nine months ended December 31, 2023 is derived from comparative amounts presented in Unaudited Interim Consolidated Financial Results for nine months ended December 31, 2024. For further details, please see the section entitled "*Risk Factors - 18. Our financial information for different fiscals is not comparable*" on page 126.

The Audited Special Purpose Combined Financial Statements have been prepared in accordance with the Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015, as amended, prescribed under Section 133 of the Companies Act, 2013, except for Ind AS 33: Earning Per Share, read with the InvIT Regulations and the circulars issued thereunder and the Guidance Note on Combined and Carve-Out Financial Statements issued by the Institute of Chartered Accountants of India.

The Audited Consolidated Financial Statements have been prepared in accordance with the Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015, as amended, prescribed under Section 133 of the Companies Act, 2013 read with the InvIT Regulations, as amended, and Master Circular No. SEBI/HO/DDHS-PoD-2/P/CIR/2023/115 dated July 6, 2023, issued thereunder. The unaudited interim consolidated financial results are prepared in accordance with Regulation 23 of the InvIT Regulations, as amended, read with the SEBI Circulars.

Financial information for the nine months ended December 31, 2024 and December 31, 2023, is not indicative of the full year results of the Anzen Trust and is not comparable with annual financial information.

Further, this Preliminary Placement Document includes summary of the (i) audited consolidated financial statements of the Sponsor, as of and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022, and (ii) financial statements of the Investment Manager, as of and for the financial year ended March 31, 2024, March 31, 2023 and March 31, 2022, derived from the consolidated financial statements of the Sponsor for the respective years and from the standalone financial statements of the Investment Manager for the respective years. For further details, please see the sections entitled "*Summary Financial Information of the Sponsor*" and "*Summary Financial Information of the Investment Manager*" on pages 40 and 52, respectively.

The financial year for the Anzen Trust, the Sponsor, the Investment Manager and the InvIT Assets, commences on April 1 and ends on March 31 of the next year, and accordingly, all references to a particular financial year or fiscal year, unless stated otherwise, are to the 12 month period ended on March 31 of that year.

The degree to which the financial information included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting policies and practices, the Companies Act, the Indian GAAP, Ind AS and the InvIT Regulations. The Investment Manager has not attempted to explain these differences or quantify their impact on the financial data included in this Preliminary Placement Document, and it is urged that you consult your own advisors regarding such differences and their impact on our financial data. Any reliance by persons not familiar with Indian accounting policies and practices on the financial disclosures presented in this Preliminary Placement Document should accordingly be limited.

In this Preliminary Placement Document, any discrepancies in any table between the total and the sums of the amounts listed are due to rounding off. All figures and percentage figures have been rounded off to two decimal places. However, where any figures may have been sourced from third-party industry sources, such figures may be rounded-off to such number of decimal points as provided in such respective sources. Our Auditors have provided no assurance or services related to any prospective financial information included in this Preliminary Placement Document.

Non-GAAP Measures

Certain non-GAAP measures like EBITDA ("**Non-GAAP Measure**"), presented in this Preliminary Placement Document is a supplemental measure of our performance and liquidity that is not required by, or presented in accordance with, Ind AS, Indian GAAP, IFRS or US GAAP. Further, this Non-GAAP Measure is not a measurement of our financial performance or liquidity under Ind AS, Indian GAAP, IFRS or US GAAP and should not be considered in isolation or construed as an alternative to cash flows, profit/ (loss) for the years/ period or any other measure of financial performance or as an indicator of our operating performance, liquidity, profitability or cash flows generated by operating, investing or financing activities derived in accordance with Ind AS, Indian GAAP, IFRS or US GAAP. In addition, EBITDA is not standardised term, hence a direct comparison of this Non-GAAP Measure between companies within industry may not be possible. Other companies may calculate this Non-GAAP Measure differently from us, limiting its usefulness as a comparative measure. Although such Non-GAAP Measure is not a measure of performance calculated in accordance with applicable accounting standards, the Investment Manager believes that it is useful to an investor in evaluating us as it is a widely used measure to evaluate the operating performance.

Currency and Units of Presentation

All references to:

- "Rupees" or "₹" or "INR" or "Rs." Are to Indian Rupees, the official currency of the Republic of India; and

- "USD" or "US$" or "$" or "U.S. dollars" are to United States Dollars, the official currency of the United States.

Except otherwise specified, certain numerical information in this Preliminary Placement Document has been presented in "million" units. (i) One million represents 1,000,000; (ii) one billion represents 1,000,000,000; and (iii) One lakh represents 1,00,000.

Unless the context requires otherwise, any percentage amounts, as set forth in this Preliminary Placement Document, have been calculated on the basis of the Audited Consolidated Financial Statements, Unaudited Interim Consolidated Financial Results and Audited Special Purpose Combined Financial Statements.

Exchange Rates

This Preliminary Placement Document contains conversion of certain other currency amounts into Indian Rupees. These conversions should not be construed as a representation that these currency amounts could have been, or can be converted into Indian Rupees, at any particular rate.

The following table sets forth, for the periods indicated, information with respect to the exchange rate between the Rupee and the US$:

(in ₹ per US$)

Currency	As of December 31, 2024	As of March 31, 2024	As of March 31, 2023	As of March 31, 2022
1 US$	85.62	83.37	82.22	75.81

Source: https://www.fbil.org.in/#/home
Note: If the RBI reference rate is not available on a particular date due to a public holiday, exchange rates of the previous working day has been disclosed. The reference rates are rounded off to two decimal places.

Industry and Market Data

Unless stated otherwise, industry and market data used in this Preliminary Placement Document has been obtained or derived from CARE Report as well as certain other publicly available sources. The Investment Manager has commissioned the CARE Report, to provide an independent estimation of the renewables and transmission sector, which is based on historical data and certain assumptions.

Industry publications as well as government publications generally state that the information contained in such publications has been obtained from various sources believed to be reliable but that their accuracy and completeness are not guaranteed and their reliability cannot be assured. Accordingly, no investment decisions should be based solely on such information. The data used in these sources may have been re-classified for the purposes of presentation. Data from these sources may also not be comparable. Such data involves risks, uncertainties and numerous assumptions and is subject to change based on various factors, including those disclosed in the section entitled "*Risk Factors- Industry information included in this Preliminary Placement Document has been derived from an industry report commissioned and paid for by us exclusively in connection with the Issue*" on page 134.

The extent to which the market and industry data used in this Preliminary Placement Document is meaningful depending on the reader's familiarity with and understanding of the methodologies used in compiling such data. There are no standard data gathering methodologies in the industry in which the business of the Anzen Trust is conducted, and methodologies and assumptions may vary widely among different industry sources.

TECHNICAL DATA

For the technical information and the valuation relating to the Portfolio Assets, the technical reports and the valuation reports for each of the Portfolio Assets is available at https://www.anzenenergy.in/wp-content/uploads/2024/11/SEL-Trasmission-Line-and-Substation-Tech-Report-DMTCL.pdf, https://www.anzenenergy.in/wp-content/uploads/2024/11/SEL-Trasmission-Line-and-Substation-Tech-Report-NRSS.pdf and https://www.anzenenergy.in/wp-content/uploads/2024/05/Valuation-Report-March-24.pdf, respectively. The Valuation Report of the Target Asset is included in **Annexure A** and the technical report of the Target Asset is included in **Annexure B** to this Preliminary Placement Document.

MARKET PRICE INFORMATION

In this section, all market price information provided for Fiscal 2025 refers to such information for the period beginning April 1, 2024, until February 24, 2025 (Since the Units of the Anzen Trust have not been traded on this date, no such data is available for this specific date) refers to such information for the period beginning April 1, 2023 until March 31, 2024 and Fiscal 2023 refers to such information for the period beginning November 16, 2022 (i.e. the date of listing of the Units on the BSE and NSE) until March 31, 2023.

As on the date of this Preliminary Placement Document, 158,000,000 Units are issued, subscribed and are fully paid up. The units have been listed and are available for trading on BSE and NSE.

(i) The following tables set forth the reported high, low and average market prices and the trading volumes of the Units on the Stock Exchanges during the preceding three Fiscal years on the dates on which such high and low prices were recorded and the total trading volumes:

BSE:

Fiscal Year	High (₹)	Date of high	Number of Units traded on the date of high	Total volume of Units traded on the date of high (₹ million)	Low (₹)	Date of low	Number of Units traded on the date of low	Total volume of Units traded on the date of low (₹ million)	Average price for the Fiscal (₹)	Number of Units traded in the Fiscal	Turnover during the Fiscal (in ₹ million)
FY 2025	102	24-04-2024	6,00,000.00	61	101	02-07-2024	6,00,000.00	61	101	36,00,000	365
FY 2024	-	-	-	-	-	-	-	-	-	-	-
FY 2023*	-	-	-	-	-	-	-	-	-	-	-

** The market price data pertaining to the period from the date of listing of units i.e. with effect from November 16, 2022*
(Source: www.bseindia.com)

Notes:
1. *High, low are based on the daily high and low prices respectively.*
2. *Average prices are based on the daily closing prices.*
3. *In case of two days with the same high or low prices, the date with the higher volume of units has been considered.*

NSE:

Fiscal Year	High (₹)	Date of high	Number of Units traded on the date of high	Total volume of Units traded on the date of high (₹ million)	Low (₹)	Date of low	Number of Units traded on the date of low	Total volume of Units traded on the date of low (₹ million)	Average price for the Fiscal (₹)	Number of Units traded in the Fiscal	Turnover during the Fiscal (in ₹ million)
FY 2025	102	14-06-2024	2,60,000.00	265	101	02-07-2024	6,00,000.00	61	101	84,00,000.00	690
FY 2024	103	29-09-2023	2,00,000.00	21	100	30-06-2023	2,00,000.00	20	100	1,10,00,000.00	1100
FY 2023*	103	11-01-2023	4,00,000.00	41	101	07-12-2022	4,00,000.00	40	102	20,00,000.00	203

** The market price data pertaining to the period from the date of listing of units i.e. with effect from November 16, 2022*
(Source: www.nseindia.com)

Notes:
1. *High, low are based on the daily high and low prices respectively.*
2. *Average prices are based on the daily closing prices.*
3. *In case of two days with the same high or low prices, the date with the higher volume of units has been considered.*

(ii) The following tables set forth the reported high, low and average market prices and the trading volumes of the Units on the Stock Exchanges on the dates on which such high and low prices were recorded and the total trading volumes during each of the last six months:

BSE:

Month	High (₹)	Date of high	Number of Units traded on date of high	Total volume of Units traded on date of high (in ₹ million)	Low (₹)	Date of low	Number of Units traded on date of low	Total volume of Units traded on date of low (in ₹ million)	Average price for the month (₹)	Number of Units traded during the month	Turnover during the month (in ₹ million)
January, 2025	-	-	-	-	-	-	-	-	-	-	-
December, 2024	-	-	-	-	-	-	-	-	-	-	-
November, 2024	-	-	-	-	-	-	-	-	-	-	-
October, 2024	102	07-10-2024	6,00,000.00	61	102	07-10-2024	6,00,000.00	61	102	6,00,000.00	61
September, 2024	-	-	-	-	-	-	-	-	-	-	-
August, 2024	-	-	-	-	-	-	-	-	-	-	-

(Source: www.bseindia.com)

Notes:

1. *High, low are based on the daily high and low prices respectively.*
2. *Average prices are based on the daily closing prices.*
3. *In case of two days with the same high or low prices, the date with the higher volume of units has been considered.*
4. *Since the units of the Trust have not been traded, no such data is available for the specific months.*
5. *The data disclosed above has not resulted in any change in the capital structure of the Trust.*

NSE:

Month	High (₹)	Date of high	Number of Units traded on the date of high	Total volume of Units traded on date of high (in ₹ million)	Low (₹)	Date of low	Number of Units traded on the date of low	Total volume of Units traded on date of low (in ₹ million)	Average price for the month (₹)	Number of Units traded during the month	Turnover during the month (in ₹ million)
January, 2025	-	-	-	-	-	-	-	-	-	-	-
December, 2024	-	-	-	-	-	-	-	-	-	-	-
November, 2024	-	-	-	-	-	-	-	-	-	-	-
October, 2024	102	08-10-2024	2,00,000.00	20	102	07-10-2024	6,00,000.00	61	102	8,00,000.00	81
September, 2024	-	-	-	-	-	-	-	-	-	-	-
August, 2024	-	-	-	-	-	-	-	-	-	-	-

(Source: www.nseindia.com)

Notes:

1. *High, low are based on the daily high and low prices respectively.*

2. *Average prices are based on the daily closing prices.*
3. *In case of two days with the same high or low prices, the date with the higher volume of units has been considered.*
4. *Since the units of the Trust have not been traded, no such data is available for the specific months.*
5. *The data disclosed above has not resulted in any change in the capital structure of the Trust.*

The market price on the Stock Exchanges on January 19, 2025, the first working day following the approval of the Board of the Investment Manager for the Issue, is not available since the Units of the Anzen Trust have not been traded on this date.

FORWARD-LOOKING STATEMENTS

Certain statements contained in this Preliminary Placement Document that are not statements of historical fact constitute "forward-looking statements". Investors can generally identify forward-looking statements by terminology such as "aim", "anticipate", "believe", "continue", "can", "could", "estimate", "expect", "intend", "likely", "may", "objective", "plan", "potential", "project", "pursue", "shall", "should", "will", "would", or other words or phrases of similar import. Similarly, statements that describe the strategies, objectives, plans or goals of the Anzen Trust are also forward-looking statements. However, these are not the exclusive means of identifying forward-looking statements.

All statements regarding the Anzen Trust's expected financial conditions, results of operations, cash flows, business plans and prospects are forward-looking statements. These forward-looking statements include statements as to the Anzen Trust's business strategy, planned projects, revenue and profitability (including, without limitation, any financial or operating projections or forecasts), new business and other matters discussed in this Preliminary Placement Document that are not historical facts. These forward-looking statements and any other projections contained in this Preliminary Placement Document (whether made by the Trustee, Investment Manager or any third party), are predictions and involve known and unknown risks, uncertainties, assumptions and other factors that may cause the Anzen Trust's actual results, performance or achievements to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements or other projections.

The Valuation Reports included in this Preliminary Placement Document, are based on certain projections and accordingly, should be read together with assumptions and notes thereto. For further details, please see the "*Valuation Reports*" attached as Annexure A. The Technical Reports include projections and estimates in relation to routine and periodic maintenance, including operation and maintenance, and accordingly, should be read in conjunction with the relevant notes and assumptions thereto.

All forward-looking statements and financial projections are subject to risks, uncertainties and assumptions. Actual results may differ materially from those suggested by forward-looking statements and financial projections due to certain known or unknown risks or uncertainties associated with the Investment Manager's expectations with respect to, but not limited to, the actual growth in the infrastructure sector, the Investment Manager's ability to successfully implement the strategy, growth and expansion plans, technological changes, cash flow projections, exposure to market risks, general economic and political conditions in India, monetary and fiscal policies of India, inflation, deflation. Foreign exchange rates, performance of financial markets in India or globally, changes in domestic laws, regulations and taxes, changes in competition in the infrastructure sector, the outcome of any legal or regulatory proceedings and the future impact of new accounting standards. By their nature, certain of the market risk disclosures are only estimates and could be materially different from what actually occurs in the future. As a result, actual future gains, losses or impact on net income could materially differ from those that have been estimated.

Factors that could cause actual results, performance or achievements of the Anzen Trust to differ materially include, but are not limited to, those discussed under the sections entitled "*Risk Factors*", "*Industry Overview*", "*Business*" and "*Discussion and analysis by the Directors of the Investment Manager of the financial condition, results of operations and cash flows of the Portfolio Assets of the Anzen Trust*", on pages 116, 198, 299 and 345, respectively. Some of the factors that could cause the Trust's actual results, performance or achievements to differ materially from those in the forward-looking statements, financial projections and financial information include, but are not limited to, the following:

- We may be unable to operate and maintain our power transmission projects to achieve the prescribed availability;

  If environmental conditions at our Target Asset (Solar Asset) are unfavourable, our electricity production, and therefore our revenue from operations, may be substantially below expectations;

- Substantially all our revenue is derived from tariffs received from Long Term Transmission Customers ("LTTCs") and a failure or delay on the part of the LTTCs to make timely payments could affect the capability of the CTU to make the corresponding payments to transmission licensees, including our Portfolio Assets;

- We intend to acquire 100% of the issued, subscribed and paid-up share capital of the Target Asset with the proceeds of this Issue and any failure to acquire such percentage of the Target Asset could have a material adverse effect on the growth of our business, financial condition, cash flows and results of operations;

- We may be unable to operate and maintain the Target Asset in a satisfactory manner or at all.

The forward-looking statements, Valuation Reports and Technical Reports reflect current views as of the date of this Preliminary Placement Document and are not a guarantee of future performance or returns to Bidders. These statements and projections are based on certain beliefs and assumptions, which in turn are based on currently available information. Although the Investment Manager believes that the expectations and the assumptions upon which such forward-looking statements are based, are reasonable at this time, the Investment Manager cannot assure Bidders that such expectations will prove to be correct or accurate.

The Anzen Trust, the Investment Manager and the Lead Managers or any of their affiliates or advisors, undertake no obligation to update or revise any of statements reflecting circumstances arising after the date hereof or to reflect the occurrence of underlying events, whether as a result of new information, future events or otherwise after the date of this Preliminary Placement Document. If any of these risks and uncertainties materialize, or if any of the Investment Manager's underlying assumptions prove to be incorrect, the actual results of operations or financial condition or cash flow of the Anzen Trust could differ materially from that described herein as anticipated, believed, estimated or expected. All subsequent forward-looking statements attributable to the Anzen Trust are expressly qualified in their entirety by reference to these cautionary statements. Given these uncertainties, Bidders are cautioned not to place undue reliance on such forward-looking statements, and not to regard such statements to be a guarantee or assurance of the Anzen Trust's future performance or returns to investors.

THE ISSUE

The following is a general summary of the terms of this Issue which is in compliance with InvIT Regulations and the SEBI Institutional Placement Guidelines. This summary should be read in conjunction with, and is qualified in its entirety by, the detailed information appearing elsewhere in this Preliminary Placement Document:

Issue	Issue of [●] Units by way of an institutional placement to Eligible Investors, representing an undivided beneficial interest in Anzen Trust by way of an institutional placement to Eligible Investors, aggregating up to ₹ 4,250 million by the Anzen Trust
Floor Price	₹ 105.06*
Issue Price	₹ [●]
Allotment and Trading	The minimum allotment lot and trading lot for Units Allotted pursuant to the Issue will be equivalent to the minimum allotment lot and trading lot as applicable to the Units of Anzen Trust under provisions of the InvIT Regulations and the SEBI Institutional Placement Guidelines. The current trading lot for Units of the Anzen Trust is ₹ 2.5 million.
Bid/Issue Opening Date	February 25, 2025
Bid/Issue Closing Date	[●], 2025
Sponsor	SEPL Energy Private Limited
Trustee	Axis Trustee Services Limited
Investment Manager	EAAA Real Assets Managers Limited
Project Manager	SEPL Energy Private Limited
Eligible Investors	Institutional Investors subject to applicable law
Authority for this Issue	This Issue was authorised, and approved by the board of directors of the Investment Manager on January 18, 2025 and by the Unitholders pursuant to resolutions dated January 17, 2025, approving to raise further unit capital up to ₹ 6,000 million.
Tenure of the Trust	The Anzen Trust shall remain in force perpetually until it is dissolved or terminated in accordance with the Trust Deed. For details, please see the section entitled "*Parties to the Anzen Trust*" on page 155.
Units issued and outstanding as of the date of this Preliminary Placement Document	158,000,000 Units
Units issued and outstanding immediately after this Issue	[●] Units
Sponsor and Sponsor Group Units as on the date of this Preliminary Placement Document	Please see the section entitled "*Information Concerning the Units*" on page 327.
Distribution	Please see the section entitled "*Distribution*" on page 342
Indian Taxation	For details of possible tax benefits available to the Anzen Trust and its Unitholders under the applicable laws in India, please see the section entitled "*Statement of Possible Tax Benefits available to the Trust and its unitholders under the applicable laws in India"* on page 449
Use of Proceeds	Please see the section entitled "*Use of Proceeds*" on page 329
Listing	The Units to be Allotted pursuant to the Issue are proposed to be listed on NSE and BSE. The Trust has received the in-principle approvals from NSE and BSE pursuant to their letters dated February 24, 2025, for the listing of such Units. The Investment Manager shall apply to NSE and BSE for the final listing and trading approvals, after the Allotment and after the credit of the Units to the beneficiary accounts with the Depository Participants and the Units shall be listed within two working days from the date of Allotment. The Trust shall also file the Placement Document, along with the allotment report, containing the details of the allottees and allotment made, with SEBI within seven days of Allotment.
Closing Date	The date on which Allotment of the Units pursuant to this Issue shall be made, i.e. on or about [●], 2025
Ranking	The Units being issued shall rank *pari passu* in all respects, including rights in respect of distribution. Please see the section entitled *"Rights of Unitholders"* on page 433
Lock-in and Rights of Unitholders	For details, please see the sections entitled "*Information Concerning the Units*" and "*Rights of Unitholders*" on pages 327 and 433, respectively
Risk Factors	Prior to making an investment decision, Bidders should consider carefully the matters discussed in the section entitled *"Risk Factors*" on page 116
ISIN	INE0MIZ23019

**Floor Price is calculated at a price not less than the NAV per unit, based on the full valuation of all existing InvIT assets conducted in terms of InvIT Regulations, and as disclosed by the Anzen Trust from time to time in accordance with InvIT Regulations.*

The Units, upon Allotment, shall be traded only in the dematerialized segment of the Stock Exchanges.

Except in accordance with the InvIT Regulations, no Unitholder shall enjoy superior voting or any other rights over another Unitholder. Further, there shall not be multiple classes of Units, except as permitted under the InvIT Regulations.

Units of the same class which are proposed to be Allotted have been listed on the Stock Exchanges for a period of at least six months prior to the date of issue of notice to the Unitholders for convening the meeting to approve the Issue.

The Trust is in compliance with all the conditions for continuous listing and disclosure obligations under the InvIT Regulations and the circulars issued thereunder.

None of the respective promoters or partners or directors of the Sponsor, the Investment Manager or Trustee is a fugitive economic offender declared under section 12 of the Fugitive Economic Offenders Act, 2018.

For further details in relation to this Issue, including the Floor Price and Issue Price and method of application, please see the section entitled "*Issue Information*" on page 437.

Use of Proceeds

Subject to compliance with applicable law, the Net Proceeds will be utilised, at the discretion of the Investment Manager and the Trustee, towards the following objects:

(i) partial funding of acquisition of 100% of the issued, subscribed and paid-up equity share capital of the Target Asset from ReNew Private Limited; and

(ii) general purposes.

For further details, please see the section entitled *"Use of Proceeds"* on page 329.

OVERVIEW OF THE ANZEN TRUST

The following overview is qualified in its entirety by, and is subject to, the more detailed information contained in, or referred to elsewhere, in this Preliminary Placement Document. The statements contained in this summary that are not historical facts may be forward-looking statements. Such statements are subject to certain risks, uncertainties and assumptions that could cause actual results of the Anzen Trust to differ materially from those forecasted or projected in this Preliminary Placement Document. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction of the accuracy of the underlying assumptions by the Anzen Trust, the Parties to the Anzen Trust or the Lead Managers or any other person or that these results will be achieved or are likely to be achieved. Investment in Units involves risks. Bidders are advised not to rely solely on this overview and should read this Preliminary Placement Document in its entirety and, in particular, the section entitled "Risk Factors" on page 116.

Structure and description of the Trust

The Sponsor set up the Anzen Trust on November 1, 2021, as an irrevocable trust, pursuant to the Original Trust Deed, under the provisions of the Indian Trusts Act, 1882. The Anzen Trust was registered as an infrastructure investment trust under the InvIT Regulations on January 18, 2022, having registration number IN/InvIT/21-22/0020. The Sponsor has settled the Anzen Trust for an initial sum of ₹ 10,000. The Sponsor shall not have any beneficial interest in such initial sum of the Anzen Trust and such sum shall not be distributed to Sponsor under any circumstances.

For details of the registered office and contact person of the Sponsor, please see the section entitled *"General Information"* on page 151. For details with respect to Unitholders holding more than 5% of the Units (as on December 31, 2024), please see the section entitled "*Information Concerning the Units*" on page 327.

Further, EAAA Real Assets Managers Limited has been appointed as the Investment Manager, and SEPL Energy Private Limited has been appointed as the Project Manager to the Anzen Trust. For further details, please see the section entitled "*Parties to the Anzen Trust*" on page 155.

Investment Objectives

In terms of the Amended and Restated Trust Deed, the investment objectives and strategy of the Anzen Trust is to carry on the activities of and to make investments as an infrastructure investment trust, as permissible in terms of the InvIT Regulations and applicable law, including in such special purpose vehicles, holding companies and/or securities in India as permitted under the InvIT Regulations and other applicable laws and as detailed in this Preliminary Placement Document.

The Trustee shall ensure that the capital contribution in the Anzen Trust and other InvIT Assets shall be utilized solely for the purposes of making investments as stated above, meeting the investment objectives of the Anzen Trust and for the purposes of any expenses incidental to the investment objectives, in accordance with the InvIT Regulations and applicable law.

Investments by Anzen Trust shall be in compliance with the provisions of the InvIT Regulations and unless specifically provided under applicable law, Anzen Trust shall not carry out any other principal activity or trade, in contradiction of the restrictions and requirements under applicable law.

Fee and expenses

Annual Expenses

The expenses in relation to the Anzen Trust, other than such expenses incurred in relation to operations of the Portfolio Assets, would broadly include fee payable to: (i) the Trustee; (ii) the Investment Manager; (iii) the Project Manager; (iv) the Auditors, (v) the Valuer; and (vi) other intermediaries, advisors and consultants.

In relation to the fees payable to the Trustee, Investment Manager and Project Manager, please see below.

Fee to the Trustee

The Trustee is entitled to a fee of ₹ 0.60 million per annum (the "**Trusteeship Fee**") for the portfolio assets, which is paid annually to the Trustee for the services rendered to the Anzen Trust. Further, the Trustee would be entitled to a total annual fee of ₹ 1.20 million per annum pursuant to acquisition of the Target Asset. In addition, the Trustee shall be entitled to recover from the Anzen Trust (i) any legitimate out of pocket expenses incurred in relation to its trusteeship of the Anzen Trust, subject to certain conditions; and (ii) any tax or duty (other than income tax) which is, or may become, leviable under applicable law on the Trusteeship Fee.

Fee to the Investment Manager

The Investment Manager is entitled to a fee of ₹ 55 million annually in relation to the Portfolio Assets and is entitled to an additional fee amounting to 0.25% annually of gross block of future assets acquisition by the Anzen Trust (the "**IM Fee**"). The IM Fee is paid monthly to the Investment Manager for the services rendered to the Anzen Trust. Further, the Investment Manager is entitled to recover from the Anzen Trust any tax or duty or levies, including goods and services tax (other than income tax) which is, or may become, leviable under applicable law on the IM Fees.

Fee to the Project Manager

The Project Manager is entitled to a fee amounting to 15% of the gross O&M expenses (excluding insurance and statutory cost) of the Portfolio Assets, or such other fee as may be mutually agreed ("**PM Fee**"). The PM Fee is paid monthly to the Project Manager within fourteen business days from the end of each calendar month failing which the PM Fee, or any part thereof, which remains outstanding shall attract interest at the rate of 12% per annum on the outstanding amount.

Issue Expenses

The total expenses of this Issue are estimated to be up to ₹ [●] million. For details in relation to the Issue expenses, please see the section entitled "*Use of Proceeds*" on page 329.

Details of credit ratings

The Anzen Trust has been given an issuer rating of (i) "CRISIL AAA/Stable" for non-convertible debentures aggregating to ₹7,500 million, by CRISIL Ratings Limited, the rationale for which is available at the website: https://www.crisilratings.com/mnt/winshare/Ratings/RatingList/RatingDocs/AnzenIndiaEnergyYieldPlusTrust_January%2002_%202025_RR_359915.html; and (ii) "IND AAA/Stable" for non-convertible debentures aggregating to ₹7,500 million, by India Ratings and Research, the rationale for which is available at the website: https://www.indiaratings.co.in/pressrelease/73735. Further, the Anzen Trust has also been assigned a rating of (i) "CRISIL AAA/Stable" for non-convertible debentures aggregating to ₹7,000 million and total bank loan facilities aggregating to ₹6,200 million, by CRISIL Ratings Limited, the rationale for which is available at the website: https://www.crisilratings.com/mnt/winshare/Ratings/RatingList/RatingDocs/AnzenIndiaEnergyYieldPlusTrust_January%2028_%202025_RR_361528.html; and (ii) "IND AAA/Stable" for proposed non-convertible debentures aggregating to ₹7,000 million and proposed term loan aggregating to ₹6,200 million, by India Ratings and Research, the rationale for which is available at the website: https://www.indiaratings.co.in/pressrelease/74511.

DESCRIPTION OF INVIT ASSETS

Details of the Portfolio Assets of the Anzen Trust

The Anzen Trust's portfolio of assets comprises 2 SPVs namely (i) NRSS-XXXI (B) Transmission Limited ("**NRSS**"), and (ii) Darbhanga – Motihari Transmission Company Limited ("**DMTCL**"). The details of the Portfolio Assets as of the date of this Preliminary Placement Document are provided below:

1. NRSS-XXXI (B) Transmission Limited ("NRSS")

NRSS was incorporated on July 29, 2013 under the Companies Act, 1956 (CIN U40106MH2013PLC342540). Its registered office is located at 504 and 505, 5th Floor, Windsor, Off CST Road, Kalina, Santacruz (East), Mumbai 400 098, Maharashtra. The authorised capital of the company is ₹ 301,390,530 (divided into 30,139,053 equity shares of ₹ 10 each) and its issued subscribed and paid-up capital is ₹ 98,321,430 (divided into 9,832,143 equity shares of ₹ 10 each), as at the date of this Preliminary Placement Document. The shareholding pattern of NRSS as at the date of this Preliminary Placement Document is provided below:

Sr. No.	Shareholder's Name	No. of Equity Shares	Percentage (%)
1.	Anzen India Energy Yield Plus Trust	9,832,137	99.99
2.	Subahoo Chordia**	1	Negligible
3.	Ranjita Deo**	1	Negligible
4.	Amit Dasgupta**	1	Negligible
5.	Biren Sudhirbhai Fozdar**	1	Negligible
6.	Vaibhav Bhandari**	1	Negligible
7.	Viral Dholakia**	1	Negligible
Total		**9,832,143**	**100.00**

***Nominee of the Anzen Trust*

Capital structure of NRSS

Particulars	Number of equity shares of ₹ 10 each on a pre-Issue and post-Issue basis
Authorised capital	30,139,053
Issued, subscribed and paid-up capital	9,832,143

Pursuant to the Securities Purchase Agreement, Anzen Trust (together with its nominees) holds 100% of the issued, subscribed and paid-up share capital of NRSS as on the date of this Preliminary Placement Document.

2. Darbhanga – Motihari Transmission Company Limited ("DMTCL")

DMTCL was incorporated on December 18, 2012 under the Companies Act, 1956 (CIN U40300MH2012PLC342541). Its registered office is located at 504 and 505, 5th Floor, Windsor, Off CST Road, Kalina, Santacruz (East), Mumbai 400 098, Maharashtra. The authorised capital of the company is ₹ 380,000,000 (divided into 38,000,000 equity shares of ₹ 10 each) and its issued subscribed and paid-up capital is ₹ 162,966,670 (divided into 16,296,667 equity shares of ₹ 10 each), as at the date of this Preliminary Placement Document. The shareholding pattern of DMTCL as at the date of this Preliminary Placement Document is provided below:

Sr. No.	Shareholder's Name	No. of Equity Shares	Percentage (%)
1.	Anzen India Energy Yield Plus Trust	16,296,661	99.99
2.	Subahoo Chordia**	1	Negligible
3.	Ranjita Deo**	1	Negligible
4.	Amit Dasgupta**	1	Negligible
5.	Biren Sudhirbhai Fozdar**	1	Negligible
6.	Vaibhav Bhandari**	1	Negligible
7.	Viral Dholakia**	1	Negligible
Total		**16,296,667**	**100.00**

***Nominee of the Anzen Trust*

Capital structure of DMTCL

Particulars	Number of equity shares of ₹ 10 each on a pre-Issue and post-Issue basis
Authorised capital	38,000,000
Issued, subscribed and paid-up capital	16,296,667

Pursuant to the Securities Purchase Agreement, Anzen Trust (together with its nominees) holds 100% of the issued, subscribed and paid-up share capital of DMTCL as on the date of this Preliminary Placement Document.

Details of the Target Asset

ReNew Sun Waves Private Limited ("RSWPL")

RSWPL was incorporated on March 14, 2019 under the Companies Act, 2013 (CIN U40300DL2019PTC347300). Its registered office is located at 138, Ansal Chamber-II, Bhikaji Cama Place, South Delhi, New Delhi-110066, Delhi, India. The authorised capital of the company is ₹ 35,000,000 (divided into 3,500,000 equity shares of ₹ 10 each) and its issued subscribed and paid-up capital is ₹ 29,594,440 (divided into 2,959,444 equity shares of ₹ 10 each), as at the date of this Preliminary Placement Document. The shareholding pattern of RSWPL as at the date of this Preliminary Placement Document is provided below:

Sr. No.	Shareholder's Name	No. of Equity Shares	Percentage (%)
1.	ReNew Private Limited	2,959,443	99.99
2.	Ostro Energy Private Limited*	1	0.01
Total		2,959,444	**100.00**

** As a nominee of ReNew Private Limited*

Capital structure of RSWPL

Particulars	Number of equity shares of ₹ 10 each on a pre-Issue basis	Number of equity shares of ₹ 10 each on a post-Issue basis
Authorised capital	3,500,000	3,500,000
Issued, subscribed and paid-up capital	2,959,444	2,959,444

ReNew Private Limited (with its nominee) presently holds 100% of the equity shareholding of the Target Asset.

Pursuant to the Issue, the Anzen Trust, acting through the Trustee, proposes to acquire from the ReNew Private Limited, and ReNew Private Limited proposes to transfer to the Anzen Trust, the equity shareholding of the Target Asset (the "**Proposed Transfer**").

The Proposed Transfer shall be as set out below:

I. Equity Shareholding

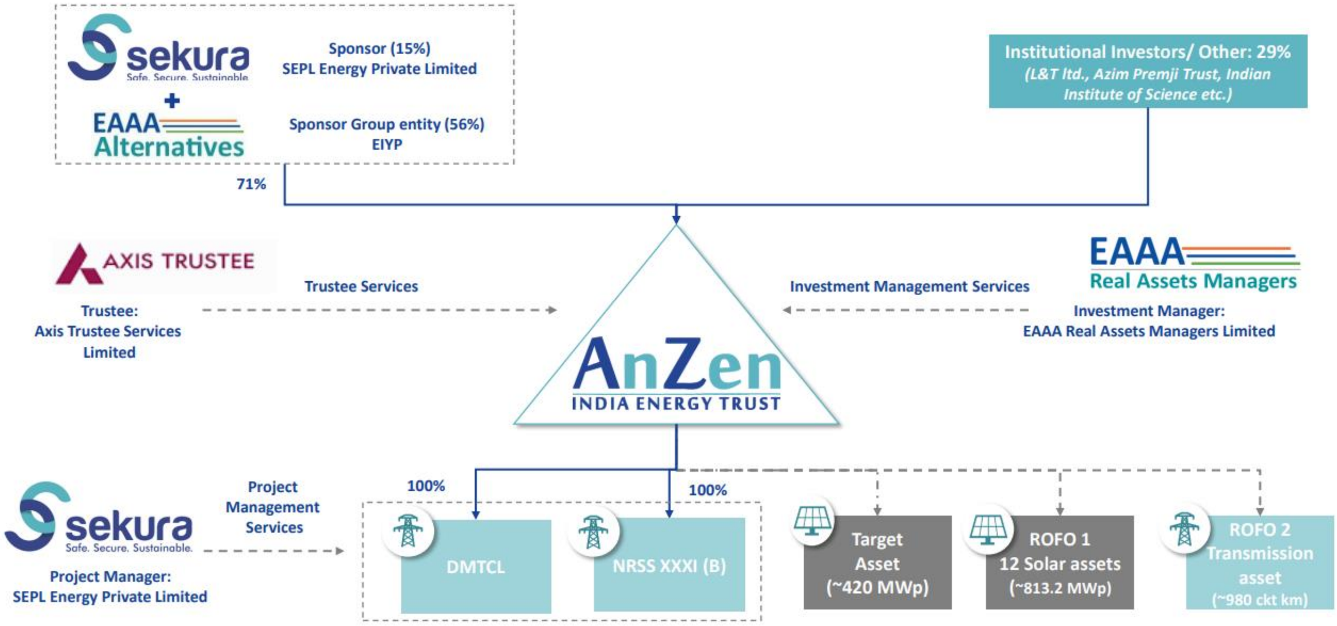
Sr. No.	Name of the Target Asset	Percentage (%) of Pre-Transfer security holding of ReNew Private Limited	Percentage (%) of the proposed post-Transfer security holding of the Anzen Trust
Equity Shareholding			
1.	RSWPL	100.00	100.00

Utilisation of Issue Proceeds and InvIT Facility

(i) Upon the listing of the Units, the Anzen Trust shall utilize the Issue Proceeds towards (i) partial funding of acquisition of 100% of the issued, subscribed and paid-up equity share capital of the Target Asset from ReNew Private Limited, and (ii) general purposes. For further details, please see the section entitled "*Use of Proceeds*" on page 329.

Structure of the Anzen Trust

The following structure illustrates the relationship between the Anzen Trust, the Trustee, the Sponsor (in its capacity as Sponsor and Project Manager), the Investment Manager and the Unitholders as on the date of this Preliminary Placement Document:



** As of December 31, 2024*

SUMMARY FINANCIAL INFORMATION OF THE ANZEN TRUST

Unless stated otherwise or unless required otherwise, the following tables set forth the summary financial information derived from the audited consolidated financial statements of the Anzen Trust and its subsidiaries as of and for the financial years ended March 31, 2024, and audited special purpose combined financial statements of the Anzen Trust and its subsidiaries as of and for the financial years ended March 31, 2023 and March 31, 2022, and unaudited interim consolidated financial results of the Anzen Trust and its subsidiaries as of and for the nine months ended December 31, 2024. The summary financial information of Anzen Trust for the nine months ended December 31, 2023 is derived from the comparatives of unaudited interim consolidated financial results of the Trust for the nine months ended December 31, 2024. The summary consolidated financial information of Anzen Trust for the financial year ended March 31, 2023 is derived from the Audited Consolidated Financial Statements of the Trust for the financial year ended March 31, 2023.

The summary financial information of the Anzen Trust is included in this Preliminary Placement Document based on the requirements of the InvIT Regulations.

The degree to which the summary financial information included herein below will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices, Ind AS and the Companies Act. Accordingly, any reliance by persons not familiar with Indian accounting practices, Ind AS and the Companies Act on the summary financial information presented below should be limited.

The consolidated financial information presented for the year ended March 31, 2023 are not comparable with year ended March 31, 2024 since the InvIT acquired DMTCL and NRSS on November 11, 2022 and hence this financial information for year ended March 31, 2023 is consolidated for the period from November 11, 2022 to March 31, 2023.

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Anzen India Energy Yield Plus Trust
Summary of Consolidated Balance Sheet

Particulars	As at March 31, 2024 (in ₹ million)	As at March 31, 2023 (in ₹ million)
ASSETS		
(1) Non-current assets		
(a) Property, plant and equipment	19,121.15	20,976.72
(b) Financial assets		
(i) Other financial assets	6.19	7.37
(c) Income tax assets (net)	18.07	24.36
Total non-current assets	**19,145.41**	**21,008.45**
(2) Current assets		
(a) Financial assets		
(i) Investments	681.56	1,306.42
(ii) Trade receivables	-	12.03
(iii) Cash and cash equivalents	228.40	65.35
(iv) Bank balances other than disclosed in (iii) above	155.00	176.24
(v) Other financial assets	689.21	656.62
(b) Other current assets	30.87	31.13
Total Current Assets	**1,785.04**	**2,247.79**
Total assets	**20,930.45**	**23,256.24**
EQUITY AND LIABILITIES		
EQUITY		
(a) Unit capital	15,624.79	15,624.79
(b) Other equity	(2,356.20)	(515.19)
Total equity	**13,268.59**	**15,109.60**
LIABILITIES		
(1) Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	7,441.81	7,416.24
(b) Provisions	2.34	1.89
Total non-current liabilities	**7,444.15**	**7,418.13**
(2) Current liabilities		
(a) Financial liabilities		
(i) Trade payables		
(a) total outstanding dues of micro and small enterprises	0.12	4.72
(b) total outstanding dues of creditors other than micro enterprises and small enterprise	26.48	58.42
(ii) Other financial liabilities	63.52	632.99
(b) Other current liabilities	126.88	31.75
(c) Provisions	0.71	0.63
Total current liabilities	**217.71**	**728.51**
Total equity and liabilities	**20,930.45**	**23,256.24**

Anzen India Energy Yield Plus Trust
Summary of Consolidated Statement of Profit and Loss

Particulars	For the year ended March 31, 2024 (in ₹ million, unless otherwise stated)	For the year ended March 31, 2023 (in ₹ million, unless otherwise stated)
INCOME		
Revenue from contract with customers	2,426.41	936.69
Income from investment in mutual fund	67.21	51.37
Interest income on investment in fixed deposits	13.04	8.62
Other income	14.44	2.52
Total income	**2,521.10**	**999.20**
EXPENSES		
Operation and maintenance expense	78.07	30.60
Employee benefit expense	19.40	6.79
Depreciation expense	1,872.50	770.13
Finance costs	637.87	439.20
Investment management fees	64.90	24.18
Project management fees	20.66	10.53
Insurance expenses	38.27	20.87
Legal and professional fees	39.10	35.59
Annual listing fee	2.08	2.62
Rating fee	2.61	2.66
Valuation expenses	0.85	0.90
Trustee fee	1.83	0.64
Payment to auditors		
- Statutory audit fees (including limited review)	5.94	3.73
- Other services (including certifications)	0.34	0.02
Other expenses	18.87	7.82
Total expenses	**2,803.29**	**1,356.28**
Loss before tax	**(282.19)**	**(357.08)**
Tax expense:		
(1) Current tax	15.13	(37.84)
(2) Adjustment of tax relating to earlier periods	(0.05)	-
Loss for the year [A]	**(297.27)**	**(319.24)**
Other Comprehensive Income		
Items that will not be reclassified to profit or loss in subsequent periods	(0.08)	(0.03)
Items that will be reclassified to profit or loss in subsequent periods	-	-
Total other comprehensive income for the year, net of tax [B]	**(0.08)**	**(0.03)**
Total comprehensive income for the year, net of tax [A+B]	**(297.35)**	**(319.27)**
Loss for the year		
Attributable to :		
Unit holders	(297.27)	(319.24)

Particulars	For the year ended March 31, 2024 (in ₹ million, unless otherwise stated)	For the year ended March 31, 2023 (in ₹ million, unless otherwise stated)
Non- Controlling interest	-	-
Total comprehensive income for the year:		
Attributable to:		
Unit holders	(297.35)	(319.27)
Non- Controlling interest	-	-
Earnings per unit (Rs. per unit)		
Basic and diluted	(1.88)	(5.23)

Anzen India Energy Yield Plus Trust
Summary of Consolidated Cash Flow Statement

Particulars	For the year ended March 31, 2024 (in ₹ million)	For the year ended March 31, 2023 (in ₹ million)
Cash flow from operating activities		
Loss before tax	(282.19)	(357.08)
Adjustments to reconcile loss before tax to net cash flows:		
Depreciation expense	1,872.50	770.13
Interest income on investment in fixed deposits	(13.04)	(8.62)
Interest income on income tax refund	(0.99)	-
Income from investment in mutual fund	(67.21)	(51.37)
Liabilities no longer required written back	(0.26)	-
Finance costs	637.87	439.20
Operating profit before working capital changes	**2,146.68**	**792.26**
Working capital adjustment		
(Increase) / Decrease in other assets	0.26	(10.17)
(Increase) / Decrease in other financial assets	(10.59)	(313.68)
(Increase) / Decrease in trade receivables	12.03	1,407.59
Increase / (Decrease) in trade payables	(36.26)	32.19
Increase / (Decrease) in provisions	0.45	(0.16)
Increase / (Decrease) in other liabilities	95.13	29.35
Increase / (Decrease) in other financial liabilities	(569.39)	(994.78)
Cash flow generated from operations	**1,638.31**	**942.60**
Direct taxes paid (net of refunds)	(7.80)	(60.89)
Net cash flow from operating activities [A]	**1,630.51**	**881.71**
Cash flow from investing activities		
Purchase of property, plant and equipment (including capital work-in-progress and capital advances)	(17.03)	-
Acquisition of property, plant and equipment	-	(13,446.85)
Acquisition of other assets (net of other liabilities)	-	(1,811.45)
Investment in fixed deposits	(61.70)	(9,426.33)
Proceeds from maturity of fixed deposits	62.94	10,424.36
Investment in mutual funds	(3,987.75)	(8,693.97)
Proceeds from sale of investment in mutual funds	4,679.82	8,006.51
Interest income on investment in fixed deposits	12.22	8.46
Net cash flow from/(used in) investing activities [B]	**688.50**	**(14,939.27)**
Cash flow from financing activities		
Proceeds from issue of Unit capital	-	7,500.00
Payment of unit issue expenses	-	(175.21)
Proceeds from non convertible debentures (secured)	-	7,500.00
Repayment of non convertible debentures (secured)	-	(12,294.00)
Acquisition of borrowings	-	12,160.67
Payment of distributions to unit holders	(1,543.66)	(195.92)
Payment of interest on NCD	(611.90)	(296.33)
Payment of other finance costs	(0.40)	-

Particulars	For the year ended March 31, 2024 (in ₹ million)	For the year ended March 31, 2023 (in ₹ million)
Payment of upfront fees for NCD	-	(91.63)
Net cash flow from/ (used in) financing activities [C]	**(2,155.96)**	**14,107.58**
Net increase in cash and cash equivalents [A+B+C]	**163.05**	**50.02**
Cash and cash equivalents at the beginning of the year	65.35	-
Cash and cash equivalents on acquisition	-	15.33
Cash and cash equivalents at the end of the year	228.40	65.35

Anzen India Energy Yield Plus Trust
Summary of Unaudited Consolidated Statement of Profit and Loss for the nine months ended December 31, 2024

Particulars	Nine months ended December 31, 2024 (in ₹ million, unless otherwise stated)	Nine months ended December 31, 2023 (in ₹ million, unless otherwise stated)
INCOME		
Revenue from contracts with customers	1,828.02	1,823.25
Income from investment in mutual funds	51.63	51.52
Interest income on investment in fixed deposits	10.59	9.37
Other income	18.88	13.93
Total income	**1,909.12**	**1,898.07**
EXPENSES		
Operation and maintenance expense	49.09	54.47
Employee benefits expense	13.69	13.89
Finance costs	480.62	479.18
Depreciation expense	1,284.29	1,406.73
Investment management fees	48.90	48.76
Project management fees	13.64	15.34
Insurance expenses	26.33	28.58
Legal and professional fees	45.66	27.25
Annual listing fees	1.67	1.56
Rating fees	3.67	1.40
Trustee fees	1.38	1.38
Audit fees		
- Statutory audit fees (including limited reviews)	2.05	2.07
- Other services (including certification)	0.18	0.28
Other expenses	15.41	13.64
Total expenses	**1,986.58**	**2,094.53**
Loss before tax	**(77.46)**	**(196.46)**
Tax expense:		
Current tax	9.26	11.94
Deferred tax	-	-
Adjustment of tax relating to earlier periods	(0.25)	-
Net loss for the period after tax	**(86.47)**	**(208.40)**
Other Comprehensive Income		
Items that will not be reclassified to profit or loss in subsequent periods	(0.06)	0.04
Total comprehensive income for the period	**(86.53)**	**(208.36)**
Loss for the period		
Attributable to:		
Unitholders	(86.47)	(208.40)
Non-controlling interest	-	-
Total comprehensive income for the period:		
Attributable to:		
Unitholders	(86.53)	(208.36)
Non-controlling interest	-	-
Earnings per unit (not annualized) (Rs. per unit)		
Basic	(0.55)	(1.32)
Diluted	(0.55)	(1.32)

Anzen India Energy Yield Plus Trust
Summary of Combined Balance Sheet

Particulars	As at March 31, 2023 (in ₹ million)	As at March 31, 2022 (in ₹ million)
ASSETS		
(1) Non-current assets		
(a) Property, plant and equipment	11, 151.00	12,097.19
(b) Capital work-in progress	-	46.59
(c) Goodwill	1,371.22	1,371.22
(d) Financial assets		
(i) Other financial assets	6.62	6.96
(e) Income tax assets (net)	22.44	11.40
Total non-current assets	**12,551.28**	**13,533.36**
(2) Current assets		
(a) Financial assets		
(i) Investments	833.59	272.37
(ii) Trade Receivables	12.03	-
(iii) Cash and cash equivalents	61.25	43.53
(iv) Bank balances other than disclosed in (iii) above	-	1,231.97
(v) Other financial assets	656.51	603.45
(b) Other current assets	31.15	18.60
Total current assets	**1,594.53**	**2,169.92**
Total assets	**14,145.81**	**15,703.28**
EQUITY AND LIABILITIES		
EQUITY		
Net Shareholder's fund	343.35	952.23
Total equity	**343.35**	**952.23**
LIABILITIES		
(1) Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	13,114.54	13,757.23
(b) Provisions	1.90	1.86
Total non-current liabilities	**13,116.44**	**13,759.09**
(2) Current liabilities		
(a) Financial Liabilities		
(i) Borrowings	-	466.00
(ii) Trade and other payables	39.27	20.93
(iii) Other financial liabilities	631.32	427.41
(b) Other current liabilities	14.81	77.08
(c) Provisions	0.62	0.54
Total current liabilities	**686.02**	**991.96**
Total equity and liabilities	**14,145.81**	**15,703.28**

Anzen India Energy Yield Plus Trust
Summary of Combined Statement of Profit and Loss

Particulars	For the year ended March 31, 2023 (in ₹ million)	For the year ended March 31, 2022 (in ₹ million)
INCOME		
Revenue from contract with customers	3,619.37	2,218.01
Other income	39.22	25.07
Finance income	35.03	60.30
Total	**3,693.62**	**2,303.38**
EXPENSES		
Operation and maintenance expense	71.22	65.62
Employee benefit expense	16.75	14.95
Depreciation expense	998.50	1,073.75
Finance costs	1,808.48	1,498.53
Other expenses	221.07	162.78
Total	**3,116.02**	**2,815.63**
Profit/(Loss) before tax	**577.60**	**(512.25)**
Tax expense:		
Current tax	68.02	-
Profit/(Loss) for the year [A]	**509.58**	**(512.25)**
Other Comprehensive Income		
Other Comprehensive Income not to be reclassified to profit or loss in subsequent periods		
Re-measurement of defined benefit plans (net of tax)	0.05	0.10
Total other comprehensive income for the year, net of tax [B]	**0.05**	**0.10**
Total comprehensive income/ (loss) for the year, net of tax [A+B]	**509.63**	**(512.15)**
Profit/(Loss) for the year		
Attributable to :		
Unit holders	509.63	(512.15)
Earnings per unit	**-**	**-**

Anzen India Energy Yield Plus Trust
Summary of Combined Cash Flow Statement

Particulars	For the year ended March 31, 2023 (in ₹ million)	For the year ended March 31, 2022 (in ₹ million)
Cash flow from operating activities		
Profit/(Loss) before tax	577.60	(512.25)
Adjustments to reconcile profit/(loss) before tax to net cash flows:		
Depreciation expense	998.50	1,073.75
Finance income	(35.03)	(60.30)
Fair value gain on financial instrument at fair value through profit or loss	(15.24)	(1.38)
Net gain on sale of investments in mutual fund	(20.00)	(13.23)
Loss of disposal of property, plant and equipment	-	4.66
Income from insurance claim	-	(8.77)
Liabilities no longer required written back	-	(0.03)
Finance costs	1,808.48	1,498.53
Operating profit before working capital changes	**3,314.31**	**1,980.98**
Working capital adjustment		
(Increase) / Decrease in other assets	(12.55)	1.06
(Increase) / Decrease in other financial assets	(93.65)	(27.05)
(Increase) / Decrease in trade receivables	(6.50)	-
Increase / (Decrease) in trade payables	18.34	(27.13)
Increase / (Decrease) in provisions	0.17	0.43
Increase / (Decrease) in other liabilities	(62.27)	(52.94)
Increase / (Decrease) in other financial liabilities	(487.65)	0.16
Cash flow generated from operations	**2,670.20**	**1,875.51**
Income tax paid (net of refund)	(79.06)	0.93
Net cash flow from operating activities [A]	**2,591.14**	**1,876.44**
Cash flow from investing activities		
Purchase of property, plant and equipment (including capital work-in-progress and capital advances)	(42.97)	(179.69)
Investment in fixed deposits with banks having maturity more than 3 months	(1,628.71)	(1,742.26)
Proceeds from maturity of fixed deposits with banks having maturity more than 3 months	2,860.67	1,765.33
Investment in mutual funds	(3,732.11)	(1,947.90)

Particulars	For the year ended March 31, 2023 (in ₹ million)	For the year ended March 31, 2022 (in ₹ million)
Proceeds from sale of investment in mutual funds	3,206.15	2,015.80
Insurance claim received on disposal/discard of property, plant and equipment	-	44.02
Interest received (finance income)	75.96	49.41
Net cash flow from investing activities [B]	**738.99**	**4.71**
Cash flow from financing activities		
Repayment of non-convertible debentures (secured)	(12,524.00)	(429.00)
Repayment of non-convertible debentures (unsecured)	(40.00)	-
Proceeds from term loan (unsecured)	11,940.00	-
Repayment of term loan (unsecured)	(626.00)	-
Payment of interest on term loan	(556.74)	-
Payment of interest on NCD and OCD	(1,503.80)	(1,489.03)
Payment of other finance costs	(1.87)	(0.71)
Net cash flow (used in) financing activities [C]	**(3,312.41)**	**(1,918.74)**
Net increase / (decrease) in cash and cash equivalents [A+B+C]	**17.72**	**(37.59)**
Cash and cash equivalents at the beginning of the year	43.53	81.12
Cash and cash equivalents at the end of the year	61.25	43.53

SUMMARY FINANCIAL INFORMATION OF THE SPONSOR

The following tables set forth the summary financial information derived from the audited consolidated financial statements of the Sponsor as of and for the financial years ended March 31, 2024, March 31, 2023 and March 31, 2022, which were prepared in accordance with Ind AS, as defined in Rule 2(1)(a) of Companies (Indian Accounting Standards) Rules, 2015, as amended, prescribed under the Section 133 of the Companies Act. The audited consolidated financial statements as of and for the financial years ended March 31, 2024 and March 31, 2023, are not directly comparable with the audited standalone financial statements for the financial year ended March 31, 2022, given that the Sponsor was not an NBFC in such prior period.

The summary financial information of the Sponsor is included in this Preliminary Placement Document as per the requirements of the InvIT Regulations.

The degree to which the summary financial information included herein below will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices, Ind AS and the Companies Act. Accordingly, any reliance by persons not familiar with Indian accounting practices, Ind AS and the Companies Act on the summary financial information presented below should be limited.

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SEPL Energy Private Limited (formerly known as Sekura Energy Private Limited)
Summary Balance Sheet

Particulars	As at March 31, 2024 (in ₹ million, unless otherwise stated)	As at March 31, 2023 (in ₹ million, unless otherwise stated)
ASSETS		
Financial Assets		
(a) Cash and cash equivalents	19.42	67.44
(b) Bank balances other than (a) above	276.80	510.24
(c) Trade receivables	1.31	114.51
(d) Loans	76.70	76.70
(e) Investments	3,005.14	2,583.20
(f) Others financial assets	207.45	215.73
	3,586.82	**3,567.82**
Non- financial Assets		
(a) Current tax assets (Net)	21.40	13.68
(b) Deferred tax assets (Net)	40.97	36.56
(c) Property, Plant and Equipment	6,605.53	6,941.50
(d) Right to use – assets	381.06	379.57
(e) Goodwill on consolidation	10.80	10.80
(f) Intangible assets	0.09	0.20
(g) Other non-financial assets	113.59	141.53
	7,173.44	**7,523.84**
TOTAL ASSETS	**10,760.26**	**11,091.66**
LIABILITIES AND EQUITY		
Liabilities		
Financial Liabilities		
(a) Payables		
(I) Trade Payables		
(i) total outstanding dues of micro enterprises and small enterprises	7.93	4.60
(ii) total outstanding dues of creditors other than micro enterprises and small enterprises	21.58	51.34
(b) Debt Securities	2,157.79	2,276.12
(c) Borrowings (other than debt securities)	5,280.26	5,587.20
(d) Lease liabilities	103.12	80.45
(e) Other financial liabilities	203.65	143.63
	7,774.33	**8,143.34**
Non-Financial Liabilities		
(a) Provisions	2.82	2.70
(b) Deferred tax liabilities	1.29	7.72
(c) Other non-financial liabilities	10.26	13.92
	14.37	**24.34**
EQUITY		
(a) Equity share capital	87.50	87.50
(b) Other equity	2,730.73	2,676.22
(c) Non-controlling shareholders' interest	153.33	160.26
	2,971.56	**2,923.98**

Particulars	As at March 31, 2024 (in ₹ million, unless otherwise stated)	As at March 31, 2023 (in ₹ million, unless otherwise stated)
TOTAL EQUITY AND LIABILITIES	**10,760.26**	**11,091.66**

SEPL Energy Private Limited (formerly known as Sekura Energy Private Limited)
Summary Balance Sheet

Particulars	**As at March 31, 2022 (in ₹ million, unless otherwise stated)**
I. ASSETS	
1. Non-current assets	
(a) Property, plant and equipment	19,262.40
(b) Right of use assets	408.98
(c) Capital work-in-progress	78.45
(d) Goodwill on consolidation	1,382.02
(e) Other intangible assets	0.54
(f) Financial assets	
(i) Investments	-
(ii) Other financial assets	43.11
(g) Income tax assets (net)	38.15
(h) Deferred tax assets (net)	38.75
(i) Other non-current assets	232.41
Total Non-current assets	**21,484.81**
2. Current assets	
(a) Financial assets	
(i) Investments	337.23
(ii) Trade receivables	122.53
(iii) Cash and cash equivalents	299.61
(iv) Bank balances other than (iii) above	1,607.16
(v) Loans	76.70
(vi) Other financial assets	730.72
(b) Other current assets	41.75
Total current assets	**3,215.70**
TOTAL ASSETS	**24,700.51**
II. EQUITY AND LIABILITIES	
Equity	
(a) Equity share capital	87.50
(b) Instrument considered entirely as equity - compulsorily convertible debentures (CCDs)	2,885.24
(c) Other equity	(1,878.21)
(d) Non controlling interest	159.13
Total equity	**1,253.66**
Liabilities	
1. Non-current liabilities	
(a) Financial liabilities	
(i) Borrowings	21,493.95
(ii) Lease liabilities	79.03
(b) Provisions	4.65
(c) Deferred tax liabilities (net)	-
Total non-current liabilities	**21,577.63**
2. Current liabilities	
(a) Financial liabilities	
(i) Borrowings	765.06
(ii) Lease liabilities	9.99

Particulars	As at March 31, 2022 (in ₹ million, unless otherwise stated)
(iii) Trade payables	
(a) Total outstanding dues of micro and small enterprises	4.25
(b) Total outstanding dues of creditors other than micro and small enterprises	65.22
(iv) Other financial liabilities	927.56
(b) Other current liabilities	96.15
(c) Provisions	0.56
(d) Current tax liabilities (net)	0.43
Total current liabilities	**1,869.22**
TOTAL LIABILITIES	**23,446.85**
TOTAL EQUITY AND LIABILITIES	**24,700.51**

SEPL Energy Private Limited (formerly known as Sekura Energy Private Limited)
Summary Statement of Profit and Loss

Particulars	For the year ended March 31, 2024 (in ₹ million, unless otherwise stated)	For the year ended March 31, 2023 (in ₹ million, unless otherwise stated)
Revenue from operations:		
Interest income	249.25	54.28
Net gain on fair value changes	39.99	28.13
Sale of products	1,310.94	3,152.58
Sale of services	89.60	117.33
Gain on sale of investments	3.81	976.79
Total revenue from operations	1,693.59	4,329.11
Other income	28.34	12.14
Total income	**1,721.93**	**4,341.25**
Expenses:		
Finance costs	946.24	1,222.02
Employee benefits expenses	79.82	84.18
Depreciation and amortisation expense	368.12	612.34
Administration and other expenses	236.15	422.08
Total expenses	**1,630.33**	**2,340.62**
Profit before tax	91.60	2,000.63
Tax expense:		
Current tax	-	139.99
Deferred tax	(4.42)	(129.59)
Tax in respect of earlier years	(1.33)	-
	(5.75)	**10.40**
	`	
Profit for the year	**97.35**	**1,990.23**
Other comprehensive income		
Items that will not be reclassified to profit or loss		
- Remeasurement of defined benefit plans	(0.03)	0.90
-Fair value of Investments through other comprehensive income	(56.17)	67.48
Tax on above	6.43	(7.72)
Total other comprehensive income	**(49.77)**	**60.66**
Total comprehensive income for the year	**47.58**	**2,050.89**
Net profit for the year attributable to:		
- owners of the Company	104.28	1,989.10
- non-controlling shareholders' interest	(6.93)	1.13
Other comprehensive income for the year attributable to:		
- owners of the Company	(49.77)	60.66
- non-controlling shareholders' interest	-	-
Total comprehensive income for the year attributable to:		
- owners of the Company	54.51	2,049.76
- non-controlling shareholders' interest	(6.93)	1.13

Particulars	For the year ended March 31, 2024 (in ₹ million, unless otherwise stated)	For the year ended March 31, 2023 (in ₹ million, unless otherwise stated)
Basic earnings per equity share (₹)	8.41	181.33
Diluted earnings per equity share (₹)	8.41	181.33

SEPL Energy Private Limited (formerly known as Sekura Energy Private Limited)
Summary Statement of Profit and Loss

Particulars	For the year ended March 31, 2022 (in ₹ million, unless otherwise stated)
Revenue from operations	7,345.29
Other income	285.37
Total income (A)	**7,630.66**
Expenses:	
Operation and maintenance costs	598.41
Employee benefits expense	109.92
Finance costs	4,964.40
Depreciation and amortisation expense	2,417.31
Other expenses	336.05
Total expenses (B)	**8,426.09**
Profit/ (loss) before tax (C) = (A-B)	**(795.43)**
Tax expense:	
(i) Current tax	4.74
(ii) Deferred tax	(14.48)
Total tax expense (D)	**(9.74)**
Net profit/ (loss) for the year before share in profit / (loss) after tax of joint ventures (E) = (C - D)	**(785.69)**
Share in loss after tax of joint ventures, net (F)	(14.95)
Net profit / (loss) for the year (G) = (E+F)	**(800.64)**
Other comprehensive income:	
Items that will not be reclassified to profit and loss in subsequent years:	
(i) Remeasurement of post-employment benefits obligation	1.33
(ii) Gain of fair valuation of investments	-
Tax on above	-
Items that will be reclassified to profit and loss in subsequent years:	
Net movement in effective portion of cash flow hedges	114.90
Total other comprehensive income for the year (H)	**116.23**
Total comprehensive income/(loss) for the year (I) = (G+H)	**(684.41)**
Net profit/(loss) for the year attributable to:	
- owners of the Company	(744.23)
- non-controlling shareholders' interest	(56.41)
Other comprehensive income for the year attributable to:	
- owners of the Company	114.15
- non-controlling shareholders' interest	2.08
Total comprehensive income/(loss) for the year attributable to:	
- owners of the Company	(630.08)
- non-controlling shareholders' interest	(54.33)
Earnings per equity share (face value of INR 10 each) (in INR)	
Basic	(91.50)
Diluted	(91.50)

SEPL Energy Private Limited (formerly known as Sekura Energy Private Limited)
Summary Statement of Cash Flows

	Particulars	For the year ended March 31, 2024 (in ₹ million, unless otherwise stated)	For the year ended March 31, 2023 (in ₹ million, unless otherwise stated)
A.	**Cash flows from operating activities**		
	Net profit before tax	91.60	2,000.63
	Adjustments for :		
	Depreciation and amortizations expense	368.12	612.34
	Interest income	(25.32)	(41.09)
	Interest income on InvIT fund	(227.76)	(17.10)
	Other income from Invit fund	(3.81)	(2.06)
	Unrealised gain on fair valuation of mutual funds, net	(19.62)	(2.11)
	Gain on sale / redemption of investments in mutual funds (net)	(20.37)	(26.02)
	Provision / liabilities no longer required written back	(24.13)	(0.22)
	Finance cost	946.24	1,219.29
	Income from insurance claim	-	(3.75)
	Loss on derecognition of assets	-	2.64
	Profit / loss on sale of equity interest in subsidiaries	-	(974.73)
	Interest on hold back of purchase consideration	-	2.73
	Operating profit before changes in working capital	**1,084.95**	**2,770.55**
	Movement in working capital :		
	Decease/(Increase) in other financial assets (including unbilled revenue)	3.16	(1,274.83)
	Decease/(Increase) in trade receivables	113.20	(57.43)
	Decrease / (Increase) in other assets	29.84	(64.66)
	(Decrease)/ increase in trade and other payables	(2.68)	22.65
	Decrease in other financial liabilities	(2.18)	(86.97)
	Decrease in other current liabilities	(3.66)	(81.62)
	Increase in provisions	0.07	0.90
	Working capital changes	**137.75**	**(1,541.96)**
	Cash generated from operations	**1,222.70**	**1,228.59**
	Taxes paid/ (refund)	(5.80)	6.41
	Net cash flows from operating activities (A)	**1,216.90**	**1,235.00**
B.	**Cash flows from investing activities**		
	Payment for purchase of property, plant and equipment and intangible assets (including capital work-in-progress and capital advances)	(2.81)	(120.84)
	Sale proceeds on sale of investment in subsidiaries	-	2,898.60
	Insurance claim received on disposal / discard of property, plant and equipment	-	3.75
	Payment for investment in InvIT funds	-	(2,380.00)
	Receipt from investment in InvIT funds	0.95	10.36
	Payment for investment in mutual fund	(1,698.06)	(2,768.01)
	Proceeds from sale / redemption of mutual funds	1,259.02	2,987.29
	Payment for investment in fixed deposits	(11.90)	(1,140.90)
	Proceeds on maturity of fixed deposits	-	983.10
	Change in balances with bank held as margin money or security against guarantees and other commitments	249.37	(1.30)
	Interest income on InvIT fund	227.76	17.10
	Other income from Invit fund	3.81	2.06
	Loans given to related parties	-	-
	Interest received	19.74	23.85
	Net cash flows from investing activities (B)	**47.88**	**515.06**
C.	**Cash flows from financing activities**		

	Particulars	For the year ended March 31, 2024 (in ₹ million, unless otherwise stated)	For the year ended March 31, 2023 (in ₹ million, unless otherwise stated)
	Proceeds from issue of debentures	-	1,965.70
	Repayment on redemption of debentures	(118.33)	(2,356.00)
	Repayment of term loan	(314.01)	(299.04)
	Payment of principal portion of lease liabilities	(7.07)	(8.57)
	Payment of interest portion of lease liabilities	(7.46)	(8.89)
	Finance cost paid	(865.93)	(1,268.41)
	Net cash flows used in financing activities (C)	**(1,312.80)**	**(1,975.21)**
	Net (decrease) in cash and cash equivalents (A+B+C)	(48.02)	(225.15)
	Add: Cash and cash equivalents at the beginning of year	67.44	299.61
	Less: Cash and cash equivalents on disposal of interest in subsidiaries	-	(7.02)
	Cash and cash equivalents at the end of year	**19.42**	**67.44**

SEPL Energy Private Limited (formerly known as Sekura Energy Private Limited)
Summary Statement of Cash Flows

	Particulars	For the year ended March 31, 2022 (in ₹ million, unless otherwise stated)
A.	**Cash flows from operating activities**	
	Net loss before tax	(795.43)
	Adjustments for :	
	Depreciation and amortizations expense	2,417.31
	Interest income on fixed deposits	(165.52)
	Interest income on income tax refund	(1.94)
	Finance income	(14.21)
	Interest income on InvIT fund	-
	Other income from Invit fund	-
	Unrealised gain on fair valuation of mutual funds, net	(5.79)
	Gain on sale / redemption of investments in mutual funds (net)	(16.79)
	Provision / liabilities no longer required written back	(19.35)
	Finance cost	4,946.67
	Income from insurance claim	(15.94)
	Loss on derecognition of assets	-
	Loss on sale / discard of property, plant and equipment (net)	2.18
	Profit / loss on sale of equity interest in subsidiaries	(42.75)
	Interest on hold back of purchase consideration	17.73
	Balances written off	0.22
	Operating profit before changes in working capital	**6,306.39**
	Movement in working capital :	
	Increase in other financial assets (including contract assets)	(70.83)
	Increase in trade receivables	(112.90)
	Increase in other assets	(66.53)
	Increase in trade and other payables	25.46
	Increase / (decrease) in other financial liabilities	10.71
	Decrease in other current liabilities	(33.22)
	Increase in provisions	1.68
	Working capital changes	**(245.63)**
	Cash generated from operations	**6,060.76**
	Taxes paid/ (refund)s	(24.63)
	Net cash flows from operating activities (A)	**6,036.13**
B.	**Cash flows from investing activities**	
	Payment for purchase of property, plant and equipment and intangible assets (including capital work-in-progress and capital advances)	(751.44)
	Sale of property, plant and equipment	5.75
	Payment for acquisition of equity interest in subsidiaries and joint ventures	(468.25)
	Sale proceeds on sale of investment in subsidiaries	2,062.94

	Particulars	For the year ended March 31, 2022 (in ₹ million, unless otherwise stated)
	Insurance claim received on disposal / discard of property, plant and equipment	51.19
	Investment in InvIT funds	-
	Investment income on Invit fund	-
	Payment for investment in mutual fund	(3,356.29)
	Proceeds from sale / redemption of mutual funds	3,283.02
	Payment for investment in fixed deposits	(10,034.00)
	Proceeds on maturity of fixed deposits	9,990.81
	Change in balances with bank held as margin money or security against guarantees and other commitments	126.36
	Interest income on InvIT fund	-
	Other income from Invit fund	-
	Loans given to related parties	(76.70)
	Interest received	136.36
	Net cash flows from investing activities (B)	**969.75**
C.	**Cash flows from financing activities**	
	Proceeds from issue of debentures	347.79
	Repayment on redemption of debentures	(3,129.88)
	Proceeds from term loan	18,837.66
	Repayment of term loan	(12,715.92)
	Repayment of foreign currency loan	(5,938.62)
	Interest free loan from related parties	76.70
	Payment of principal portion of lease liabilities	(8.21)
	Payment of interest portion of lease liabilities	(25.84)
	Dividend on CCPS paid	(78.75)
	Dividend paid to non-controlling equity shareholders	(45.50)
	Receipt of government grant	66.70
	Finance cost paid	(4,964.13)
	Net cash flows used in financing activities (C)	**(7,578.00)**
	Net (decrease) in cash and cash equivalents (A+B+C)	(572.12)
	Add: Cash and cash equivalents at the beginning of year	1,348.72
	Add: Cash and cash equivalents on acquisition of interest in subsidiaries	90.79
	Less: Cash and cash equivalents on disposal of interest in subsidiaries	(567.78)
	Cash and cash equivalents at the end of year	**299.61**

SUMMARY FINANCIAL INFORMATION OF THE INVESTMENT MANAGER

The following tables set forth the summary financial information derived from the financial statements of the Investment Manager, which was prepared in accordance with Ind AS, as defined in Rule 2(1)(a) of Companies (Indian Accounting Standards) Rules, 2015, as amended, prescribed under the Section 133 of the Companies Act, as of and for the Fiscals 2024, 2023 and 2022.

The degree to which the summary financial information included herein below will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices, Ind AS, the Companies Act and the InvIT Regulations. Accordingly, any reliance by persons not familiar with Indian accounting practices, Ind AS, the Companies Act and the InvIT Regulations on the summary financial information presented below should be limited.

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EAAA Real Assets Managers Limited (formerly known as Edelweiss Real Assets Managers Limited)
Summary Balance Sheet

Particulars		As at March 31, 2024 (in ₹ million, unless otherwise stated)	As at March 31, 2023 (in ₹ million, unless otherwise stated)	As at March 31, 2022 (in ₹ million, unless otherwise stated)
I	**ASSETS**			
1.	**Non current assets**			
	a) Property, plant and equipment	0.03	-	-
	b) Other non financial assets	0.01	0.01	-
		0.04	**0.01**	**-**
2.	**Current assets**			
	Financial assets			
	a) Investments	113.28	-	-
	b) Cash and cash equivalents	1.24	106.63	104.96
	c) Trade receivables	5.03	9.60	-
	d) Loans	26.00	-	-
	e) Other financial assets	-	0.34	0.03
	Current tax assets (net)	0.65	3.33	0.04
	Other current assets	2.36	1.19	0.14
		148.56	**121.09**	**105.17**
	TOTAL ASSETS	**148.60**	**121.10**	**105.17**
II	**EQUITY AND LIABILITIES**			
1.	**Equity**			
	a) Equity share capital	0.62	0.62	0.61
	b) Other equity	134.03	111.31	101.16
2.	**Liabilities**			
	Non current liabilities			
	a) Provisions	0.58	0.69	0.23
	b) Deferred Tax Liabilities (net)	0.36	-	-
		0.94	**0.69**	**0.23**
	Current liabilities			
	Financial Liabilities			
	a) Trade payables			
	i. total outstanding dues of micro enterprises and small enterprises	-	-	-
	ii. total outstanding dues of creditors other than micro enterprises and small enterprises	3.02	1.15	0.31
	b) Other financial liabilities	6.58	5.08	2.02
	Other current liabilities	3.37	2.13	0.82
	Provisions	0.04	0.12	0.02
		13.01	**8.48**	**3.17**
	TOTAL EQUITY AND LIABILITIES	**148.60**	**121.10**	**105.17**

EAAA Real Assets Managers Limited (formerly known as Edelweiss Real Assets Managers Limited)
Summary Statement of Profit and Loss

Particulars		For the year ended March 31, 2024 (in ₹ million, unless otherwise stated)	For the year ended March 31, 2023 (in ₹ million, unless otherwise stated)	For the period June 25, 2021 to March 31, 2022 (in ₹ million, unless otherwise stated)
I.	**Revenue from operations**			
	Interest income	0.90	4.23	0.50
	Fee and commission income	55.00	20.49	-
	Net gain on fair value changes	6.76	-	-
II.	**Other income**	**0.14**	**0.00**	**-**
III.	**Total Revenue**	**62.80**	**24.72**	**0.50**
IV.	**Expenses:**			
	Finance costs	0.00	0.02	0.08
	Employee benefits expense	27.01	21.01	8.55
	Depreciation, amortization and impairment	0.05	-	-
	Other expenses	7.51	3.61	0.57
	Total expenses	**34.57**	**24.64**	**9.20**
V.	**Profit before tax**	**28.23**	**0.08**	**(8.70)**
VI.	**Tax expenses**			
	Current tax	4.94	-	-
	Short / (Excess) provisions for earlier years	0.19	-	-
	Deferred tax	0.37	-	-
VII.	**Profit after tax**	**22.73**	**0.08**	**(8.70)**
	Remeasurement gain / (loss) on defined benefit plans (OCI)	(0.01)	0.08	(0.04)
	Tax effect on measurement gain on defined benefit plans (OCI)	0.01	-	-
	Other Comprehensive Income	**(0.01)**	**0.08**	**(0.04)**
	Total Comprehensive Income	**22.72**	**0.16**	**(8.74)**
	Earnings per equity share (Face value of INR 10 each)			
	Basic	366.53	1.28	(157.23)
	Diluted	366.53	1.28	(157.23)

EAAA Real Assets Managers Limited (formerly known as Edelweiss Real Assets Managers Limited)
Summary Cash Flow Statement

	Particulars	For the year ended March 31, 2024 (in ₹ million, unless otherwise stated)	For the year ended March 31, 2023 (in ₹ million, unless otherwise stated)	For the period June 25, 2021 to March 31, 2022 (in ₹ million, unless otherwise stated)
A.	**Cash flow from Operating Activities**			
	Profit before tax	28.23	0.08	(8.70)
	Adjustment for:			
	Depreciation and amortisation expense	0.05	-	-
	Realised fair value Loss on financial instruments	(4.57)	-	-
	Unrealised fair value (Gain)/Loss on financial instruments	(2.19)	-	-
	Income Tax Refund	(0.14)	-	-
	Gratuity and compensated expenses	0.32	0.65	0.20
	Interest income	(0.90)	(4.23)	(0.50)
	Interest expense	0.00	0.02	0.08
	Operating cash flow before working capital changes	**20.80**	**(3.48)**	**(8.92)**
	Adjustments for:			
	(Increase)/Decrease in trade receivables	4.57	(9.60)	(0.03)
	(Increase)/Decrease in other non-financial assets	(1.16)	(1.06)	(0.14)
	(Increase)/Decrease in other financial assets	0.34	(0.31)	-
	Increase/(Decrease) in Trade payable	1.86	0.84	0.31
	(Increase)/Decrease in Loans and advances	(26.00)	-	-
	Increase/(Decrease) in liabilities and provisions	2.21	4.37	2.85
	Cash generated from / (used in) operations	**2.63**	**(9.25)**	**(5.93)**
	Taxes refund received / (paid) (net of refunds)	(2.31)	(3.29)	(0.04)
	Net cash generated from / (used in) operating activities - A	**0.31**	**(12.54)**	**(5.97)**
B.	**Cash Flow from Investing Activities**			
	Purchase of tangible and intangible assets	(0.08)	-	-
	Purchase of current and non-current investments	(197.48)	-	-
	Proceeds from Sale/redemption of current and non-current investments	90.97	-	-
	Interest received	0.90	4.23	0.50
	Net cash generated from/ (used in) investing activities - B	**(105.70)**	**4.23**	0.50
C.	**Cash Flow from Financing Activities**			
	Finance Cost Paid	(0.00)	(0.02)	(0.08)
	Proceeds from fresh issue of equity shares	-	10.00	110.50
	Net cash (used in) / generated from financing activities - C	**(0.00)**	**9.98**	**110.42**
	Net increase / (decrease) in cash and cash equivalents (A+B+C)	**(105.39)**	**1.67**	**104.95**
	Cash and cash equivalent as at the beginning of the period/ year	106.63	104.96	-
	Cash & Cash equivalent as at the end of the period/ year	1.24	106.63	104.96

SUMMARY FINANCIAL INFORMATION OF THE TARGET ASSET

The following tables set forth the summary financial information derived from the financial statements of the Target Asset, which was prepared in accordance with Ind AS, as defined in Rule 2(1)(a) of Companies (Indian Accounting Standards) Rules, 2015, as amended, prescribed under the Section 133 of the Companies Act, as of Fiscals 2024, 2023 and 2022 and as per Ind AS 34 for the three-months period ended on June 30, 2024.

The degree to which the summary financial information included herein below will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices, Ind AS, the Companies Act and the InvIT Regulations. Accordingly, any reliance by persons not familiar with Indian accounting practices, Ind AS, the Companies Act and the InvIT Regulations on the summary financial information presented below should be limited.

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ReNew Sun Waves Private Limited
Summary of Balance Sheet

	Particulars	As at March 31, 2024 (in ₹ million, unless otherwise stated)	As at March 31, 2023 (in ₹ million, unless otherwise stated)	As at March 31, 2022 (in ₹ million, unless otherwise stated)
I	**ASSETS**			
1.	**Non-current assets**			
	a) Property, plant and equipment	12,537	12,904	13,191
	b) Right of use assets	226	233	235
	c) Financial assets			
	i) Others	1	1	-
	d) Non current tax assets (net)	54	77	40
	e) Other non-current assets	19	29	40
	Total non-current assets	**12,837**	**13,244**	**13,506**
2.	**Current assets**			
	a) Inventories	6	4	-
	b) Financial assets			
	i. Trade Receivables	177	167	175
	ii. Cash and cash equivalents	10	137	362
	iii. Bank balances other than cash and cash equivalents	940	432	801
	iv. Loans	477	140	-
	v. Others	987	1,059	1,069
	c) Prepayments	8	38	8
	d) Other current assets	3	3	3
	Total current assets	**2,608**	**1,980**	**2,418**
	TOTAL ASSETS	**15,445**	**15,224**	**15,924**
II	**EQUITY AND LIABILITIES**			
1.	**Equity**			
	a) Equity share capital	30	30	30
	b) Other equity			
	i. Securities premium	2,094	2,094	2,094
	ii. Debenture redemption reserve	-	-	168
	iii. Retained earnings	891	658	243
	Total Equity	**3,015**	**2,782**	**2,535**
2.	**Non-current Liabilities**			
	a) Financial Liabilities			
	i. Long term borrowings	10,103	10,416	9,854
	ii. Lease Liabilities	205	203	179
	b) Long-term provisions	57	106	84
	c) Deferred tax liabilities	227	130	33
	Total non-current liabilities	**10,592**	**10,855**	**10,150**
3.	**Current Liabilities**			
	a) Financial liabilities			
	i. Short-term borrowings	832	496	1,388
	ii. Trade Payables			
	• Total outstanding dues to micro enterprises and small enterprises	1	-	-
	• Total outstanding dues of creditors other than micro enterprises and small enterprises	861	895	863
	iii. Lease liabilities	21	20	23
	iv. Other current financial liabilities	118	159	953
	b) Other current liabilities	5	17	12
	Total current liabilities	**1,838**	**1,587**	**3,239**
	Total Liabilities	**12,430**	**12,442**	**13,389**
	TOTAL EQUITY AND LIABILITIES	**15,445**	**15,224**	**15,924**

ReNew Sun Waves Private Limited
Summary Statement of Profit and Loss

	Particulars	For the year ended March 31, 2024 (in ₹ million, unless otherwise stated)	For the year ended March 31, 2023 (in ₹ million, unless otherwise stated)	For the year ended March 31, 2022 (in ₹ million, unless otherwise stated)
	Income			
I.	Revenue from contract with customers	1,827	1,848	954
II	Other income	72	73	35
III	**Total income**	**1,899**	**1,921**	**989**
IV.	**Expenses:**			
	Cost of raw material and components consumed	1	1	-
	Other expenses	196	227	126
	Total expenses	**197**	**228**	**126**
	Earning before interest, tax, depreciation and amortization (EBITDA)	**1,702**	**1,693**	**863**
	Depreciation and amortization expense	371	368	223
	Finance costs	999	981	513
V.	**Profit before tax**	**332**	**344**	**127**
VI.	**Tax expenses**			
	Deferred tax	97	97	34
	Tax for earlier years	2	-	(36)
VII.	**Profit for the year**	**233**	**247**	**129**
VIII.	**Total Comprehensive Income for the year**	**233**	**247**	**129**
IX.	**Earnings per share (Amount in INR) (face value per share: INR 10)**			
	Basic	78.60	83.37	43.72
	Diluted	78.60	83.37	43.72

ReNew Sun Waves Private Limited
Summary of Cash Flows Statement

Particulars	For the year ended March 31, 2024 (in ₹ million, unless otherwise stated)	For the year ended March 31, 2023 (in ₹ million, unless otherwise stated)	For the year ended March 31, 2022 (in ₹ million, unless otherwise stated)
A. Cash flow from Operating Activities			
Profit before tax	332	344	127
Adjustment for:			
Depreciation and amortisation expense	371	368	223
Provisions written back	-	(3)	-
Interest income	(55)	(56)	(12)
Interest expense	984	936	479
Unwinding of discount on provisions	6	6	3
Unamortised ancillary borrowing cost written off	3	33	22
Impairment of inventory	0	-	-
Operating loss before working capital changes	**1,641**	**1,628**	**842**
Movement in working capital			
(Increase)/decrease in trade receivables	(10)	8	(175)
(Increase) in inventories	(2)	(4)	(0)
Decrease/(increase) in other current assets	0	(1)	(3)
(Increase)/decrease in other current financial assets	87	17	(1,066)
Decrease/(increase) in prepayments	30	(30)	(8)
Increase in other non-current financial assets	-	(1)	-
Increase in other non-current assets	-	(0)	3
(Decrease)/increase in other current liabilities	(12)	4	(11)
(Decrease)/increase in trade payables	(33)	32	862
Decrease in other current financial liabilities	1	(0)	-
Cash generated from / (used in) from operations	1,702	1,653	444
Income taxes refund / (paid) (net)	20	(37)	(24)
Net cash generated from / (used in) operating activities - A	**1,722**	**1,616**	**420.00**
B. Cash Flow from Investing Activities			
Purchase of Property, Plant and Equipment including capital work in progress, capital creditors and capital advances	(115)	(322)	(8,419)
Net Investments of bank deposits having residual maturity more than 3 months	(508)	369	(771)
Loan given to related parties	(337)	(140)	-
Interest received	40	49	9
Net cash generated from/ (used in) investing activities - B	**(920)**	**(44)**	**(9,181)**
C. Cash Flow from Financing Activities			
Proceeds from long-term borrowings	-	10,780	10,019
Repayment of long-term borrowings	(323)	(10,020)	-
Proceeds from short-term borrowings	393	-	273
Repayment of short-term borrowings	(55)	(1,100)	(973)
Lease Payment	-	-	(24)
Interest paid	(944)	(1,457)	(185)
Net cash (used in) / generated from financing activities - C	**(929)**	**(1,797)**	**9,110**
Net increase in cash and cash equivalents	**(127)**	**(225)**	**349**
Cash and cash equivalents at the beginning of the year	137	362	13
Cash and cash equivalents at the end of the year	10	137	362

ReNew Sun Waves Private Limited
Summary of Special Purpose Interim Condensed Balance Sheet as at June 30, 2024

Particulars		As at June 30, 2024 (in ₹ million, unless otherwise stated)
I	**ASSETS**	
1.	**Non-current assets**	
	a) Property, plant and equipment	12,448
	b) Right of use assets	224
	c) Financial assets	
	i) Others	1
	d) Non current tax assets (net)	53
	e) Other non-current assets	7
	Total non-current assets	**12,733**
2.	**Current assets**	
	a) Inventories	0
	b) Financial assets	
	i. Trade Receivables	167
	ii. Cash and cash equivalents	930
	iii. Bank balances other than cash and cash equivalents	663
	iv. Loans	-
	v. Others	1,018
	c) Prepayments	37
	d) Other current assets	0
	Total current assets	**2,815**
	TOTAL ASSETS	**15,548**
II	**EQUITY AND LIABILITIES**	
1.	**Equity**	
	a) Equity share capital	30
	b) Other equity	
	i. Securities premium	2,094
	ii. Debenture redemption reserve	0
	iii. Retained earnings	978
	Total Equity	**3,102**
2.	**Non-current Liabilities**	
	a) Financial Liabilities	
	i. Long term borrowings	10,019
	ii. Lease Liabilities	242
	b) Long-term provisions	58
	c) Deferred tax liabilities (net)	261
	Total non-current liabilities	**10,580**
3.	**Current Liabilities**	
	a) Financial liabilities	
	i. Short-term borrowings	838
	ii. Trade Payables	
	• Total outstanding dues to micro enterprises and small enterprises	-
	• Total outstanding dues of creditors other than micro enterprises and small enterprises	841
	iii. Lease liabilities	0
	iv. Other current financial liabilities	186
	b) Other current liabilities	1
	Total current liabilities	**1,866**
	Total Liabilities	**12,446**
	TOTAL EQUITY AND LIABILITIES	**15,548**

ReNew Sun Waves Private Limited
Summary of Special Purpose Interim Condensed Statement of Profit and Loss as at June 30, 2024

Particulars		For the period ended 30 June 2024 (in ₹ million, unless otherwise stated)	For the period ended 30 June 2023 (in ₹ million, unless otherwise stated)
	Income		
I.	Revenue from contract with customers	493	489
II	Other income	25	14
		518	**503**
III	**Total income**		
IV.	**Expenses:**		
	Other expenses	56	51
	Total expenses	**56**	**51**
	Earning before interest, tax, depreciation and amortization (EBITDA)	**462**	**452**
	Depreciation and amortization expense	92	92
	Finance costs	248	249
V.	**Profit before tax**	**122**	**111**
VI.	**Tax expenses**		
	Deferred tax	**35**	31
VII.	**Profit for the period**	**87**	**80**
VIII.	**Total Comprehensive Income for the year**	**87**	**80**
IX.	**Earnings per share (Amount in INR) (face value per share: INR 10)**		
	Basic	29.25	26.99
	Diluted	29.25	26.99

ReNew Sun Waves Private Limited
Summary of Special Purpose Interim Condensed Statement of Cash Flows as at June 30, 2024

Particulars	For the period ended June 30, 2024 (in ₹ million, unless otherwise stated)	For the period ended June 30, 2023 (in ₹ million, unless otherwise stated)
A. Cash flow from Operating Activities		
Profit before tax	122	111
Adjustment for:		
Depreciation and amortisation expense	92	92
Interest income	(24)	(14)
Interest expense	247	246
Unwinding of discount on provisions	1	2
Operating loss before working capital changes	**438**	**437**
Movement in working capital		
(Increase)/decrease in trade receivables	10	5
(Increase) in inventories	5	(0)
Decrease/(increase) in other current assets	3	0
(Increase)/decrease in other current financial assets	(15)	(0)
Decrease/(increase) in prepayments	(29)	12
(Decrease)/increase in other current liabilities	(5)	
(Decrease)/increase in trade payables	(19)	43
Decrease in other current financial liabilities	(1)	(20)
Cash generated from / (used in) from operations	387	477
Income taxes refund / (paid) (net)	1	26
Net cash generated from / (used in) operating activities - A	**388**	**503**
B. Cash Flow from Investing Activities		
Movement of Property, Plant and Equipment including capital work in progress, capital creditors and capital advances	10	(4)
Net Proceeds/(Investments) of bank deposits having residual maturity more than 3 months	277	(279)
Loan repaid by related parties	477	-
Interest received	9	2
Net cash generated from/ (used in) investing activities - B	**773**	**(281)**
C. Cash Flow from Financing Activities		
Repayment of long-term borrowings	(81)	(81)
Lease Payment	11	(3)
Interest paid	(171)	(238)
Net cash (used in) / generated from financing activities - C	**(241)**	**(322)**
Net increase in cash and cash equivalents	**920**	**(100)**
Cash and cash equivalents at the beginning of the year	10	137
Cash and cash equivalents at the end of the year	930	37

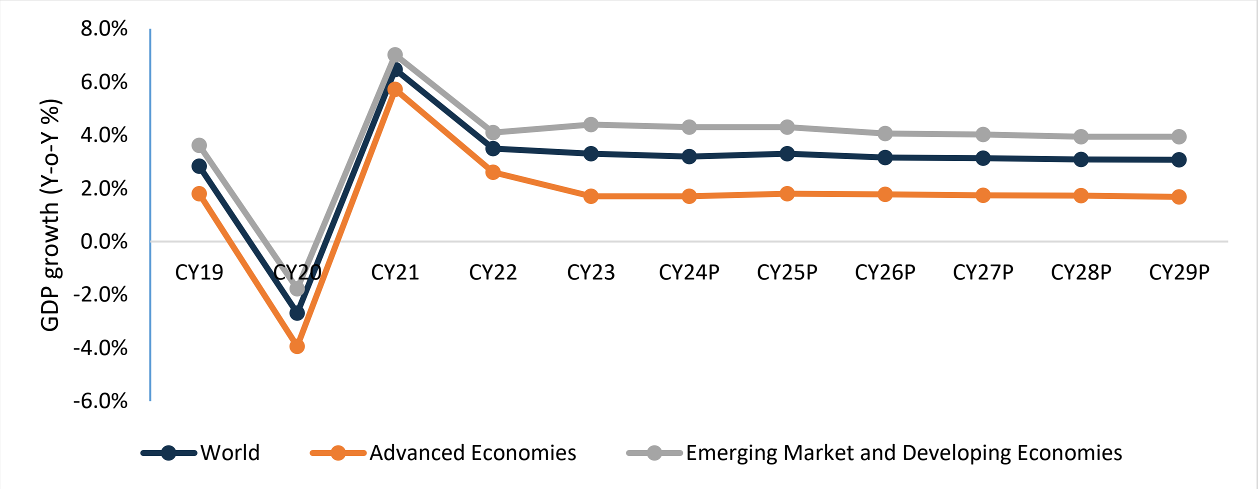
SUMMARY OF INDUSTRY

1. Economic Outlook

1.1 Global Economy

Global growth, which stood at 3.3% in CY23, is anticipated to fall to 3.2% in CY24 and then bounce back again to 3.3% in CY25. The CY24 forecast has remained same compared to the April 2024 World Economic Outlook (WEO) Update and increased by 0.1 percentage point compared to the January 2024 WEO. Despite this, the expansion remains historically low, attributed to factors including sustained high borrowing costs, inflation woes, reduced fiscal support, lingering effects of Russia's Ukraine invasion, Iran–Israel War, sluggish productivity growth, and heightened geo-economic fragmentation.

Chart 1: Global Growth Outlook Projections (Real GDP, Y-o-Y change in %)



Notes: P-Projection; Source: IMF – World Economic Outlook, July 2024

Table 1: GDP growth trend comparison - India v/s Other Economies (Real GDP, Y-o-Y change in %)

	Real GDP (Y-o-Y change in %)									
	CY20	CY21	CY22	CY23	CY24P	CY25P	CY26P	CY27P	CY28P	CY29P
India	-5.8	9.7	7.0	8.2	7.0	6.5	6.5	6.5	6.5	6.5
China	2.2	8.5	3.0	5.2	5.0	4.5	3.8	3.6	3.4	3.3
Indonesia	-2.1	3.7	5.3	5.0	5.0	5.1	5.1	5.1	5.1	5.1
Saudi Arabia	-3.6	5.1	7.5	-0.8	1.7	4.7	4.0	3.5	3.0	3.5
Brazil	-3.3	4.8	3.0	2.9	2.1	2.4	2.1	2.0	2.0	2.0
Euro Area	-6.1	5.9	3.4	0.5	0.9	1.5	1.4	1.3	1.3	1.2
United States	-2.2	5.8	1.9	2.5	2.6	1.9	2.0	2.1	2.1	2.1

P- Projections; Source: IMF- World Economic Outlook Database (July 2024)

Advanced Economies Group

Advanced economies are expected to experience a gradual increase in growth, remaining same at 1.7% in CY24 and increasing to 1.8% in CY25. The projection for CY24 and CY25 remains unchanged compared to the April 2024 WEO Update.

The **United States** is expected to see growth rise to 2.6% in CY24, followed by a slight slowdown to 1.9% in CY25. This deceleration is attributed to gradual fiscal tightening and labour market softening, which dampen aggregate demand.

The **Euro Area's** growth is anticipated to rebound from its sluggish growth in CY23 to 0.9% in CY24 and further to 1.5% in CY25. This recovery is driven by stronger household consumption, as the impact of elevated energy prices diminishes and declining inflation bolsters real income growth. Additionally, strong momentum in services, higher than expected net exports, and higher investments have further driven this growth.

Emerging Market and Developing Economies Group

Emerging market and developing economies are forecasted to maintain stable growth at 4.3% in both CY24 and CY25.

This forecast has been made on account of stronger activity in Asia, particularly China and India. Growth prospects in economies across the Middle East and Central Asia continue to be weighed down by oil production and regional conflicts. Growth forecast of sub-Saharan Africa has also been revised downward on account of weak economic activity. Low-income developing countries are anticipated to experience a gradual growth uptick, starting at 4.4% in CY24 and climbing to 5.3% in CY25, as certain constraints on near-term growth begin to ease.

The economic forecast for emerging and developing Asia reveals a modest deceleration in growth, with projections indicating a decline from 5.4% in CY24 to 5.1% in CY25. **China's** trajectory reflects a slowdown, transitioning from 5.0% in CY24 to 4.5% in CY25 due to fading post-pandemic stimuli and ongoing property sector challenges. In contrast, **India's** growth remains robust, with anticipated rates of 7.0% in CY24 and 6.5% in CY25, bolstered by resilient domestic demand and a burgeoning working-age populace.

The **Indonesian** economy is expected to register growth of 5.0% in CY24 and 5.1% in CY25 with a strong domestic demand, a healthy export performance, policy measures, and normalization in commodity prices. **Saudi Arabia's** growth in CY24 is predicted to see a revamp in growth rate to 1.7% on account of Vision 2030 reforms that helped advance the country's economic diversification agenda, including through reduced reliance on oil. Going forward, GDP is expected to grow at 4.7% in CY25. On the other hand, **Brazil's** growth is projected to ease to 2.1% in CY24, driven by fiscal consolidation, the lingering impact of tight monetary policies, and reduced contributions from the agricultural sector. Going forward, GDP is expected to grow at 2.4% in CY25 on account of reconstruction following the floods and supportive structural factors.

Despite the turmoil in the last 2-3 years, India bears good tidings to become a USD 5 trillion economy by CY27. According to the IMF dataset on Gross Domestic Product (GDP) at current prices, the nominal GDP has been at USD 3.6 trillion for CY23 and is projected to reach USD 5.3 trillion by CY27 and USD 6.4 trillion by CY29. India's expected GDP growth rate for coming years is almost double compared to the world economy. The Indian economy shows resilience amid global inflation, supported by a stable financial sector, strong service exports, and robust investment driven by government spending and high-income consumer consumption, positioning it for better growth than other economies.

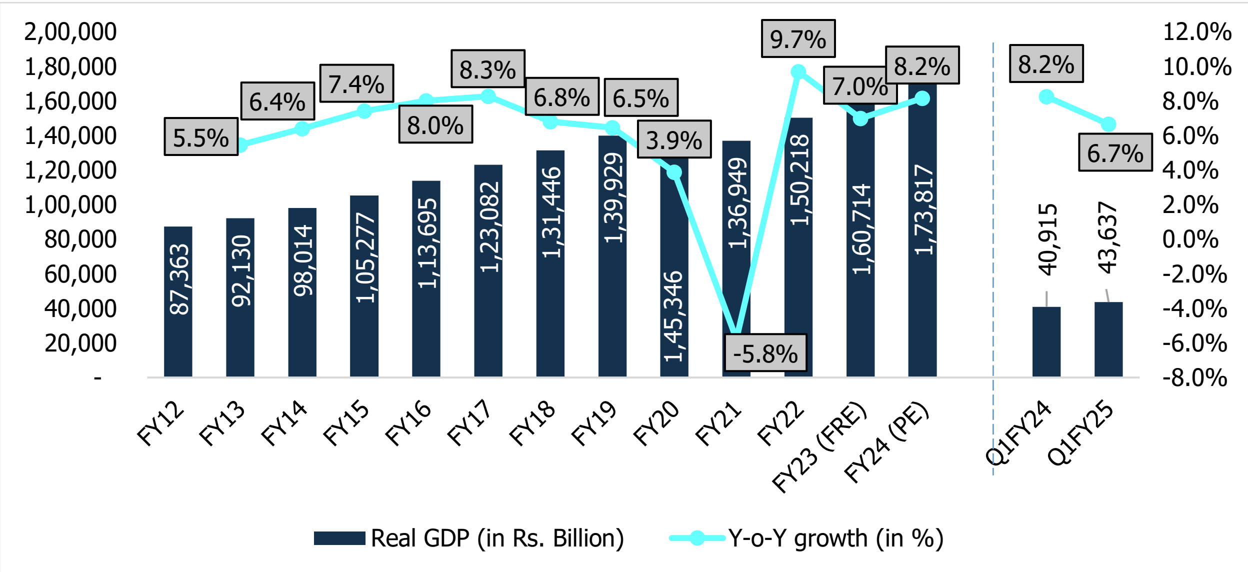
Besides, India stands out as the fastest-growing economy among the major economies. The country is expected to grow at more than 6.5% in the period of CY24-CY29, outshining China's growth rate. By CY27, the Indian economy is estimated to emerge as the third-largest economy globally, hopping over Japan and Germany. Currently, it is the third largest economy globally in terms of Purchasing Power Parity (PPP) with a ~7.6% share in the global economy, with China (~18.7%) on the top followed by the United States (~15.6%).

1.2 Indian Economic Outlook

1.3 GDP Growth and Outlook

Resilience to External Shocks remains Critical for Near-Term Outlook

Chart 2: Trend in Real Indian GDP growth rate



Note: FRE – First Revised Estimates, PE – Provisional Estimate; Source: MOSPI

India's real GDP grew by 7.0% in FY23 and stood at ~Rs. 161 trillion, as per the First Revised Estimate, despite the pandemic in previous years and geopolitical Russia-Ukraine spillovers. Real GDP in the year FY24 is estimated to grow at 8.2% at Rs. 173.82 trillion as per provisional estimate of the Ministry of Statistics and Programme Implementation. It is expected that domestic demand, especially investment, to be the main driver of growth in India, amid sustained levels of business and consumer confidence.

In Q1FY25, real GDP grew by 6.7% y-o-y, hitting a 15-month low, as compared to 8.2% y-o-y in the previous quarter. Private consumption, a key driver of the GDP, showed resilience increasing by 7.45% while government spending contracted by 0.24%. This growth was largely driven by elections and extreme summer conditions, which impacted economic activities across several sectors.

GDP Growth Outlook

- Driven by fixed investment and improving global environment, domestic economic activity continues to expand. The provisional estimates (PE) placed real GDP growth at 8.2% for FY24.
- Industrial activity led by manufacturing continues its momentum on the back of strengthening domestic demand, lower input costs, and a supportive policy environment. The purchasing managers' index for both manufacturing and services sector remained elevated in September 2024, indicating a robust expansion.
- Domestic economic activity continues to remain steady. On the supply side, advancing monsoon has boosted kharif sowing and improved agricultural production prospects, while higher reservoir levels and good soil moisture conditions are favourable for the upcoming rabi crop. Additionally, growth in GVA for major non-agricultural sectors like manufacturing, construction, and utilities has stayed above 5% for Q1FY25, indicating expansion. On the demand side, household consumption is bolstered by an upward trend in rural demand while urban demand continues to hold firm. Additionally, improvement in government consumption can also be observed. Moreover, on the global trade front, services exports are supporting overall growth.
- Fixed investment activity is robust, supported by the government's ongoing focus on capital expenditure, healthy balance sheets of banks and corporates, and other policy measures. Private investment is picking up, driven by an increase in non-food bank credit, higher capacity utilization, and rising investment intentions.

Persistent geopolitical tensions, volatility in international financial markets and geo-economic fragmentation do pose risk to this outlook. Based on these considerations, the RBI, in its October 2024 monetary policy, has projected real GDP growth at 6.6% y-o-y for FY25.

Table 2: RBI's GDP Growth Outlook (Y-o-Y %)

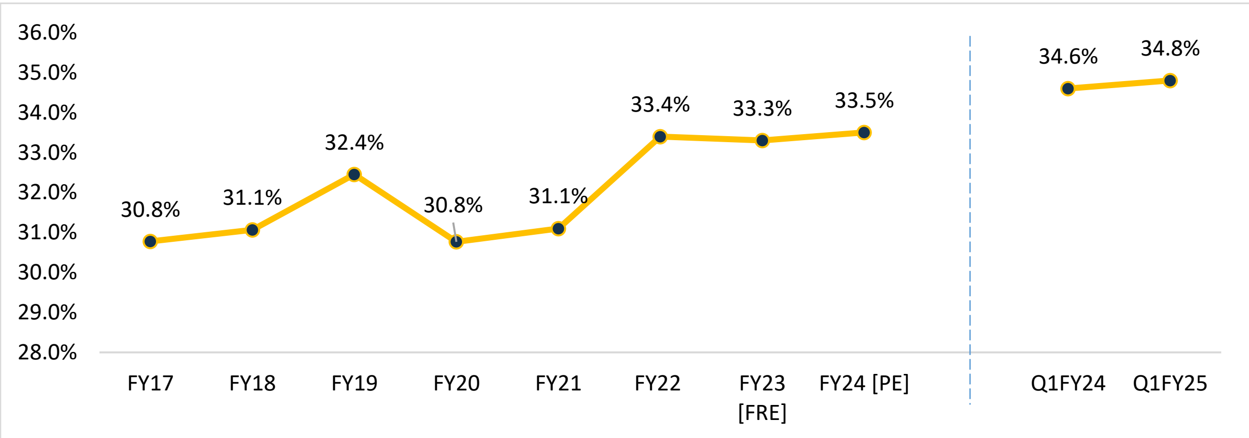
FY25P (complete year)	Q3FY25P	Q4FY25P	Q1FY26P	Q2FY26P
6.6%	6.8%	7.2%	6.9%	7.3%

Note: P-Projected; Source: Reserve Bank of India

1.4 Investment Trend in Infrastructure

Gross Fixed Capital Formation (GFCF) is a measure of the net increase in physical assets. In FY23, the ratio of investment (GFCF) to GDP remained flat, as compared to FY22, at 33.3%. Continuing in its growth trend, this ratio has reached 33.5% in FY24. In Q1FY25, GFCF as a proportion in GDP, reached 34.8% as compared to 34.6% in Q1FY24 mainly reflecting growth in private investment.

Chart 3: Gross Fixed Capital Formation (GFCF) as % of GDP (At constant prices)



Note: 3RE – Third Revised Estimate, 2RE – Second Revised Estimates, 1RE – First Revised Estimates, PE – Provisional Estimate, FAE-First Advance Estimate; Source: MOSPI

Overall, the support of public investment in infrastructure is likely to gain traction due to initiatives such as

Atmanirbhar Bharat, Make in India, and Production-linked Incentive (PLI) scheme announced across various sectors.

1.5 Concluding Remarks

The major headwinds to global economic growth are escalating geopolitical tensions, volatile global commodity prices, high interest rates, inflation woes, volatility in international financial markets, climate change, rising public debt, and modern technologies. Despite the global economic growth uncertainties, the Indian economy is relatively better placed in terms of GDP growth compared to other emerging economies. According to IMF's forecast, it is expected to be 7% in CY24 compared to the world GDP growth projection of 3.2%. The bright spots for the economy are continued healthy domestic demand, support from the government towards capital expenditure, moderating inflation, investments in technology and improving business confidence.

Likewise, several high-frequency growth indicators including the purchasing managers index, E-way bills, bank credit, toll collections and GST collections have shown improvement in FY24. Moreover, normalizing the employment situation after the opening up of the economy is expected to improve and provide support to consumption expenditure.

At the same time, public investment is expected to exhibit healthy growth as the government has allocated a strong capital expenditure of about Rs. 11.11 lakh crores for FY25. The private sector's intent to invest is also showing improvement as per the data announced on new project investments and resilience shown by the import of capital goods. Additionally, improvement in rural demand owing to healthy sowing, improving reservoir levels, and progress in south-west monsoon along with government's thrust on capex and other policy support will aid the investment cycle in gaining further traction.

2. Overview of Indian Power Sector

Power is one of the most critical components for infrastructure development and the economic growth & well-being of any country. The existence and development of adequate power infrastructure are essential for the sustained growth of the Indian economy.

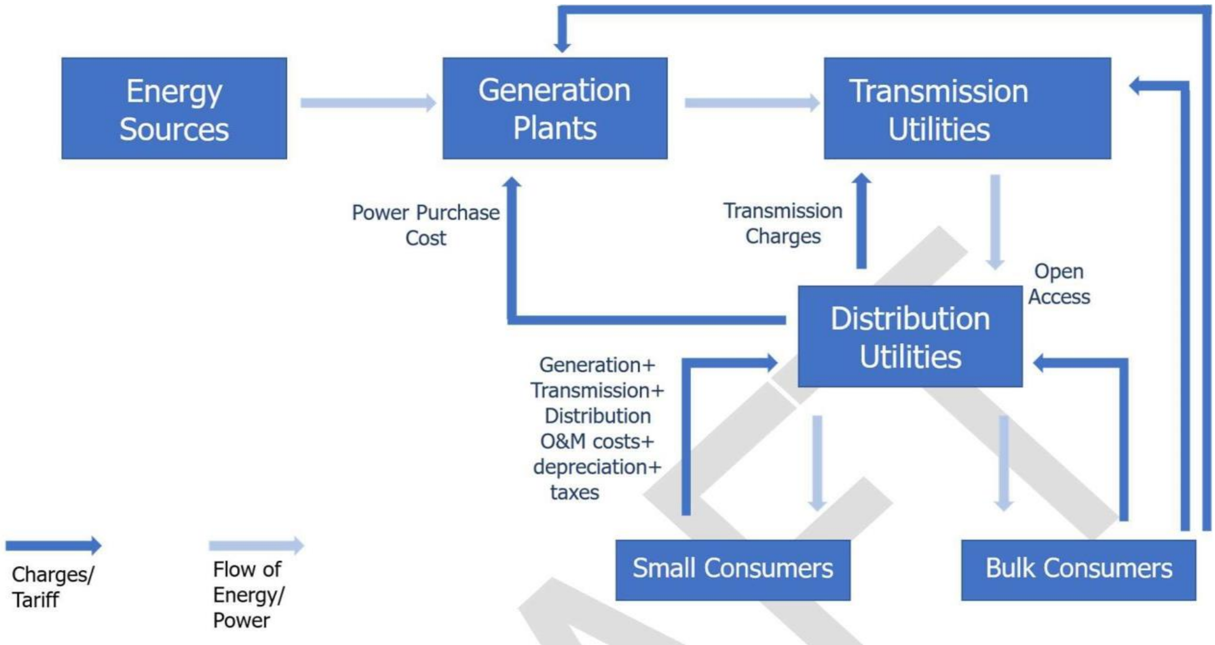
The power industry is divided into three categories:

- Generation
- Transmission
- Distribution

Generation is the process of producing electricity from different sources like thermal energy (coal, diesel etc.), nuclear, and renewable sources such as sunlight, wind, natural gas, etc., in generating stations or power generation plants. Transmission utilities transport large amounts of electricity from power plants to distribution substations via a grid at high voltages. Whereas the retail electricity distribution, the distribution of electricity to consumers at lower voltages, constitutes the distribution category.

The structure of the power industry is depicted in the figure below.

Chart 4: Structure of Power Sector in India

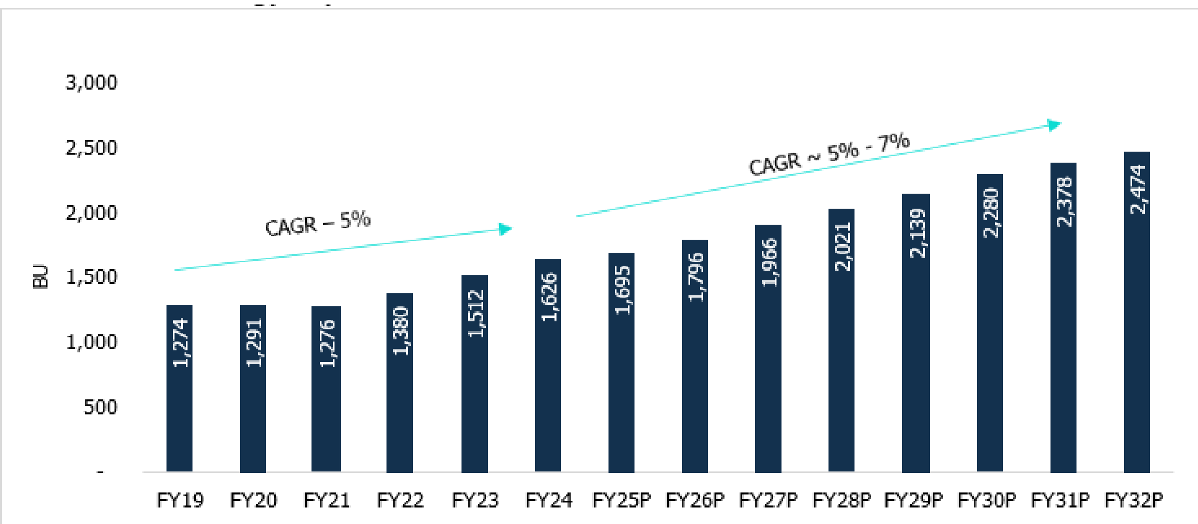


Source: CareEdge Research

2.1 Review and Outlook of the Power Sector in India

The power sector in India has undergone significant transformation in recent years, driven by government initiatives aimed at enhancing efficiency, sustainability, and accessibility. With a mix of conventional and renewable energy sources, India has made considerable strides toward achieving its energy security goals. The push for renewable energy, particularly solar and wind, has positioned the country as a leader in global clean energy efforts. However, challenges remain, including outdated infrastructure, financial viability of state-owned utilities, and regional disparities in power access. The implementation of smart grid technologies and reforms in tariff structures are crucial for addressing these issues. Overall, while the power sector shows promise, continued investment and policy support are essential to ensure a reliable and sustainable energy future for all.

Chart 5: All India Energy Requirement

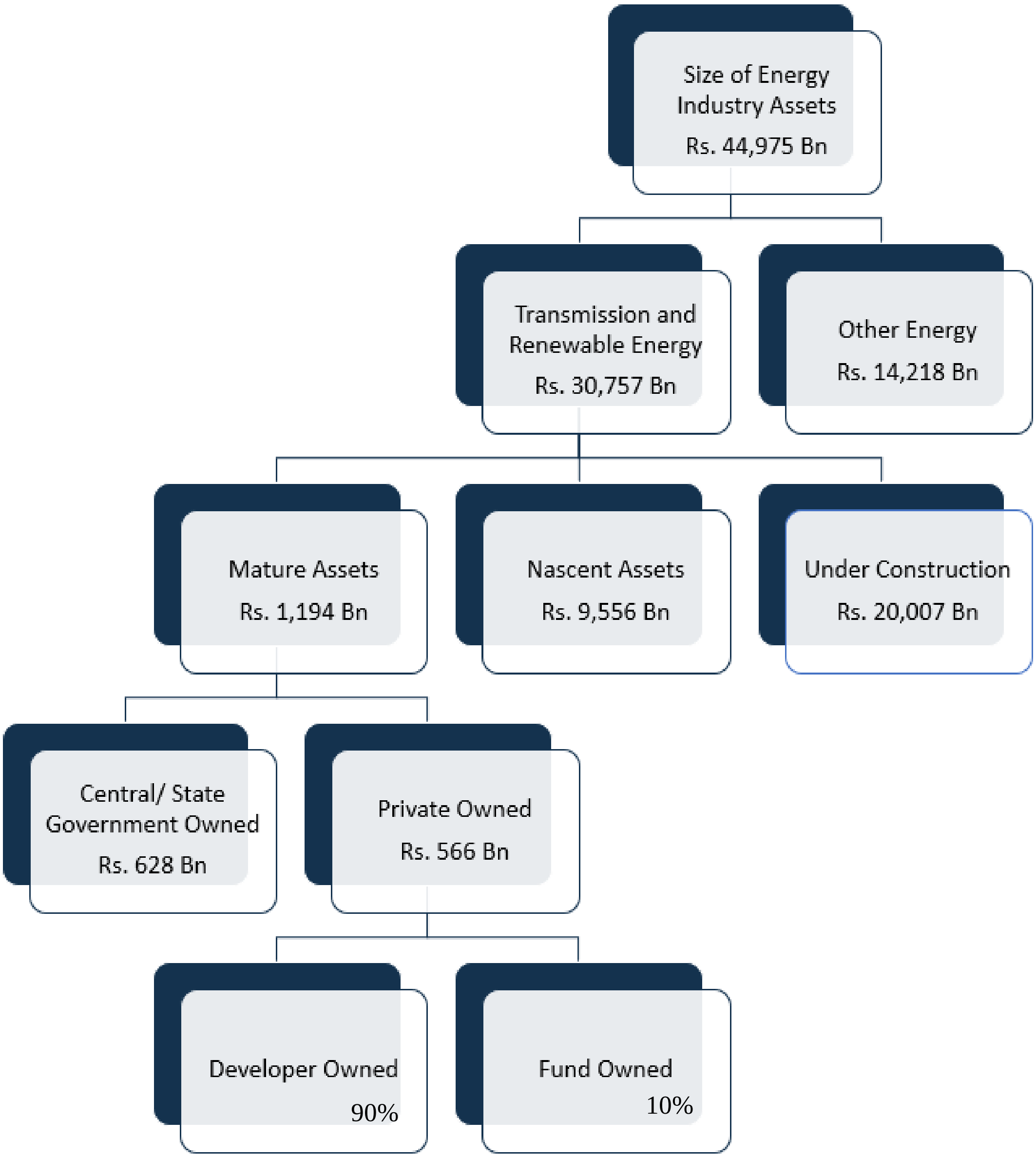


Source: National Electricity Plan (NEP) March 2023, CareEdge Research; P indicates Projected

According to the National Electricity Plan Vol 1, all India peak electricity demand is projected at 296 GW and energy requirement is projected at 1,966 BU for FY27. The power demand is further expected to rise with the growing population and increased economic activities. For FY32, the peak electricity demand is projected at 388 GW and energy requirement at 2,473 BU.

For near future, the momentum for clean energy is likely to persist, contingent on the policy direction set by the incoming administration. The cleantech manufacturing, artificial intelligence (AI), and carbon industries are expected to remain key drivers of renewable energy deployment. On the demand side, cleantech manufacturers, data centers, and direct air capture (DAC) operators are increasingly integrating renewables to support their growing infrastructure needs. On the supply side, these industries are alleviating supply constraints by reshoring cleantech manufacturing plants, which are reshaping solar panel and battery storage supply chains. Furthermore, AI is playing a critical role in optimizing these supply chains, enhancing operational efficiencies, and driving technological advancements in renewable energy. Simultaneously, carbon markets may offer an additional revenue stream for emerging renewable technologies, further accelerating their development.

2.2 Review of Size of Energy Industry Assets



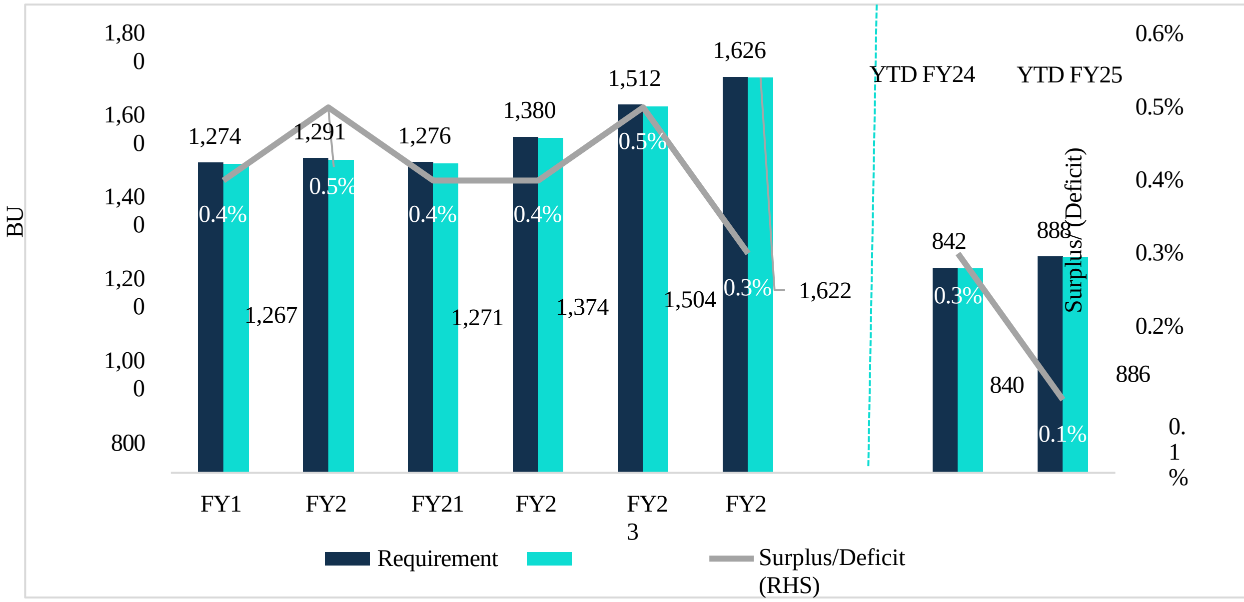
Source: Projects Today
Note: From the Top 20 private owned funds, 90% were developer owned and 10% were fund owned

Details of major state owned and private owned projects is in Annexure -I

2.3 Power Demand, Supply, and Deficit in India

In India, power demand has been rising over the past decade, except during FY21 due to the COVID-19 pandemic. The lockdowns and restrictions induced by COVID-19 led to reduced demand and electricity generation as commercial and business activities were curtailed. Consequently, the first half of FY21 experienced a decline in power demand. However, with the gradual reopening of the economy, despite localized lockdowns, power demand has steadily increased over the past two years.

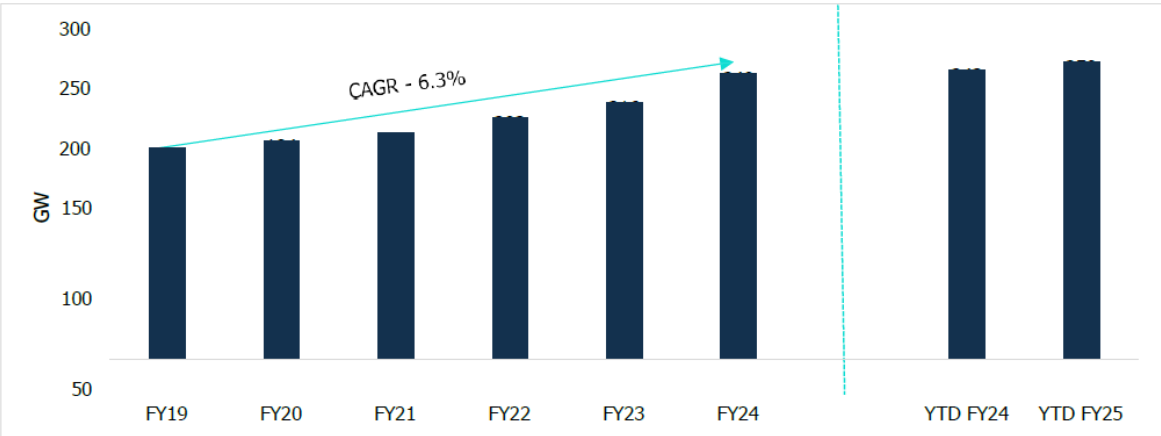
Chart 6: Power Supply Position in India



Source: Power Ministry, CEA, CareEdge Research
Note: YTD Indicates period from April 2024 to September 2024

The electricity requirement has grown from 1,274 BU in FY19 to 1,626 BU in FY24. There has been a continuous deficit between electricity requirement and availability in the range of 0.3%- 0.5% between FY19 and FY24. During April- September 2024, the electricity demand stood at 888 BU, an increase of 5% y-o-y, while the deficit was 0.3%.

Chart 7: All India Peak Demand

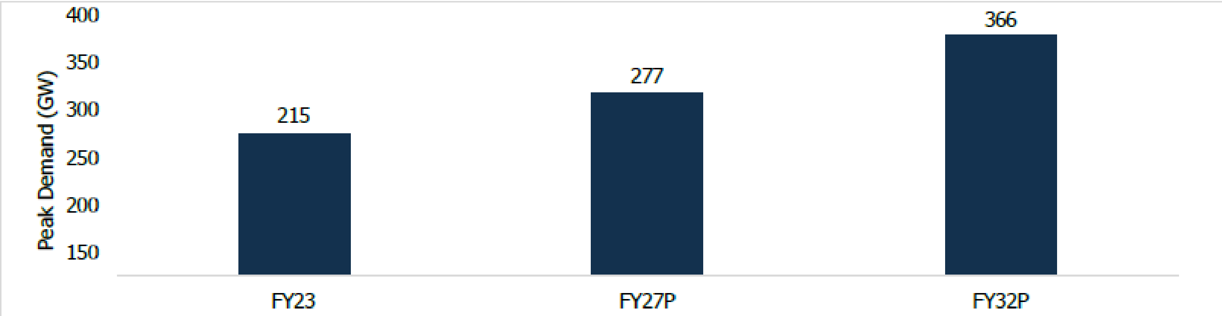


Source: Power Ministry, CEA, CareEdge Research
Note: YTD Indicates period from April 2024 to September 2024

However, the peak demand not met was around 1.5 GW in FY19 and the average energy not supplied was around 7,070 MU. The peak demands not met, and energy not supplied has been on an increasing trend since and substantially decreased to 2.475 GW and 5,787 MU, respectively, in FY22. However, in FY24, due to high power demands, the peak demand not met was 3.34 GW and energy not supplied increased to 4,112 MU. Whereas during April-September 2024, the peak demand not met was 0.002 GW and the energy not supplied was 1,223 MU.

Further, peak energy demand grew at a CAGR of 5% from 136 GW in FY14 to 243 GW in FY24, while peak supply grew at a CAGR of 5% over the same period. There was a 7.5% y-o-y increase in the power requirement by the country in FY24.

Chart 8: Projected All India Peak Demand



Source: National Electricity Plan (NEP) March 2023, CareEdge Research; *Projected

The region that is driving the growth from FY23 to FY27 is the North-Eastern region, growing at a CAGR of 7.4% followed by the Northern region growing at 6.1%. The region that is driving growth between FY27 to FY32 is the Eastern region growing at CAGR of 5.8% followed by the Northern region.

The government has taken various steps to meet the peak demand of power such as:

- Adding 175 GW of power generation capacity, 17,33,459 CKM of transmission lines and 6,21,176 MVA of transformation capacity have been added to the grid from 2014 to 31st December 2022.
- Strengthening the distribution system through schemes such as the Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY), Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA), and the Integrated Power Development Scheme (IPDS).
- Allowing 100% FDI in power generation projects through the automatic route.
- Encouraging private sector participation in generation and transmission by notifying the revised Tariff Policy on 28th January 2016.
- Promoting the generation, purchase, and consumption of green energy through the Green Open Access Rules, notified on 6th June 2022.Launching the Revamped Distribution Sector Scheme (RDSS) in 2021 to improve financial sustainability and enhance the operational efficiency of the distribution sector.
- The Electricity Amendment Rules, 2022 were notified on 29.12.2022, which mandates the preparation of a resource adequacy plan to successfully meet the power demand of the consumers.

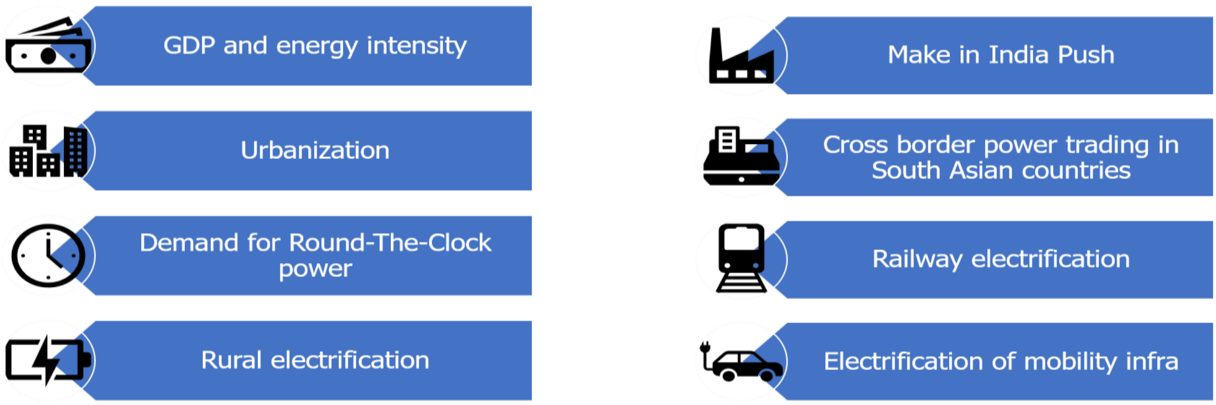
The installed power generation capacity is expected to increase from 416 GW in FY23 to 610 GW by FY27 and 900 GW by FY32 to cater to the growing power demand.

The future of energy is marked by a growing demand for cleaner and more sustainable energy solutions. The shift toward renewable energy is essential but poses challenges related to intermittency, infrastructure, and storage. Energy availability will be driven by both technological innovations and policy shifts, while geopolitical factors will continue to influence the global energy landscape. A combination of renewable energy adoption, energy efficiency improvements, and new technologies (such as hydrogen and advanced storage) will shape the future energy system. Balancing energy security, accessibility, and environmental sustainability will be the key challenge in the coming decades.

2.4 Long-Term Drivers for Demand Growth

The growth drivers for the increasing power demand are mentioned below.

Chart 9: Growth Drivers for Power Demand



Source: CareEdge Research

- **GDP and Energy Intensity**

  India has latent power demand because of its low per capita power consumption, strong GDP outlook, and a growing population. India is likely to emerge as one of the world's fastest-growing economies as per IMF, which is expected to lead to an increase in the power demand of the country. India will outpace world to be USD 5 Trillion economy by 2025 and achieve USD 1 Trillion in exports by 2030, which will all drive power consumption.

- **Urbanization**

  Urbanization leads to faster infrastructure development, job creation, development of the consumer, and services sectors, thereby major driver for the growing power demand. The urban consumption is increasing due to rising disposable income, favourable demographics and the trend is likely to continue.

- **Demand for Round-The-Clock power**

  Recently, there has been considerable focus on combining two or more energy sources, such as wind-solar hybrid systems, to attain enhanced synergies, higher plant load factors, and improved energy yields. Wind and solar energy exhibit complementary generation patterns, thereby ensuring a consistent output. The Round-The-Clock approach integrates renewable sources with conventional energy resources, guaranteeing the provision of high-quality clean power around the clock. This approach promotes the stability of power generation while maximizing the utilization of existing coal-based plants.

- **Long Residual Life**

  The long residual life of more than 50 years of the Transmission assets and more than 25 years of the Solar assets provides long and stable visibility of cash flows. The reduced risk associated with asset replacement or major repairs in the future, provides greater confidence in the long-term viability of the investments.

- **Rural Electrification**

  The Government of India has taken joint initiatives with the state governments for providing Power for All (PFA) to all households/homes, industrial, and commercial consumers including supply of power to agricultural consumers. PFA initiative along with rural electrification across various states aims to ensure 24X7 electricity access, enhance the satisfaction levels of the consumers, improve the quality of life of people and increase economic activities. This is one of the key drivers for the growing power demand.

Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) was launched in December 2014 with the objective of electrification of all un-electrified villages as per Census 2011 by the Government of India. Similarly, Pradhan Mantri Sahak Bijli Har Ghar Yojana- SAUBHAGYA was launched in October 2017 for electrification of rural and urban poor households in the country.

Table 3: State-wise details of electrification of households since launch of SAUBHAGYA Scheme / Additional sanctions and achievements under DDUGJY – as on March 2022

Sr. No.	States	Original households sanctioned under SAUBHAGYA	Additional households sanctioned under SAUBHAGYA		Additional Households sanctioned under DDUGJY		Grand Total
		From 11.10.2017 to 31.03.2019	From 01.04.2019 to 31.03.2021	As on 31.03.2021	Additional Sanctioned	Electrified as on 31.03.2022	
1.	Andhra Pradesh*	1,81,930	0	1,81,930			1,81,930
2.	Arunachal Pradesh	47,089	0	47,089	7,859	0	47,089
3.	Assam	17,45,149	2,00,000	19,45,149	4,80,249	3,81,507	23,26,656
4.	Bihar	32,59,041	0	32,59,041			32,59,041
5.	Chhattisgarh	7,49,397	40,394	7,89,791	21,981	2,577	7,29,368
6.	Gujarat*	41,317	0	41,317			41,317
7.	Haryana	54,681	0	54,681			54,681
8.	Himachal Pradesh	12,891	0	12,891			12,891
9.	Jammu & Kashmir	3,77,045	0	3,77,045			3,77,045
10.	Jharkhand	15,30,708	2,00,000	17,30,708			17,30,708

Sr. No.	States	Original households sanctioned under SAUBHAGYA	Additional households sanctioned under SAUBHAGYA		Additional Households sanctioned under DDUGJY		Grand Total
		From 11.10.2017 to 31.03.2019	From 01.04.2019 to 31.03.2021	As on 31.03.2021	Additional Sanctioned	Electrified as on 31.03.2022	
11.	Karnataka	3,56,974	26,824	3,83,798			3,83,798
12.	Ladakh	10,456	0	10,456			10,456
13.	Madhya Pradesh	19,84,264	0	19,84,264	99,722	0	19,84,264
14.	Maharashtra	15,17,922	0	15,17,922			15,17,922
15.	Manipur	1,02,748	5,367	1,08,115	21,135	0	1,08,115
16.	Meghalaya	1,99,839	0	1,99,839	420	401	2,00,240
17.	Mizoram	27,970	0	27,970			27,970
18.	Nagaland	1,32,507	0	1,32,507			1,32,507
19.	Odisha	24,52,444		24,52,444			24,52,444
20.	Puducherry*	912		912			912
21.	Punjab	3,477	0	3,477			3,477
22.	Rajasthan	18,62,736	2,12,786	20,75,522	2,10,843	52,206	21,27,728
23.	Sikkim	14,900	0	14,900			14,900
24.	Tamil Nadu*	2,170	0	2,170			2,170
25.	Telangana	5,15,084	0	5,15,084			5,15,084
26.	Tripura	1,39,090	0	1,39,090			1,39,090
27.	Uttar Pradesh	79,80,568	12,00,003	91,80,571	3,34,652	0	91,80,571
28.	Uttarakhand	2,48,751	0	2,48,751			2,48,751
29.	West Bengal	7,32,290	0	7,32,290			7,32,290
TOTAL	2,62,84,350	18,85,374	2,81,69,724	11,83,870	4,43,700	2,86,13,4 24	

* Electrified prior to SAUBHAGYA and not funded under SAUBHAGYA Source: PIB, CareEdge Research

- **Make in India Push**

  The Make in India Initiative aims to boost manufacturing's share in the GDP, which would lead to substantial growth in electricity demand.

- **Cross Border Power Trading in South Asian Countries**

  The power deficit in India has been on a declining trajectory and India is expected to further expand its generation capacity. India is also evaluating opportunities with neighbouring countries such as Nepal, Bangladesh, Sri Lanka, Maldives and Bhutan for better integration and synergies by interlinking electricity transmission systems and allowing surplus power to be exported to other grids.

- **Railway Electrification**

  A lot of emphasis is given to railway electrification with the view to reduce the nation's dependence on imported coal and petroleum-based energy and with a vision of providing eco-friendly, faster and energy-efficient modes of transportation.

Table 4: Trend of railway electrification in India (in route Kms)

Particulars	FY19	FY20	FY21	FY22	FY23
Electrified	34,319	39,866	45,772	51,804	58,074
Total	67,415	67,956	68,103	68,043	68,584
Railway Lines Electrified (% of Total)	50.9%	58.7%	67.2%	76.1%	84.7%

Source: Company Annual Report

- **Electrification of Mobility Infra**

  The global market for electric vehicles (EVs) is expanding rapidly. According to the International Energy Agency (IEA), the global EV fleet will reach about 130 million by 2030, a sharp rise from just more than 5.1 million in 2018.

  India has also witnessed significant growth in the EV category. The penetration of EVs increased to 6.8% of total vehicle sales in FY24. This growth can be attributed to favourable government policies aimed at reducing the upfront cost of EVs, expanding charging infrastructure, rising fuel prices, and shifting consumer preferences.

The two-wheeler and three-wheeler categories dominate the electric vehicles market in India, comprising around 56.5% and 37.8%, respectively, of total EV sales in FY24. Electric two-wheelers (E2Ws) are a key category of the electric vehicle market in India, with growing interest among consumers and increasing government support for electric mobility. On the other hand, Electric three-wheelers (E3Ws) are also an important mode of public transportation in India, particularly for last-mile connectivity and intra-city transportation.

The historical trends of sales of EVs in each category is depicted in the table below:

Table 5: Sale of EV Units in India (in units)

EV Sales Units	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Two-wheeler	1,897	25,393	24,839	40,837	2,52,547	7,27,434	9,44,126
Three-wheeler	92,395	1,18,944	1,40,683	88,378	1,82,587	4,04,231	6,32,485
Four-wheeler	1,362	1,632	2,727	4,588	18,565	47,383	90,432
Goods vehicle	993	517	50	28	2,452	3,049	7,763
Total EV sales units	**96,647**	**1,46,486**	**1,68,299**	**1,33,831**	**4,56,151**	**11,82,097**	**16,70,736**

Source: Council of Energy, Environment & Water (CEEW), SMEV, CareEdge Research

The Government of India has targeted 30% EV penetration by 2030. NITI Aayog projects EV sales penetration of 80% for two and three wheelers, 50% for four wheelers, and 40% for buses by 2030. As EV adoption grows, there will be additional power demand for EVs, and hence, readiness of the electricity grid to EV charging demand is critical to achieve rapid and large-scale transition to EVs.

The total electricity demand for EVs, at 33% EV penetration rate by 2030, is projected to be 37 TWh as per NITI Aayog 2021 report. This constitutes less than 2% of the total electricity demand across the country by 2030. Therefore, meeting the overall energy demand for EVs in India is possible.

2.5 Investments in the Power Sector in India Generation

As per the NEP, total power capacity is expected to increase to 900 GW by FY32 from 416 GW in FY23. The expected investments in the generation section between FY23-FY27 and FY27-FY32 are given in the following table.

Table 6: Expected investments in generation (Rs Crore)

	FY23-FY27	FY27-FY32
A. Conventional		
Thermal	2,18,430	1,85,855
Nuclear	1,20,280	43,051
Sub-total	**3,38,710**	**2,28,906**
B. Renewables		
Hydro	66,148	1,29,777
PSP	54,203	75,240
Wind	2,30,946	3,30,900
Offshore Wind	0	27,401
SHP	1,859	1,669
Biomass	24,704	23,105
Solar	6,80,970	7,96,771
BESS	56,647	2,92,637
Sub-total	**11,15,477**	**16,77,500**
Total	**14,54,188**	**19,06,406**

Source: National Electricity Plan (NEP) March 2023, CareEdge Research

Projected Investments in the Indian Electricity Transmission Sector

A total of Rs. 42,998 cr. by the end of FY28 with highest investments in the Western Region of Rs.19,298 cr.

Table 7: Transmission Line Investments (In Cr)

FY	WR	SR	NR	ER	NER	Total
FY24	7,365	6,659	10,770	285	417	**25,495**
FY25	11,320	3,391	1,077	594	77	**16,459**

FY	WR	SR	NR	ER	NER	Total
FY26	614	-	-	-	430	**1,044**
FY27	-	-	-	-	-	-
FY28	-	-	-	-	-	-
Total	**19,298**	**10,050**	**11,847**	**879**	**925**	**42,998**

Source: ISTS Rolling Plan 2027-28, CAREEDGE Research

Projected Investments in the Indian Electricity Distribution Sector

A total of Rs. 7.42 lakh crore is expected to be added under this section from FY22 to FY30.

Table 8: Projected Investments in The Indian Electricity Distribution Sector

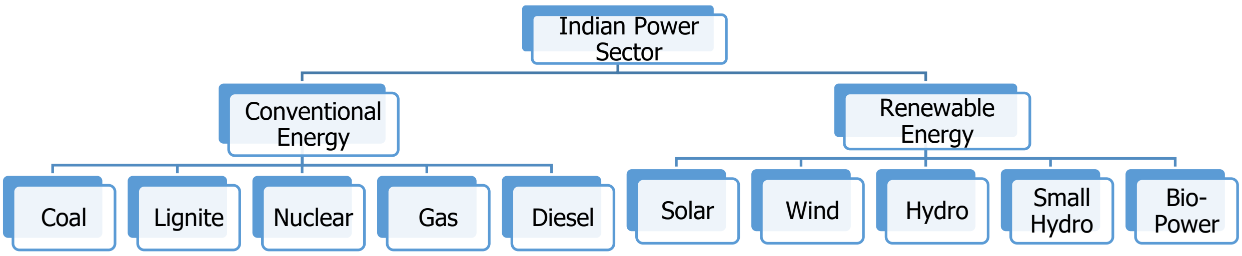
Investment Required from 2022-27	Total Investment available with the Discom from various sources for period 2022-27 including RDSS	Investment Required from 2027-30	% of required investment already sanctioned upto 2027 under RDSS and other schemes
Rs 4.28	Rs 1.89	Rs 2.86	44%

Source: Distribution Perspective Plan 2030, CEA

3. Renewable Energy Industry

Overview of the Indian Renewable Energy sector with focus on solar, wind and hydro.

The renewable power sector in India has witnessed remarkable growth in recent years, positioning the country as a global leader in sustainable energy. With a diverse portfolio that includes solar, wind, biomass, and hydropower, India aims to achieve 500 GW of renewable energy capacity by 2030. Government initiatives, such as the National Solar Mission and various incentives for private investment, have catalysed the sector's expansion. Moreover, the country's abundant sunlight and vast coastline provide significant potential for solar and wind energy generation. As investments continue to flow and technological advancements enhance efficiency, the renewable power sector is poised to play a pivotal role in India's economic growth and environmental sustainability. In Infrastructure space, especially power sector, O&M expenses are relatively lower resulting in higher EBITDA margin for companies



Solar –

In the last 9 years, solar power capacity has risen manifold, from 4 GW in March 2015 to 90.7 GW as on September 2024, supported by MNRE. Solar tariffs in India are now highly competitive and have reached grid parity. Along with large scale grid connected solar PV, there is development of off-grid solar projects for local needs in India.

As per Central Electricity Authority (CEA), as on September 2024, solar projects aggregating 51.5 GW are under construction.

Wind –

With the total installed capacity of 47.4 GW (as of September 2024), the country has the fourth largest wind installed capacity in the world. The pace of capacity additions in wind had slowed down in the past few years due to non-availability of favourable wind sites, policy structure moving away from feed-in-tariff mechanism to competitive bidding, removal of generation-based incentives (GBI) and accelerated depreciation (AD) benefits etc.

As per Central Electricity Authority (CEA), as on September 2024, wind projects aggregating to 14.87 GW are under construction along with another 12.77 GW of hybrid projects.

Hydro –

India has the fifth largest installed hydroelectric power capacity in the world. India’s installed utility-scale hydroelectric capacity was 47 GW as on September 2024, accounting for 10.4% of the country’s total utility power generating capacity. Hydro projects aggregating to 14.04 GW are under construction and are likely to be completed between FY24 and FY29.

Small Hydro –

The Ministry of New and Renewable Energy (MNRE) is in charge of constructing Small Hydro Power (SHP) Projects, i.e. hydro power projects with a capacity of up to 24MW. As on September 2024, the total installed capacity is 5.08 GW while another 4.05 GW are under construction.

Bio Energy –

Power Generation from bioenergy and waste to energy offers good potential in rural areas especially if they are far from the grid. The total power generating capacity is 11.33 GW as on September 2024. Gasification based (bioenergy) power projects of aggregate capacity of 59.25 MW are under construction along with 227.25 MW of waste to energy and co-generation.

Trends in renewable energy generation in India

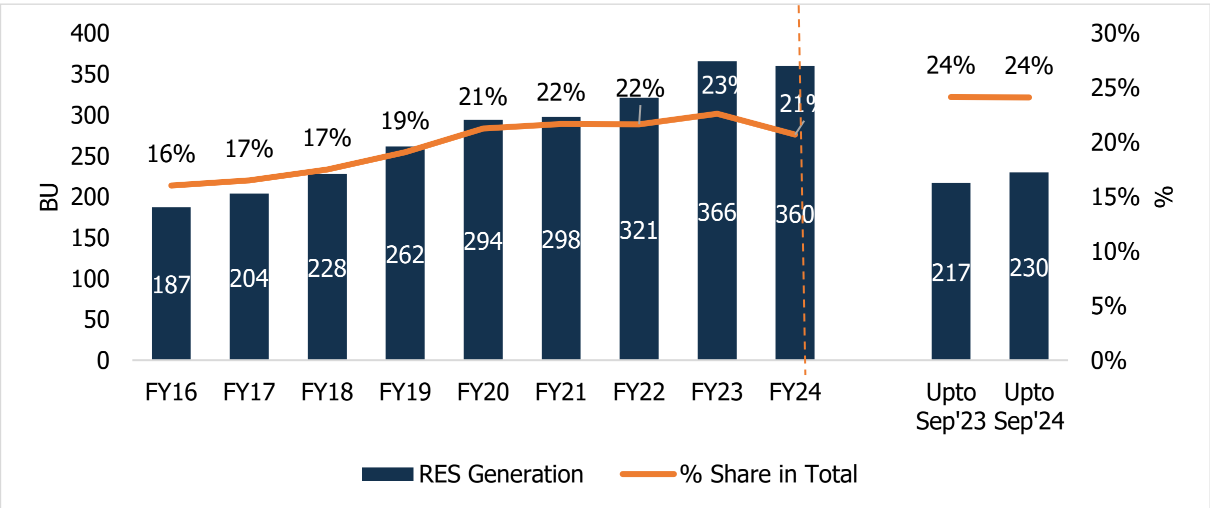
Trends in renewable energy generation in India are evolving rapidly, driven by technological advancements, policy support, and increasing investment. Solar energy has emerged as a frontrunner, with significant growth in solar parks and rooftop installations, fuelled by the government's ambitious targets and declining costs of photovoltaic technology. Wind energy is also gaining momentum, particularly in states like Tamil Nadu and Gujarat, where favourable conditions support large-scale projects. Furthermore, policy frameworks are increasingly focusing on integration with the national grid and encouraging hybrid systems that combine solar and wind energy. Overall, these trends reflect India's commitment to transitioning towards a cleaner and more sustainable energy landscape, aiming for energy security and environmental sustainability.

India is the world's third-largest producer of energy and is also the second largest consumer of electricity.

India's total electricity generation capacity has reached 452.69 GW, with renewable energy contributing a sizeable portion of the overall power mix. As of October 2024, renewable energy-based electricity generation capacity stands at 201.45 GW, accounting for 46.3 percent of the country's total installed capacity. This marks a major shift in India’s energy landscape, reflecting the country’s growing reliance on cleaner, non-fossil fuel-based energy sources.

The Government of India has implemented a range of measures and initiatives aimed at promoting and accelerating renewable energy capacity across the nation, with an ambitious target of achieving 500 GW of installed electric capacity from non-fossil sources by 2030. Key programs include the National Green Hydrogen Mission, PM-KUSUM, PM Surya Ghar, and PLI schemes for solar PV modules.

Chart 10: Share of Renewables in total power generation



RES includes Solar, Wind, Hydro, Small Hydro and Bioenergy.
Source: CEA, CareEdge Research

As of October 10, 2024, Solar power leads the way with 90.76 GW, playing a crucial role in India's efforts to harness its abundant sunlight. Wind power follows closely with 47.36 GW, driven by the vast potential of the coastal and inland wind corridors across the country. Hydroelectric power is another key contributor, with large hydro projects generating 46.92 GW and small hydro power adding 5.07 GW, offering a reliable and sustainable source of energy from India's rivers and water systems. Biopower, including biomass and biogas energy, adds another 11.32 GW to the renewable energy mix. These bioenergy projects are vital for utilizing agricultural waste and other organic materials to generate power, further diversifying India's clean energy sources. Together, these renewable resources are helping the country reduce its dependence on traditional fossil fuels, while driving progress toward a more sustainable and resilient energy future.

3.1 Overview of Global Renewable Energy Industry and Market Size

According to a new report from the IEA, the world's capacity to generate renewable electricity is growing faster than it has in the past three decades, presenting a genuine opportunity to achieve the goal of tripling global capacity by 2030, as set by governments at the COP28 climate change conference last month.

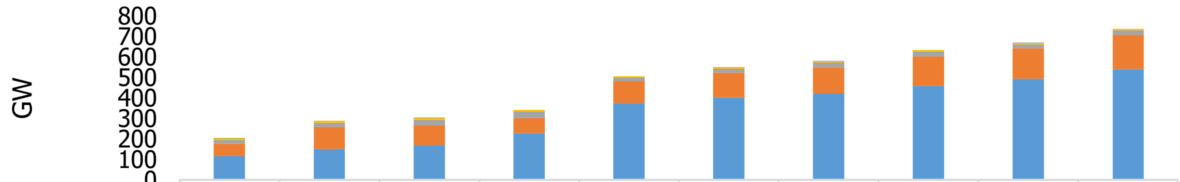
In 2023, the global renewable energy capacity added to energy systems increased by 50%, reaching nearly 510 GW, with solar photovoltaic (PV) making up three-quarters of the global additions, as per IEA report, "Renewables 2023." The most significant growth occurred in China, which installed as much solar PV in 2023 as the entire world did in 2022, while China's wind power additions rose by 66% compared to the previous year. Additionally, renewable energy capacity increases in Europe, the United States, and Brazil also reached record highs.

According to the IEA, the share of renewables in the global power generation mix is expected to increase from 29% to 35% by 2025, leading to a decrease in the share of coal and gas-fired generation. Consequently, global CO2 emissions from the power sector are predicted to level off through 2025, despite reaching a record high of approximately 13.2 gigatons (Gt) of CO2 in 2022.

China is projected to account for nearly half of the additional renewable generation, followed by the European Union at 15%, as reported by the IEA. This growth is driven by heightened government investments in renewables as part of economic recovery initiatives. In the United States alone, the Inflation Reduction Act is set to provide $370 billion for clean energy investments.

Nuclear power output is anticipated to grow at an average rate of around 3.6% per year, primarily due to the expected recovery in nuclear generation in France as scheduled maintenance concludes. New plants are also set to come online, mainly in Asia.

Chart 11: Forecasted Net Global Renewable Electricity Capacity Additions by Technology



	2019	2020	2021	2022	2023	2024E	2025E	2026E	2027E	2028E
CSP	0.6	0	0	0	0	0	0	0	0	0
Geothermal	0	0	0.3	0	0	0	0.6	0	1	0
Bioenergy	8	9	10	7	6	8	6	6	7	7
HydroPower	19	21	28	32	18	21	24	24	19	24
Wind	59	108	95	74	108	121	127	144	148	167
Solar PV	117	151	171	228	375	402	422	459	494	540

Solar PV   Wind   HydroPower   Bioenergy   Geothermal   CSP

Source: IEA

Solar PV capacity, encompassing both large utility-scale and small distributed systems, constitutes two-thirds of the anticipated growth in global renewable capacity for the current year. Solar PV and wind installed capacity constitute to more than 90% of the total renewable energy installed capacity. The installed capacity of renewable energy is expected to reach 11,000 GW by 2030 under COP28 targets.

3.2 India's renewable energy target vs achievement

India’s installed renewable power capacity as on September 2023 stood at 179 GW, as per the break-up given in following table.

Table 9: Renewable Energy Capacity as on September 2024 (GW) vs Target (CY30)

	Target for CY30 (GW)	Capacity as on Sep’24
Solar	270	90.7
Wind	117	47.4
Bioenergy	15	11.3
Small Hydro-power	5	5.0
Sub- Total	**407**	**154.5**
Large Hydro	72	46.9
Nuclear	21	8.2
Total	**500**	**209.6**

Source: CEA, CareEdge Research; Thirty-Fourth Report of the Standing Committee on Energy on Demands for Grants (2023-24) (17th Lok Sabha) of the MNRE, CareEdge Research

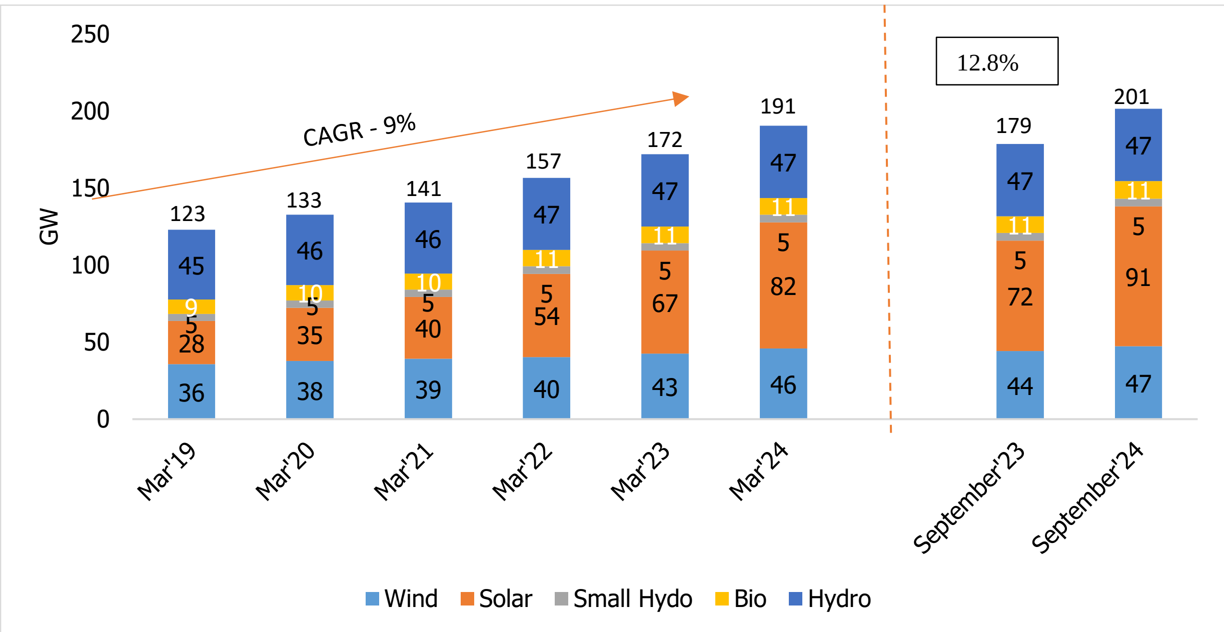
As India is committed to meet 50% of its energy requirements from renewable energy by 2030, non-fossil fuel based installed capacity target of 500 GW by 2030 has been set, with highest target for solar power.

3.3 Renewable power generation capacity mix in India

There has been a significant global shift in the generation capacity mix due to growing concerns about the environment and climate change. India has actively participated in this transition, taking initiatives toward sustainable development and a cleaner environment, including substantial additions to renewable energy generation capacity.

According to the REN21 Renewables 2022 Global Status Report, India currently ranks 4th globally in total renewable energy installed capacity, as well as in wind and solar power capacity. The total potential for renewable power in India is estimated at 2,109 GW, compared to an installed capacity of 201 GW as of September 2024. The installed capacity of renewable energy has increased by 68 GW from FY19 to FY24.

Chart 12: Renewable Energy – Trend in Installed Capacity



Note: Small Hydro denotes projects up to 25 MW, Hydro Power Plants denotes projects more than 25 MW
Source: CEA, CareEdge Research

3.4 Growth in Installed Capacity of Renewable Energy in India

India's renewable energy targets demonstrate a strong commitment to transitioning toward a sustainable energy future, aiming to balance economic growth with environmental responsibility. In 2021, the government escalated its ambitions further by announcing a new target of 500 GW of non-fossil fuel energy capacity by 2030.This revised target aims to derive 50% of India's total energy needs from renewable sources, emphasizing solar and wind energy as the cornerstones of this initiative. To support this, India is actively promoting the development of solar parks, offshore wind farms, and enhanced energy storage solutions.

Additionally, India is focusing on enhancing its grid infrastructure to accommodate the growing influx of renewable energy, alongside initiatives to strengthen domestic manufacturing of solar panels and wind turbines. The government has also launched various schemes and incentives to attract private investments and foster innovation in the renewable sector.

India's commitment to these renewable energy targets is not just about meeting domestic energy demands; it is also aligned with global climate goals. By reducing reliance on fossil fuels and promoting cleaner energy solutions, India aims to contribute to global efforts to combat climate change, enhancing its role as a leader in sustainable development. The ambitious targets, combined with proactive policies and a growing market, position India as a pivotal player in the global renewable energy landscape.

Table 10: India’s Renewable Energy Achievements and Targets

	FY18-19	FY26-27	FY31-32
Installed capacity of RES (GW)	77.6	336.55	567.27
Expected Generation in (BU)			
Large Hydro	8.70*	207.7	246.2
Solar	39.26	339.3	657.7
Wind	62.04	253.5	258.1
Others	16.76**	9.1	10
Total	**126.76**	**709.6**	**1,172**
Contribution of RES to Total Energy Demand (%)	9.21%	35%	44%

Source: National Electricity Plan Vol-1 (March 2023), CareEdge Research
Note: * value only considers small Hydro; ** others include Biomass, bagasse, others

3.5 Renewable Energy Potential

i. Solar

The Indian power sector is witnessing a major transformation in terms of demand growth and energy mix. To ensure that everyone has access to reliable power and sufficient electricity, investments are being carried out to increase the installed capacity and clean energy transition.

Table 11: Capacity Additions- review and forecast (MW)

	From FY22 to FY27			From FY27 to FY32		
	Under Construction	Additional Capacity Requirement	Total Capacity	Under Construction	Additional Capacity Requirement	Total Capacity
Solar	92,580	38,990	131,570	0	17,900	17,900

Source: National Electricity Plan (NEP) Vol-1, CareEdge Research

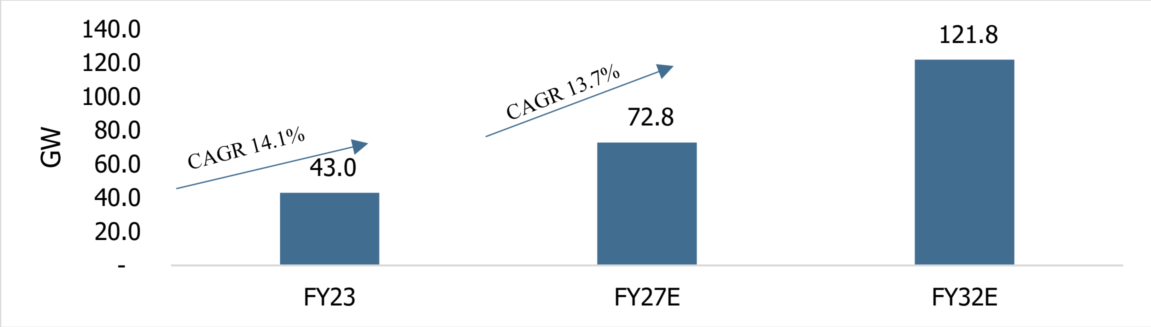
In India's energy outlook, the solar sector is set to become the dominant source of power by FY32, with its share projected to rise from 16% in FY23 to 40%. The push toward solar aligns with India’s broader renewable energy goals of reaching 280 GW of solar capacity by 2030, as part of its clean energy commitments. Solar will play a crucial role in reducing dependency on thermal power, which is expected to decline sharply over the same period.

ii. Wind

India’s wind power accounts for 10% of the country’s total installed capacity and 25% of its total renewable capacity. Moreover, India has a strong wind potential of around 302 GW at 100m and around 695 GW at 120m. The wind potential is mainly concentrated in the top 7 windy states including Andhra Pradesh, Gujarat, Karnataka, Madhya Pradesh, Maharashtra, Rajasthan, and Tamil Nadu.

As per the National Electricity Plan Vol-1 (March 2023), 72.8 GW of installed wind power capacity is expected to be achieved by FY27 and 121.8 GW by FY32.

Chart 13: Wind Power Projections



Source: National Electricity Plan Vol-1 (March 2023), CareEdge Research

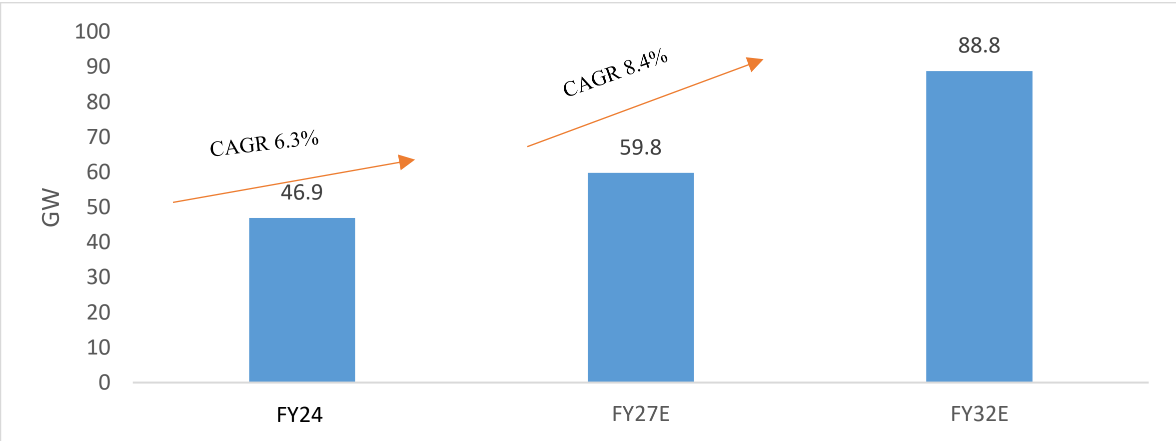
Over the medium term, wind capacity additions are expected to be driven by capacity additions in wind-solar hybrids and offshore wind projects. Key innovations such as wind solar hybrid and offshore wind farms, ultra-mega renewable energy parks, repowering, and round-the-clock supply are expected to be the key drivers for wind capacity additions.

iii. Hydro

India has the fifth-largest installed hydroelectric power capacity globally, with an installed utility-scale capacity of 46.9 GW as of March 2024, accounting for 11% of the country's total power-generating capacity. At a 60% load factor, India's hydroelectric power potential is projected to be 148 GW.

To meet the country's growing energy demand and achieve the targeted 500 GW of non-fossil fuel energy, there is a need to increase reliance on hydropower. Consequently, the development of mega hydro projects is crucial

Chart 14: Hydro Power Projections (Excluding Small Hydro)



Source: National Electricity Plan Vol-1 (March 2023), CareEdge Research

iv. Small Hydro

MNRE is in charge of constructing Small Hydro Power (SHP) Projects, which are hydro power projects with a capacity of up to 25 MW. These projects have the ability to satisfy the electricity needs of rural and inaccessible locations in a decentralized way while also generating jobs for locals.

The projected potential of small, mini, and micro hydel projects in India is 21,135 MW as on June, 2021, with 7,135 locations around the nation. Around half of this potential is in the hilly states of India mainly Arunachal Pradesh, Himachal Pradesh, Jammu & Kashmir and Uttarakhand. As on September 2024 the total installed capacity of small hydro power is 5.08 GW. For small hydro, the installed capacity is expected to remain in the range of 4.8 GW to 5.4 GW between FY23 to FY27.

3.6 Measures taken by the government to promote Renewable Energy in the country

As part of its Nationally Determined Contribution (NDC) for the Paris Agreement obligations, the government stated that by 2030, reduction of the emissions intensity of GDP by 45% below 2005 levels, and raise the percentage of non-fossil fuels in total capacity to 50% and increase share of non-fossil power capacity to 50%. Hence the government has pushed towards renewable capacity additions through policies initiatives like JNNSM, obligations of RPO, setting up of SECI, etc.

- **Green Energy Corridor**

The Green Energy Corridor scheme was launched in 2015 for setting up of transmission and evacuation infrastructure to facilitate evacuation of electricity from renewable energy projects. The Intra state transmission system (ISTS) projects has been sanctioned to eight renewable energy states i.e. Tamil Nadu, Rajasthan, Karnataka, Andhra Pradesh, Maharashtra, Gujarat, Himachal Pradesh and Madhya Pradesh for evacuation of over 20,000 MW of renewable energy.

As on 31.12.2022, 8759 ckm of intra-state transmission lines have been constructed and 19868 MVA intrastate substations have been charged. Under the second phase of Intra-State Transmission System Green Energy Corridor Scheme (InSTS GEC-II) approved on 6th January, 2022, the 7 states of Gujarat, Himachal Pradesh, Karnataka, Kerala, Rajasthan, Tamil Nadu and Uttar Pradesh, are currently in the process of issuing tenders to implement projects for evacuation of 20 GW renewable capacity. The project cost is Rs. 120.31 billion with central financial assistance (CFA) @33% of the project cost i.e. Rs. 39.70 billion.

Table 12: State-wise Project cost and approved CFA

State	Project Cost without IDC (Rs. Billion)	Central Financial Assistance (Rs. Billion)
Gujarat	36.36	12.00
Himachal Pradesh	4.89	1.61
Karnataka	10.36	3.41
Kerala	4.20	1.38
Rajasthan	8.80	2.90
Tamil Nadu	7.19	2.37
Uttar Pradesh	48.47	15.99
Total	**120.31**	**39.70**

Source: MNRE, CareEdge Research

- **Round-the-Clock-Power (RTC) for RE projects**

The round-the-clock power mechanism is bundling of power has been bought by the government in order to overcome the issues of intermittency and low capacity utilization of transmission infrastructure. Here the RE power is bundled with other sources and/or storage.

To further promote clean energy generation, India has launched RTC tenders, including hybrid tenders that integrate solar, wind, and storage technologies.

RTC 400 MW Tender (2020)

- **Overview:** SECI launched a 400 MW Round-the-Clock (RTC) renewable energy tender in 2020, which required the combination of wind, solar, and storage to provide a consistent energy supply. This marked the first time SECI required bidders to ensure round-the-clock power.
- **Details**: Developers were encouraged to use wind and solar hybrids along with energy storage (batteries, pumped hydro, etc.) to meet the power demand 24 hours a day.
- **Results**: ReNew Power won the bid at INR 2.90 per kWh. This was a significant milestone, as the project aimed to deliver clean energy at competitive pricing, with the added reliability of storage.

RTC Tenders Issued in 2024

- REMCL 750 MW RE with or Without storage (RTC)
- SJVN 1200 MW FDRE (RTC) from ISTS Connected RE Power Aug 2024
  The increasing share of (RTC) power, hybrid projects, and complex bids in the latest renewable energy (RE) tenders reflects the growing shift toward more flexible, reliable, and diversified energy systems. These projects typically involve a combination of renewable energy sources (e.g., wind, solar, and sometimes storage or other generation sources) and the integration of various technologies that ensure continuous power generation, even when individual renewable resources like sunlight or wind are unavailable.
- **Competitive Bidding Guidelines for solar and wind projects**

The bidding guidelines have been issued for long term procurement of power to promote competitive procurement from solar and wind and also to protect the consumer interests. The guidelines for tariff based competitive bidding process for procurement of power from grid connected solar PV power projects were issued vide resolution 3rd August 2017 while the guidelines for tariff based competitive bidding process for procurement of power from grid connected wind power projects issued vide resolution dated 8th Dec 2017.

- **Waiver of ISTS Charges**

  Ministry of Power has issued order for an extension to the inter-state transmission system (ISTS) charges waiver on solar and wind energy projects commissioned up to 30 June 2025. Waiver of ISTS charges shall also be allowed for hydro pumped storage plant and battery energy storage system projects to be commissioned up to 30th June 2025 following some conditions.

  ISTS waiver would be allowed for trading electricity generated and supplied from solar, wind, pumped hydro, and Battery Energy Storage Systems (BESS) in the green term ahead market (GTAM) till 30th June 2023 and the arrangement would be reviewed on annual basis depending on future development in the power market.

  As per the notification issued by Ministry of Power, a complete waiver of ISTS charges has been given for off-shore wind power projects commissioned on or before 31st December, 2032 for a period of 25 years from the date of commissioning of the Project.

- **Must Run Status**

  In line with the Electricity Act 2003 and the Electricity Grid Code 2010, wind and solar power have the 'must-run status'. The term 'must run status' refers to the notion that electricity evacuation from solar and wind power facilities should not be limited for reasons other than grid safety, equipment or people safety, merit order dispatch, or other commercial concerns.

- **Duty exemption certificate for manufacturing of wind turbines**

  Ministry is issuing concessional custom duty exemption certificates (CCDC) to the manufacturers of wind operated electricity generators. For this purpose, the eligible turbine and component manufacturers need to get the bill of material for Revised List of Models and Manufacturers (RLMM) listed turbine models approved and then apply in prescribed formats to Ministry for a CCDC certificate for their import consignments.

  Based on MNRE's recommendation, CCDC for several wind turbine components has been extended till 31.03.2025 by Ministry of Finance (Notification No. 02/2023-Customs dated 01.02.2023).

- **Repowering potential**

  According to the NIWE, all windmills with a CUF of 15% are technically suitable for repowering, and their CUF may be quadrupled, or tripled in wind-intensive areas. If solar is also added, leading to hybrid renewable energy projects, the annual energy production can go up by more than six times.

  It's worth noting that these older wind turbines are situated in some of India's most wind-friendly locations (class I sites). However, they have low plant load factors (PLF) of 10-15%, more opposed to the greater than 30% PLF of contemporary wind turbines.

- **Provisions of the Repowering Policy:**

  Draft National Repowering Policy for Wind Power Projects was issued for stakeholder's consultation in October, 2022, with the objective for optimum utilization of wind energy resources by maximizing energy (kWh) yield per km2 of the project area and utilizing the latest state-of-the-art onshore wind turbine technologies.

- **Offshore Wind Project**

  In light of potential from off-shore wind due to the abundant 7600-kilometer coastline, the Government published the National Offshore Wind Energy Policy in the Gazette on October 6, 2015.

  According to the policy, the Ministry of New and Renewable Energy will serve as the nodal ministry for the development of off-shore wind energy in India, working in close collaboration with other government entities to effectively develop and use Maritime Space within the country's Exclusive Economic Zone (EEZ) for the production of massive amounts of grid-quality electrical power for national cohesion.

- **National Wind- Solar Hybrid Policy**

  On May 14, 2018, the Ministry of New and Renewable Energy released the National Wind-Solar Hybrid Policy. The policy's major goal is to create a framework for the development of large-scale grid-connected wind-solar PV hybrid systems for the most efficient and effective use of wind and solar resources, transmission infrastructure, and land. Wind-solar PV hybrid systems will aid in decreasing renewable power output unpredictability and improving grid stability. The strategy also intends to promote innovative technologies, techniques, and workarounds incorporating wind and solar PV plant co-operation.

The Hydro Policy was notified by the government on March 2019, the salient features of the policy are as follows:

- Declaring Large Hydro Projects as renewable energy sources

  The large hydro projects with the capacity more than 25 MW were earlier not recognized as renewable energy, but through the Hydro Policy, it was recognized as renewable in 2019. The large hydro projects would however not be eligible for any differential treatment for statutory clearances like forest clearances, environmental clearances, National Board of Wildlife clearance, any related assessment and study, etc. available for small hydro projects.

- Hydro Power Obligation (HPO)

  Hydro Power Obligation was given separate category within the non-solar RPO and these would cover all large hydro projects commissioned after the notification as well as untied capacity of the commissioned projects. The non-solar RPO for other renewable sources have remained unchanged by the introduction of HPO.

- Tariff rationalization measures

  Tariff rationalization measures were introduced to bring down the hydropower tariffs. The measures include providing flexibility to the developers to determine the tariff by back loading of tariff after increasing project life to 40 years, increasing the debt repayment period to 18 years and introducing escalating tariff of 2%.

- Budgetary support for funding flood moderation component of hydropower in case-to-case basis
- Budgetary support for cost funding for infrastructure i.e. roads and bridges limited to Rs. 15 million per MW for up to 200 MW projects and Rs. 10 million per MW for above 200 MW projects.

3.7 Governments Plan to increase the share of renewable Energy in country's energy mix.

Budget 2024-25 Highlights:-

➢ Central Government provided Financial Assistance of Rs. 10,000 crore to **Solar on Grid projects** for FY25, marking a remarkable 110% increase from the Rs. 4,757 crore allocated in FY24 Revised Estimates.

➢ The government proposed a scheme **PM Surya Ghar Muft Bijli Yojana** to support up to 10 million households to generate 300 units of electricity free of charge every month through solar rooftops, which has been received well with more than 12.8 million registrations. An additional Rs. 6,250 crore has been allocated for this scheme in the FY25.

➢ Central Financial Assistance for the KUSUM scheme, which aims to promote solar energy use among farmers, has seen an increased budget allocation, rising by Rs. 396 crore from the previous year's allocation indicates a strategic investment in solar energy to boost sustainability and energy security in the agricultural sector.

➢ The financial allocation for the Green Energy Corridor has been significantly increased to Rs. 600 crore, showing a strong commitment to renewable energy integration. The allocation has grown from Rs. 25 crore in FY23 to Rs. 600 crore in the current budget, and a 38.2% increase from Rs.434 crore in FY24.

➢ The budget allocates Rs. 2,416.02 crore to Strengthen the Power System, focusing on transmission enhancements and interest subsidies for loans to DISCOMS. The funding aims to improve the distribution network in areas not covered by the RGGVY and R-APDRP schemes, addressing gaps in power distribution infrastructure. The allocation for various power system development schemes is Rs. 747.38 crore, an all-time high, reflecting an 107.3% increase from Rs. 360.50 crore in FY24 and a 128.7% increase from Rs. 326.75 crore in FY23.

➢ Joint venture proposed between NTPC and BHEL to set up a full scale 800 MW commercial plant using Advanced Ultra Super Critical (AUSC) technology.

➢ The finance minister announced a separate policy to promote Pumped Storage Projects for electricity storage and smooth integration of the growing share of renewable energy, addressing its variable and intermittent nature. **Viability Gap Funding** (VGF) for developing Battery Energy Storage Systems is ₹96 crore. Total VGF approval of ₹5,813.6 crore (both Union Government & State share) from FY15 to FY24.

- The program component of the National Green Hydrogen Mission has been allocated the same provision as in the interim budget, amounting to ₹600 crore.

These efforts reflect the government's commitment to fostering a sustainable energy future while addressing the challenges posed by climate change and energy security. Here are some other ongoing key initiatives:

- Foreign Direct Investment permitted up to 100 percent under the automatic route to attract investments.
- Waiver of Inter-State Transmission System charges for solar and wind power projects commissioned by June 30, 2025; green hydrogen projects until December 2030; and offshore wind projects until December 2032.
- Ultra Mega Renewable Energy Parks are being set up to provide land and transmission for large-scale renewable energy projects.
- Cabinet approval for a Viability Gap Funding scheme for offshore wind energy projects, facilitating the installation and commissioning of 1 GW of offshore wind energy capacity along the coasts of Gujarat and Tamil Nadu.
- Standard & Labelling (S&L) programs for Solar Photovoltaic modules and grid-connected solar inverters have been launched.
- "Strategy for Establishment of Offshore Wind Energy Projects" outlines a bidding trajectory of 37 GW by 2030.
- Announced Renewable Purchase Obligation trajectory until 2029-30, including separate RPO for Decentralized Renewable Energy.

4. Indian Solar Power Sector

4.1 Overview of Solar Energy Sector in India

India has substantial solar energy potential. Approximately 5,000 trillion kWh of energy is incident on its geographical area. Solar photovoltaic electricity can be effectively harnessed, allowing for large-scale scalability across the country. Many communities have benefited from solar energy-based decentralized, solar energy-based applications that meet their needs for cooking, lighting, and other energy demands.

Over the past decade, India's solar energy sector has become a major contributor. plays a vital role in supporting the government's goal of sustainable growth and has emerged as a key driver in meeting the nation's energy needs and ensuring energy security. Due to its abundant availability, solar energy is the most reliable source from an energy security perspective.

Chart 15: State-wise Estimated Solar Power Potential

Source: Annual Report 2023-24, CareEdge Research

India has a solar potential of 750 GW, assuming that solar PV modules cover 3% of the wasteland area. Comparatively, India had an installed capacity of 81.8 GW as of FY24. The top ten states, which account for around 75% of the total solar potential, have an installed capacity of 65 GW, only about 9% of their potential—highlighting a significant untapped solar capacity across India.

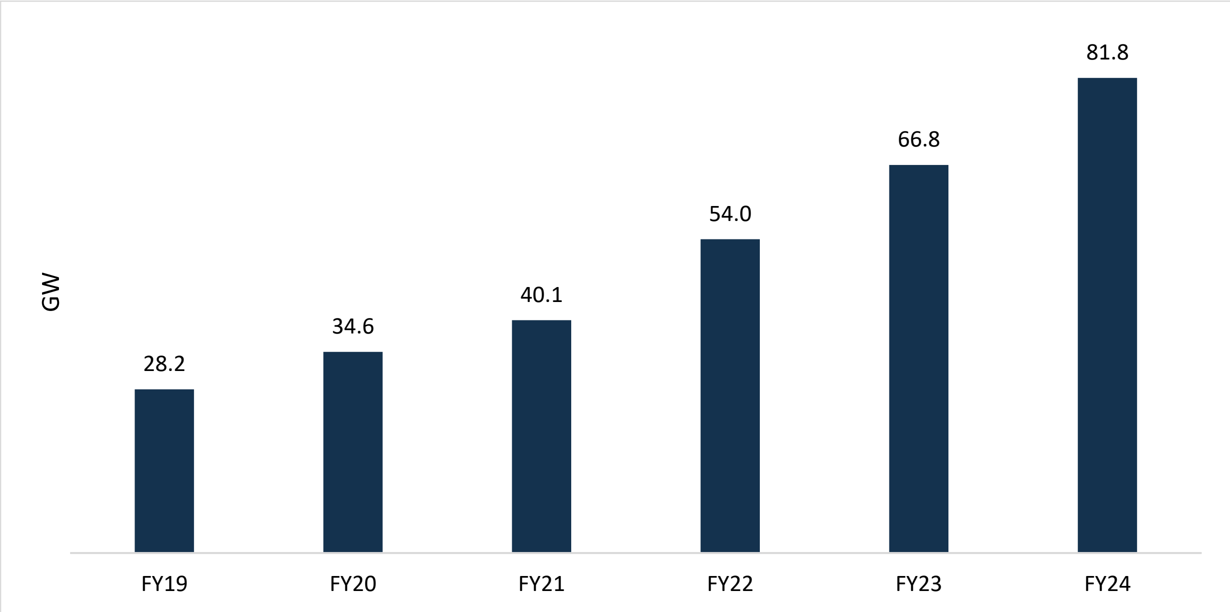
Solar energy is an integral part of India's National Action Plan on Climate Change with the National Solar Mission (NSM) being one of the key solar-focused initiatives. The NSM, an Indian government initiative with strong state participation, aims to encourage environmentally sustainable growth while addressing India's energy security concerns.

India has committed to reducing the emissions intensity of its Gross Domestic Product (GDP) by 45% by 2030, compared to 2005 levels. Additionally, India aims to achieve a non-fossil fuel-based installed power generation capacity of approximately 50% (500 GW) by 2030. These targets were presented at the 26th Conference of the Parties (COP26) to the United Nations Framework Convention on Climate Change (UNFCCC), which took place in Glasgow, United Kingdom, in November 2021.

4.2 Capacity Additions of Solar Energy Sector

Over the previous five years, the solar power industry has experienced robust growth. Over the FY19 through FY24, the category added 53.7 GW of capacity, registering a CAGR of 23.8%, albeit from a low base with its highest additions in FY24, at 15.1 GW installed (vs. 12.8 GW in FY23). This remarkable growth in FY24 was driven by a fall in module prices in second half of 2023, followed by a subsequent decline in cell prices in China, which accelerated installation rates. For FY25, this trajectory is expected to continue fuelled by the completion of delayed projects and sustained lower module prices.

Chart 16: Solar Energy Capacity additions



Source: MNRE, CareEdge Research
Note: This chart refers to cumulative capacity at the end of the respective fiscal years

Despite challenges like supply chain constraints and increased shipping costs, the capacity installations have been high due to rapid technological improvements and a significant decline in module cost. Other growth drivers include heightened competitiveness, accelerated project completions during the COVID-19 period, the Indian government's sustained focus on the sector, and increasing demand from commercial and industrial categories, among other factors. Of the total installed capacity of ~81.8 GW, Rajasthan leads with the highest capacity at 21 GW accounting for an ~26% share, followed by Gujarat at 13 GW and Karnataka at ~9 GW. Other states with significant shares in grid-connected solar power capacity include Tamil Nadu, Maharashtra, Telangana, Andhra Pradesh, Madhya Pradesh, and Uttar Pradesh, which collectively hold ~37% of the total installed capacity, amounting to around 30 GW.

Table 13: State Wise Capacity Addition as of FY24

S. No.	STATES / UTs	Solar Power				
		Ground Mounted	Roof Top	Hybrid Solar	Off-grid Solar	Total
		(MW)	(MW)	(MW)	(MW)	(MW)
1	Andhra Pradesh	4298.52	198.12	0	88.34	4584.98
2	Arunachal Pradesh	1.27	4.34	0	6.18	11.79
3	Assam	105	41.74	0	9.44	156.18
4	Bihar	146.06	71.89	0	21.28	239.23
5	Chhattisgarh	747.96	75.7	0	388.73	1212.39
6	Goa	0.95	41.41	0	1.12	43.48
7	Gujarat	9437.41	3455.9	590.96	60.61	13544.88
8	Haryana	265.8	590.67	0	619.25	1475.72
9	Himachal Pradesh	41.85	19.31	0	34.07	95.23
10	Jammu & Kashmir	2.49	37.66	0	25.29	65.44
11	Jharkhand	21	91.87	0	49.53	162.4
12	Karnataka	7920.47	593.9	0	30.31	8544.68
13	Kerala	322.79	675.25	0	24.75	1022.79
14	Ladakh	6	1.8	0	0	7.8
15	Madhya Pradesh	3550.33	346.07	0	99.03	3995.43
16	Maharashtra	3848.47	2071.55	0	329.65	6249.67
17	Manipur	0.6	6.36	0	6.08	13.04
18	Meghalaya	0	0.21	0	4.03	4.24
19	Mizoram	22	1.96	0	6.35	30.31
20	Nagaland	0	1	0	2.17	3.17
21	Odisha	419.16	48.22	0	28.25	495.63
22	Punjab	886.27	356.65	0	81.35	1324.27
23	Rajasthan	17554.08	1154.25	1980	659.25	21347.58
24	Sikkim	0	5.12	0	1.92	7.04
25	Tamil Nadu	7546.37	599.16	0	65.85	8211.38
26	Telangana	4360.49	388.96	0	8.71	4758.16
27	Tripura	5	4.78	0	8.68	18.46
28	Uttar Pradesh	2435.46	265.1	0	219.77	2920.33
29	Uttarakhand	298.4	262.71	0	14.42	575.53
30	West Bengal	113.8	67.13	0	13.14	194.07
31	Andaman & Nicobar	25.05	4.59	0	0.27	29.91
32	Chandigarh	6.34	58.37	0	0.81	65.52
33	Dadar & Nagar Haveli/ Daman & Diu	12.64	33.82	0	0	46.47
34	Delhi	9.84	245.21	0	1.46	256.51
35	Lakshadweep	2.45	0	0	2.52	4.97
36	Pondicherry	0.88	48.85	0	0.18	49.91
37	Others	0	0	0	45.01	45.01
	Total (MW)	**64415.2**	**11869.63**	**2570.96**	**2957.81**	**81813.6**

Source: MNRE, CareEdge Research

4.3 Trends in Solar Tariffs

Solar tariffs have been volatile in nature. From FY18 to FY20, solar tariffs in India consistently stood at ₹2.4 per kilowatt-hour, driven by competitive bidding and declining costs of solar technology.

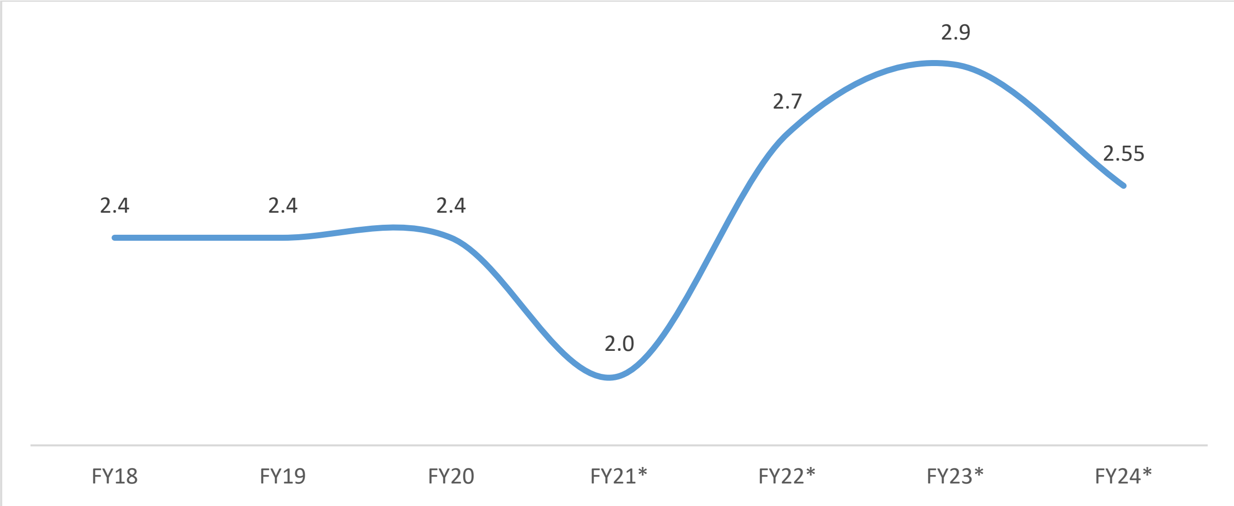
In FY21, tariffs dropped to a historic low of ₹2.0 per kWh due to aggressive bidding by developers and falling global module prices. However, in FY22, prices rebounded to ₹2.7 per kWh, influenced by supply chain disruptions from the COVID-19 pandemic, increased costs of solar components, and safeguard duties on imports.

FY23 saw further an increase to ₹2.9 per kWh, largely because of the introduction of a Basic Customs Duty (BCD) on solar modules, which raised project costs amidst higher raw material prices. Despite these challenges, India's solar market remained appealing to investors.

In FY24, tariffs slightly declined to an average of ₹2.55 per kWh, reflecting supply chain stabilization and improvements in domestic manufacturing, though they remained above historic lows due to ongoing input cost pressures and import duties.

A significant portion of the generation capacity remains sustained after the expiration of the tariff contract period.

Chart 17: Trend in Solar Tariff (Rs. /kWh)



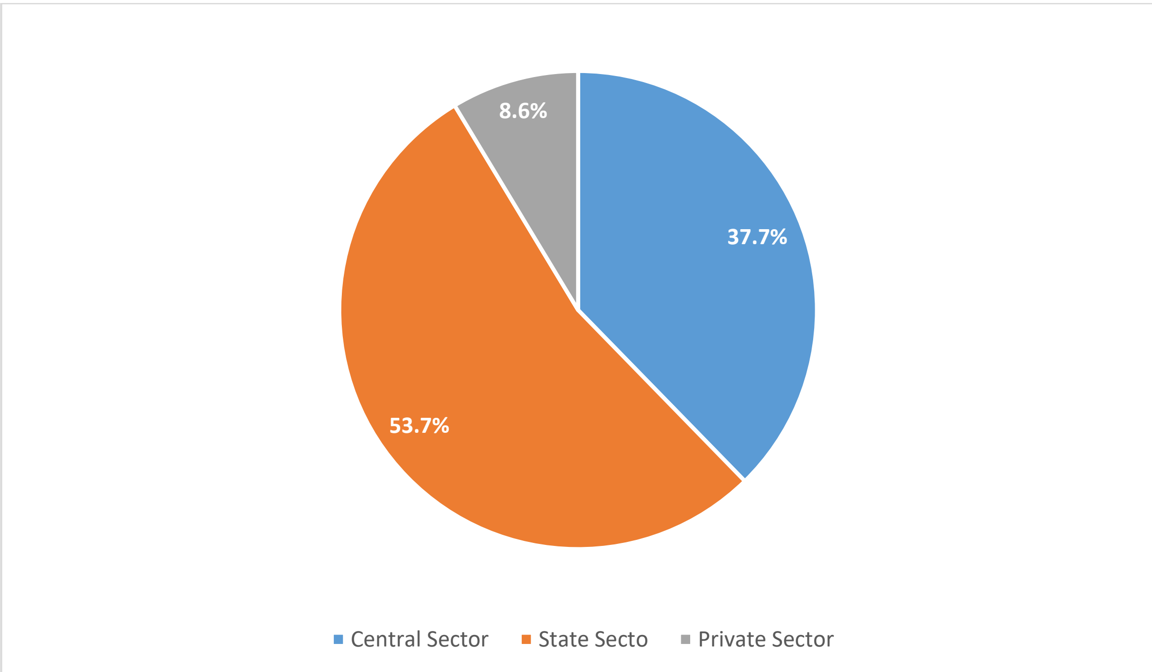
* Tariff represents average of bids during the respective periods
Source: MNRE Annual Report, CareEdge Research

5. Electricity Transmission and Distribution Sector in India

5.1 Structure of Electricity Transmission Sector in India

Power transmission is a crucial link in the power sector value chain. It facilitates the evacuation of power from generating units across the country to various distribution entities, which, in turn, supply power to end consumers. The power transmission system typically includes transmission lines, substations, switching stations, transformers, and distribution lines. India follows a three-tier structure for power transmission and distribution, comprising state grids (owned and maintained by state transmission and distribution companies), and inter-state and inter-regional grids, primarily operated by the Power Grid Corporation of India Limited (PGCIL). Initially, India had five regional grids—Northern, Southern, Eastern, Western, and North Eastern. Over time, these grids were interconnected, and by December 2013, India achieved the status of "One Nation-One Grid-One Frequency". A robust power transmission infrastructure is essential, especially with the increasing renewable energy capacity in the country (which is intermittent and requires significant inter-state/region power transfer), the deepening of the short-term power market, and growing cross-border power exchange. Transmission capacity has steadily increased over the years, with the length of transmission lines rising from 275,530 circuit kilometres (ckm) as of August 31, 2012, to 488,852 ckm as of September 2024. The transformation capacity stood at 1,276,770 Mega Volt Ampere (MVA) as of September 2024.

Chart 18: Sector-Wise Growth of Transmission Lines (in ckm)



Source: Central Electricity Authority, CareEdge Research

The Government of India has been promoting private sector participation in power transmission space with a view to rapidly enhance the power transmission capacity. Most of the projects are awarded through tariff-based competitive bidding (TBCB) route, with the exception only made for implementation of certain strategic and high technology projects awarded to PGCIL on nomination basis

The billing, collection and disbursement function for inter-state transmission licensee under Point of Connection (POC) mechanism is being undertaken by Central Transmission Utility of India Limited (CTUIL), a 100% subsidiary of PGCIL

Regulatory Bodies

- **The Central Electricity Regulatory Commission (CERC):**
  - ➢ CERC is a statutory body established by the Government of India under the Electricity Regulatory Commissions Act, 1998. It operates under the Ministry of Power, Government of India, and its primary role is to regulate the electricity sector at the national level, ensure the efficient operation of the power sector, and protect the interests of consumers, generating companies, and other stakeholders
  - ➢ The Commission regulates the functioning of power exchanges (such as IEX and PXIL) and oversees trading in electricity, thereby contributing to the development of competitive electricity markets
  - ➢ The Commission works to promote competition within the electricity industry by reducing monopolistic practices and encouraging new market players in generation, transmission, and distribution sectors
- **State Electricity Regulatory Commissions (SERCs):**
  - ➢ SERC are independent statutory bodies established by state governments in India to regulate the electricity sector at the state level. They are a crucial component of the electricity regulatory framework in India, complementing the role of the Central Electricity Regulatory Commission (CERC) at the national level.
  - ➢ SERCs are responsible for regulating the generation, transmission, and distribution of electricity within their respective states, ensuring fair practices, protecting consumer interests, and promoting the development of the power sector
  - ➢ They play a key role in implementing national policies such as the National Electricity Policy and Tariff Policy, but tailor these policies to the specific needs of their state
  - ➢ They also implement schemes for rural electrification, energy efficiency, and renewable energy development at the state level, working in coordination with the Central Government and State Governments
- **Central Electricity Authority (CEA):**
  - ➢ The Central Electricity Authority (CEA) is the apex technical body in the Indian power sector, responsible for planning, coordinating, and overseeing the development of the electricity industry in India. It operates under the Ministry of Power (MoP) and plays a key role in ensuring the reliable and efficient generation, transmission, and distribution of electricity across the country.
  - ➢ The CEA was established in 1951 under the Electricity (Supply) Act, 1948, and continues to function as the primary technical advisor to the government and a central authority for the electricity sector in India. Over time, its role has evolved, and it has been entrusted with additional responsibilities under the Electricity Act, 2003, which serves as the cornerstone of India’s power sector reforms.
  - ➢ The CEA is responsible for formulating the National Electricity Plan (NEP), the National Tariff Policy, and other national-level guidelines and policies related to the power sector. These policies set the direction for the development and modernization of the electricity sector in India.

Some of the key regulations/acts/policies are:

- **The Electricity Act, 2003**: Foundation of the Sector: The Electricity Act, 2003 is the foundational legislation that revolutionized India’s power sector, including transmission. It redefined the power landscape by promoting competition, protecting consumer interests, and improving the efficiency of electricity services. The Act mandated the unbundling of State Electricity Boards (SEBs) into separate entities for generation, transmission, and distribution to improve sectoral transparency and efficiency. It requires transmission licensees to be granted by the Central Electricity Regulatory Commission (CERC) for interstate transmission and by State Electricity Regulatory Commissions (SERCs) for intrastate transmission. A key provision of the Act is "open access," which allows third-party access to the transmission network. This has helped boost competition by enabling independent power producers (IPPs) and others to use the transmission grid to supply electricity directly to consumers. The Act directs the government to formulate a National Electricity Policy (NEP) to promote the optimal utilization of resources and the development of the electricity sector.
- **The National Electricity Policy (NEP), 2005**: The National Electricity Policy (NEP) was framed in accordance with the Electricity Act, 2003, to provide an overarching policy framework for the growth of the power sector. The policy emphasizes the need for a robust transmission system that can handle increasing generation capacities, especially renewable energy sources. NEP advocates the coordinated development of

a strong national transmission grid, ensuring that power can be transmitted efficiently across regions to meet demand. The policy seeks to ensure that the transmission network is developed to provide reliable electricity access to all consumers, including those in rural and underserved areas. NEP also encourages the use of advanced technology to improve grid reliability and reduce transmission losses, while promoting private sector investments in the transmission sector.

- **The Tariff Policy, 2016**: The Tariff Policy, 2016 complements the Electricity Act by providing guidelines on how tariffs should be set across the power sector, including transmission. Tariffs for transmission services are set based on performance benchmarks. Transmission companies are incentivized to improve efficiency and reduce losses through better operational practices and modern technologies. Tariff-setting mechanisms are designed to ensure that transmission charges reflect the actual cost of service provision, which includes maintenance, capital recovery, and reasonable returns for investors. The policy also promotes the development of transmission infrastructure to support the integration of renewable energy into the grid, ensuring a seamless transition to a greener energy mix
- **The National Tariff Policy (NTP), 2021 (Draft)**: The National Tariff Policy, 2021, which is still in draft form, builds on earlier policies to address the evolving needs of the sector. It proposes new measures to further strengthen transmission infrastructure, ensure cost-reflective tariffs, and encourage investments. The draft NTP calls for further rationalization of transmission tariffs, including measures to reduce cross-subsidies and ensure greater transparency in tariff setting. It emphasizes efficiency and the use of advanced technologies such as smart grids and digital monitoring tools in transmission networks. The draft policy highlights the need for investments in transmission infrastructure capable of handling intermittent and decentralized renewable energy sources, ensuring their smooth integration into the grid.
- **General Network Access (GNA) Regulations, 2022**: The General Network Access (GNA) regulations were introduced by the Central Electricity Regulatory Commission (CERC) to streamline access to the national transmission grid, enabling efficient and non-discriminatory use of transmission infrastructure. GNA regulations allow power generators and distributors to easily access the transmission network based on their general network access rights, improving the ease of transmission capacity allocation. The GNA framework is aimed at better management of congestion on transmission lines, ensuring that power can be transmitted more smoothly across regions.
- **The National Grid Plan**: The National Grid Plan is a long-term strategy that outlines the development and expansion of India's transmission infrastructure to ensure reliable electricity delivery from generation points to consumption centres across states and regions. It focuses on improving inter-regional transmission capacity to ensure that surplus power from one region can be efficiently transferred to deficit regions. The plan also emphasizes building redundancy in the transmission network to handle contingencies and ensure grid reliability
- **Green Energy Corridors (GEC)**: The Green Energy Corridors (GEC) project was launched by the Indian government to ensure the seamless transmission of renewable energy from generation hubs (such as solar and wind farms) to demand centres. The corridors are aimed at building transmission infrastructure specifically for renewable energy projects, ensuring that renewable energy is efficiently integrated into the national grid. The GEC project is partially funded by international agencies like the World Bank and KfW, ensuring timely execution and financial backing for the transmission of renewable energy.
- **The National Infrastructure Pipeline (NIP)**: The National Infrastructure Pipeline (NIP) is a government initiative that lists large-scale infrastructure projects, including power transmission projects, aimed at improving India's infrastructure over the long term. The NIP outlines significant investments in the transmission sector, focusing on the development of inter-state and intra-state transmission networks to ensure capacity meets the growing electricity demand. The pipeline promotes public-private partnerships (PPP) in the development of transmission projects to harness private capital and expertise.

5.2 Transmission Network in India

The transmission network in India operates at different voltages to cater to diverse needs in the industry. The different voltage levels include Extra High Voltage (EHV), high voltage, medium voltage, and low voltage.

The following table shows the distribution of the voltage lines:

Table 14:Distribution of Voltage Lines

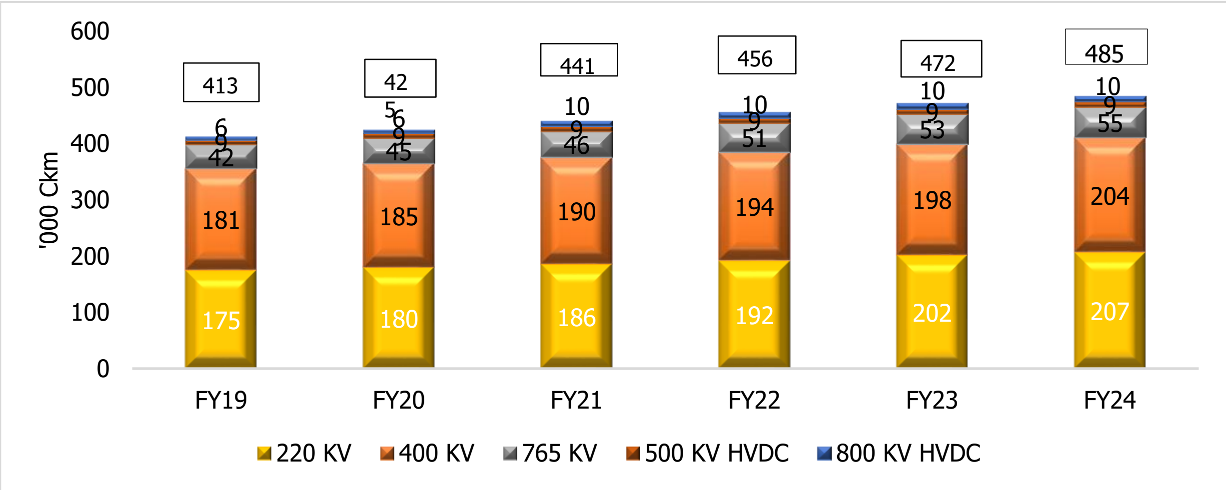
Extra High Voltage	765 kV, 400 kV and 220 kV
High Voltage	132 kV and 66 kV
Medium Voltage	33 kV, 11 kV, 6.6 kV and 3.3 kV
Low Voltage	1.1kV, 220 kV and below

Further, India's power transmission system has expanded at a significant pace driven by growing demand, the government's focus on providing electricity in rural areas, and the need for connecting the generation stations including integration of RE sources from the RE-rich states. In addition, with the implementation of two Central Sector Schemes namely, the North Eastern Regional Power System Improvement Project (NERPSIP) and Comprehensive Scheme of Transmission & Distribution System in Arunachal Pradesh & Sikkim, the transmission and distribution infrastructure of North Eastern states are being strengthened.

5.3 Transmission Line by Voltage

The transmission line network grew at a CAGR of approximately 3% to 4,85,544 CKms as of March 2024 from 4,13,407 ckm as of March 2019. During FY24, 14,203 ckms of transmission lines were added to the total network. The transmission line network stood at 4,87,587 ckm as of July 2024. Whereas the transformation line capacity is at 12,65,700 MVA as of July 2024.

Chart 19:Transmission Line Network (220 kV & Above)



Source: Central Electricity Authority, CareEdge Research

5.4 Benefits of Transmission Business in terms of best risk-return profile

The transmission business, particularly in the power and energy sector, often provides one of the best risk-return profiles in the infrastructure space. In India, the benefits of the transmission business align closely with the general global framework but have specific relevance due to the country's unique regulatory, economic, and infrastructural environment.

- **Stable and Predictable Revenue in India**: in India, the power transmission business is regulated under long-term agreements, such as the Tariff-Based Competitive Bidding (TBCB) and Cost-Plus Regulated Return Mechanism by the Central Electricity Regulatory Commission (CERC) and State Electricity Regulatory Commissions (SERCs). These agreements guarantee a steady revenue stream over the duration of the project
  - Tariff-based Competitive Bidding (TBCB) is a procurement process used in the power sector in India for selecting developers to build, own, and operate power generation or transmission projects. The key feature of TBCB is that the bidder offering the lowest tariff (price per unit of electricity) wins the contract. This process is designed to promote transparency, competition, and cost-effectiveness in the procurement of electricity, ensuring that consumers receive power at the most affordable rates
  - Cost-plus Regulated Return Mechanism is a traditional tariff determination method used by the Central Electricity Regulatory Commission (CERC) and State Electricity Regulatory Commissions (SERCs). Under this mechanism, power companies can recover their costs and earn a fixed return on their capital investments
  - The Central Electricity Regulatory Commission (CERC) and the State Electricity Regulatory Commissions (SERCs) are the two key regulatory bodies in India that oversee the electricity sector at the central and state levels, respectively. Both institutions are responsible for regulating the generation, transmission, and distribution of electricity, but they operate at different levels of jurisdiction and have distinct roles and responsibilities
- **Regulated Returns in India**: In India, transmission projects typically provide regulated returns or even higher under certain incentive structures. These returns are pre-approved by the CERC and are adjusted periodically based on inflation and input costs. Indian transmission companies are ensured a fixed rate of return as approved by regulators, safeguarding investments even amidst market uncertainties. Tariffs often include inflation-indexed adjustments, protecting companies from rising costs
- **Low Operating Costs in India**: Once transmission lines and infrastructure are in place, maintenance costs

are relatively low. In Infrastructure space, especially power sector, O&M expenses are relatively lower resulting in higher EBITDA margin for companies. Indian transmission companies have benefitted from technological upgrades and reduced operational costs post-infrastructure setup. Indian transmission businesses can maintain high margins as operational costs remain low compared to initial capital expenditure. With initiatives such as smart grid technology, Indian companies are improving the efficiency of the transmission network, further reducing costs

- **Inflation Protection in India**: Regulators, such as CERC, include inflation-linked pricing adjustments in the tariff structure. The Multi-Year Tariff (MYT) framework in India ensures that transmission companies can adjust tariffs periodically to account for inflation and changing costs. With inflation-adjusted tariffs, transmission businesses in India can preserve their profit margins despite rising operational costs. Regular reviews allow companies to pass on increases in costs, such as higher wages or material prices, to consumers

Essential Service Provider Status in India: Electricity is critical to India's growth, and transmission companies form the backbone of the energy distribution network. As India continues to grow its power generation capacity, transmission is a vital component of ensuring reliable delivery of energy to all parts of the country. Even during downturns, transmission companies face limited risk, as power remains an essential service. The Indian government often steps in to support the transmission sector, such as through schemes like Ujwal DISCOM Assurance Yojana (UDAY) aimed at reforming and revitalizing DISCOMs, which, in turn, supports the transmission category Diversified Risk Profile in India: India's geographic diversity allows for transmission companies to spread their operational risks across different regions. Companies like Adani Transmission and Sterlite Power operate across multiple states, reducing their exposure to risks like regulatory changes or local disruptions. By operating across states with different regulatory environments and economic conditions, Indian companies are better protected from regional disruptions. The government has promoted inter-state transmission through projects like the Green Energy Corridors, creating opportunities for companies to diversify and expand

5.5 Key drivers for growth in transmission sector

India's transmission sector is poised for significant growth due to a combination of factors, driven by the country's ambitious energy goals, technological advancements, and evolving regulatory frameworks. The following key drivers are propelling the growth of India's transmission sector:

1. Renewable Energy Expansion

- **Rising Renewable Energy Capacity**: India has set an ambitious target to achieve 500 GW of non-fossil fuel-based energy capacity by 2030. With a significant portion of this coming from solar, wind, and hydroelectric power, there is an urgent need for expanded transmission infrastructure to integrate these intermittent and geographically dispersed energy sources into the national grid.

- **Renewable Energy Zones (REZs)**: The government has identified several renewable energy zones (such as in Rajasthan and Gujarat for solar, and Tamil Nadu and Andhra Pradesh for wind) that require dedicated transmission corridors to connect these remote locations to load centres and ensure reliable power delivery.

2. Electricity Demand Growth

- **Rising Power Consumption**: As India's population and urbanization continue to grow, so does the demand for electricity. The shift towards a more electrified economy, including increased household electricity access, industrialization, and the growth of the electric vehicle (EV) market, necessitates expanded transmission capacity.

- **Electrification of Transport**: India's push for electric vehicles, as part of its efforts to reduce carbon emissions, requires new transmission infrastructure to support the charging network. With the rise of electric mobility, particularly in urban areas, electricity demand will increase, further stressing the need for an expanded and modernized transmission grid.

3. Smart Grid and Technological Advancements

- **Smart Grid Initiatives**: The Government of India is actively promoting smart grid development to improve grid efficiency, enhance reliability, and reduce transmission losses. The implementation of advanced technologies such as SCADA (Supervisory Control and Data Acquisition), real-time monitoring, and predictive maintenance will optimize transmission operations and foster more resilient grids.

- **High Voltage Direct Current (HVDC) Technology**: HVDC systems are increasingly being used for long-distance power transmission, especially for connecting regions with large distances between generation plants and consumption centres. This technology helps reduce transmission losses and enhances the capacity of the grid, making it a key enabler of future transmission growth in India.

4. Government Policies and Regulatory Support

- **National Electricity Policy and Tariff Policy**: India's National Electricity Policy (NEP) and Tariff Policy set the roadmap for energy sector development, emphasizing the need for expanding and modernizing transmission infrastructure. These policies provide incentives for building new transmission lines, improving system reliability, and integrating renewable energy sources.

- **National Grid Expansion Plan**: The government has formulated ambitious plans, such as the **National Transmission Grid** to link the regional grids and ensure seamless power flow across the country. The goal is to strengthen the transmission infrastructure and promote the creation of a unified national grid that will provide reliable power across all regions.

- **Power Grid Corporation of India (PGCIL)**: As the principal entity for building and operating the transmission infrastructure, PGCIL has been undertaking several initiatives to develop the transmission network, improve grid connectivity, and facilitate power trading among states.

5. Cross-Border Power Trading and Regional Integration

- **Power Grid Interconnections with Neighbouring Countries**: India is expanding its transmission network to facilitate cross-border electricity trade with neighbouring countries like Nepal, Bhutan, Bangladesh, and Sri Lanka. These interconnections help ensure power availability during peak demand periods and enhance energy security.

- **South Asia Power Pool (SAPP)**: India's efforts to integrate with the broader South Asian electricity market through the South Asia Power Pool will drive the need for additional transmission capacity, enabling the sharing of power across borders and improving grid stability.

The transmission sector in India is undergoing rapid transformation, fuelled by increasing energy demand, renewable energy growth, technological innovation, and strategic policy initiatives. The government's ambitious targets for renewable energy capacity, grid modernization, and cross-border electricity trade, combined with investments in smart grid technologies and private sector participation, are expected to drive continued growth and strengthen the country's transmission infrastructure. These developments will not only ensure energy security but also pave the way for a more sustainable and reliable electricity grid in India.

5.6 Details of Projects in Transmission Sector in India – FY24

Private sector involvement brings several benefits, including greater operational efficiency, faster project delivery, and the infusion of much-needed capital into the sector. Through models like Build-Operate-Transfer (BOT), private companies construct and operate transmission networks before transferring ownership to the government after a specified period. This participation has led to more competitive pricing and has helped modernize and expand the transmission infrastructure, particularly in underserved areas.

Despite these advancements, there are challenges, such as regulatory hurdles and the long-term risks of investment in transmission assets. Under Perpetual ownership, Transmission assets are developed under the BOOM model, ensuring the trust retains ownership and can generate long-term income from both the assets and the transmission infrastructure. The sector remains heavily regulated, which can lead to uncertainties regarding tariffs and revenue generation. Nonetheless, the increasing role of private players is contributing to a more integrated and efficient power grid in India, helping to meet the growing electricity demand and modernize the national transmission network

5.7 Projected additions in the transmission installed capacity

Table 15: Likely growth in transmission system till 2026-27

Transmission System Type / Voltage Class	Unit	As of March, 2024	Likely addition from 2025 – 2027	Likely at the end of 2026-
Transmission lines				
a) HVDC (± 320 kV/ 500 kV/800 kV Bipole)	ckm	19,375	80	19,4

Transmission System Type / Voltage Class	Unit	As of March, 2024	Likely addition from 2025 – 2027	Likely at the end of 2026-
b) 765 kV	ckm	54,797	32,784	87,5
c) 400 kV	ckm	2,03,838	24,758	2,28,5
d) 230/220 kV	ckm	2,07,534	28,237	2,35,7
Total–Transmission Lines	**ckm**	**4,85,544**	**85,859**	**5,71,4**
Sub-stations				
a) HVDC (± 320 kV/ 500 kV/800 kV Bipole)	MVA	33,500	0	33,5
b) 765 kV	MVA	2,94,700	3,06,000	6,00,7
c) 400 kV	MVA	4,57,933	2,20,150	6,78,0
d) 230/220 kV	MVA	4,64,947	1,03,550	5,68,4
Total – Substations	**MVA**	**12,51,080**	**6,29,700**	**18,80,7**

Source: CEA Report- Transmission Reports, National Electricity Plan, CAREEDGE Research

Based on the planned generation capacity addition and projected electricity demand, about 85,859 ckm of transmission lines and 6,29,700 MVA of transformation capacity in the substations at 220 kV and above voltage levels are planned to be added during the period 2025-27.

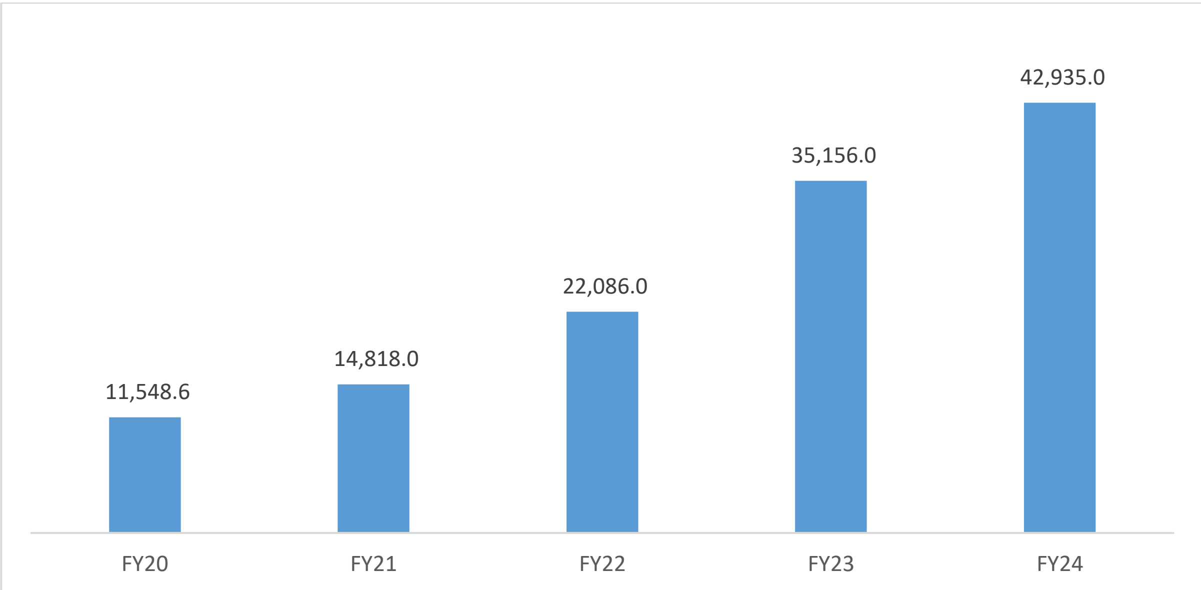
For long distance transmission of power, generated power is stepped up to 220 kV and further to 400 kV and 765 kV depending on the quantum of power and associated distance. Thereafter at load centres, it is again stepped down from 765 kV to 400 kV and further to 220 kV and lower voltages. Transmission of power at high voltage helps in optimizing right of way and minimize losses

5.8 Assessment of key off takers

5.8.1 Solar Energy Corporation of India (SECI):

Solar Energy Corporation of India (SECI) Ltd is the leading CPSU dedicated to the development and expansion of Renewable Energy (RE) capacity in India. SECI serves as an implementing agency for the development of Solar, Wind and Hybrid Projects as part of fulfilling the country's Nationally Determined Contributions (NDCs). To achieve this, SECI releases tenders for selection of Renewable Energy (RE) developers for establishment of Projects on a Pan-India or State-specific basis. The selection process for successful bidders is conducted through a tariff-based competitive e-bidding procedure. Once selected, SECI enters into a 25-year Power Purchase Agreement (PPA) with the chosen bidders for the procurement of power from these projects. Further, SECI establishes back-to-back 25-year Power Sale Agreements (PSA) with DISCOMs/buying entities for sale of the procured power

Chart 4: Power Trading (MU)



Source: 12th Annual Integrated Rating & Ranking: Power Distribution Utilities, CareEdge Research

SECI is a Category-I (highest) Power Trading Licensee for trading power on Pan-India basis. It is the intermediary power procurer for projects being set up through SECI tenders. It procures power from successful developers under its tenders and sells to Buying Entities (i.e. DISCOMs) though long term PPAs and PSAs respectively. SECI is a premier trader of RE power in the country

5.8.2 NTPC Vidyut Vyapar Nigam Ltd. (NVVN):

NTPC Vidyut Vyapar Nigam Ltd. (NVVN) was formed by NTPC Ltd in the year 2002, as its wholly owned subsidiary to tap the potential of power trading in the country. It offers power trading, renewable energy projects, waste-to-energy initiatives, and e-mobility solutions, including electric vehicle leasing and charging infrastructure

The company helps the generation companies to decide the business strategy according to their generation schedule. They also provide solution for the uncontracted power Trading, URS of Genco's, IPP's, Captive power plant through bilateral, exchange based and banking agreements.

NVVN also helps the distribution companies/utilities to chalk out their power purchase portfolio according to their demand variations which consist of attractive combination long term PPA's, bilateral agreements and exchange-based power.

The company is the second-largest power trader in terms of volume traded with a market share of around 19%. NVVN is the nodal agency for Jawaharlal Nehru National Solar Mission Phase-1, wherein the company bundles solar power with cheaper and untied thermal capacity of NTPC which is sold to distribution companies with a margin. The company is also the nodal agency for cross border power trading, allowing the company to tap in growing power demand of neighbouring countries such as Bangladesh, Bhutan, and Nepal. Gross energy traded for the company has grown with a compounded annual growth rate (CAGR) of around 12% in FY19-FY24, considering growth in power exchange portfolio and bilateral agreements.

The company's financial risk profile is comfortable considering stable and sustained margins and moderate long-term debt as on March 31, 2024. The company's overall gearing and total outside liabilities to tangible net worth (TOL/TNW) stood at 1.42x and 4.42x, respectively, as on March 31, 2024. However, the company is envisaged to incur debt-funded capex of around Rs 5,000 crore over the next 4-5 years, which is expected to moderate its leverage metrics. CARE Ratings will continue to monitor timely implementation of WTE and renewable energy projects

The company had cash and cash equivalent of around Rs 437 crore as on March 31, 2024. Although the company does not have long-term debt apart from Rs 110 crore drawn for WTE project, the capital structure is expected to become moderately leveraged over the near to medium term considering debt-funded capex for small-scale renewable projects and WTE projects

5.8.3 SJVN Limited

SJVN Ltd is engaged in the business of generation and sale of power. In 2022 the company has ventured into power trading business as part of its business expansion and diversification plan and has obtained Category-I license from CERC for interstate trading of electricity in whole of India.

The company is implementing power projects in Himachal Pradesh, Uttarakhand, Bihar, Gujarat, Rajasthan and Arunachal Pradesh in India besides neighbouring countries, which include Nepal and Bhutan. It operates in business in projects including the generation of thermal power, wind power, solar power, and power transmission

In FY24 the company had traded energy of 78.8 Mu with turnover of Rs 40.21 crore. A total of 8,489 MU of Power was generated by their operational plants which includes 8,131 MU of Hydro Power, 207 MU of Solar Power and 151 MU of Wind Power.

Table 16: Grading of State and Power Utilities

Rank	Name of Utility	State	Ownership	Grade
1	Adani Electricity Mumbai Limited (AEML)	Maharashtra	Private	A+
2	Torrent Power Surat (Torrent Power Surat)	Gujarat	Private	A+
3	Torrent Power Ahmedabad (Torrent Power Ahmedabad)	Gujarat	Private	A+
4	Dakshin Gujarat Vij Company Limited (DGVCL)	Gujarat	State	A+
4	Uttar Gujarat Vij Company Limited (UGVCL)	Gujarat	State	A+
6	Madhya Gujarat Vij Company Limited (MGVCL)	Gujarat	State	A+
7	Noida Power Company Limited (NPCL)	Uttar Pradesh	Private	A+
8	Paschim Gujarat Vij Company Limited (PGVCL)	Gujarat	State	A+
9	TP Central Odisha Distribution Limited (TPCODL)	Odisha	Private	A+
10	TP Western Odisha Distribution Limited (TPWODL)	Odisha	Private	A+
11	Uttar Haryana Bijli Vitran Nigam Limited (UHBVNL)	Haryana	State	A+
12	Dakshin Haryana Bijli Vitran Nigam Limited (DHBVNL)	Haryana	State	A+
13	Mangalore Electricity Supply Company Limited (MESCOM)	Karnataka	State	A
14	Tata Power Delhi Distribution Limited (TPDDL)	Delhi	Private	A

Rank	Name of Utility	State	Ownership	Grade
15	Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Limited (MPPaKVVCL)	Madhya Pradesh	State	A
16	Eastern Power Distribution Company of Andhra Pradesh Limited (APEPDCL)	Andhra Pradesh	State	A
17	Ajmer Vidyut Vitran Nigam Limited (AVVNL)	Rajasthan	State	B
18	Chamundeshwari Electricity Supply Corporation Limited (CHESCOM)	Karnataka	State	B
19	TP Southern Odisha Distribution Limited (TPSODL)	Odisha	Private	B
20	Punjab State Power Corporation Limited (PSPCL)	Punjab	State	B
21	Paschimanchal Vidyut Vitran Nigam Limited (PVVNL)	Uttar Pradesh	State	B
22	Madhya Pradesh Madhya Kshetra Vidyut Vitaran Company Limited (MPMKVVCL)	Madhya Pradesh	State	B
23	Jaipur Vidyut Vitran Nigam Limited (JVVNL)	Rajasthan	State	B
24	BSES Rajdhani Power Limited (BRPL)	Delhi	Private	B-
25	BSES Yamuna Power Limited (BYPL)	Delhi	Private	B-
26	India Power Corporation Limited (IPCL)	West Bengal	Private	B-
27	Assam Power Distribution Company Limited (APDCL)	Assam	State	B-
28	Southern Power Distribution Company of Andhra Pradesh Limited (APSPDCL)	Andhra Pradesh	State	B-
29	West Bengal State Electricity Distribution Company Limited (WBSEDCL)	West Bengal	State	B-
30	Uttarakhand Power Corporation Limited (UPCL)	Uttarakhand	State	B-
31	Andhra Pradesh Central Power Distribution Company Limited (APCPDCL)	Andhra Pradesh	State	B-
32	Kerala State Electricity Board Limited (KSEBL)	Kerala	State	B-
33	Chhattisgarh State Power Distribution Company Limited (CSPDCL)	Chhatisgarh	State	B-
34	Kanpur Electricity Supply Company Limited (KESCO)	Uttar Pradesh	State	B-
35	Jodhpur Vidyut Vitran Nigam Limited (JDVVNL)	Rajasthan	State	B-
36	Madhya Pradesh Poorv Kshetra Vidyut Vitaran Company Limited (MPPoKVVCL)	Madhya Pradesh	State	B-
37	North Bihar Power Distribution Company Ltd (NBPDCL)	Bihar	State	C
38	South Bihar Power Distribution Company Limited (SBPDCL)	Bihar	State	C
39	Tripura State Electricity Corporation Limited (TSECL)	Tripura	State	C
40	Gulbarga Electricity Supply Company Limited (GESCOM)	Karnataka	State	C
41	Himachal Pradesh State Electricity Board Limited (HPSEBL)	Himachal Pradesh	State	C
42	Manipur State Power Distribution Company Limited (MSPDCL)	Manipur	State	C
43	Bangalore Electricity Supply Company Limited (BESCOM)	Karnataka	State	C
44	Southern Power Distribution Company of Telangana Limited (TSSPDCL)	Telegana	State	C
45	Hubli Electricity Supply Company Limited (HESCOM)	Karnataka	State	C
46	Northern Power Distribution Company of Telangana Limited (TSNPDCL)	Telegana	State	C
47	Maharashtra State Electricity Distribution Company Limited (MSEDCL)	Maharashtra	State	C
48	Dakshinanchal Vidyut Vitran Nigam Limited (DVVNL)	Uttar Pradesh	State	C-
49	Purvanchal Vidyut Vitran Nigam Limited (PuVVNL)	Uttar Pradesh	State	C-
50	Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO)	Tamil Nadu	State	C-
51	Madhyanchal Vidyut Vitran Nigam Limited (MVVNL)	Uttar Pradesh	State	C-
52	Jharkhand Bijli Vitran Nigam Limited (JBVNL)	Jharkhand	State	C-
53	Meghalaya Power Distribution Corporation Limited (MePDCL)	Meghalaya	State	C-

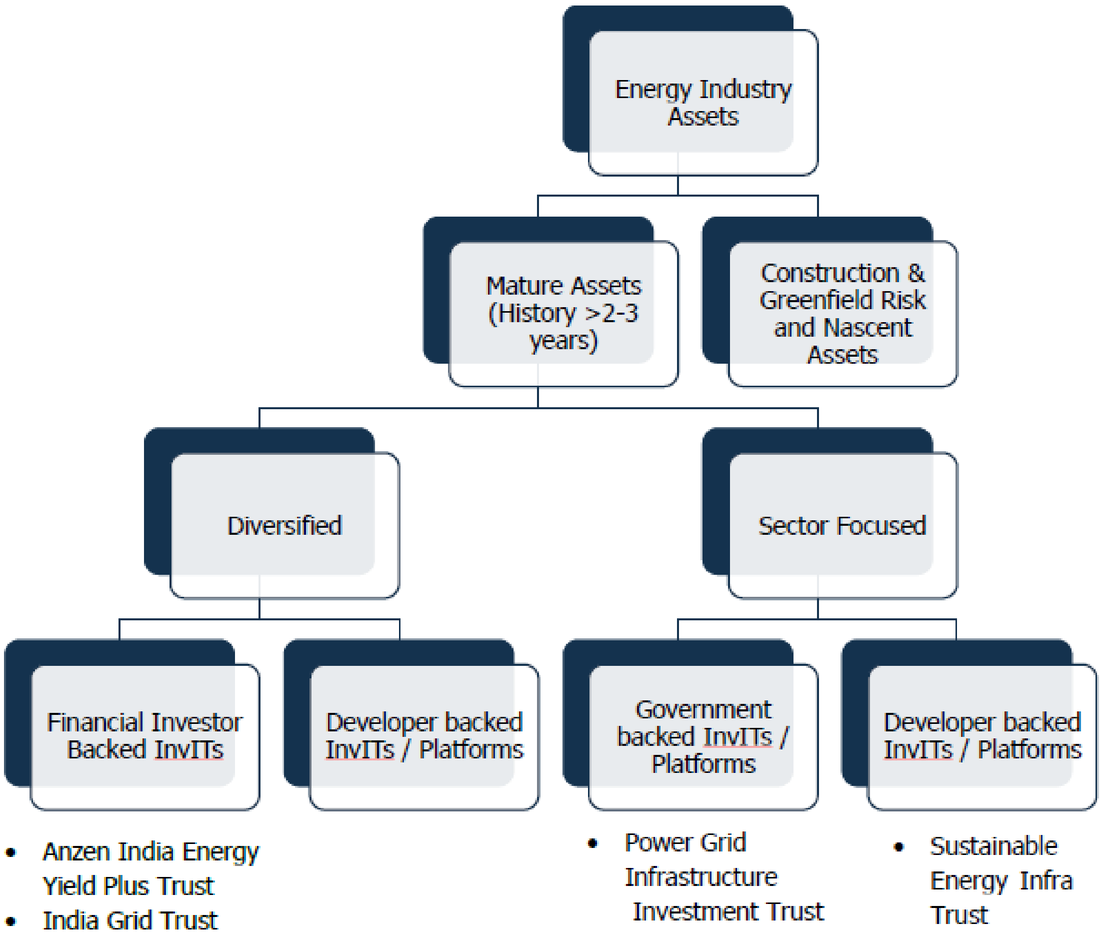
Source: 12th Annual Integrated Rating & Ranking: Power Distribution Utilities

Table 17: Long Term credit Rating of Power Companies

Name of the Company	Rating Agency	Rating	Outlook	Date
Solar Energy Corporation of India Limited (SECI)	ICRA	AAA	Stable	8th May 2024
Power Grid Corporation of India Limited	CARE	AAA	Stable	9th October 2024
	CRISIL	AAA	Stable	27th December 2024
	ICRA	AAA	Stable	18th October 2024
National Thermal Power Corporation Limited (NTPC)	CARE	AAA	Stable	28th June 2024
	CRISIL	AAA	Stable	27th March 2024
	ICRA	AAA	Stable	27th March 2024
	India Ratings	AAA	Stable	5th April 2024
NTPC Vidyut Vyapar Nigam Limited	CARE	AAA	Stable	22nd July 2024

Source: CareEdge Research

6. PEER PROFILING



6.1 India Grid Trust (IndiGrid)

IndiGrid was established on October 21, 2016, as an irrevocable trust under the provisions of the Indian Trusts Act, 1882 and was registered with SEBI as an Infrastructure Investment Trust (InvIT) on November 28, 2016, and got listed on June 6, 2017. KKR is a global investment leader with over 45 years of experience, managing assets exceeding USD 500 billion as of December 2022. KKR's interests span multiple asset classes, including private equity, energy, infrastructure, real estate, and credit, in addition to strategic hedge fund partnerships. All strategic decisions regarding acquisitions, divestitures, or asset enhancements for IndiGrid are made by its investment manager, IndiGrid Investment Managers Ltd, which is wholly owned by KKR.

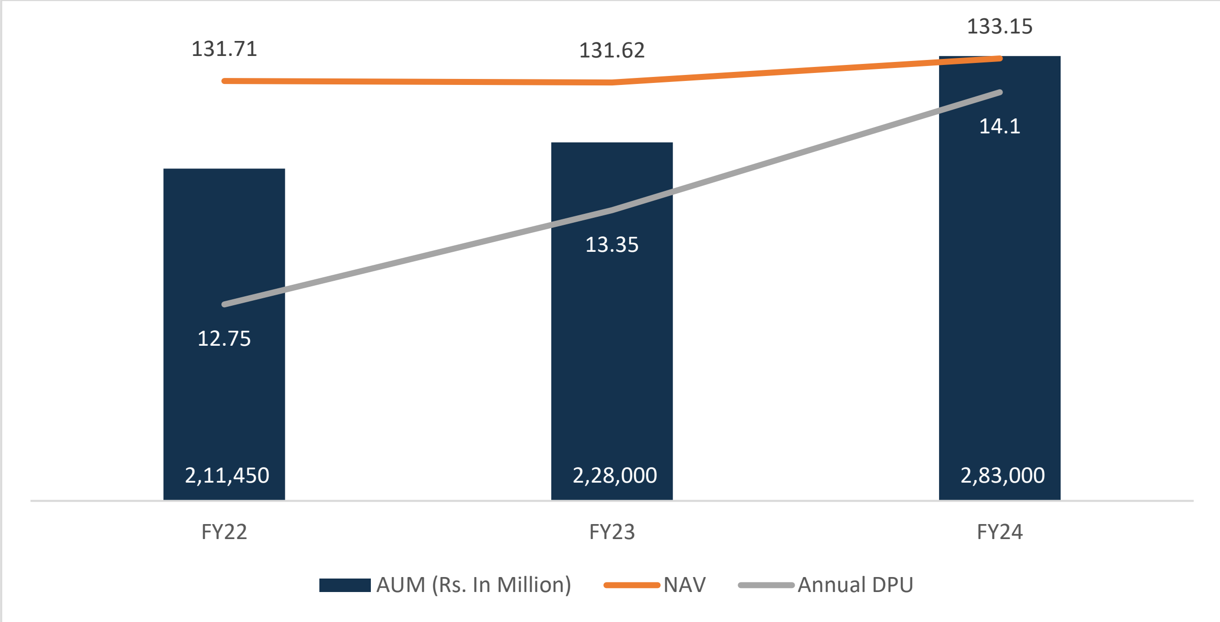
Table 18: Financial and Operational metrics (Consolidated)

(Rs. In Million)

Indigrid	FY18 (10 months of operation)	FY19	FY20	FY21	FY22	FY23	FY24
AUM	51,986	93,830**	1,20,210	2,05,460	2,11,450	2,28,000	2,83,000
NAV	101.87	96.5	102.3	146.3	131.7	131.6	133.2
Annual DPU	11.47*	12	12.0	12.2	12.8	13.4	14.1
Net Debt to AUM	45%	47%	50%	59%	56%	60%	62%
Market Price (MP)	94.4	81.96	89.67	138.09	147.21	134.78	132.78

Source: Company Reports
Note: Yield = Annual DPU/MP
* Annualized DPU taken from the annual reports of the company
** AUM as of March 31, 2019, INR 52.20 Billion. On June 4, 2019, NTL asset was added to the IndiGrid portfolio valued at INR 41.63 Billion.

Chart 5: Comparison of Key metrics (Year on Year)



Source: Company Reports, CareEdge Research

6.2 Power Grid Infrastructure Investment Trust (PGInvIT)

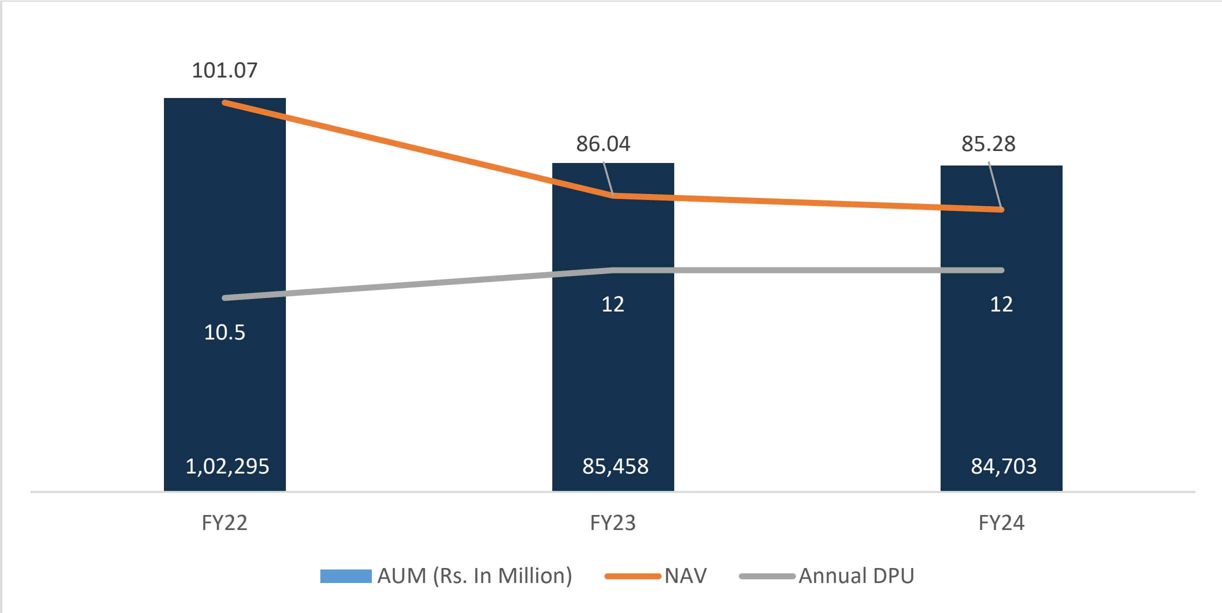
PGInvIT is an irrevocable trust established under the provisions of the Indian Trusts Act, 1882 and was registered with SEBI as an Infrastructure Investment Trust (InvIT) on January 7, 2021. The trust is sponsored by Power Grid Corporation of India Limited (PGCIL). POWERGRID Unchahar Transmission Limited has been appointed as the Investment Manager to the Trust while Power Grid Corporation of India Limited has been appointed as the Project Manager in respect of the Trust.

Table 19: Financial and Operational metrics (Consolidated) (Rs. In Million)

PG InvIT	FY22	FY23	FY24
AUM	1,02,295.30	85,457.92	84,703.44
NAV	101.07	86.04	85.28
Annual DPU	12.00*	12.00	12.00
Net Debt to AUM	0.47%	0.91%	0.26%
Market Price (MP)	133.90	122.52	94.71

Source: Company Reports
Note: Yield = Annual DPU/MP
*Annualized DPU

Chart 6: Comparison of Key metrics (Year on Year)



Source: Company Reports, CareEdge Research

6.3 Sustainable Energy Infra Trust (SEIT)

SEIT is a renewable energy-focused Infrastructure Investment Trust (InvIT) sponsored by Mahindra Susten and Ontario limited. Its investment management is handled by Sustainable Energy Infra Investment Managers Pvt Ltd. The InvIT was granted its registration certificate by the Securities and Exchange Board of India (SEBI) on August 11, 2023, and its units were listed on January 15, 2024.

Table 20: Financial and Operational metrics (Consolidated) (Rs. In Million)

SEIT	FY24
AUM	67,053
NAV	115.60
Annual DPU	4.93
Net Debt to AUM	44.47%
Market Price (MP)	106.50

Source: Company Reports
Note: Yield = Annual DPU/MP

About the Company

Anzen India Energy Yield Plus Trust's (Anzen Trust)

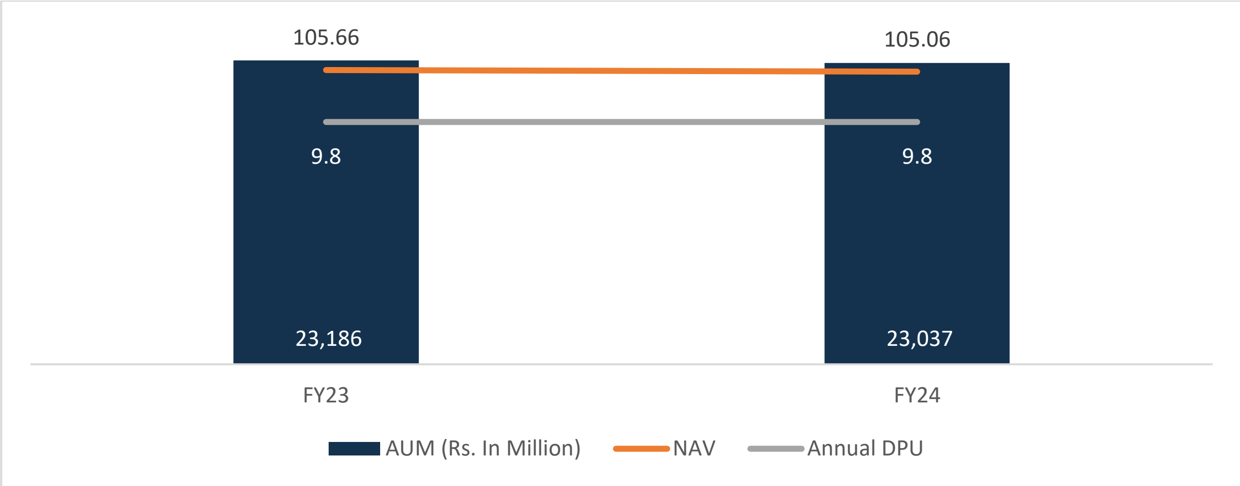
Anzen Trust was established as an irrevocable trust under the provisions of the Indian Trusts Act, 1882 and was registered with SEBI as an Infrastructure Investment Trust (InvIT) on January 18, 2022. They are Sponsored by SEPL Energy Pvt Ltd, a wholly owned subsidiary of Edelweiss Infrastructure Yield Plus (EIYP), Anzen InvIT is managed by EAAA Real Assets Managers Ltd, a subsidiary of EAAA India Alternatives Ltd. Anzen's units were listed in November 2022. As of now, SEPL holds a 15% stake, EIYP owns approximately 56%, and other unitholders hold the remaining ~29%.

Table 21: Financial and Operational metrics (Consolidated) (Rs. In Million)

Anzen	FY23	FY24
AUM	23,186.00	23,037.00
NAV	105.66	105.06
Annual DPU	9.80*	9.80
Net Debt to AUM	~28%	~28%
Market Price	102.40	100.00

Source: Company Reports
Note - *DPU for FY23 is annualized

Chart 7: Comparison of Key metrics (Year on Year)



Source: Company Reports, CareEdge Research

Annexure

Major Government Owned Mature Assets:-

Project Name	Cost (Rs.Crore)	Industry	Ownership	State	Product1	Capacity	Units	Promoter Name
Mundra Ultra Mega Power Transmission Project	5072	Power Distribution	Central Government	Gujarat	Transmission line	3604	kms	Power Grid Corpn. Of India Ltd.
Solar Photovoltaic Power (Bhadla) Project – Phase III	5000	Solar based Power	Central Government	Rajasthan	Solar based power unit	500	MWp	Solar Energy Corporation of India Ltd.
Solar Park (Jalaun, Allahabad, Mirzapur & Kanpur)	4800	Solar based Power	Central Government	Uttar Pradesh	Solar based power unit	600	MW	Lucknow Solar Power Devp. Corpn. Ltd.
Western Region Grid Strengthening Scheme II	4800	Power Distribution	Central Government	Maharashtra, Madhya Pradesh, Gujarat, Chhattisgarh, Goa, Dadra & Nagar Haveli, Daman & Diu	Transmission line	7100	CKM	Power Grid Corpn. Of India Ltd.
Solar Park (Agar)	4000	Solar based Power	State Govern ment	Madhya Pradesh	Solar based power unit	200	MW	Rewa Ultra Mega Solar Ltd.
Solar Photovoltaic Power (Shajapur) Project	3600	Solar based Power	State Govern ment	Madhya Pradesh	Solar based power unit	450	MWp	Rewa Ultra Mega Solar Ltd.
Kudankulam Transmission Line	2187	Power Distributio n	Central Govern ment	Tamil Nadu , Andhra Pradesh , Kerala	Transmission line	1003	kms	Power Grid Corpn. Of India Ltd.
Solar Park (Kasargod)	1600	Solar based Power	State Govern ment	Kerala	Solar Park	500	acres	Renewable Power Corpn. Of Kerala Ltd.
Inter-State Power Transmission System (Tamil Nadu) Project	1593	Power Distribution	State Govern ment	Tamil Nadu	Inter-state power transmission system	0		Tamil Nadu Transmission Corpn. Ltd.
Solar Photovoltaic Power (Nokhra) Project	1500	Solar based Power	Central Govern ment	Rajasthan	Solar photovoltaic power	300	MW	NTPC Green Energy Ltd.
Inter State Transmission System – Northern Region II	1479	Power Distributio n	Central Govern ment	Rajasthan	Transmission lines & substations	0		Power Grid Corpn. Of India Ltd.
Naitwar-Mori Hydel Power Project	1272	Hydel Based Power	Central Govern ment	Uttarakhand	Hydel power unit	60	MW	SJVN Ltd.
Solar Photovoltaic Power (Gujarat) Project	1200	Solar based Power	State Govern ment	Gujarat	Solar based power unit	150	MWp	HPCL Renewables & Green Energy Ltd.
Solar Photovoltaic Power (Devikot) Project	1200	Solar based Power	Central Govern ment	Rajasthan	Solar photovoltaic power unit	240	MW	NTPC Ltd.
Solar Photovoltaic Power (Ettayapuram) Project	1150	Solar based Power	Central Govern ment	Tamil Nadu	Solar power	230	MW	NTPC Ltd.
Solar Photovoltaic Power (Anta) Project	1064	Solar based Power	Central Govern ment	Rajasthan	Solar based power unit	90	MWp	NTPC Ltd.

Project Name	Cost (Rs.Crore)	Industry	Ownership	State	Product1	Capacity	Units	Promoter Name
Transmission System (Meerut & Simbhavali) Project	1049	Power Distribution	Central Government	Uttar Pradesh	Transmission system	0		POWERGRID Meerut Simbhavali Transmission Ltd.
Solar Photovoltaic Power (Rajnandgaon) Project	945	Solar based Power	Central Govern ment	Chhattisgarh	Solar photovoltaic power	100	MW	Solar Energy Corporation of India Ltd.
Transmission System (Neemuch SEZ) Project	864	Power Distributio n	Central Govern ment	Madhya Pradesh	Transmission system	0		Powergrid Neemuch Transmission System Ltd.
Floating Solar Photovoltaic Power (Omkareshwar) Project [Phase-I]	630	Solar based Power	Central Govern ment	Madhya Pradesh	Solar based power unit	90	MWp	SJVN Green Energy Ltd.
Floating Solar Photovoltaic Power (Omkareshwar) Project – [Phase-I]	616	Solar based Power	Central & State Govern ments	Madhya Pradesh	Floating solar photovoltaic power	88	MWp	NHDC Ltd.
Transmission Line (Neyveli) Project	612	Power Distribution	Central Government	Tamil Nadu	Transmission line	0		Power Grid Corpn. Of India Ltd.
Floating Solar Power (Omkareshwar Reservoir) Project [Phase-II]	610	Solar based Power	Central Govern ment	Madhya Pradesh	Solar based power unit	90	MW	SJVN Green Energy Ltd.
Ganol Hydel Power Project	560	Hydel Based Power	State Govern ment	Meghalaya	Hydel power unit 1	7.5	MW	Meghalaya Energy Corpn. Ltd.
Transmission Line (Kayathar- Virudhunagar) Project	543	Power Distributio n	State Govern ment	Tamil Nadu	Transmission line	72	kms	Tamil Nadu Transmission Corpn. Ltd.
Transmission Lines (Buxar ThermalPower Plant- Naubatpur) Project	532	Power Distribution	State Govern ment	Bihar	Transmission lines	333	kms	Bihar State Power Transmission Co. Ltd.
Solar Photovoltaic Power (Gurhah) Project	467	Solar based Power	Central Government	Uttar Pradesh	Solar photovoltaic power	75	MW	SJVN Ltd.
Solar Photovoltaic Power (Parasan) Project	338	Solar based Power	Central Government	Uttar Pradesh	Solar based power unit	65	MW	Bundelkhand Saur Urja Ltd.
Transmission Lines (Gopalganj- Mashrakh) Project – Reconductoring	333	Power Distribution	State Govern ent	Bihar	Transmission lines	0		Bihar State Power Transmission Co. Ltd.
Transmission Line (RIL Jamnagar Refinery-Jam Khambaliya ISTS PS) Project	328	Power Distributio n	Central Govern ment	Gujarat	Transmission line	60	kms	Power Grid Corpn. Of India Ltd.
Transmission Line (Jam Nagar Oil Refinery-Jam Khambhaliya ISTS PS) Project	328	Power Distributio n	Central Govern ment	Gujarat	Transmission line	0		Power Grid Corpn. Of India Ltd.
Pallivasal Hydel Power	285	Hydel Based	State Government	Kerala	Hydel power	60	MW	Kerala State

Project Name	Cost (Rs.Crore)	Industry	Ownership	State	Product1	Capacity	Units	Promoter Name
Project – Extension		Power			unit			Electricity Board
Solar Power (Gujrai) Project	280	Solar based Power	Central Govern ment	Uttar Pradesh	Solar based power unit	50	MW	SJVN Ltd.
Kopili Hydel Power Project – Renovation	254	Hydel Based Power	Central Government	Assam	Hydel based power unit	275	MW	North Eastern Electric Power Corpn. Ltd.
Solar Photovoltaic Power (Gandhar) Project	210	Solar based Power	Central Government	Gujarat	Solar based power unit	20	MWp	NTPC Ltd.
Thottiyar Hydel Power Project	207	Hydel Based Power	State Govern ment	Kerala	Hydel power unit 1	30	MW	Kerala State Electricity Board
Transmission System (Madhya Pradesh) Project	186	Power Distributio n	State Govern ment	Madhya Pradesh , Madhya Pradesh, Madhya Pradesh	Transmission system	0		Rewa Ultra Mega Solar Ltd.
Transmission Line (Koradi-II- Uppalwadi) Project	183	Power Distributio n	State Govern ment	Maharashtra	Transmission line	7.5	kms	Maharashtra State Electricity Transmission Co. Ltd.
Solar Photovoltaic Power (Pandhro) Project	175	Solar based Power	State Government	Gujarat	Solar power plant	35	MW	Gujarat State Electricity Corpn. Ltd.
Biogas Power (Gorakhpur) Project	165	Biogas Based Power	Central Government	Uttar Pradesh	Biogass based power unit	200	tpd	Indian Oil Corpn. Ltd.
Transmission Line (Buxar-GSS Dumraon) Project	165	Power Distribution	State Government	Bihar	Transmission line	220	kV	Bihar State Power Transmission Co. Ltd.
Solar Photovoltaic Power (Bhojudih) Project	163	Solar based Power	Central Government	West Bengal	Solar based power unit	25	MWp	Bharat Coking Coal Ltd.
Solar Power (Pekhubella) Project	160	Solar based Power	State Govern ment	Himachal Pradesh	Solar power	32	MW	Himachal Pradesh Power Corporation Ltd.
Transmission Line (Bhogat-Kalawad) Project	160	Power Distributio n	State Govern ment	Gujarat	Transmission line	130.29	kms	Gujarat Energy Transmission Corpn. Ltd.
Solar Photovoltaic Power (Lunsar) Project	150	Solar based Power	State Govern ment	Gujarat	Solar based power unit	30	MWp	Gujarat State Electricity Corpn. Ltd.
Solar Photovoltaic Power (Piparwar) Project	143	Solar based Power	Central Government	Jharkhand	Solar based power unit	20	MW	Central Coalfields Ltd.
Transmission System Strengthening (Kolhapur) Project	129	Power Distributio n	Central Govern ment	Maharashtra	Transmission system strengthenin g	400	kV	Power Grid Corpn. Of India Ltd.
Transmission System (Tirunelveli & Tuticorin Wind Energy Zone) Project	126	Power Distributio n	State Govern ment	Tamil Nadu, Tamil Nadu	Transmission system	0		Transmission Corpn. Of Telangana Ltd.
Solar Photovoltaic Power (Hyderabad) Project	100	Solar based Power	State Govern ment	Telangana	Solar photovoltaic power	13	MWp	Hyderabad Growth Corridor Ltd.

Major Private Owned Mature Assets:-

Project Name	Cost (Rs.Crore)	Industry	Ownership	State	Product1	Capacity	Units	Promoter Name
Transmission System (Koppal Wind Energy Zone) Project	NA	Power Distribution	Private (Indian)	Karnataka	Transmission system	2500	MVA	Koppal-Narendra Transmission Ltd.
Solar-Wind Hybrid Power (Navi Mumbai) Project	NA	Solar based Power	Private (Indian)	Maharashtra	Solar-Wind Hybrid Power	1200	MW	Welspun New Energy Ltd.
Solar PV Module (Rangareddy) Project	NA	Solar based Power	Private (Indian)	Telangana	Solar PV Module	1000	MWp	Premier Energies Global Environment Pvt. Ltd.
Intra-State Transmission Line (Madhya Pradesh) Project [Package-II]	1200	Power Distribution	Adani Group	Madhya Pradesh	Intra-state transmission Line	850	CKM	MP Power Transmission Package-II Ltd.
Wind Power (Fatehgarh) Project	3311	Wind Based Power	Adani Group	Rajasthan	Wind based power unit	473	MW	Ampin Energy Transition Pvt. Ltd.
Solar Photovoltic Power (Bhainsara) Project	2880	Solar based Power	Private (Indian)	Rajasthan	Solar based power unit	300	MWp	Renew Solar Energy Pvt. Ltd.
Wind Power (Gadhsisa) Project	1500	Wind Based Power	Private (Indian)	Gujarat	Wind based power unit	300	MW	K P Energy Ltd.
Solar Photovoltaic Power (Rajasthan) Project	1750	Solar based Power	Private (Indian)	Rajasthan	Solar based power unit	300	MWp	Vikram Solar Ltd.
Wind Power (Dayapar) Project [SECI-IV]	1500	Wind Based Power	Adani Group	Gujarat	Wind based power unit	300	MW	Oyster Renewables Pvt. Ltd.
Wind Power (Kachchh) Project	1425	Wind Based Power	Private (Indian)	Gujarat	Wind based power unit	285	MW	Avikiran Solar India Pvt. Ltd.
Wind Power (Khavda) Project	1750	Wind Based Power	Private (Indian)	Gujarat	Wind based power unit	250	MW	Adani Renewable Energy Forty One Ltd.
Solar Photovltaic Power (Anantapur) Project	2000	Solar based Power	Private (Indian)	Andhra Pradesh	Solar based power unit	250	MWp	Ayana Ananthapuramu Solar Pvt. Ltd.
Solar Photovoltic Power (Badisid) Project	2000	Solar based Power	Private (Indian)	Rajasthan	Solar based power unit	250	MWp	Acme Chittorgarh Solar Energy Pvt. Ltd.
Transmission Line (Khavda) Project	1200	Power Distribution	Adani Group	Gujarat	Transmission line	220	kms	Khavda-Bhuj Transmission Ltd.

Project Name	Cost (Rs.Crore)	Industry	Ownership	State	Product1	Capacity	Units	Promoter Name
Solar Photovoltaic Power (Agar) Project	1000	Solar based Power	Private (Indian)	Madhya Pradesh	Solar based power unit	200	M Wp	Avaada Sunrise Energy Pvt. Ltd.
Wind Hybrid Power (Mahuva-III/IV/V) Project	1200	Wind Based Power	Private (Indian)	Gujarat	Wind based power unit	200	M W	K P Energy Ltd.
Solar Power (Bikaner) Project	1000	Solar based Power	Tata Group	Rajasthan	Solar based power unit	200	M W	ACME Cleantech Solutions Pvt. Ltd.
Solar Power (Devikot) Project	900	Solar based Power	Adani Group	Rajasthan	Solar based Power Unit	180	M W	Adani Solar Energy RJ Two Pvt. Ltd.
Wind Power (Kachchh) Project	910	Wind Based Power	Adani Group	Gujarat	Wind based power unit	130	M W	Avikiran Solar India Pvt. Ltd.
Wind Power (Dwarka) Project	805	Wind Based Power	Torrent Group	Gujarat	Wind based power unit	115	M W	Juniper Green Energy Pvt. Ltd.
Solar Power (Bikaner) Project	550	Solar based Power	Tata Group	Rajasthan	Solar based power unit	110	M W	ACME Cleantech Solutions Pvt. Ltd.

SUMMARY OF BUSINESS

Overview

We are an infrastructure investment trust ("**InvIT**") established to own power transmission and renewable energy assets in India as permissible under the InvIT Regulations. Anzen India Energy Yield Plus Trust (the "**Anzen Trust**") was established on November 1, 2021, by our Sponsor, SEPL Energy Private Limited, and were registered with SEBI on January 18, 2022, pursuant to the InvIT Regulations. We are backed by a multidisciplinary board and a team with years of experience. Further, we are also backed by our unitholders which are institutional investors like large corporates, endowment fund, pension fund etc. Our Sponsor has experience in designing and engineering, operations and maintenance and managing power transmission and renewable energy projects across India, and is the project manager of two power transmission assets and twelve renewable energy assets in India.

Given our financial position, support of and experience from our Sponsor and the robust regulatory framework for power transmission and renewable energy generation in India, we believe that we are well-positioned to take advantage of the growth potential of India's energy sector. For further details on India's energy sector, please see the section entitled "*Industry Overview"* on page 198. Anzen Trust owns a 100.00% equity shareholding and certain debt securities (along with 100.00% economic interest) in each of DMTCL and NRSS, the two inter-state power transmission projects, with a total network of 427.4 kms power transmission lines of 854.9 ckm, comprising of 1,168 towers and two EHV substations, having 1,400 MVA and 760 MVAR of transformation capacity across three states in India (the "**Portfolio Assets**"), pursuant to acquisition of Portfolio Assets by way of securities purchase agreement dated November 1, 2022. Edelweiss Infrastructure Yield Plus ("**EIYP**") Fund, of which our Sponsor is a 100.00% owned entity, owns a 74.00% equity shareholding and certain debt securities (along with 74.00% economic interest) in 11 renewable energy assets with a cumulative generation capacity of 623.2 MWp. Our Sponsor, directly and through its affiliate entities, owns a 74.00% equity shareholding and certain debt securities (along with 74.00% economic interest) in one other renewable energy asset with a generation capacity of 190 MWp. The 12 renewable energy projects together have an aggregate generation capacity of 813.2 MWp (the "**ROFO 1 Assets**"). IYP II, IYP IIA and IIYP II hold 100.00% equity shareholding and debt securities in a power transmission project with power transmission lines of 980 ckm ((the "**ROFO 2 Asset**"), collectively with ROFO 1 Assets (the "**ROFO Assets**"). Pursuant to the 'right of first offer agreement' entered into between the Trustee (acting on behalf of the Anzen Trust), the Investment Manager, the Sponsor, and EIYP (the "**ROFO Agreement 1**") and the 'right of first offer agreement' entered into between the Trustee (acting on behalf of the Anzen Trust), the Investment Manager, IYP II, IYP IIA and IIYP II (the "**ROFO Agreement 2**"), the Anzen Trust has a 'right of first offer' to acquire: (i) 74.00% equity shareholding and debt securities as specified in the ROFO Agreement 1 (along with 74.00% economic interest) in 11 renewable energy projects from EIYP, (ii) 74.00% equity shareholding and debt securities as specified in the ROFO Agreement 1 (along with 74.00% economic interest) in one renewable energy project from the Sponsor or its affiliates, and (iii) 100.00% equity shareholding and debt securities as specified in the ROFO Agreement 2 in one power transmission project from IYP II, IYP IIA and IIYP II. For further details on the ROFO Agreements, see "*Related Party Transactions"* on page 376.

Pursuant to the Issue, the Anzen Trust, acting through the Trustee, proposes to acquire from the ReNew Private Limited (the "**Seller**"), and ReNew Private Limited proposes to transfer to the Anzen Trust, 100% equity shareholding in ReNew Sun Waves Private Limited (the "**Target Asset**"), by way of a share purchase agreement dated December 19, 2024, entered into amongst the Trust, the Seller and the Target Asset. Currently, 99.99% of shares are held by the Seller whereas 0.01% of the shares are held by Ostro Energy Private Limited, a nominee of the Seller. Anzen Trust is acquiring the Target Asset at an enterprise value of ₹ 14,960 million subject to adjustments on account of net current assets and other adjustments not exceeding ₹ 15,540 million.

The two Portfolio Assets were initially awarded under the 'tariff based competitive bidding' mechanism ("**TBCB**") on a 'build-own-operate-maintain' ("**BOOM**") basis. The power transmission projects earn revenue pursuant to long-term transmission service agreements ("**TSAs**"). These projects receive availability-based tariffs under the TSAs, irrespective of the quantum of power transmitted through the line. The tariff for inter-state power transmission projects in India, including the Portfolio Assets, is predetermined and contracted for the period of the TSA, which is 35 years from the commercial operation date ("**COD**") of the asset. The actual CODs for DMTCL and NRSS were August 10, 2017 and March 27, 2017 respectively, and as provided in various orders issued by CERC (i.e. see "*Legal and Other Information*" on page 398), the Scheduled CODs shall stand extended till the actual CODs.

Transmission charges under the TSAs are billed and collected pursuant to the 'point of connection' ("**PoC**") mechanism, a regulatory payment pooling system offered to Inter State Transmission Systems ("**ISTS**"), such as the systems operated by the Portfolio Assets. Under the PoC mechanism, payments are made to a central payment pool and the proceeds are distributed proportionately to all transmission services providers, such as the Portfolio Assets. The availability-based tariffs and PoC payment mechanism enable a stable and certain cash flow stream and minimize receivables risk (for further details, see "*Industry Overview*" on page 198). Tariffs for our ROFO 1 Assets are predetermined for a period of 25 years from their respective scheduled COD at a per unit rate, as set out in "*ROFO Assets*" on page 317. Additionally, tariff for our ROFO 2 Asset is predetermined, fixed and contracted for the period of the TSA, which is 35 years from the commercial operation date

("**COD**") of the asset. Further, tariffs for the Target Asset are predetermined for a period of 25 years from their respective scheduled COD at fixed tariff rate of ₹ 2.55 per kWh, as set out in "*Business – The Target Asset*" on page 322.

We are focused on providing stable and sustainable distributions to our Unitholders. In accordance with the InvIT Regulations, each financial year we are required to distribute at least 90% of our net cash available for distribution to our Unitholders at least once every financial year. For further details in relation to distribution, see "*Distribution*" on page 342. Following the utilization of the Issue Proceeds of this Issue, our aggregate consolidated borrowings and deferred payments net of cash and cash equivalents will be below 70% of the total value of Anzen Trust's assets, as prescribed under the InvIT Regulations.

As on March 31, 2024, AUM of the Anzen Trust was ₹ 23,037 million, weighted average cost of debt was 8.14%, Net Debt to AUM was approximately 27.59%. The Trust made a distribution per unit of approximately ₹ 9.8 in the Fiscal 2024. Further, our Portfolio Assets have been in operation for approximately 7 years and have a residual contractual period of approximately 28 years in the Fiscal 2024. Further, Net Debt to AUM of the Anzen Trust was 27.41% as on September 30, 2024 (calculated basis the AUM as on March 31, 2024).

Our total income for the Fiscal 2024 was ₹ 2,521.10 million, of which revenue from contract with customers was ₹ 2,426.41 million. This majorly comprised of income from transmission charges amounting to ₹ 2,410.29 million. The loss before tax was ₹ 282.19 million for the Fiscal 2024. Furthermore, the total Assets as at March 31, 2024 were ₹ 20,930.45 million.

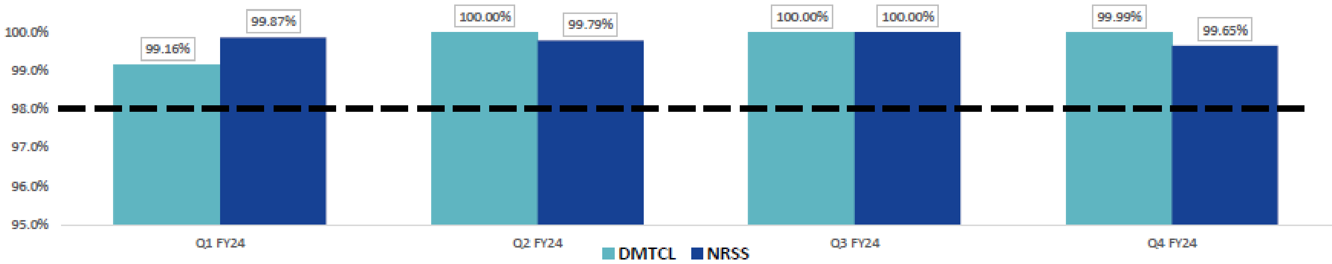
Competitive Strengths

Stable cash flows from InvIT Assets with minimal counterparty and operational risks

We derive our revenue for electricity transmission from contracted charges under long-term TSAs, creating stable, predictable and low-risk revenue and cash flows for our power transmission business. The transmission charges for each Portfolio Asset are contracted for the period of the TSA, which is 35 years from its respective COD. The transmission charges consist of 'non-escalable' yearly transmission charges for a period of 35 years, exposing us to minimal price risk from transmission charge resetting, thereby providing long-term revenue visibility. In addition, the Portfolio Assets are contracted to generate a fixed revenue, as tariffs under the TSAs are fixed for the entire duration of the term of the TSA, i.e. 35 years from the date of the COD. The applicable existing annual tariff is Rs. 1,347.30 million for DMTCL and Rs. 980.90 million for NRSS.

Further, we will also derive revenue from sale of electricity generated from the solar project under the Target Asset PPA creating stable cash flows. The Target Asset has an operating history of approximately 3 years. As the asset has minimal construction risk, it is not subject to any major capital expenditure. The Target Asset has generated 197.8 MU, 735.6 MU, 746.4 MU and 345.8 MU during the three-month period ended June 30, 2024, and the Fiscals 2024, 2023 and 2022. The Target Asset has earned a revenue of ₹ 518 million, ₹ 1,899 million, ₹ 1,921 million and ₹ 989 million during the three-month period ended June 30, 2024, and the Fiscals 2024, 2023 and 2022. The Target Asset has total debt (including group loans) of ₹ 10,857 million, ₹ 10,935 million, ₹ 10,912 million and ₹ 11,242 million during the three-month period ended June 30, 2024, and the Fiscals 2024, 2023 and 2022. Further, the Target Asset has entered into a long-term power purchase agreement ("**PPA**") with SECI with the residual term of the PPA of approximately 22 years. Such association with SECI, a central government agency, benefits the Target Asset in terms of stability in cash flows by virtue of a long-term agreement with a stable off-taker. In accordance with the terms of the PPA, the project has a pre-determined tariff structure with a fixed tariff of ₹ 2.55 per kWh. The long-term nature of the PPA and the pre-determined tariff structure result in stable revenue generation and predictable cash flows. For details related to PPA, please see the section entitled "*Business - Summary of Power Purchase Agreement*" on page 322.

Inter-state power transmission projects receive transmission charges based on their system availability, (including in case of outages due to a *force majeure* event), subject to requisite approvals and irrespective of the quantum of power transmitted through the system. Maintaining annual availability in excess of 98% also gives us the right to claim incentives under the terms of the respective TSAs, and the amount of incentive revenue earned increases as the availability levels increase, with the incentive capped at an maximum annual availability of 99.75%. From the respective CODs until March 31, 2024, each of the Portfolio Assets has been certified to have achieved an annual average availability of more than 99.75%, for which the Portfolio Assets have earned incentive revenue in accordance with the respective TSAs. In Fiscal 2024, DMTCL has been certified to have achieved an annual average availability of 99.79% and NRSS has been certified to have achieved an annual average availability of 99.83%. In Fiscal 2024, the aggregate annual incentive revenue from the Portfolio Assets amounted to ₹ 81.71 million. DMTCL has achieved provisional availability of 99.97% in the nine months ended December 31, 2024 and NRSS has achieved provisional availability of 99.87% in the nine months ended December 31, 2024. The graph below features information in relation to average availability of our Portfolio Assets in the Fiscal 2024:



Average Availability for FY2024 - DMTCL: 99.79%, NRSS: 99.83%

Tariffs under the TSAs are billed, collected, and disbursed pursuant to the PoC mechanism, in accordance with the Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2020 ("**CERC Sharing Regulations**"). Under the PoC mechanism, payments are made to a central payment pool being the central transmission utility ("**CTU**") and the proceeds are distributed proportionately to all transmission services providers, such as the Portfolio Assets, ensuring limited counterparty risk. Any shortfall in collection of transmission charges by the CTU is shared on a pro rata basis by all transmission service providers. This mechanism diversifies counter party risk, ensures a stable cash flow independent of asset utilization and provides payment security. Timely realization of revenue leads to stability in cash flows given contracts with Tier-I counterparties.

Power transmission projects are strategic and critical assets since they play a vital role in the power supply value chain. These projects are characterized by low levels of operational risk as once commissioned, expenditure for operations and maintenance ("**O&M**") is relatively low, thereby giving us the benefit of owning the Portfolio Assets without incurring significant additional operational costs. In Infrastructure space, especially power sector, O&M expenses are relatively lower resulting in higher EBITDA for companies (*Source: CARE Report*). In particular, by carrying out preventive and predictive maintenance works, and following prudent O&M practices, the useful life of our transmission lines can be extended beyond 50 years, according to the Technical Report. Each Portfolio Asset has also entered into a Project Implementation and Management Agreement with our Sponsor in the capacity as Project Manager pursuant to which our Sponsor/Project Manager is responsible for operations, maintenance, and upkeep required for the Portfolio Assets. Our O&M functions are managed by an experienced team comprising senior professionals and industry veterans with significant cross-functional and techno-commercial work experience with reputed domestic and multinational utilities, consultants, and OEMs, see "*Parties to the Anzen Trust – The Project Manager*" on page 181. The scope proposed under the Project Implementation and Management Agreement includes routine O&M and preventive maintenance and breakdown rectification work. Under the proposed Project Implementation and Management Agreement, consideration for O&M services is contemplated to be a fixed amount that will be payable monthly. The Project Manager may deploy manpower and staff as may be required for performance of services where required and engage sub-contractors for this purpose. The Project Manager shall employ sub-contractors who are competent to undertake the services and are adequately trained including on compliance with any health, safety, and environment-related policies and anti-bribery and corruption related policies. For further information on our O&M capabilities, see "- *Operation and Maintenance Services*" on page 323. We believe that in addition to the Project Manager's experience and expertise, this arrangement will provide us with necessary expertise for the O&M of such assets, visibility of maintenance costs and, therefore, steady and predictable cash flows.

Strong financial position, strategic assets with long residual life

We believe our financial position will help us fund our future expansion plans. The Anzen Trust has been given a rating of (i) "CRISIL AAA/Stable", for non-convertible debentures aggregating to ₹7,500 million by CRISIL Ratings Limited, the rationale for which is available at the website: https://www.crisilratings.com/mnt/winshare/Ratings/RatingList/RatingDocs/AnzenIndiaEnergyYieldPlusTrust_January%2002_%202025_RR_359915.html; and (ii) "IND AAA/Stable", for non-convertible debentures aggregating to ₹7,500 million by India Ratings and Research, the rationale for which is available at the website: https://www.indiaratings.co.in/pressrelease/73735. Further, the Anzen Trust has also been assigned a rating of (i) "CRISIL AAA/Stable" for non-convertible debentures aggregating to ₹7,000 million and total bank loan facilities aggregating to ₹6,200 million, by CRISIL Ratings Limited, the rationale for which is available at the website: https://www.crisilratings.com/mnt/winshare/Ratings/RatingList/RatingDocs/AnzenIndiaEnergyYieldPlusTrust_January%2028_%202025_RR_361528.html; and (ii) "IND AAA/Stable" for proposed non-convertible debentures aggregating to ₹7,000 million and proposed term loan aggregating to ₹6,200 million, by India Ratings and Research, the rationale for which is available at the website: https://www.indiaratings.co.in/pressrelease/74511. Our revenue from contract with customers for Fiscals 2022, 2023 and 2024, was ₹ 2,218.01 million, ₹ 3,619.37 million, and ₹ 2,426.41 million, respectively. Our revenue from contract with customers for the nine months ended December 31, 2024, was ₹ 1,828.02 million. Our EBITDA for Fiscal 2022, 2023 and 2024, was ₹ 2,060.03 million, ₹ 3,384.58 million, and ₹ 2,228.18 million, respectively. Our EBITDA for the nine months ended December 31, 2024, was ₹ 1,687.45 million. In addition, the security of payments for the transmission service by the Portfolio Assets, as ensured under the terms of the TSAs and the CERC Sharing Regulations, results in declining receivable days, ensures timely payment and increases our financial strength.

For the Financial year ended on March 31, 2024, our total income was ₹ 2,521.10 million, EBITDA was ₹ 2,228.18 million, Net Debt was ₹ 6,356.49 million and distribution declared was ₹ 1,548.40 million.

Revenue generated by the Target Asset from contract with customers for Fiscals 2022, 2023 and 2024, was ₹ 954 million, ₹ 1,848 million, and ₹ 1,827 million, respectively. The revenue from contract with customers for the three months ended June 30, 2024, was ₹ 493 million. EBITDA of the Target Asset for Fiscal 2022, 2023 and 2024, and for the three months ended June 30, 2024, was ₹ 863 million, ₹ 1,693 million, ₹ 1,702 million, and ₹ 462 million, respectively. In addition, the security of payments for the service by the Target Asset, as ensured under the terms of the PPA results in declining receivable days, ensures timely payment and increases our financial strength.

Power transmission projects and solar projects are strategic and critical assets since they operate as vital links in the power supply value chain and power generation respectively. The Portfolio Assets comprise grid assets and assets linked with inter-state power transmission covering both demand and supply centric regions of Northern India and Eastern India whereas the Target Asset comprises of a solar asset. The average remaining term of the TSAs entered into by the Portfolio Assets is approximately 28 years whereas the remaining term of the PPA entered into by the Target Asset is approximately 22 years as at December 31, 2024. The long residual life of more than 50 years of the transmission assets and more than 25 years of the solar assets provides long and stable visibility of cash flows (*Source: CARE Report*).

Use of technology and global practices to improve efficiencies

Technology has emerged as a key business enabler and plays an important role in improving efficiencies. The Project Manager envisaged the need to build efficiencies into all aspects of our operations and have developed and rolled out a technology roadmap for our assets. Some of the key initiatives include:

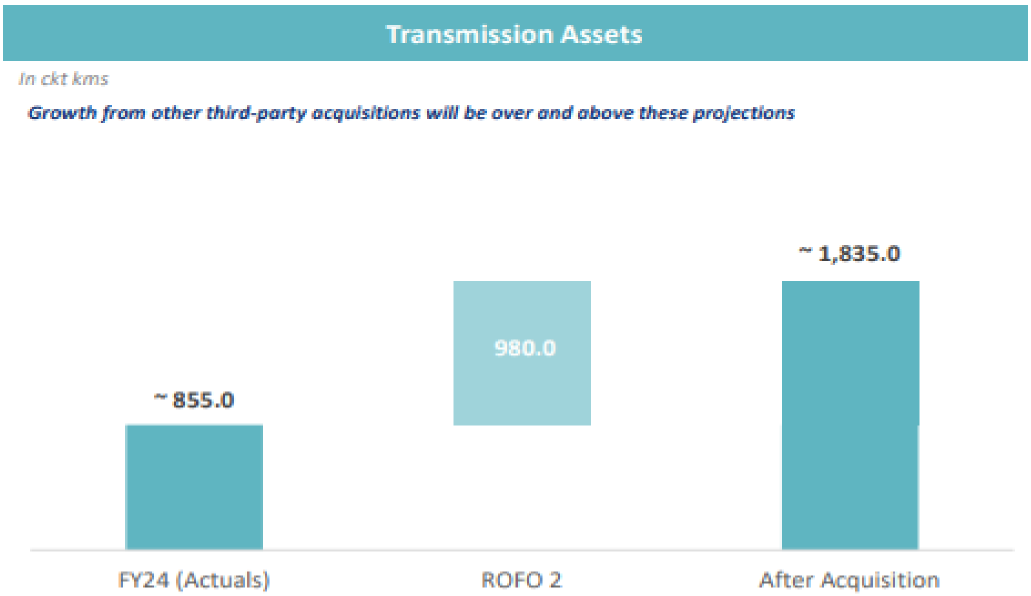
- Establishing remote connectivity between our substations and our central control and analytics center ("**CAC**") at the Project Manager's office in Mumbai (Maharashtra), that we use to monitor and supervise key O&M functions;
- Automating our maintenance management system through a software application linked to our CAC;
- Installing wind speed and direction sensors at certain regions to continuously measure and monitor wind speeds;
- Initiating a pilot project to train drones to augment physical inspections with drone based inspections;
- Using drones to conduct pre- and post-monsoon topographical contour surveys to map the change in river course for proactive maintenance in the rivers region;
- Using software applications across various aspects and processes including: to record SHE related incidents, near-hits, track/report status of closure and ESG parameters; enable teams to mandatorily participate in evaluation sessions on SOPs, policies; update, report, and track statutory and contractual compliances; process purchase orders/work orders and payments; for treasury management and invoice processing; payroll processing, recruitments, leave management, appraisals, and other HR related matters; consolidated document repository through document management system on SharePoint, etc.;
- Deploying hand-held laser range finder to assess safe clearance of trees from the transmission lines;
- Deploying instrument calibration tools for in-house calibration of instruments (pressure gauges, pressure switches);
- Deploying power line fault locators and signature analysis systems at sites to reduce delays in identifying faults and to measure the fitness level of transmission lines as necessary;
- Using thermo vision cameras with infrared and spectral imagery at substations and transmission lines to identify hot spots for prompt action;
- Installing Supervisory Control and Data Acquisition room physical access control for three of the largest plants (SPUPL, ESPL & SSUPL);
- Implementing drycleaning (semi-automatic pick and place dry cleaners) of solar panels across 6 plants enabling annual water savings of ~57 million litres;
- Deploying guard tour monitoring system in 7 plants to improve efficacy of security surveillance at plant level;
- Usage of inflatable rubber boats for line patrolling in inundated areas; and
- Usage of noncontact voltage detectors to verify residual voltages if any during shutdown of the transmission line and taking suitable measures to nullify the residual voltages.

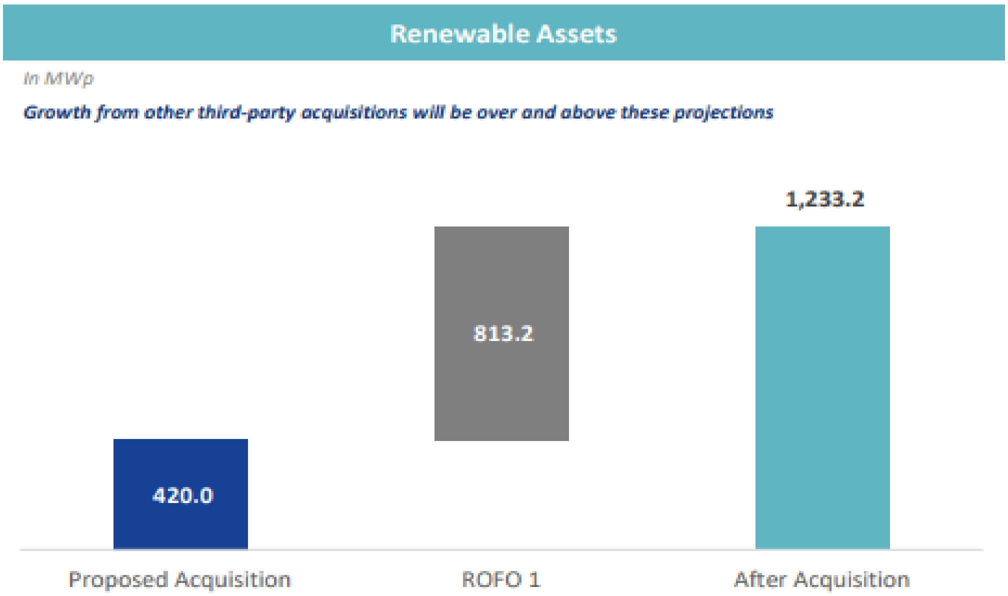
Access to a pipeline of renewable energy assets and power transmission asset

We intend to leverage the experience and expertise of our Sponsor in operating, maintaining and managing power transmission and renewable energy projects, and access EIYP's pipeline of renewable energy and power transmission projects to gain a competitive advantage within the renewable energy and power transmission industry in India. Pursuant to the ROFO Agreements, we have a 'right of first offer' to acquire 12 renewable energy assets, comprising 11 renewable energy assets from EIYP and one renewable energy asset from the Sponsor or its affiliates, with an aggregate generation capacity of 813.2 MWp. Furthermore, we also have a 'right of first offer' to acquire a power transmission asset from IYP II, IYP IIA and IIYP II, with power transmission lines of 980 ckm. EIYP, of which our Sponsor is a 100.00% owned entity, is engaged in investment activities primarily with an objective of generating stable returns and earning long-term capital appreciation. EIYP's portfolio includes 11 solar assets across five states of Rajasthan, Punjab, Telangana, Uttar Pradesh and Andhra Pradesh, generating 623.2 MW of DC power, and the Sponsor's portfolio includes one renewable energy asset located in Rajasthan generating 190 MW of DC power. These are long-term utility scale renewable energy assets with an operational track record of approximately 7 years based on weighted average of revenue as on September 30, 2024, that are contracted for the period of their power purchase agreements ("**PPAs**"), being 25 years from their respective scheduled COD with an average residual term of such PPAs being approximately 18 years based on remaining contracted tenure of ROFO 1 Assets. IYP II, IYP IIA and IIYP II's portfolio include one power transmission asset in Karnataka with power transmission lines of 980 ckm a which is a long-term power transmission asset with an operational track record of approximately 8 years, contracted for a term of 35 years with a residual term being approximately 27 years. Leveraging our Sponsor's experience and EIYP's pipeline also provides us access to their long-term industry relationships with stakeholders to gain cost efficient access to funds. We believe our affiliation with our Sponsor along with its affiliates will allow us to pursue marquee and high-quality renewable assets beyond the ROFO Assets and the Target Asset and engage effectively with regulators and central and state off-takers.

Further, the Anzen Trust (represented by its Trustee) has entered into a share purchase agreement dated December 19, 2024 with the Seller and the Target Asset for the purposes of the acquisition of the Target Asset from the Seller. For details in relation to the share purchase agreement, please see the section entitled "*Use of Proceeds*" on page 329.

The following graphs illustrate the growth of the Anzen Trust upon acquisition of ROFO Assets and the Target Asset:





Managed by an experienced team with expertise in managing infrastructure assets with strong support from the Sponsor

We are managed by qualified personnel of EAAA Real Assets Managers Limited ("**ERAML**"), our Investment Manager, that is led by a professional team having extensive experience in the infrastructure sector, including the power sector, project finance and asset management with the key personnel having a combined experience of more than 30 years in fund management and advisory services. ERAML is a wholly-owned subsidiary of EAAA India Alternatives Limited ("**EAAA**"). EAAA is one of the leading alternatives platforms in India, in terms of assets under management ("**AUM**") with more than 15 years of experience and, managing an AUM of approximately ₹5,72,617.93 million from global and Indian limited partners, as of September 30, 2024. EAAA operate a diversified, multi-strategy platform, in large, under-tapped and fast-growing alternative asset classes, focusing on providing income and yield solutions to our clients. Its key business strategies include: (i) real assets ("**Real Assets**") and (ii) private credit ("**Private Credit**"). EAAA is an experienced player, catering to a diverse client base of global and domestic institutional clients and manage India focused funds across its business strategies. EAAA is also a signatory to United Nations supported principles for responsible investments (UNPRI). As on September 30, 2024, (i) EAAA investment team included 79 experienced professionals, responsible for sourcing transactions across strategies; (ii) portfolio operating and management team, operated through Sekura India Management Limited ("**Sekura**"), included 44 members, focusing on portfolio management, value enhancement, technology and process development, sales and cash flow monitoring, asset optimization, and turnaround of our investee companies, led by Sekura's management team with extensive industry experience. EAAA's clients include global institutional investors such as pension funds, insurance companies, large family offices and ultra-high net worth individuals. Accordingly, we expect to benefit from the industry and management expertise of our Investment Manager, by receiving strategic guidance from them and access to capital markets and value accretive acquisition opportunities. Our Investment Manager's board comprises Sunil Mitra, Shiva Kumar, Nupur Garg and Bala Deshpande as independent directors, reinforcing its strong corporate governance framework and draw on the knowledge of our board of directors, who bring us expertise in the areas of corporate governance, business strategy, and operational and financial capabilities, among others.

We are also supported by the experience and expertise of SEPL Energy Private Limited, our Sponsor, which provides us with a significant competitive advantage within the Indian power transmission and renewable energy industry. Our Sponsor is engaged in identifying, designing, developing, constructing, integrating, assembling and arranging finance for owning and operating the power plants in the field of solar energy by applying technologies and other businesses in connection with it. Our Sponsor has proven project management capability whereby it manages transmission assets of approximately 855 ckt km and solar assets of approximately 813 MWp.

Our Sponsor also benefits from experienced directors on its board, with each of its directors possessing several years of industry and management experience and professional qualifications. Our Sponsor's management team has a strong understanding of the transmission and renewable energy business and runs an independent platform. The experienced team is well-positioned in asset development, technical operations, commercial construction and asset management across the renewable energy and conventional energy sectors and has acquired and operates high quality energy assets. Drawing on this depth of experience and the experience of its subsidiary i.e. Solaire Surya Urja Private Limited ("**SSUPL**"), our Sponsor has established a strong track record of operating and maintaining projects and power plants in the field of solar energy with an emphasis on investing in quality assets. We seek to benefit from the Sponsor's experience and expertise across all stages of project operations and acquisitions within India's complex regulatory framework (including, among others, strategic acquisition, O&M, refinancing and receivables management).

Strong corporate governance and risk management

The InvIT Regulations set out the statutory requirements for, among other things, the board composition of an investment manager. We believe that Unitholders will benefit from the strong corporate governance requirements of the InvIT Regulations. For further details, see "*Corporate Governance*" on page 191. Key features of our corporate governance structure are as follows:

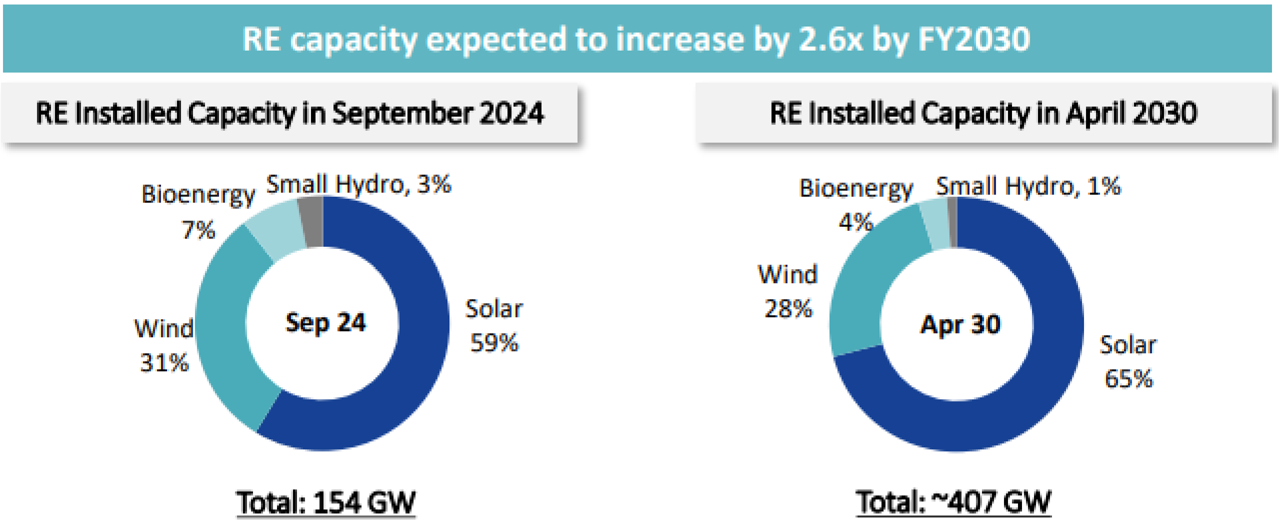
- Four members of the board of our Investment Manager are independent directors, namely, Bala C Deshpande, Nupur Garg, Sunil Mitra and Shiva Kumar, who have extensive experience in the investments, asset management, banking & finance, infrastructure sector including the power sector. Bala C Deshpande has over 18 years of experience in the investment sector and has been associated with asset management and funds management companies, Nupur Garg has experience in the investment and finance sector, Sunil Mitra has over 37 years of experience in the public sector, where he headed important policy initiatives in public finance at the national level, and Shiva Kumar has over 42 years of experience across both public and private sector banking, financial services and the insurance industry. For further details, see "*Parties to the Anzen Trust – The Investment Manager – EAAA Real Assets Managers Limited*" on page 168.
- The Investment Manager has constituted crucial committees of the board, including, the stakeholders' relationship committee, audit committee, risk management committee, investment committee and the nomination and remuneration committee.
- All related party transactions with the Sponsor are to be approved by the audit committee of the Investment Manager.
- All acquisitions made by the Anzen Trust must be approved by our Unitholders, in accordance with the InvIT Regulations.

Business Strategy

Value accretive growth through acquisitions

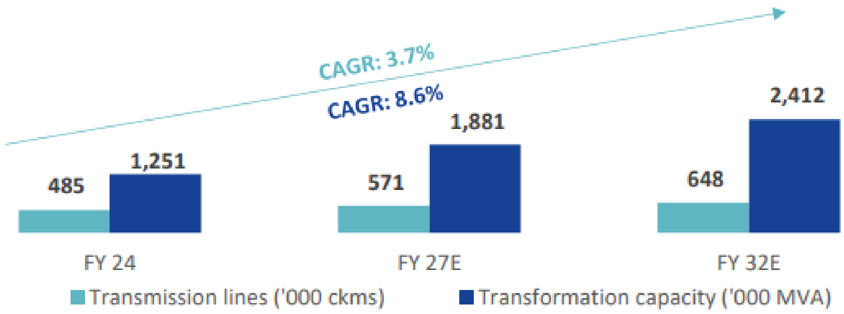
The renewable power sector in India has witnessed remarkable growth in recent years, positioning the country as a global leader in sustainable energy. Government initiatives, such as the National Solar Mission and various incentives for private investment, have catalyzed the sector's expansion. Moreover, the country's abundant sunlight and vast coastline provide significant potential for solar and wind energy generation. As investments continue to flow and technological advancements enhance efficiency, the renewable power sector is poised to play a pivotal role in India's economic growth and environmental sustainability. Trends in renewable energy generation in India are evolving rapidly, driven by technological advancements, policy support, and increasing investment. Solar energy has emerged as a frontrunner, with significant growth in solar parks and rooftop installations, fuelled by the government's ambitious targets and declining costs of photovoltaic technology. Wind energy is also gaining momentum, particularly in states like Tamil Nadu and Gujarat, where favourable conditions support large-scale projects. Furthermore, policy frameworks are increasingly focusing on integration with the national grid and encouraging hybrid systems that combine solar and wind energy. Overall, these trends reflect India's commitment to transitioning towards a cleaner and more sustainable energy landscape, aiming for energy security and environmental sustainability (*Source: CARE Report*).

The pie-charts below indicate the increase in capacity of renewable energy in April, 20230 vis-à-vis September, 2024:

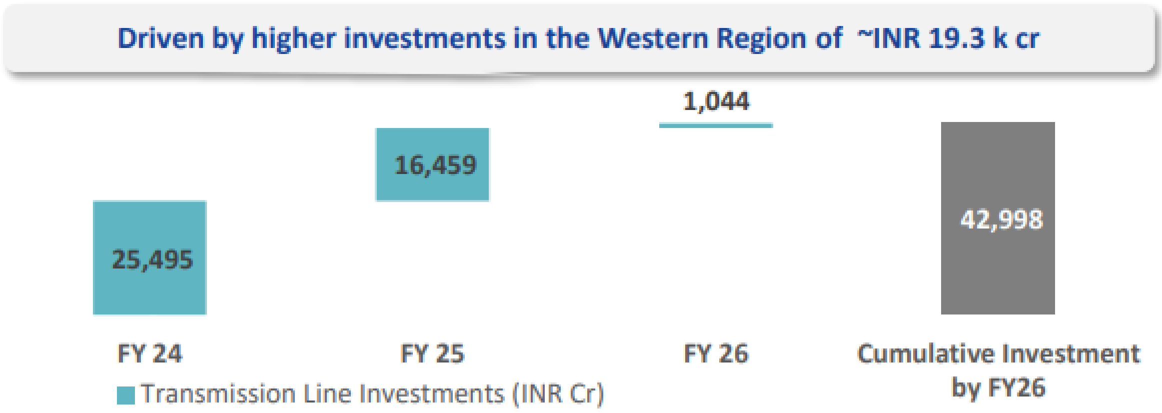


The Indian government has opened up the transmission sector to foreign investors by allowing 100% Foreign Direct Investment (FDI) under the automatic route. This policy aims to attract international capital, expertise, and technology to help modernize and expand the transmission grid. The liberalization of FDI in the transmission sector encourages foreign companies to invest in India's power transmission infrastructure, increasing competition and ensuring efficient service delivery. India has also set an ambitious target to achieve 500 GW of non-fossil fuel-based energy capacity by 2030. With a significant portion of this coming from solar, wind, and hydroelectric power, there is an urgent need for expanded transmission infrastructure to integrate these intermittent and geographically dispersed energy sources into the national grid. Under Perpetual ownership, Transmission assets are developed under the BOOM model, ensuring the trust retains ownership and can generate long-term income from both the assets and the transmission infrastructure while for the solar assets, a significant portion of the generation capacity remains sustained after the expiration of the tariff contract period (*Source: CARE Report*).

The Government of ndia has been promoting private sector participation in power transmission space with a view to rapidly enhance the power transmission capacity. Most of the projects are awarded through tariff-based competitive bidding (TBCB) route, with the exception only made for implementation of certain strategic and high technology projects awarded to Power Grid Corporation of India Limited on nomination basis (*Source: CARE Report*). The graph below shows the growth expected in the power transmission sector in upcoming years:



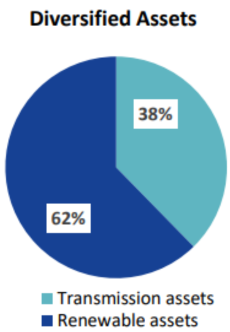
A total of Rs. 4,29,980 million by the end of Fiscal 2028 is aimed to be invested in Indian electricity transmission sector with highest investments in the Western Region of approximately Rs.1,93,000 million. The graph below reflects information with respect to projected investment in the Indian electricity transmission sector:

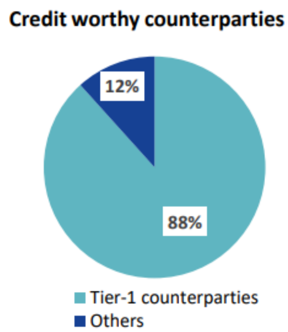


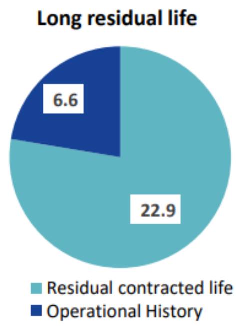
We intend to leverage these sectoral tailwinds to grow our operations by capitalizing on our Investment Manager's value accretive acquisition strategy. We aim to focus on acquiring power transmission and renewable energy projects and such other assets in the energy space with similar risk profiles (including, among others, energy storage assets) which provide long-term, regular, and predictable cash flows, demonstrate potential to maintain or enhance returns to Unitholders and the potential for long-term capital growth in accordance with our investment objectives. In addition to potentially acquiring the ROFO Assets from EIYP, our Sponsor, IYP II, IYP IIA and IIYP II, we may also acquire power transmission, solar projects and other renewable projects from other third parties. We believe that our experienced operational and management teams will lead us to identify, structure, execute, and integrate acquisitions effectively based on our demonstrated ability to successfully acquire energy projects.

Focus on diversification along with synergies

We are focused on the Indian market, where we believe there is a significant opportunity for growth. Our Portfolio Assets comprise long-term TSAs with the CTU. The ROFO 1 Assets comprise long-term PPAs with five off-takers including central off-takers, NTPC, SECI, and NVVN, and state off-takers, TSSPDCL and PSPCL whereas the ROFO 2 Asset comprises a long-term TSA with PGCIL, providing us revenue visibility and stability. The Target Asset comprises a long-term PPA with SECI. Apart from state off-takers, we intend to diversify and further our growth with a focus on retaining a healthy mix of credit worthy off-takers including central off-takers. We have the above-mentioned agreements executed with counterparties with credit rating of A+ and above ("**Tier-1 Counterparties**"). For instance, the relevant agreements of our InvIT Assets and the ROFO 2 Asset comprise 100% of Tier-1 Counterparties whereas agreements of ROFO 1 Assets comprise approximately 74.84% of Tier-1 Counterparties.

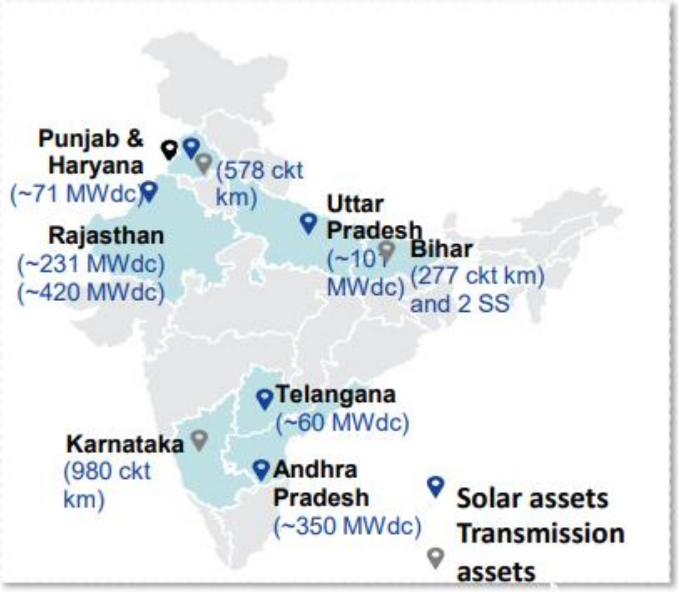






We intend to pursue diversified growth and expand our portfolio to other sources of renewable energy such as wind energy, storage projects, hybrid and round-the-clock projects. Our target is to expand our portfolio by acquiring projects such that we are able to derive synergies with our existing projects by increasing our economies of scale. We propose to leverage a diversified asset base to negotiate favorable terms with equipment manufacturers, O&M service providers, and sub-contractors, and optimize our use of resources in terms of personnel, equipment maintenance, and asset monitoring technologies.

The Portfolio Assets currently comprise power transmission projects spread across states of Bihar, Punjab and Haryana, and the ROFO Assets comprise solar projects spread across Rajasthan, Andhra Pradesh, Uttar Pradesh, Telangana, and Punjab and a power transmission project in Karnataka. The map below indicates presence of our InvIT Assets and ROFO Assets across different locations:



We intend to improve this mix by further adding diversification of geography and off-takers going forward as well and consider states in India which can provide suitable stable cash flows, weather conditions, and sustainable tariffs. We believe we can leverage our Portfolio Assets and our experience in the power transmission industry to optimize the performance of our renewable energy projects through active intervention in the maintenance of evacuation infrastructure connected to our assets. Our overall objective is to ensure that there is substantial balance life remaining in the portfolio, so as to ensure long term predictable and stable cash flows. We will evaluate opportunities based on our targeted returns, operational scale, and diversification criteria.

Pursue value addition strategies to improve risk adjusted returns

We have appointed the Sponsor, in its capacity as Project Manager, to undertake operations and management of the InvIT Assets. We have also adopted comprehensive procedures for asset management, operations and maintenance, ESG management, financial management including experienced internal team and external advisors for undertaking technical assessments, treasury management; human resource management, and safety, health environment, and quality management with an objective of incorporating industry best practices. Our aim is to employ both preventive and corrective measures in order to optimize the long-term performance of each InvIT Asset and any assets we may acquire in the future and ensure timely and effective management focus and attention, to improve overall operational efficiency. For instance, DMTCL's annual availability had been consistently in excess of the prescribed availability of 98% by 1.99% in Fiscal 2021, to 1.79%, 1.96%, and 1.97% in Fiscals 2024, 2023, and 2022, respectively (post-acquisition by our Sponsor) indicating the performance of our portfolio asset, which is significantly above the prescribed requirement. Our Portfolio Assets showcase active intervention in maintaining power evacuation infrastructure.

Anzen Trust has invested in the energy projects which yield long term revenue and being an independent platform, it is open to acquire third-party assets to strength the portfolio. Our Portfolio Assets have a target availability of 98%. Maintaining annual availability in excess of 98% gives us the right to claim incentives under the terms of the respective TSAs, and the amount of incentive revenue earned increases as the availability levels increase. As a result of exceeding the target availability, DMTCL earned an incentive revenue of ₹41.66 million, ₹46.93 million, ₹47.38 million and ₹ 35.53 million in Fiscals 2022, 2023, 2024 and for the nine months ended on December 31, 2024, respectively, whereas NRSS earned an incentive revenue of ₹31.63 million, ₹36.18 million, ₹34.33 million and ₹ 25.87 million in Fiscals 2022, 2023, 2024 and for the nine months ended on December 31, 2024, respectively.

All our O&M practices including our technical, safety, health and environment, and risk management protocols are aligned to industry practices and validated through independent ISO audits and accreditations under ISO 14001 (Environment Management System), ISO 45001 (Occupational Health & Safety Management System), ISO 27001 (International Standard for Information Security), and ISO 55001 (International Standard for Asset Management). Our standard operating procedures (SOPs) have all been developed in-house based on collective team experience and reviewed by experts including senior executives of India's central transmission licensee and ISO auditors. In addition, sustainability of our approach and practices are periodically monitored by an internal team of trained and certified ISO 55001, ISO 45001 and ISO 14001 lead ISO auditors (certified by Bureau Veritas (India) Private Limited/ Lloyds Register).

We propose to leverage these initiatives together with the use of technology in monitoring our assets through the central control and analytics center, software application-based maintenance management system, drone-based inspections, cell phone-based applications, compliance management, invoicing management, and other software-based applications to further improve risk adjusted returns for our operations. For instance, we have installed robotic module cleaning system to avoid generation loss due to soiling and reduce the O&M costs, which in turn enhances our revenue. We believe that having established procedures in place helps reduce the overall operational costs and increase efficiencies, which will in turn improve our financial performance. We intend to regularly review maintenance methodologies and system performance and examine for optimization of resource deployment through the infrastructure.

Further, we intend to monetize any opportunities that may be available for generating additional revenue from non-transmission or non-renewable business operations that leverage our transmission/renewable energy infrastructure or assets. We believe that such opportunities may be available in relation to, amongst others, optical ground wire leasing, leasing of transmission towers to telecommunication companies, and energy storage systems.

Focus on ESG

We have increasingly focused on environmental, social, and governance ("**ESG**") aspects to remain relevant and operate a business that is viable in the long-term. As businesses are exposed to the anticipated risk of climate change, apart from traditional risks associated with the business, we continue to orient our operations as an ESG-focused enterprise.

Furthermore, in keeping with our Sponsor's vision, mission, and values, we have also adopted and implemented a Safety, Health, Environment, and Quality Policy (the "**SHEQ Policy**") which sets out our commitment towards safety, health, environment, and quality. The SHEQ Policy aims to ensure the implementation of good industry practices, procedures and processes across our sites and corporate offices, as well as in the operation of our subsidiaries to ensure safe and sustainable operations and the maintenance and performance of our assets across technical, ESG and financial parameters.

To achieve the objectives set out in the SHEQ Policy, we have issued various standard operating procedures in line with good industry practices and implemented, among others, procedures such as lock-out and tag-out; arc flash protection; chemical safety; fall protection; safety signages; marking of dangerous zones; spill control; waste management and insulation rescue sticks. Performance statistics are also tracked on a regular basis to ensure accountability. Various training programmes have been conducted across our corporate office and at operating sites to educate and train our employees on the use of these procedures. Such training programmes also build a culture of understanding, appreciating and valuing the importance of matters pertaining to safety, health and environment. The system and policies implemented by us for managing occupational, safety and health hazards is geared to ensure a safe environment for our business with zero fatal accidents. We maintain a safe environment by closure of unsafe conditions at the location of our projects. Further, we also ensure safe environment working conditions which are typically resolved due to the near hits reporting.

The management systems of the Sponsor and its subsidiaries, DMTCL and NRSS, have also been approved by LRQA, to standards such as ISO14001:2015 (Environment Management System), ISO45001:2018 (Occupational Health and Safety), ISO27001:2013 (Information Security), and ISO55001:2014 (Asset Management).

We will continue to focus on our ESG goals, by reinforcing our commitment to renewable energy, maximizing energy efficiency, reducing our carbon footprint, and enhancing sustainability. Under the backdrop of supportive regulatory and industry trends in India's renewable energy sector, we intend to continue to strengthen our position in our renewable energy businesses, develop a diversified portfolio of renewable energy projects and focus on new geographical clusters to increase our economies of scale. We intend to leverage our experience in executing large renewable energy projects to further win bids for firm power energy solutions. We will continue to evaluate accretive acquisition opportunities based on our targeted returns, available synergies, and off-taker criteria.

We also place significant emphasis on social and economic development by maximizing value retention in the local economy generating local employment and local content opportunities, including through training and developing human resources, seeking to maximize local procurement, protecting and contributing to environmental sustainability, and ensuring the health and safety of our workforce in the communities where we operate.

Maintain an optimal capital structure to maximize distributions

We seek to achieve an optimal capital structure for our projects and will source funds from multiple sources, including from domestic and international markets. Immediately on completion of the Issue, our aggregate consolidated borrowings and deferred payments net of cash and cash equivalents will be below 70% of the total value of the Anzen Trust's assets, as prescribed under the InvIT Regulations. As of March 31, 2024, AUM of the Anzen trust is ₹23,037 million, cost of debt of the Anzen Trust is 8.01% Series A NCD per annum payable quarterly and 8.34% Series B NCD per annum payable quarterly, weighted average of rate of debt of the Anzen Trust is 8.14%per annum payable quarterly and Net Debt to AUM of the Anzen Trust is approximately 27.59%. We also intend to optimize our leverage to retain enough flexibility to provide sustainable and predictable cash flows while evaluating potential acquisition opportunities in the future.

We have and we believe that we will continue to have sufficient equity capital and ability to add additional debt to support acquisition of additional assets while maintaining an optimum capital structure. We seek to employ appropriate financing policies and also diversify our funding sources with an objective of minimizing our overall cost of capital. We seek to optimize our debt and equity mix in such a manner that the aggregate consolidated borrowings and deferred payments of the Anzen Trust, net of cash and cash equivalents, be in accordance with the SEBI InvIT Regulations. Further, any additional debt beyond 25% of the value of the InvIT Assets will be raised only upon compliance with the conditions set out in the SEBI InvIT Regulations. If it is in the interests of the Unitholders, the Investment Manager may also pursue growth opportunities that require raising additional capital through the issuance of new Units subject to approval from the Unitholders.

RISK FACTORS

An investment in the Units involves a high degree of risk. Before investing in the Units, you should pay particular attention to the fact that the Anzen Trust, the Parties to the Anzen Trust, the Portfolio Assets and each of their activities are governed by the legal, regulatory and business environment in India, which differs from that which prevails in other countries. You should carefully consider the risks described below as well as other information as disclosed in this Preliminary Placement Document and the Placement Document before making an investment in the Units. The risks described in this section are those that the Anzen Trust, the Sponsor and the Investment Manager consider to be the most significant to our business, prospects, financial condition, results of operations and cash flows, and are not the only risks and uncertainties that we face. Additional risks and uncertainties not presently known to us, the Sponsor and/or the Investment Manager, or that they currently believe to be immaterial, may also have an adverse effect on our business, prospects, financial condition, results of operations and cash flows. If any or a combination of the following events occur, or if other risks that are not currently known or are now deemed immaterial give rise to similar events, our business, prospects, financial condition, results of operations and cash flows could materially suffer, the value of the Units could decline and you may lose all or part of your investment. Unless specified or quantified in the relevant risk factors below, the Anzen Trust, the Sponsor and the Investment Manager cannot quantify the financial or other implication of any of the risks mentioned herein. Further, please note that the financial information included in this section, with respect to the financials of years ended March 31, 2022 and March 31, 2023 and the financials of year ended March 31, 2024, are not comparable in nature. For further details with respect to such financial data, please refer to the section entitled "Presentation of Financial Data and Other Information" on page 14.

This Preliminary Placement Document contains forward-looking statements that involve risks, uncertainties and assumptions. Our actual results may differ materially from those anticipated in these forward-looking statements as a result of certain factors, including the considerations described below and elsewhere in this Preliminary Placement Document, including the section entitled "Forward-Looking Statements" on page 20.

To obtain a complete understanding, prospective investors should read this section together with the sections entitled "Business" on page 299 and "Discussion and Analysis by the Directors of the Investment Manager of the Financial Condition, Results of Operations and Cash Flows of the Portfolio Assets of the Anzen Trust" on page 345, as well as the other financial and statistical information contained in this Preliminary Placement Document.

In making an investment decision, you must rely upon your own examination and the terms of the Issue, including the merits and the risks involved. You should consult your tax, financial and legal advisors about the particular consequences of investing in the Issue.

In this section unless the context otherwise requires, a reference to "we", "us" and "our" refers to (i) the Anzen Trust and the Project SPVs on a consolidated basis, for the sole purpose of audited consolidated financial statements and financial information, as at and for the year ended March 31, 2024; (ii) Project SPVS on a combined basis, for the sole purpose of audited special purpose combined financial statements and financial information, as at and for the year ended March 31, 2023 and March 31, 2022; and (iii) the Anzen Trust and the Project SPVs on a consolidated basis, for the sole purpose of unaudited interim consolidated financial results and financial information, for the nine months ending December 31, 2024. Unless the context requires otherwise, the financial information in this Preliminary Placement Document is derived from the Audited Consolidated Financial Statements for the financial year 2024, Audited Special Purpose Combined Financial Statements for the financial years 2023 and 2022 and Unaudited Interim Consolidated Financial Results for the period nine months ended December 31, 2024. Since, Audited Consolidated Financial Statements are not comparable with the Audited Special Purpose Combined Financial Statements and accordingly, the comparison has not been provided for the same in this Preliminary Placement Document. Further, information for the nine months ended December 31, 2023 is derived from comparative amounts presented in unaudited interim consolidated financial results for nine months ended December 31, 2024.

Risks relating to our Business

1. *We may be unable to operate and maintain our power transmission projects to achieve the prescribed availability.*

We operate our power transmission projects under an availability-based tariff regime. Inter-state power transmission projects receive tariffs on the basis of availability, irrespective of the quantum of power transmitted through the system. The Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019 (as amended from time to time) provide specific guidance on the calculation of availability, and take into account the elements in the transmission system (including transmission lines and substations) as well as the reason for any outages, with force majeure outages being excluded from such calculation. If our availability falls below the minimum required threshold (being 95%) for a particular project, we are subject to a penalty computed in accordance with the formula specified in the TSAs, which shall be apportioned in the ratio of the transmission charges paid or actually payable by our Long Term Transmission Customers ("**LTTCs**") existing at the end of the relevant contract year.

We may be unable to operate and maintain our power transmission projects to achieve prescribed availability due to a number of factors, which include:

- failure to obtain, maintain or renew permits and licenses or meet any conditions specified therein;
- operator error, improper installation or mishandling of equipment;
- breakdown or failure of power transmission systems and inability to obtain appropriate replacements or ensure timely availability of spare parts;
- inability to gain access to certain routes to carry out maintenance operations due to RoW issues;
- flaws in equipment design or construction of power lines or substations;
- work stoppages or labour disturbances or disputes;
- performance of equipment below expected levels of output or efficiency;
- environmental issues affecting the operations of transmission systems;
- planned or unplanned power outages;
- theft of equipment and line material;
- claims on projects and litigations, proceedings, judgments or awards arising therefrom, including termination of the TSAs for any defaults committed; and
- force majeure or other environmental changes, including fires, explosions, landslides, storms, floods, significant changes in the course of rivers and/ or wind zones in the terrains on which we operate, social unrest, earthquakes and terrorist acts, pandemic, etc.

The power transmission projects comprising the Portfolio Assets pass through various terrains, including geographically remote areas with difficult terrain, which poses particular challenges for their operation and maintenance, including security and accessibility. Accidents or malfunctions involving transmission lines or sub-stations on such terrains, including failure of transmission towers, power conductors or insulators, may disrupt transmission of electricity and result in availability being below expected levels. For instance, four towers of DMTCL got washed away previously due to a major river changing its course. As the incident was approved as a *force majeure* event under the TSA, our availability levels, and consequently our revenue, remained unimpacted as the transmission lines that were disrupted continued to be deemed available by the relevant regulatory authorities in India. While impacted towers were subsequently moved to pile foundations without impacting our revenue, there can be no assurance that such incidents will not occur in the future or that they will not significantly impact availability levels and/ or revenue. For further details, see *"Risk Factors–- We may experience loss of tariffs, grid failure, blackouts, and incur significant repair and replacement costs on the occurrence of certain force majeure events"* on page 134.

In addition, power transmission projects rely on equipment that is built by third parties, and which is subject to malfunction. Although, in certain cases, manufacturers provide warranties and performance guarantees, and may be required to compensate us for certain equipment failures, engineering and design defects, such arrangements are subject to time limits and fixed liability caps, and they may not fully compensate us for the damage incurred or for penalty payments which may be imposed on us due to any reduced availability below required levels. In the event warranties under the various supplier contracts (which largely have standard contractual conditions with warranty periods ranging from 12 to 24 months, but which may differ with respect to technical specifications from project to project) for our Portfolio Assets expire, we may not be compensated for equipment failures, engineering and design defects from such suppliers. We cannot assure you that we will be compensated in all situations where the equipment is defective, or where such defects negatively impact the transmission services and availability under the TSAs.

If any of these risks or any similar risk materialises, our ability to operate and maintain power transmission projects to achieve the prescribed availability threshold of 98%, as provided under the TSAs entered into by the Portfolio Assets could be adversely affected. We may also face reputational risks and be subject to potential claims by various counterparties under the relevant TSAs. In addition, a Portfolio Asset may have its license cancelled by CERC or its TSA terminated by LTTCs for failure to operate and maintain the power transmission projects in accordance with prescribed requirements. Any of these circumstances could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows.

2. ***If environmental conditions at our Target Asset (Solar Asset) are unfavourable, our electricity production, and therefore our revenue from operations, may be substantially below expectations.***

The revenues to be generated by our Target Asset are proportional to the amount of electricity generated, which in turn is dependent upon prevailing environmental conditions. Operating results for solar energy project vary significantly depending on natural variations from season to season and from year to year and may also change permanently because of climate change or other factors, including conditions resulting from man-made causes, which are beyond our control. In some periods, the solar conditions may fall within our long-term estimates but not within the averages expected for such period. In addition, the amount of electricity the Target Asset may produce is dependent in part on the amount of sunlight or irradiation.

Unfavourable weather and atmospheric conditions could impair the effectiveness of our Target Asset, or reduce its output to levels below their rated capacity. Furthermore, components of the systems, such as solar panels and inverters, could be damaged by severe weather conditions, such as hailstorms, tornadoes or lightning strikes or certain levels of pollution, dust and humidity. Additionally, the solar modules may also have a lower generation due to quality issues. While there is a guaranteed generation committed by the relevant solar module supplier, it may be difficult to enforce the guarantee. The operational performance of a particular solar energy project also depends on the contour of the land on which the project is situated. In case of a highly variable contour, the output of the solar farm situated on such a surface may be sub-optimal. Our Target Asset may also be affected by the monsoon season.

A sustained decline in environmental and other conditions at our solar energy project could lead to a material adverse change in the volume of electricity generated. As a consequence, our business, cash flows, financial condition, results of operations and prospects may be materially and adversely affected.

3. ***Substantially all our revenue is derived from tariffs received from Long Term Transmission Customers ("LTTCs") and a failure or delay on the part of the LTTCs to make timely payments could affect the capability of the CTU to make the corresponding payments to transmission licensees, including our Portfolio Assets.***

Our Portfolio Assets recover their approved electricity transmission charges from transmission charges collected by the CTU on behalf of the inter-state transmission service providers, including the Portfolio Assets. The CTU bills and collects transmission charges from LTTCs on a regular basis, and pays such transmission charges to the transmission licensees, including the Portfolio Assets. The proceeds are distributed proportionately to each of the inter-state transmission system ("**ISTS**") licensees, including the Portfolio Assets. Any shortfall in collection of transmission charges by the CTU is shared on a pro-rata basis by all transmission service providers, including the Portfolio Assets. The payment mechanism is structured to incentivise the LTTCs to make timely payments through rebates, and a surcharge is levied on delayed payments by LTTCs. For further details, see *"Business"* and "*Discussion and Analysis by the Directors of the Investment Manager of the Financial Condition, Results of Operations and Cash Flows of the Portfolio Assets of the Anzen Trust*" on pages 299 and 345, respectively.

The LTTCs under the Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2020, as amended from time to time (the "**CERC Sharing Regulations**") include, amongst others, generating stations, State Transmission Utilities ("**STUs**"), distribution licensees including state electricity boards or its successor companies, electricity departments of various states, bulk consumers and any other entity directly connected to the ISTS. Some of these customers have experienced periods of financial weakness in the past. A failure or delay on the part of any LTTC to make timely payments to the CTU could affect the capability of the CTU to make the corresponding payments to transmission licensees, including our Portfolio Assets. The payments received by the CTU from the LTTCs are distributed proportionally to the transmission licensees. A number of factors which are beyond our control and which affect the business, prospects, financial condition, results of operations or cash flows of the LTTCs could result in the delay or failure of our Portfolio Assets to receive payments of transmission charges.

4. ***We intend to partially fund the acquisition of 100% of the issued, subscribed and paid-up share capital of the Target Asset with the proceeds of this Issue and any failure to acquire such percentage of the Target Asset could have a material adverse effect on the growth of our business, financial condition, results of operations and cash flows.***

We intend to partially fund the acquisition of 100% of the issued, subscribed and paid-up equity share capital of the Target Asset from ReNew Private Limited. For further details in relation to the Target Asset SPA, entered into for acquisition of the Target Asset, please see section entitled "*Use of Proceeds*" on page 329. If we are unable to raise the expected proceeds from this Issue, we may not be able to acquire 100% of the issued, subscribed and paid-up equity share capital of the Target Asset and may not be able to realize the anticipated benefits of the acquisition of the Target Asset. This could have a material adverse impact on the growth of our business, financial condition, results of operations, cash flows and prospects. In addition, the proposed acquisition of the Target Asset, as specified above, may result in material transaction expenses, increased interest and amortization expense, increased depreciation expense and increased operating expense and financing costs, any of which could have an adverse effect on our results of operations and cash flows.

5. ***The ROFO Agreements are subject to various terms and conditions.***

Under the ROFO Agreement 1, we have the right to acquire the 74.00% equity shareholding and debt securities as specified in the ROFO Agreement 1 (along with 74.00% economic interest) of our Sponsor or any affiliates of our Sponsor including EIYP (the "**Sellers**") in 12 companies that operate solar assets generating 813.2 MW of DC power (the "**ROFO 1 Assets**"). For details on the ROFO Agreement 1, see "*Related Party Transactions – ROFO Agreement 1*" on page 376. Furthermore, the remaining 26.00% equity shareholding of each of the ROFO 1 Assets is held by entities of the JV Group in accordance with their respective joint venture agreements, and the ROFO Agreement 1 neither provides the Trust a right to acquire such 26.00% equity shareholding in the ROFO 1 Assets, nor is the JV Group party to, or in any way is bound by, the ROFO Agreement 1. The minority shareholder may continue to have certain affirmative votes, which if exercised, may have an adverse impact on the business operations of the Trust. Our Investment Manager cannot assure you that the terms of the offer made by us will be acceptable to the Sellers or the relevant joint venture partners, or that we will be able to successfully acquire 100% of the equity shareholding in the ROFO 1 Assets or that we will be able to acquire any of the ROFO 1 Assets at all. Such right of first offer has become available to the Trust from such date which is 6 months from November 16, 2022 (the Trust listing date), i.e. May 16, 2023, and will be available until December 31, 2027.

Further, under the ROFO Agreement 2, we have the right to acquire the 100.00% equity shareholding and debt securities, as specified in the ROFO Agreement 2 (along with 100.00% economic interest), of IYP II, IYP IIA and IIYP II in Kudgi Transmission Limited operating power transmission project (the "**ROFO 2 Asset**"). For details on the ROFO Agreement 2, see "*Related Party Transactions – ROFO Agreement 2*" on page 377. Such right of first offer has become available to the Trust from such date which is 12 months from December 19, 2024, i.e. December 19, 2025, and will be available until May 31, 2027.

The eventual cost of the acquisition of the ROFO Assets will be subject to the requirements set out under the InvIT Regulations. Our Investment Manager cannot assure you that it could not achieve more favorable terms if such transactions were not entered into with related parties. Additionally, the consummation of the ROFO Agreements may also be subject to us and the ROFO Assets obtaining various third-party approvals including from lenders and prior regulatory approvals, as applicable. Our Investment Manager cannot assure you that such approvals will be obtained in time, or at all, or that the approvals will be provided without the stipulation of conditions, which may be onerous in nature. In the event the Sponsor, EIYP and/or its Affiliate (collectively, the "**Seller Entity**") proposes to sell all the securities of the ROFO 1 SPVs ("**ROFO 1 Securities**") to the Anzen Trust, the Seller Entity, as the case may be, shall be required to intimate the JV partner in accordance with the agreement entered into with the JV Group ("**JV Agreement**"). In the event the intimation is provided to the JV Group prior to December 31, 2025, the right to sell the ROFO 1 Securities will be with the JV Group. However, in the event where the Seller Entity intends to sell the ROFO 1 Securities on or after December 31, 2025, then the Anzen Trust shall purchase the ROFO 1 Securities in the manner specified in the JV Agreement.

Finally, the ROFO Agreements shall automatically terminate on the occurrence of the following:

- By mutual consent of the parties of the ROFO Agreements; and
- If the Sponsor and its affiliates cease to be Unitholders of the Trust.

Further, the Anzen Trust had made an intimation to the stock exchanges on December 19, 2024, pertaining to the letter of interest and invitation to offer received pursuant to the ROFO Agreement 1 for acquisition of 74% shareholding in each of ROFO 1 SPVs.

Our Investment Manager cannot assure you that we will be able to exercise such rights and that such rights will be exercised by us in a timely manner, or at all. For further details on the ROFO Agreements, see "*Related Party Transactions – Acquisition of the Future Assets by the Anzen Trust*" on page 376.

In case we are unable to acquire 100% of the equity shareholding in the ROFO Assets, the minority shareholder may continue to have certain affirmative votes and other rights in accordance with joint venture agreement or shareholder agreement (as the case may be) subject to the provisions InvIT Regulations. We cannot control or influence the actions of the JV Group who may at any time have economic, business or legal interests or goals that are inconsistent with ours. These affirmative vote and rights that they may exercise under the joint venture agreements may therefore restrict our ability to operate our business and if they take certain actions that we do not agree with, our operations may be adversely affected, which would have a material adverse effect on our business, results of operations, cash flows and financial condition.

6. We may be unable to operate and maintain the Target Asset in a satisfactory manner or at all.

The investment objectives and strategy of Anzen Trust is to carry on the activities of and to make investments as, an infrastructure investment trust, as permissible in terms of the InvIT Regulations and applicable law, including in such special purpose vehicles, holding companies and/or securities in India as permitted under the InvIT Regulations and other applicable laws. Accordingly, the Anzen Trust, represented by its trustee, Axis Trustee Services Limited ""**Trustee**") entered into a Target Asset SPA with ReNew Private Limited, the Target Asset and EAAA Real Assets Managers Limited to acquire 100% economic and beneficial interest in the Target Asset, which owns and operates a 300 (three hundred) MW (equivalent to approximately 420 (four hundred and twenty) MWp) solar power project located at Villages Bhopa, Chhodiya and Sanwata, Tehsil Fatehgarh, District, Jaisalmer, Rajasthan, India.

The Anzen Trust has no experience of acquiring or investing in the renewable energy sector, including in the solar projects for which we have entered into definitive agreements. Additionally, we may face competition from established players and competitors who have a strong operating history in the renewable energy sector. There can be no assurance that we will be able to operate these assets in a satisfactory manner or at all and supply the contracted capacities in accordance with the relevant

PPA. Further, there can be no assurance that the Target Asset will perform as expected or that the returns from such Target Asset will support the financing utilized to acquire or maintain them. We may also have limited flexibility in negotiating tariffs with the counter-parties to the Target Asset's Power Purchase Agreement. If any of these risks or any similar risks materialize, it may result in a breach of the relevant PPA in relation to such Target Asset and we may face potential claims for loss of business or for damages if we are unable to generate renewable power as agreed. We may also face reputational risks which could affect our ability to bid for future projects. Any of these circumstances could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows.

7. ***The Target Asset has entered into Power Purchase Agreement which contains certain provisions and any failure or delay to comply with such agreements could result in adverse consequences including penalties.***

The Target Asset *viz*. ReNew Sun Waves Private Limited has entered into a Power Purchase Agreement with Solar Energy Corporation of India ("**SECI**") on August 13, 2019 ("**PPA**"). The PPA contains terms that may be onerous to the Target Asset, among other things, such as, under the relevant provisions of the PPA, the Target Asset is required to generate a minimum energy of 682.670 million kWh (**mUs**) till the end of 10 years from the scheduled commissioning date (i.e. from December 20, 2020) and 642.513 mUs for the remaining term of the PPA. In the event of breach of this condition, the Target Asset is obligated to pay compensation to SECI. In the event SECI invokes any restrictive provision in the PPA or interprets any term or condition in an adverse manner or there are any changes to our current tariff rates, such invocation or interpretation or amendment may adversely affect our business, financial condition, cash flows and results of operations. For further details in relation to the Power Purchase Agreement, please see the section entitled "*Business – Summary of Power Purchase Agreement*" on page 322.

Further, the PPA entered into with SECI requires compliance with the relevant provisions contained in the Grid Code specified by CERC under section 79 of the Electricity Act, 2003, as amended from time to time and the state Grid Code as specified by the concerned state commission, referred under section 86 of the Electricity Act, 2003, as applicable, for designing, constructing, erecting, commissioning, completing and testing the power project; interconnection with grid; connection conditions and with respect to certain metering arrangements, including in accordance with the Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006. The plant is partially compliant with reactive power management requirement of the applicable grid code. Additionally, there are pending compliances related to first time charging of the plant and periodical power quality measurement. Any failure to adhere to the prescribed terms and conditions may attract adverse consequences including termination of the PPA which could have an adverse effect on our business, financial condition, cash flows and results of operations. For further details, please see the section entitled "*Legal and Other Information*" on page 398.

8. ***We have assumed certain liabilities of the Portfolio Assets and will assume certain liabilities of the Target Asset.***

Pursuant to the Securities Purchase Agreements we have assumed certain liabilities of the Portfolio Assets and pursuant to the Target Asset SPA we have assumed certain liabilities of the Target Asset. For details on financial liabilities capital commitments pertaining to the Portfolio Assets see "*Discussion and Analysis by the Directors of the Investment Manager of the Financial Condition, Results of Operations and Cash Flows of the Portfolio Assets of the Anzen Trust*" on page 345. While our Investment Manager has conducted due diligence on the InvIT Assets with the objective of identifying any material liabilities, it may not have been able to identify all such liabilities prior to the consummation of the transactions. Our Investment Manager has relied on independent third parties to conduct a portion of such due diligence (including in relation to title verification and valuation of the InvIT Assets) and to the extent that such third parties miscalculate or fail to identify risks and liabilities associated with the InvIT Asset in question, the InvIT Assets may be affected by defects in title, or the valuation of the InvIT Assets may not be an accurate representation of their value.

Furthermore, the terms of the Securities Purchase Agreements and the Target Asset SPA contain limited representations and warranties, some of which are qualified by disclosures in this Preliminary Placement Document as well as by the respective parties' knowledge under the respective Securities Purchase Agreement and the Target Asset SPA. The indemnities under the Securities Purchase Agreements and the Target Asset SPA include financial and time limitations which may adversely affect the ability of our Investment Manager to recover monetary compensation. For further details, see "*Related Party Transactions*" and "*Use of Proceeds*" on pages 376 and 329, respectively.

Any losses or liabilities suffered by us in relation to the InvIT Assets which we are unable to recover under these agreements will adversely affect our results of operations and cash flows, the trading price of the Units and the ability of our Investment Manager to make distributions to the Unitholders.

9. ***The acquisition of the Target Asset and other future acquisitions may expose us to risks and have an adverse impact on our operations.***

The acquisition of the Target Asset and other future acquisitions may entail integration and management of these future assets to realize economies of scale and control costs, as well as other risks, including diversion of management resources otherwise available for ongoing development of our business. The acquisition may cause disruptions to our operations and divert management's attention away from day-to-day operations. Newly acquired assets may require significant management attention that would otherwise be devoted to our ongoing business. Our management may have to spend a considerable amount of time to ensure a smooth handover of the Target Asset and other future assets and align the operating philosophy of the Target Asset and other future assets with ours. Despite pre-acquisition due diligence, we do not believe that it is possible to fully understand an asset before it is owned and operated for an extended time and there can be no assurance that the Target Asset and other future assets will not have defects or deficiencies that are unknown or unquantified and that may require additional capital expenditure or obligation to third parties, including to the relevant statutory authorities, which may have an adverse effect on the Trust's earnings and cash flows and the distributions to the Unitholders. Further, the expected benefit, synergies or efficiencies from such acquisitions may take longer than expected to achieve or may not be achieved at all.

Further, the acquisition of the Target Asset and any other acquisitions or alliances in the future may expose us to the risk of unanticipated business uncertainties or legal liabilities including defects in title and lack of appropriate approvals/ licenses in place for which the relevant parties in relation to such future assets may or may not indemnify us. Additionally, in case of the Target Asset, we have relied on certain information and management representations provided by ReNew Private Limited. While indemnities have been sought for such cases in the Target Asset SPA from the seller, we cannot assure you that there would not be any adverse impact on the Anzen Trust pursuant to reliance on such information, representations or due to non-availability of documents. Under the terms of the Target Asset SPA, a claim for indemnity may be brought by an indemnified party within the specified claim periods mentioned.

Further, land title in India may be uncertain and as a result, potential disputes or claims regarding title to the land on which the project is situated may arise. Any defects in, or irregularities of, title or leasehold rights that we shall enjoy may prejudice Target Asset's ability to operate the solar power project without interference from third party claims. For instance, a title related litigation involving ~4.5 acres of land is pending over establishment of rightful ownership of the land due to a succession dispute. Additionally, the right of way agreements in relation to laying of transmission lines record that the individuals specified therein are the absolute owners. However, the land records specify that the land parcels are co-owned with other individuals. The land parcels have been informally partitioned between the co-owners. While oral partition is recognized under Indian laws, the same has to be reflected in the revenue records. For further details in relation to such disputes related to the Target Asset, please see the section entitled "*Legal and Other Information*" on page 398. Further, we cannot assure you that the Target Asset will not be involved in other litigation or other proceedings of similar nature in the future. Such litigations could adversely affect our business, prospects, financial condition, cash flows and results of operations.

10. We may be unable to successfully undertake future acquisitions of renewable energy and transmission projects or efficiently manage the projects we may acquire in the future.

Our growth strategy involves strategic acquisitions of renewable energy and transmission projects. We may not be able to accurately evaluate or identify suitable investment opportunities, particularly with the increase in competition for renewable energy projects. We may also be unable to conclude appropriate or viable acquisitions in a timely manner. For instance, pursuant to the ROFO Agreements, we have a 'right of first offer' to acquire majority equity shareholding in 12 renewable energy assets located across five states of Rajasthan, Punjab, Telangana, Uttar Pradesh, and Andhra Pradesh, generating approximately 813.2 MW of DC power and 1 power transmission asset. There can be no assurance that such ROFO will be exercised and that the ROFO Assets will be acquired as anticipated. See "*Risk Factors–- The ROFO Agreements are subject to various terms and conditions*" on page 118.

Except in respect of transactions which require prior Unitholders' approval in accordance with InvIT Regulations, or the approval of an issuance of Units to fund the future acquisitions, our Unitholders may not have the opportunity to evaluate the Investment Manager's decisions regarding specific strategies used or the acquisitions made on our behalf, or the terms of any such acquisitions, including in respect of the ROFO Assets.

Furthermore, there can be no assurance that we will be able to achieve the strategic purpose of such acquisitions or operational integration with such newly acquired projects. As of the date of this Preliminary Placement Document, our business and operations are restricted to power transmission projects. The Investment Manager may not be able to make acquisitions or investments or divestments of projects on favourable terms or within a desired time frame. Even if the Investment Manager was able to successfully make additional acquisitions or investments, there can be no assurance that such acquisitions or investments will produce incremental distributions to our Unitholders. We may also be exposed to liability with the acquisition of additional projects.

Additionally, the ROFO Assets might not be sold to us even if we agree with EIYP, the Sponsor, IYP II, IYP IIA, IIYP II and their affiliates on the price and other terms of the sale if any requisite consents from lenders and third parties are not obtained. As renewable energy projects are illiquid in nature, it also may make it difficult for us to sell these projects due to factors such as non-performance.

Acquisitions involve a number of risks, including the inability to secure or repay the financing required to acquire large projects, the failure to retain key personnel of the acquired business and the failure of the acquired business to achieve expected results. Eligible acquisition opportunities from third parties that meet the eligibility criteria under the Trust Deed may not materialise and the Anzen Trust may face increased competition from other InvITs, the Sponsor and third parties and therefore the price at which the Anzen Trust is able to acquire a given asset may not be financially desirable. An inability to grow through prudent acquisitions may adversely affect the Anzen Trust's business, financial condition, cash flows and results of operations.

Acquisition of renewable and transmission energy assets is also subject to other substantial risks, including the failure to identify material problems during due diligence (for which we may not be indemnified), the risk of over-paying for assets or not making acquisitions on an accretive basis, the ability to collect revenues and the risk of entering markets and technologies where the Investment Manager has limited or no experience. In addition, any control deficiencies and limitations on technology in the accounting systems of the assets that we acquire may make it more difficult to integrate them into its existing accounting systems. While the Investment Manager will perform due diligence on our prospective acquisitions, we may not be able to discover all potential operational deficiencies in such projects. The integration and consolidation of acquisitions requires substantial human, financial and other resources and may divert the Investment Manager's attention from our existing business concerns, disrupt our ongoing business or otherwise fail to be successfully integrated. There can be no assurance that any future acquisitions will perform as expected or that the returns from such acquisitions will support the financing utilized to acquire them or maintain them. As a result, the consummation of acquisitions may have a material adverse effect on the Investment Manager's ability to execute our growth strategy, which could have a material adverse effect on our business, cash flow and ability to make distributions to our Unitholders.

Additionally, we may be exposed to increased operating costs, unforeseen liabilities or risks, and regulatory and environmental concerns associated with such newly acquired projects and with entering new sectors of the power generation industry, which could have an adverse impact on our business and cash flows as well as place us at a competitive disadvantage relative to more established renewable energy companies. In addition, such ventures could require a disproportionate amount of our management's attention and resources. We may rely, to a certain extent, on the expertise and experience of industry consultants, and we may have to hire additional experienced personnel to assist us with our operations. We can offer no assurance that if we expand our business beyond our existing business of power transmission, we will be able to effectively acquire and operate projects in such new areas and achieve our targeted financial goals.

11. ***The Target Asset has entered into Share Purchase Agreement which contains certain provisions and any failure or delay to comply with such agreements could result in adverse consequences.***

The Target Asset *viz*. ReNew Sun Waves Private Limited has entered into a Share Purchase Agreement ("**SPA**") with the Anzen Trust ("**Purchaser**"), represented by the Trustee, the Investment Manager and ReNew Private Limited (**"Seller"**) on December 19, 2024 to acquire Sale Securities (as defined under the SPA). Prior to the acquisition of the Sale Securities, the Target Asset is desirous of issuing to the Seller and/or an Affiliate of the Seller and the Seller and/or such Affiliate of the Seller, has agreed to subscribe to, the optionally convertible debentures to be issued to Seller for a face value of INR 100/- (Indian Rupees One Hundred Only) for an aggregate amount of INR 10,00,00,000/- (Indian Rupees Ten Crores Only).

Upon occurrence of the Redemption Event (the change in law pay out being payable by the Purchaser and/or the Target Asset to the OCD holder; or expiry of the tenure of the OCDs, as defined under the SPA), the OCD holder, being the Seller or an Affiliate of the Seller who is a resident of India under the Tax Act ("**OCD Holder**"), and the Purchaser (through the Target Asset) shall have the right, to issue a written notice requiring the Target Asset to redeem the OCDs in the manner contemplated in the SPA. In the event, the Target Asset fails to redeem the OCDs within the Redemption Period (as defined under the SPA), the OCD Holder shall have a right to require the Purchaser to purchase such number of OCDs as is contemplated under and in accordance with the put option clause under the SPA. In the event that the Purchaser fails to purchase the OCDs within the stipulated days ("**Put Default**"), OCD Holder shall be entitled to convert such OCDs (to which the Put Default relates) into equity shares. The equity shares issued to the OCD holder upon the conversion shall be of the same face value and be free from any encumbrance and shall at all times rank *pari passu* with all subscribed, issued and paid-up Equity Shares (as defined under the SPA) in relation to voting rights, rights issuance, bonus issues, dividends or any corporate actions. For further details in relation to the SPA, please see the section entitled "*Use of Proceeds*" on page 329.

Further the SPA, requires that upon the occurrence of a liquidation event including winding-up of the Target Asset, the Purchaser shall, on behalf of the Target Asset make payments to the Seller, equivalent to such unpaid portion of the CIL Pay Out (as defined under the SPA) as is due and payable from the Target Asset to the Seller and if the Target Asset and/or the Purchaser are in default, then the OCD Holder shall be entitled to be paid and otherwise receive distributions prior to (i) any payment or other distribution in respect of any unsecured loans provided by the Purchaser and/or its Affiliates to the Target Asset and (ii) any payment or other distribution to any holders of the securities of the Target Asset by reason of their respective ownership thereof, the amount in accordance with the Applicable Law, but after any payment or other distributions in relation to any debt securities (including loan and/or working capital facility) issued by external lenders. The Target Asset shall not undertake any steps in relation to any voluntary dissolution or winding up, unless the prior written consent of the OCD Holder has been obtained.

Any failure to adhere to the prescribed terms and conditions may attract adverse consequences which could have an adverse effect on our business, financial condition, cash flows and results of operations.

12. ***The tariffs under the TSAs are fixed for the specified term of the TSA, subject to the incentives we receive if we exceed the minimum availability thresholds. We may be unable to offset increase in costs, including operation and maintenance costs,***

solely from tariffs payable to us under the TSAs.

The tariffs under the TSAs are largely fixed for the specified term of the TSA, subject to the incentives we receive if we exceed the target availability thresholds (i.e. 98%). Operation and maintenance costs of the Portfolio Assets may increase due to factors beyond our control, including:

- an increase in the cost of labor, materials, and insurance on account of inflation;
- compliance costs incurred to maintain various regulatory permits and approvals;
- expenses towards equipment and spare parts; restoration costs in case of events such as floods, natural disasters, pandemics and accidents or other events causing structural damage or compromising safety;
- adverse weather and climatic conditions; unforeseen regulatory changes, application of taxes including income tax, insurance and accounting liabilities; and
- other unforeseen operational and maintenance costs.

The Project Manager provides operation and management services through the Project Implementation and Management Agreement dated November 1, 2022 entered into with the Portfolio Assets. We may not be able to offset increased O&M costs as the tariff payable to us is fixed under the TSAs. Significant increase in O&M costs may reduce our profits and adversely impact our business, prospects, financial condition, results of operations and cash flows.

Any increased volatility or rate of inflation of global commodity prices, in particular oil and steel prices, that would adversely affect our operating costs could also adversely affect our customers, contractual counterparties and end users. Although the RBI periodically imposes certain policy measures designed to curb inflation, these policies may not be successful. Any slowdown in India's growth, inflation, volatility or fluctuation or sustained periods of hyperinflation could cause our actual results of operations to deviate from our financial projections and estimates and adversely impact our business, prospects, financial condition, results of operations and cash flows.

13. ***We may be reliant on off-takers and any decline in their financial condition or our relationship with them may adversely effect our results of operations and cash flows.***

The Target Asset has entered into a PPA with SECI, and it being the only purchaser of utility scale quantities of electricity under the long-term PPA, this exposes us to purchaser concentration risk. Any event impacting the economic condition of such off-takers may adversely affect our business, financial condition, results of operations, cash flows and prospects. Accordingly, there may be scenarios where we are exposed to payment collection risks and may also have dependency on SECI for timely payouts. If the financial condition of these utilities and/or power purchasers deteriorate or the solar policies to which they are currently subject to compels them to change the source of their renewable energy supplies, then the demand for electricity produced by our solar power projects could be negatively impacted which in turn could have an adverse effect on our business, prospects, financial condition, results of operations and cash flows.

14. ***Some of our business is dependent on the regulatory and policy environment affecting the renewable energy sector in India, including relationships with, various government entities in India and could be affected if there are adverse changes in such policies or relationships.***

The operations of any future solar projects that the Anzen Trust may acquire, are and will be significantly dependent on various central and state government entities, in terms of policies, incentives, budgetary allocations and other resources provided by these entities for the renewable energy industry, as well as the terms of the contractual arrangements and other incentives available from these government entities for the projects.

The regulatory and policy environment in which we operate is evolving and subject to regular change. For instance, the Government has laid significant thrust on climate change for which it provided a framework, National Action Plan on Climatic Change ("**NAPCC**") in 2008, where it proposed an eight pronged strategy which is National Solar Mission, energy efficiency, sustainable habitat, water planning, Himalayan ecosystem, afforestation, sustainable agriculture and strategic knowledge on climate change. The MoP has made it mandatory for DISCOMS to issue letter of credit or provide payments upfront before purchase of power and a letter of credit mechanism was implemented from August 2019. However, on account of its limited success, the payment security mechanism has been proposed in the draft Electricity Act Amendment Bill, 2020 and the draft Electricity (Amendment) Bill, 2022 to ensure strict compliance across states. Further, the Central Government has released the draft Renewable Energy Act in July 2015 to address various issues limiting the growth potential of renewable energy sector. The Renewable Energy Act, 2015 is in the consultation stage and would be proposed in the parliament once other amendments and legislations including the Electricity Act, 2003 to facilitate the implementation of the Act are also identified and implemented. Given these amendments are yet to be passed by the legislature, it is uncertain whether such benefits will be available to us. Further, any unfavourable changes to the CERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2024 may have a negative impact on our revenue, cash flows and results of operations.

Our business and operations are governed by various laws and regulations, including the Electricity Act, 2003, National Electricity Policy, 2005 and National Tariff Policy, 2016, environmental and labour laws and other legislations enacted by the GoI and the relevant state governments in India. Any changes in, or amendments to, these standards or laws and regulations could further regulate our business and could require us to incur additional, unanticipated expenses in order to comply with these changed standards. For instance, in April 2021, the Supreme Court of India has passed an order requiring overhead powerlines to be relocated into underground power lines in identified priority and potential areas covering portions of state of Gujarat and Rajasthan and installation of bird diverters in certain potential and priority areas to protect and preserve two endangered species of birds, Great Indian Bustard and Lesser Florican ("**GIB**") (the "**Initial GIB Order**"). The site at which our Target Asset operates falls under GIB potential area boundary. However, on March 21, 2024, the Supreme Court has modified the Initial GIB Order and revoked the blanket injunction in respect of laying overhead transmission line in potential areas and priority areas and has also constituted an expert committee for adopting additional measures in regard to the above-mentioned areas. The committee has redefined priority areas by addition of about 850 square km to the erstwhile boundary of the area. The revised priority area for Rajasthan as proposed by the committee shall be 14,013 sq.km. If any of our current or future projects are affected by the order, we will be required to incur additional capital expense which could adversely affect our business, prospects, financial condition, cash flows and results of operation. Further, if we fail to meet safety, health and environmental requirements, we may also be subject to administrative, civil and criminal proceedings by governmental authorities, as well as civil proceedings by environmental groups and other individuals, which could result in substantial fines and penalties against us. Penalties imposed by regulatory authorities on us or third parties upon whom we depend may also disrupt our business and operations.

Further, we would depend in part on government policies that support renewable energy and enhance the economic feasibility of developing renewable energy projects. The GoI has accorded renewable energy "must-run" status, which means that any renewable power that is generated must always be accepted by the grid. However, certain state electricity boards may order the curtailment of renewable energy generation despite this status and there have been instances of such orders citing grid safety and stability issues being introduced in the past. This may occur as a result of the state electricity boards purchasing cheaper power from other sources or transmission congestion owing to a mismatch between generation and transmission capacities. There can be no assurance that the GoI will continue to maintain the "must-run" status for renewable energy or that the state electricity boards will not make any orders to curtail the generation of renewable energy. Additionally, in the event, the GoI imposes any restriction on usage of water as a part of any regulatorily policy, our business, cash flows and results of operations would be adversely affected.

We may benefit from a number of government and other incentives in relation to renewable power generation. Some of the key incentives that we may benefit from include:

- certain benefits under the Clean Development Mechanism (as under Article 12 of Kyoto Protocol);
- income tax benefits through accelerated depreciation tax exemption for ten years under section 80IA of the ITA;
- availability of accelerated depreciation for solar power assets;
- incentives in relation to stamp duty;
- spending with respect to capital expenditure; and
- single window clearance for approvals.

There is no assurance that the GoI and state governments will continue to provide incentives and allow favourable policies. The GoI and state governments may reduce or eliminate these economic incentives for political, financial or other reasons. In addition, policy incentives may be available for a limited period, and there can be no assurance that the validity of such schemes will be extended.

Any change in policy that results in the curtailment of renewable energy generation may have an adverse effect on our business in future. If governmental authorities do not continue supporting, or reduce or eliminate their support for, the development of renewable energy project, it may become more difficult to obtain financing, our economic return on solar project may be reduced and our financing costs may increase. These may, in turn, have a material and adverse effect on our business, financial condition, results of operations, cash flows and prospects.

In addition, the solar project in which government entities participate may be subject to delays, extensive internal processes, policy changes, changes due to local, national and internal political pressures and changes in governmental or external budgetary allocation and insufficiency of funds. Since government entity is the off-taker for the project, the project is directly and significantly dependent on its support. Any withdrawal of support or adverse changes in their policies may lead to the agreements being renegotiated and could also adversely affect the financing, capital expenditure, revenues, development or operations relating to the solar project.

15. We may face competition from conventional and other renewable energy producers, funds, InvITs and developers as we

continue to invest and acquire renewable energy projects to grow the business.

We, along with our affiliates, are engaged in investment activities primarily with an objective of creating stable, predictable and low-risk revenue and cash flows. We seek to invest in companies incorporated in India that operate in the "infrastructure" sector and intend to continue to pursue accretive inorganic growth and new business opportunities. Our market position therefore depends on our financing, development and operation capabilities, reputation, experience and track-record and our ability to consummate such acquisitions and investments. Any increase in competition during the acquisition process or reduction in our competitive capabilities could have a material adverse effect on our market share and on the margins we generate from our renewable energy portfolio. We may also face competition from other funds, InvITs or other pooled investment vehicles focused on investing, or expanding their portfolio, in transmission infrastructure or renewable energy sectors.

Our primary competitors include domestic and foreign-owned conventional and renewable energy project developers in India, IPPs and utilities. Additionally, our business operations and growth may also face competitive pressure from various companies operating in other industry sectors that develop renewable energy projects for captive consumption, such as companies in oil and gas industry, information technology companies, and global capability centers ("**GCCs**") in India. We would compete with renewable energy project developers in India on the basis of a number of differentiating factors in the industry, including site selection, access to vendors, efficiency and reliability in project operation, auction bid terms and financing terms to develop and construct projects. We may also compete with other conventional and renewable energy companies in India for a limited pool of personnel with requisite industry knowledge and experience, equipment supplies, and permits and land to develop new projects. Our project may compete on price if we sell electricity into power markets at wholesale market prices. We may have to compete with other conventional energy and renewable energy generators when we negotiate or renegotiate a long-term Power Purchase Agreement.

Some of our competitors may have greater financial, marketing, personnel and other resources than we do and may be in a position to acquire renewable energy projects by paying a significant premium or otherwise seek to grow their business more aggressively. A reduction in demand for energy from renewable energy sources or our failure to successfully acquire new renewable energy projects may have an adverse effect on our business and financial condition. Furthermore, technological progress in conventional forms of electricity generation or the discovery of large new deposits of conventional fuels could reduce the cost of electricity generated from those sources or make them more environmentally friendly, and as a consequence reduce the demand for electricity from renewable energy sources or render our solar project uncompetitive.

Further, certain of our competitors may also grow through corporate re-organisations, strategic alliances, partnerships or other forms of consolidation amongst our competitors. Any growth in the scale of our competitors may result in the establishment of advanced in-house engineering, EPC, and O&M capabilities, which may offset any current advantage we may have over them. Moreover, any merger of our suppliers or contractors with any of our competitors may limit our choices of suppliers or contractors and reduce our overall project execution capabilities. In addition, our competitors may have better financial resources and more localised business presence. Increased competition may result in price reductions, reduced margins and a loss of our market share, any of which may adversely affect our business, financial condition and prospects.

There can be no assurance that our current or potential competitors will not offer services comparable or superior to those that we offer at the same or lower prices; adapt more quickly to industry challenges; or expand their operations at a faster pace than we do. Increased competition may result in price reductions, reduced profit margins and loss of market share, thereby causing an adverse effect on our operations, cash flows, prospects and financial condition.

16. The ability of the Project Manager to ensure that our power transmission systems and solar project are fully operational are subject to the limitations of existing equipment or operational risks outside of its control.

Power transmission projects rely on sophisticated machinery that is built by third-parties which may malfunction. The operation of power transmission projects also involves many operational risks including damage due to natural disasters such as earthquakes and floods, change in climatic conditions, as well as man-made disasters beyond our control such as fires and explosions, the breakdown or failure of transmission equipment or other equipment or processes, operating below expected levels, labour disputes, civil unrest, terrorism, or war.

Further, our solar project may not continue to perform as it has in the past or as it is expected due to risks of equipment failure due to, inter alia, weather conditions, wear and tear, latent defect, design error or operator error, or early obsolescence, force majeure events, which could have a material adverse effect on our assets, liabilities, business, prospects, financial condition, results of operations and cash flows. Our facilities may require periodic upgrading and improvement. Any unexpected operational or mechanical failure, including failure associated with breakdowns and forced outages, and any decreased operational or management performance, could reduce our facilities' generating capacity below expected levels and reduce our revenues as a result of generating and selling less power. In the event that solar modules are damaged, obtaining replacement solar modules may also require significant sourcing lead time and sources for such replacements may be located outside of India. If we were to experience a shortage of, or inability to acquire, critical spare parts or replacement solar modules or any other equipment, we could incur significant delays in returning facilities to full operation. Degradation of the performance of our facilities above levels provided for in the PPA may also reduce our revenues.

Furthermore, injuries to people or property may also occur in the ordinary course of carrying on our business, which could subject us to significant business disruptions and legal and regulatory actions. Any disruption in the operations of our power transmission projects could negatively impact the reputation of the Anzen Trust, the Project Manager, the Investment Manager or the Sponsor among our customers, stakeholders, regulators or within our industry. The occurrence of any of the above events could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

17. ***We are highly dependent on our InvIT Assets for revenue and any adverse development in economic, regulatory and political environment may adversely affect our business, financial condition, results of operations, cash flows and prospects.***

We derive our revenue from (i) contracts with customers from DMTCL and NRSS, the two SPVs forming part of the Portfolio Assets, with DMTCL contributing 58.14% and NRSS contributing 41.86% of our total revenue from contracts with customers in Fiscal 2024, respectively, in case of the transmission assets; and (ii) tariff paid by SECI for energy supplied by RSWPL. Any adverse development in economic, regulatory and political environment impacting the revenue from operations of the InvIT Assets will have an adverse impact on the business, cash flows and revenue from operations of the Trust.

Further, certain assumptions have been made regarding our future financial and operating performance, including hypothetical assumptions on future events and management's actions that are not necessarily expected to occur. In case such assumptions are not satisfied, the associated revenue from operations, profit and cash flows would need to be revised accordingly, and there can be no assurance from the Investment Manager on any of these parameters. There can be no assurance that the InvIT Assets will be able to generate sufficient cash from the operations of the projects for the Anzen Trust to make distributions to the Unitholders. Unfavourable events or circumstances not anticipated may also arise. There can be no assurance that the assumptions will be realised or actual distributions will be as anticipated.

18. ***Our financial information for different fiscals is not comparable.***

Unless context requires otherwise, our financial information for Fiscals 2022 and 2023 is derived from Audited Special Purpose Combined Financial Statements while financial information in relation to Fiscal 2024 is derived from Audited Consolidated Financial Statements and financial information in relation to the nine months ended December 31, 2024 is derived from Unaudited Interim Consolidated Financial Statements. The financial information of Fiscal 2022 and 2023 is not comparable to Fiscal 2024. Also, financial information for the nine months ended December 31, 2024 and December 31, 2023, is not indicative of the full year results of the Anzen Trust and is not comparable with annual financial information, hence investors are advised to carefully understand the financial information before making any investment decision.

19. ***We may not be able to make distributions to our Unitholders comparable to estimated or anticipated distributions, or at all.***

Our distributions will be based on the net distributable cash flows available for distribution. The InvIT Regulations provide that not less than 90% of net distributable cash flows of each Portfolio Asset are required to be distributed to the Anzen Trust in proportion of its holding in each Portfolio Asset subject to applicable provisions of the Companies Act. Furthermore, not less than 90% of our net distributable cash flows will be distributed to the Unitholders. Such distributions must be declared not less than once every financial year and are required to be made within five working days from the record date where the record date shall be two working days from the date of the declaration of distribution, excluding the date of declaration and the record date. The amount of cash available for distribution principally depends upon the amount of cash that the Anzen Trust receives as dividends or the interest and principal payments from our Portfolio Assets, which in turn depends on the amount of cash that the relevant Portfolio Assets generate from operations, and may fluctuate based on, among other things:

- insufficient cash flows received by and from our Portfolio Assets;
- realisation of dues from customers;
- debt service requirements and other liabilities of our Portfolio Assets under their respective financing agreements;
- fluctuations in the working capital needs of our Portfolio Assets;
- ability of our Portfolio Assets to borrow funds and access capital markets;
- restrictions contained in any agreements entered or to be entered into by our Portfolio Assets, including the TSAs and financing agreements, and any restrictions that may arise on account of changes in these financing agreements due to downgrade of ratings of breach of any covenants;
- respective businesses and financial positions of our Portfolio Assets;
- applicable laws and regulations, which may restrict the payment of dividends by our Portfolio Assets;

- operating losses incurred by our Portfolio Assets in any financial year;

- changes in accounting standards, taxation laws and regulations, laws and regulations in respect of foreign exchange repatriation of funds, corporation laws and regulations relating thereto;

- amount and timing of capital expenditures on our Portfolio Assets; and

- amount of fees we pay to the Investment Manager, the Project Manager and other Parties to the Anzen Trust;

The Investment Manager will be liable to pay interest to all the unitholders if distributions are not paid within five working days from the record date in accordance with the InvIT Regulations.

Furthermore, the method of calculation of the net distributable cash flows may change subsequently due to regulatory changes. Any change in applicable laws in India or elsewhere (including, for example, tax laws and foreign exchange controls) may limit our ability to pay or maintain distributions to our Unitholders. Furthermore, no assurance can be given that we will be able to pay or maintain the levels of distributions at all, or that the level of distributions will increase over time, or that future acquisitions will increase our distributable cash flow to our Unitholders. Any reduction in, or delay/ default in payments of distributions could materially and adversely affect the market price of our Units.

As a result of any or all these factors, we cannot guarantee that we will have sufficient cash generated from operations to achieve net distributable cash flows or realized profits or surplus in any future period in order to make distributions every six months or at all.

20. ***We have incurred losses in the past and in the event our net loss continues to increase, it may adversely affect our business and financial condition.***

We reported loss of ₹ 512.15 million and ₹ 297.35 million in Fiscals 2022 and 2024, respectively and ₹ 86.53 million in nine months ended December 31, 2024. Our net losses have historically resulted primarily from high finance costs incurred towards servicing our debt and repayment obligations, as well as from higher depreciation costs. For further information on our financial performance, see "*Discussion and Analysis by the Directors of the Investment Manager of the Financial Condition, Results of Operations and Cash Flows of the Portfolio Assets of the Anzen Trust*" on page 345. Further, our finance costs and other expenses may be greater than we anticipate, and our investments to make our operations more efficient may not be successful. Increases in our costs, expenses and investments may also reduce our margins and materially adversely affect our business, financial condition, results of operations and cash flows. There is no assurance that we will not incur further losses in the future. Our failure to generate profits may adversely affect the market price of our Units, our cash flows and impair our ability to raise capital and expand our business.

21. ***Our operations are subject to changes to current tariff policies or regulations governing the CTU or load despatch centres by regulatory authorities.***

Tariffs determined through a competitive bidding process in accordance with the Bidding Guidelines and charged to customers comprise virtually all of our Portfolio Assets' revenue. Such tariffs are collected by the CTU, under a payment pooling mechanism and subject to periodic reviews by the CERC. The CTU collects transmission charges from LTTCs on a regular basis and pays such charges to transmission licensees, including us. The Portfolio Assets have no ability or flexibility to charge more for regulated services than is provided for under the relevant tariff. Further, in accordance with the provisions of the Sharing Regulations, the LTTCs shall also be entitled to certain rebates on payment during the prescribed time periods. With respect to potential impacts on statutory payment pooling bodies, in accordance with the Sharing Regulations, transmission licensees such as the Portfolio Assets are entitled to recover their approved transmission charges from ISTS charges collected by the CTU. In the event of any change in obligations or role of the CTU, or a failure or delay on the part of the CTU to make the corresponding payments to the Portfolio Assets, while the LTTCs may be liable to pay a late payment surcharge, their counterparty risk may increase significantly and our business, prospects, financial condition, results of operations and cash flows may be materially and adversely affected. Any such unfavourable changes, particularly to tariff and payment pooling regulations, could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

22. ***We may be unable to maintain or renew our existing regulatory approvals or obtain any new approvals due to changes to the regulatory environment and the laws, rules, and directives of the GoI.***

The power industry in India is regulated by a wide variety of laws, rules and directives issued by the GoI and relevant regulatory authorities. For further details, see "*Regulations and Policies*" on page 379. The InvIT Assets and any other renewable energy or transmission projects we may acquire, require regulatory approvals, sanctions, licenses, registrations, and permissions for their operations.

The timing and content of any new law or regulation is not within the control of the InvIT Assets, and any changes to current regulatory bodies or existing regulatory regime as well as changes in certain significant terms of any of such approvals, sanctions, licenses, registrations and permissions, such as their duration, the charges payable under the approvals, sanctions, licenses, registrations and permissions, the range of services permitted or the scope of exclusivity, if any, could have a material adverse effect on our business and prospects. Certain changes in law that alter the landscape of our project locations, such as construction of new highways and roadways in territories where our Portfolio Assets are located, may also compel us to temporarily or permanently shutdown or modify interconnected grids, modify transmission lines or substations, to accommodate and comply with such changes.

The laws and regulations governing the power transmission industry have become increasingly complex and govern a wide variety of issues, including billing and collections, allocation of transmission charges among the LTTCs, and calculation of availability. Any change in policy for such issues may adversely impact our ability to meet such increased or changed requirements. We cannot assure you that we will be able to obtain and maintain/renew all regulatory approvals, sanctions, licences, registrations and permissions required to conduct our operations in a timely manner or at all. Future changes in laws and regulations and failure or the apparent failure to address any regulatory changes or enforcement initiatives could have an adverse impact on the business, cash flows and future financial performance of our InvIT Assets, impair their ability to declare any dividends to the Anzen Trust, harm our reputation, subject us to penalties, fines, disciplinary actions or suspensions of any kind, or increase the risk of litigation and have an adverse effect on the price of the Units. For details of approvals that have been applied for but not received, see "*Regulatory Approvals–- Approvals applied for but not yet received*" on page 397.

23. Our Trust may avail certain borrowings in the future on terms that may limit our operational flexibility.

Our Trust proposes to avail further borrowings, as described in the section entitled "*Financial Indebtedness*" on page 334. The Anzen Trust has also been given an issuer rating of (i) "CRISIL AAA/Stable" for non-convertible debentures aggregating to ₹7,500 million, by CRISIL Ratings Limited; and (ii) "IND AAA/Stable" for non-convertible debentures aggregating to ₹7,500 million, by India Ratings and Research. Further, the Anzen Trust has also been assigned a rating of (i) "CRISIL AAA/Stable" for non-convertible debentures aggregating to ₹7,000 million and total bank loan facilities aggregating to ₹6,200 million, by CRISIL Ratings Limited, the rationale for which is available at the website: https://www.crisilratings.com/mnt/winshare/Ratings/RatingList/RatingDocs/AnzenIndiaEnergyYieldPlusTrust_January%2028_%202025_RR_361528.html; and (ii) "IND AAA/Stable" for proposed non-convertible debentures aggregating to ₹7,000 million and proposed term loan aggregating to ₹6,200 million, by India Ratings and Research, the rationale for which is available at the website: https://www.indiaratings.co.in/pressrelease/74511. The definitive terms of such borrowings, including the coupon rates applicable to such borrowings, are subject to finalisation at the time of execution of definitive documentation in relation to such borrowings and are subject to various external factors including market conditions at the time. Further, the borrowings proposed to be obtained by the Anzen Trust may also be subject to certain financial and operating covenants that may limit our ability to undertake any new modernization scheme or projects; effect any change in the management set-up; extend any advance or loans or place deposits with any third party; approach capital markets to mobilize additional resources either in form of debt or equity; avail additional credit facilities or loans; or undertake guarantee obligations or extend letters of comfort on behalf of any trust or third party.

As a result of these restrictions, we may be constrained in the manner of conducting our business, including being unable to raise additional debt or equity financing during general economic or business downturns, or unable to compete effectively or to take advantage of new business opportunities. These restrictions may also impair our ability to grow in accordance with our strategy, and may adversely affect our financial condition, results of operations and cash flows. There can be no assurance that instances of default may not arise in the future. We cannot assure you that we will be able to negotiate more favourable terms with our future lenders. For further details in relation to the financing arrangements entered into by the InvIT Assets, see "*Financial Indebtedness*" on page 334.

24. Our borrowings are secured by the Trust and a portion of the shareholding of the Portfolio Assets held by the Trust, providing our lenders/ debt security holders with substantial rights over our operations.

The financing arrangement entered into by the Trust contain restrictive covenants and default provisions. The financing agreement restrict the Trust from undertaking certain activities, including amongst others (i) incurring any indebtedness without prior approval of the debenture trustee, other than as permitted under the financing agreement; (ii) create security interest without the prior approval of the lenders, other than as permitted under the financing documents; and (iii) change the ERAML as the Investment Manager (without the prior approval of the debenture trustee), unless the new investment manager is controlled by EAAA India Alternatives Limited or an Affiliate of EAAA India Alternatives Limited; . These may restrict our ability to conduct business and any breach thereof may adversely affect our results of operations, cash flows and financial condition. In the event of any breach of any covenant contained in these financing agreements, apart from other consequences, the debenture trustee may enforce the security under the financing agreements which may adversely affect our business, financial condition, cash flows and results of operations. We may also be required to immediately repay our borrowings either in whole or in part, together with any related costs.

As at December 31, 2024 borrowings under the financing agreements are secured by, amongst others, pledge of 100% of the issued, paid-up and voting equity share capital, along with other security instruments of the Portfolio Assets till the final settlement date. The shares of the Portfolio Assets have been pledged with lenders under the financing agreements, which are detailed in the table below as at the date of this Preliminary Placement Document:

Portfolio Assets	
	Pledge of Portfolio Assets (as at December 31, 2024)
DMTCL	100% of Equity and other instruments
NRSS	100% of Equity and other instruments

In the event of a default under these agreements, there is a risk that the debt security holders could enforce the pledge by way of court procedure followed by a public auction of the pledged shares. Furthermore, we may be required to pledge the shares of the Portfolio Assets for any refinanced or additional indebtedness. If we lose ownership or control of the Portfolio Assets, of all or some of their assets as a result of the enforcement of security by a debt security holder, our business, financial condition, results of operation, cash flows and ability to make distributions to Unitholders would be adversely affected.

The Trust may also be required to enter into other financing arrangements and incur further indebtedness in order to fulfil working capital requirements. The Trust may not be able to enter into financing arrangements on favorable terms or at all. There is a risk to Unitholders that the Trust may not be able to repay such indebtedness in future and our business, financial condition, results of operation, cash flows and ability to make distributions to Unitholders would be adversely affected.

25. ***We may not be able to successfully fund future acquisitions of new projects due to the unavailability of debt or equity financing.***

Under the InvIT Regulations, the Anzen Trust is required to distribute not less than 90% of its net distributable cash flows to the Unitholders. Accordingly, in order to expand our portfolio of projects through acquisitions, we will primarily rely on debt and equity financing. We cannot assure you that such financing will be available on favourable terms in a timely manner, or at all.

Debt financing to fund the acquisition of a project may not be available on short notice or may not be available on acceptable terms. Since the timing and size of acquisitions cannot be readily predicted, we may need to obtain funding on short notice to benefit fully from opportunities. However, under the InvIT Regulations, if the aggregate consolidated borrowings and deferred payments of the Anzen Trust and the InvIT Assets, net of cash and cash equivalents exceed 25%, we are required to obtain a credit rating and seek Unitholder approval for any further borrowings up to 49%. In addition, the level of indebtedness of our InvIT Assets may impact our ability to borrow without prior Unitholders' approval. The aggregate consolidated borrowings and deferred payments, net of cash and cash equivalents of the Anzen Trust and the InvIT Assets cannot exceed 70% of the value of the assets of the Anzen Trust. For any further borrowings beyond 49%, we are required to comply with specific conditions prescribed under the InvIT Regulations, *inter alia*, obtaining approval from at least 75% of the Unitholders, and demonstrating a track record of at least six distributions on a continuous basis post listing of the Units, in the years preceding the financial year in which the enhanced borrowings are proposed to be made. An increase in borrowings beyond 49% up to the aforementioned limit of 70% may impact our ability to pay dividend, our credit ratings and cash flows, among others. Any downgrade in our ratings may increase borrowing costs in the future and constrain our access to capital and lending markets and, as a result, could adversely affect our business, cash flows and results of operations. In addition, under the terms of our TSAs, in the event the monthly target availability of the relevant project after the commercial operation date of the project is not met within specific timelines, there may be penalties imposed as specified in the TSAs.

Debt financing may increase our vulnerability to general adverse economic and industry conditions by limiting our flexibility in planning for or reacting to changes in our business and our industry. Moreover, under the terms of the debt financing agreements, we may be subject to certain restrictive covenants, such as:

- maintaining specified debt to equity ratios;
- restrictions on making any dividend payments or making any other restricted payments except as permitted under the financing agreements;
- restrictions on change of control;
- restrictions on the repayment of any subordinated debt without prior consent of relevant lenders;
- prior consent for creation of any additional security interest in any of the secured property;
- restrictions on undertaking or permitting any scheme of arrangement or compromise with creditors or shareholders;

and

- restrictions on effecting changes in the management control or capital structure.

Such financing agreements may also require the InvIT Assets to maintain certain financial ratios. If we breach any covenant contained in these financing agreements, the relevant InvIT Asset may be required to immediately repay borrowings either in whole or in part, together with any related costs. It may not be able to secure consents from, or negotiate revised terms with, the lenders on terms favourable to the Anzen Trust or at all.

Such covenants may also restrict our ability to acquire additional projects or undertake other capital expenditure by requiring us to dedicate a substantial portion of our cash flows from operations to payments on our debt. We will also be subject to the risk that certain covenants in connection with any future borrowings may limit or otherwise adversely affect our operations and our ability to make distributions to our Unitholders. Any or all of the above restrictive covenants may restrict our ability to conduct business and any breach thereof may adversely affect our results of operations, cash flows and financial condition.

Restrictions imposed by the RBI may limit our ability to borrow from overseas for projects under development and could therefore constrain our ability to obtain financing on competitive terms and refinance existing indebtedness. In addition, there can be no assurance that any required regulatory approvals or borrowing in foreign currencies will be granted to us without onerous conditions, or at all.

Our future growth will be derived primarily from our value accretive acquisition strategy, which will be focused primarily on acquiring transmission and renewable energy projects that provide attractive cash flows. We may also propose to fund the consideration (in whole or in part) for future acquisitions through the issuance of additional Units. However, we may not be able to complete the issuance of the required number of Units on short notice or at all due to a lack of investor demand for the Units, market conditions, for other external factors that are not in our control, or at prices that it considers to be in the interests of then-existing Unitholders. As a result of a lack of funding, we may not be able to pursue our value accretive acquisition strategy successfully. Potential vendors may also view the prolonged time frame and lack of certainty generally associated with the raising of equity capital to fund any such purchase negatively and may prefer other potential purchasers.

26. Restrictions on solar equipment imports, may increase our business costs.

Certain equipment such as solar module panels, are imported. Any restrictions, either from the central or state/provincial governments, or from any other authorised bilateral or multilateral organisations or because of sanctions, on such imports may adversely affect our business, results of operations, cash flows and prospects. Further, there is a possibility that, as in certain countries, additional duties may be imposed in India on the equipment we import. For example, Ministry of New Renewable Energy (MNRE) introduced the Approved List of Models and Manufacturers of Solar Photovoltaic Modules (Requirements for Compulsory Registration) Order (the "**ALMM Order**") on January 2, 2019 which was implemented when the first list of module manufacturers was issued on March 10, 2021. Only the models and manufacturers included in ALMM List-I (of solar PV modules) are eligible for use in government projects/ government assisted projects/ projects under government schemes & programmes/ open access / net-metering projects, installed in the country, including projects set up for sale of electricity to government under the guidelines issued by central government under section 63 of Electricity Act, 2003 and amendment thereof. Further, MNRE has issued a memorandum proposing implementation of List II of solar PV cells manufacturers which would be effective from June 1, 2026. These mandates will result in an increase in our input costs for our solar business, and, if the consequent increased costs cannot be passed on to off-takers, our margins will correspondingly decrease.

27. We are exposed to opposition from local communities and other parties such as through litigation or by other means, which may adversely affect our financial condition, results of operations and cash flows.

The operation of our power transmission systems and substation projects, particularly during phases of capacity augmentation, may have significant consequences on grazing, logging, agricultural activities, mining, and land development as well as on the ecosystem of the affected areas. The environmental and social impact, including disruption to livelihoods of local communities, of a particular transmission project typically depends on the location of the project and the surrounding ecosystem. Furthermore, the operation of our power transmission systems may disrupt the activities and livelihoods of local communities, especially during capacity augmentation and other development related activities. Repair work on power transmission projects may be delayed to resolve local community concerns.

Our Portfolio Assets could be subject to opposition, such as through litigation or by other means, from public interest groups, local communities or non-governmental organisations, in relation to use of rights of way for operation and maintenance activities and its impact economically and socially, which may adversely affect our financial condition, results of operations and cash flows. Repair work on a power transmission project may similarly be delayed to resolve local community concerns.

In addition, there are various legal proceedings pending against the Portfolio Assets with respect to land on which the Portfolio Assets have right of way, for the purposes of construction of the transmission lines, most of which relate to demands for increased compensation by landowners. See "*Legal and other Information*" on page 398.

28. Our operations are subject to environmental, health and safety laws and regulations.

Our operations are subject to various environmental laws and regulations in various locations in India where our InvIT Assets operate. Although most applicable environmental approvals were obtained prior to completion of construction of the InvIT Assets (with a few environmental approvals such as fire and borewell approvals obtained during the operational phase of DMTCL), laws and regulations in India in this regard have, and may continue to, become more stringent. Stricter laws and regulations, or stricter interpretation of the existing laws and regulations, may impose new liabilities on the InvIT Assets, which could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows. For further details, see "*Regulations and Policies*" on page 379.

The personnel working on our power transmission projects and solar project are exposed to risks. If safety procedures are not followed or if certain materials used in power substations and transmission equipment are improperly handled, it could lead to injuries or fatalities to such persons, damage our InvIT Assets' properties and properties of others, or harm the environment. This could result in significant disruption in our businesses and to legal and regulatory actions, which could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows.

As central and local governments may take steps towards the adoption of more stringent environmental, health and safety regulations, and there can be no assurance that we will at all times be in compliance with these regulatory requirements. If there is any change in the environmental, health and safety regulations to which we are subject, we may need to incur substantial capital expenditures to comply with such new regulations. The costs of complying with current and future environmental, health and safety laws and the liabilities arising from failure to comply with applicable regulatory requirements may adversely affect our business, financial condition, cash flows and results of operations.

29. Our success depends in large part upon the Investment Manager and Project Manager, the management and personnel that they employ, and their ability to attract and retain such persons.

Our ability to make consistent distributions to our Unitholders depends on the continued service of management teams and personnel of the Investment Manager and Project Manager. Each of the Investment Manager and Project Manager may face challenges in recruiting and retaining a sufficient number of suitably skilled personnel. Generally, there is significant competition for management and other skilled personnel in our industry in India, and it may be difficult to attract and retain the skilled personnel that the Investment Manager and Project Manager need for our operations. Furthermore, the Investment Manager and Project Manager may not be able to adequately redeploy and retrain their employees to keep pace with evolving industry standards and changing customer preferences. The loss of key personnel of either of the Investment Manager or the Project Manager may have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

30. Our insurance policies may not provide adequate protection against various risks associated with our operations.

Our operations are subject to a number of risks and hazards generally associated with the transmission of electricity. These risks include equipment failure, work accidents, fires, earthquakes, floods, unlawful acts by third-parties, and other *force majeure* events. These risks can cause personal injury and loss of life and damage to, or the destruction of, property and equipment (including infrastructure developed by us) and may result in the limitation or interruption of our business operations and the imposition of civil or criminal liabilities. Our insurance policies may not be sufficient to cover material losses that we may incur in the future and we may not be able to renew our insurance arrangements, which typically extend for a period of one year, on similar terms or at all. If our losses significantly exceed our insurance coverage, cannot be recovered through insurance, or occur during a period during which insurance coverage had lapsed, our business, prospects, financial condition, results of operations and cash flows could be materially and adversely affected.

In addition, we may not be able to maintain insurance of the types or at levels which the Portfolio Assets deem necessary or adequate, or at rates which they consider reasonable, in particular, in case of significant increases in premium levels at the time of renewing their insurance policies or lack of availability of insurance companies to underwrite these risks. The costs of higher insurance premiums could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows. Furthermore, the occurrence of an event for which we are not adequately or sufficiently insured, the successful assertion of one or more large claims against us that exceed available insurance coverage, or changes in our insurance policies (including premium increases or the imposition of large deductible or co-insurance requirements), could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

31. We may be unable to adapt to technological changes relevant to operations of our InvIT Assets.

Our future success will depend in part on our ability to respond to technological advances and emerging industry standards and practices on a cost-effective and timely basis. We need to continue to invest in new and more advanced technologies and equipment to enable us to respond to emerging power transmission industry standards and practices in a cost-effective and timely manner that is competitive with other transmission and substation projects. Further, the technology requirements for businesses in the solar energy sectors are subject to continuing change and development. Some of our existing technologies and processes in the solar energy business may become obsolete or perform less efficiently compared to newer and better technologies and processes. The cost of upgrading or implementing new technologies, upgrading our existing equipment or expanding capacity could be significant and may adversely affect our results of operations and cash flows.

The development and implementation of such technology entails significant technical and business risks. We cannot assure you that we will successfully implement new technologies effectively or adapt our processing systems to customer requirements or emerging industry standards. If we are unable, for technical, legal, financial or other reasons including compatibility issues, to adapt in a timely manner or at all, to changing market conditions, customer requirements or technological changes, our business and financial performance could be adversely affected. Furthermore, we may be unable to adapt to or cope with the emergence of any unknown or unanticipated technologies which are disruptive in nature, which could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

32. We are subject to counterparty default risks.

Our Sponsor and Investment Manager have and will enter into arrangements with a number of third-parties in relation to the InvIT Assets as well as the ROFO Assets. As a result, we are subject to the risk that the counterparty to one or more of these arrangements will default, either voluntarily or involuntarily, on its performance under the terms of the arrangement. A counterparty may default with or without notice, and we may be unable to take timely action or otherwise be compensated for the loss such default may cause, either because of lack of contractual ability to do so or because market conditions make it difficult to take effective action. If one of our counterparties becomes insolvent or files for bankruptcy, our ability eventually to recover any losses suffered as a result of that counterparty's default may be limited by the impaired liquidity of the counterparty or the applicable legal regime governing the bankruptcy proceeding. In the event of such a default, we could incur significant losses, which could harm our business and adversely affect our results of operations, cash flows and financial condition.

33. We depend on third-party contractors for certain operations who may violate applicable laws and regulations.

We may undertake operations and maintenance, and other related activities with respect to our transmission and substation projects through third-party contractors. Our selection criteria for contractors is primarily based on the technical experience and financial position requirements of the projects. Prior to engaging any contractor, we endeavour to ensure that their capacity and capability, including their quality control systems, are adequate for contract execution. There can be no assurance that our contractors will not violate any applicable laws and regulations in their provision of services. If any of our contractors is involved in any material breach of applicable laws and regulations which leads to termination of the relevant contracting agreement and we are unable to identify any substitute, our business operations or planned expansion projects may be adversely affected. Furthermore, our Project Manager may also be liable for the default by contractors on wage payments, or any violation by them of the applicable laws and regulations.

34. Upgrading or renovation work or physical damage to our power transmission projects and solar project (Target Asset) may disrupt their operations and result in unforeseen costs.

Our power transmission projects and solar project may need to undergo upgrading, renovation or repair work from time to time to maintain their optimal operating condition and may also require unforeseen ad hoc maintenance or repairs in respect of faults or problems that may develop, or on account of changes pertaining to operations and maintenance. Our power transmission projects and solar project may suffer some disruptions and it may not be possible to continue operations on areas affected by such upgrading or renovation work. For instance, four towers of DMTCL got washed away previously due to a major river changing its course. While the respective towers were subsequently moved to pile foundations without impacting our revenue, there can be no assurance that such incidents will not occur in the future and that they will not impact our operations and revenue significantly. For further details, see *"Risk Factors – We may experience loss of tariffs, grid failure, blackouts, and incur significant repair and replacement costs on the occurrence of certain force majeure events"* on page 134. In addition, physical damage to power transmission projects resulting from fire, floods, severe weather, climatic changes or other causes may lead to a significant disruption to, or a long-term cessation of, business and operations and, together with the foregoing, may result in unforeseen costs which may have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

35. Our results of operations and cash flows may be affected by strikes, work stoppages or increased wage demands by employees or other disputes with employees.

The Sponsor who has been appointed as the Project Manager to operate and maintain our InvIT Assets has full-time employees focused on certain aspects of operations and maintenance of our transmission systems. We may experience disruptions in our operations due to disputes or other problems with labour, and efforts by workers to modify compensation and other terms of employment may divert our management's attention and increase operating expenses. The occurrence of such events could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows.

The Project Manager and our InvIT Assets enter into contracts with independent contractors to complete specified assignments and these contractors are required to source the labour necessary to complete such assignments. Under Indian law, the Project Manager and InvIT Assets may be held responsible for wage payments to laborers engaged by contractors, should the contractors default on wage payments. Any requirement to fund such payments may materially and adversely affect our business, prospects, financial condition, results of operations and cash flows. Furthermore, pursuant to the provisions of the Contract Labour (Regulation and Abolition) Act, 1970, the Project Manager and our InvIT Assets may be required to absorb a portion of the wage payments due to such contract laborers that they employ as if they were their employees, including for contract labour engaged indirectly in the operations of the Anzen Trust.

36. This Preliminary Placement Document contains information from Technical Reports which we have commissioned.

The Technical Consultant has prepared the Technical Reports concerning the InvIT Assets, information of which are contained in this Preliminary Placement Document. We have paid for and commissioned the Technical Reports for the purposes of conducting a technical assessment of the InvIT Assets. The Technical Reports have been prepared based on information as of specific dates and may no longer be current or reflect current trends. Opinions in the Technical Reports based on estimates, projections, forecasts and assumptions may prove to be incorrect. The Technical Reports are subject to various limitations and are based upon certain bases, estimates and assumptions that are subjective in nature and that are based, in part, on information provided by and discussions with or on behalf of us, the seller, the Sponsor and the Investment Manager. There can be no assurance that the bases, estimates and assumptions adopted by the Technical Consultant for the purposes of preparing the Technical Reports will prove to be accurate. Future reports for the InvIT Assets could be materially different from those that are set forth in the Technical Reports and this Preliminary Placement Document.

The Technical Consultant is an independent technical consultant and has advised that while it has taken due care and caution in preparing the Technical Reports based on the information obtained by the Technical Consultant from sources which it considers reliable, it does not guarantee the accuracy, adequacy or completeness of the Technical Reports or the data therein and is not responsible for any errors or omissions or for the results obtained from the use of Technical Reports or the data therein.

37. As a shareholder of our Portfolio Assets and proposed shareholder of the Target Asset, the Anzen Trust's rights are subordinated to the rights of creditors, debt holders and other parties specified under Indian law in the event of insolvency or liquidation of any of the InvIT Assets.

In the event of insolvency or liquidation of any of the InvIT Assets, secured and unsecured creditors of such InvIT Assets will be entitled to payment in full from the insolvency or liquidation proceeds in priority to us in our capacity as an equity shareholder of the Portfolio Assets and proposed shareholder of the Target Asset. Furthermore, under the Insolvency and Bankruptcy Code, 2016 (the "**Bankruptcy Code**") in the event of winding-up of any of the InvIT Assets, workmen's dues and debts due to secured creditors which rank *pari passu* are required to be paid in priority over all other outstanding debt, followed by wages and salaries of employees, debts due to unsecured creditors, any amounts due to the central or state government, any other debts, preference shareholders and equity shareholders. Further, amounts payable to us in respect of any unsecured debt issued by our InvIT Assets will be subordinated in the manner set forth above. Moreover, the Bankruptcy Code provides for reorganisation and insolvency resolution of corporate persons. It allows creditors to assess the viability of a debtor as a business decision, and agree upon a plan for its revival or a speedy liquidation. If the Bankruptcy Code provisions are invoked against the InvIT Assets, it may adversely affect our ability to pay back creditors and enforcement of creditor rights will be subject to the Bankruptcy Code.

Under the terms of the TSAs executed by the Portfolio Assets with the LTTCs, the Portfolio Assets are not permitted to create or permit to subsist any encumbrance over all or any of their rights and benefits under the TSAs. However, the Portfolio Assets are permitted to create any encumbrance over all or part of the receivables, including those under the TSAs, letter of credit or the other assets of the Portfolio Assets in favour of lenders or representatives of lenders on their behalf, as security for amounts payable under the financing agreements with such lenders, subject to the conditions specified under the TSAs. Accordingly, as a shareholder in our Portfolio Assets, the Anzen Trust's rights are subordinate to the rights of creditors, debt holders and other third parties in the event of insolvency or liquidation of any of our Portfolio Assets.

Furthermore, under the terms of the PPA executed by the Target Asset with SECI, the Target Asset shall not create or permit to subsist any encumbrance over all or any of its rights and benefits under the PPA. However, the Target Asset is permitted to create any encumbrance over all or any of its rights and benefits, in favour of project lenders or representatives of lenders on their behalf, as security for debt under the financing agreements with such lenders, subject to the conditions specified under the PPA. Accordingly, being a shareholder of the Target Asset, the Anzen Trust's rights will be subordinate to the rights of creditors, debt holders and other third parties in the event of insolvency or liquidation of the Target Asset.

38. We may be required to record significant charges to earnings in the future when we review our power transmission assets and solar assets for potential impairment.

Under Ind AS, we are required to review our power transmission assets for impairment whenever circumstances indicate that the carrying value may not be recoverable. Various uncertainties, including deterioration in the global economic conditions that result in upward changes in cost of capital, the occurrence of natural disasters that impact our power transmission assets and solar assets, adverse weather conditions, labour disputes, disputes with contractors, accidents, changes in government priorities and policies, changes in applicable legislation, regulations and rules, changes in market or economic conditions, delays in obtaining the requisite licenses, unavailability of spare parts and equipment, and other unforeseeable problems and circumstances, could impact expected cash flows to be generated by such assets, and may result in impairment of these power transmission assets and solar assets in the future. The Portfolio Assets are currently classified under Ind AS 16 – Property, Plant and Equipment. However, the carrying amounts of the Portfolio Assets are being reviewed for impairment in accordance with Ind AS 36, Impairment of Assets.

We may be required in the future to record a significant charge to earnings in our financial statements during the period in which any impairment of our power transmission assets and solar assets is determined. While no such impairment has occurred in respect of the Portfolio Assets, notwithstanding that any such impairment would be a non-cash expense, any such charges will likely have a material adverse effect on our results of operations and cash flows.

39. There are risks associated with the expansion of our business.

As part of our growth strategy, we may expand our business which may prove more difficult or costly than anticipated. We may also seek to generate non-transmission revenue through various avenues, including setting-up a renewable energy generation asset and leasing space for telecom service providers for equipment installations. Entry into such non-transmission avenues may be risky and expensive, and there can be no assurance that we will be able to adequately monetize our expansion in these areas due to the cost of implementing new technologies, upgrading networks, slowdown in investments and various uncertainties in the Indian telecom sector, regulations issued by CERC which require the sharing of revenue from power transmission projects or if we will be able to obtain requisite approvals from CERC or the LTTCs or any other authority.

40. Industry information included in this Preliminary Placement Document has been derived from an industry report commissioned and paid for by us exclusively in connection with the Issue.

The information in the section entitled "*Industry Overview*" on page 198 is based on the report prepared by CARE Analytics and Advisory Private Limited (CareEdge Research). The CARE Report has been prepared based on information as of specific dates and may no longer be current or reflect current trends. Moreover, the CARE Report is subject to various limitations and based upon certain assumptions that are subjective in nature. Due to discrepancies between published information and market practice and other problems, the statistics herein may be inaccurate or may not be comparable to statistics produced for other economies. Furthermore, there is no assurance that they are stated or compiled on the same basis or with the same degree of accuracy as may be the case elsewhere. Statements from third parties that involve estimates are subject to change, and actual amounts may differ materially from those included in this Preliminary Placement Document.

41. We may experience loss of tariffs, grid failure, blackouts, and incur significant repair and replacement costs on the occurrence of certain force majeure events.

In the event that any of our power transmission projects or solar project are rendered inoperable due to force majeure events, there can be no assurance that we will be able to successfully apply to obtain a deemed availability certificate to receive tariffs under the force majeure provisions under the TSA, or that our insurance will reimburse us for repair and replacement costs, either partially or fully for the period of such force majeure event, which could materially affect our business, prospects, financial condition, results of operations and cash flows. The rights as well as obligations of our Portfolio Assets may be affected by the occurrence of force majeure events specified in the TSAs, which include natural disasters such as earthquakes, volcanic eruptions, landslides, floods, and non-natural events such as wars, terrorist activities, and compulsory acquisition by a governmental authority in India. For instance, four towers of DMTCL got washed away previously as a result of a major river changing its course and our substation in Darbanga was damaged due to floods in the region in the past. As the incident was approved as a *force majeure* event under the TSA, our availability levels, and consequently our revenue, remained unimpacted as the transmission lines that were disrupted as a result continued to be deemed available by the relevant regulatory authorities in India. The towers were subsequently moved to pile foundations without impacting our revenue and part of the capital expenditure incurred for the rectification works was recovered from Essel Infraprojects Limited as part of the consideration for the acquisition of DMTCL. In addition, the cost of the damaged towers was eventually covered by insurance. While the revenue from DMTCL remained unimpacted, there can be no assurance that such incidents will not occur in the future and if they do, that such incidents would not significantly impact our operations and revenue or increase our capital expenditure. In the event that any of our power transmission projects are rendered inoperable due to force majeure events as categorised in the TSAs, there can be no assurance that we will be able to successfully apply to obtain the benefit of excluding such period from availability calculations, thereby enabling us to receive tariffs under the force majeure provisions under the TSA, or that our insurance will reimburse us for repair and replacement costs, either partially or fully for the period of such force majeure event, which could materially affect our business, prospects, financial condition, results of operations and cash flows.

42. The TSAs, power transmission assets and the transmission licenses of the Portfolio Assets are of limited duration and may not be renewed/ replaced.

Our TSAs have a term of 35 years and any renewal is subject to CERC's discretion. Furthermore, the average remaining term of the TSAs of the Portfolio Assets is approximately 28 years. For details regarding the commercial operation date and the dates of expiry of the TSAs of the Portfolio Assets, please see the section entitled "*Our Business –Portfolio Assets*". There can be no assurance that we can replace our physical assets or renew our TSAs on acceptable terms in a timely manner, or at all, which may affect our results of operations, financial condition and cash flows.

Furthermore, while the TSAs have a duration of up to 35 years, the transmission licenses issued by CERC are valid only for a period of 25 years from the date of issue of the transmission license. There can be no assurances that these licenses will be renewed in a timely manner or at all, which may affect our results of operations and cash flows. For further details in relation to the licenses, see "*Regulatory Approvals*" on page 394.

43. The PPA entered into by our Target Asset has a fixed term and may be terminated by the counterparty upon the occurrence of certain events.

The PPA for our Target Asset is a fixed-term agreement, i.e., a term of 25 years from the SCOD of the solar asset and typically allows SECI to terminate the agreement upon the occurrence of certain events, including, amongst others:

- failure to commence or continue supply of contracted capacity to SECI;
- transfer or novation of any of the rights or obligations of the Target Asset under the PPA in any manner contrary to the provisions of the PPA;
- the Target Asset becomes voluntarily or involuntarily the subject of any bankruptcy or insolvency or winding up proceedings;
- change in controlling shareholding of the Target Asset.

As a result, we cannot provide any assurance that PPA containing such provisions will not be terminated. Moreover, there can be no assurance that, in the event of termination of a PPA, we will not be exposed to additional legal liability or be able to enter into a replacement PPA. Any replacement PPA may be on terms less favourable to us than the PPA that was terminated.

In the event the PPA is terminated under such provisions, on the occurrence of certain events, and if it is not replaced on similar terms, our results of operations, cash flows and financial condition may be adversely affected. Further, the PPA provides for a fixed term, subject to some variations and extension as permitted under the agreement or as may be granted by SECI. There is no assurance that SECI will grant any extensions in the future.

44. The Valuation Reports, and any underlying reports, are not opinions on the commercial merits of the Anzen Trust or the InvIT Assets, nor are they opinions, expressed or implied, as to the future trading price of our Units or financial condition upon listing, and the valuation contained therein may not be indicative of the true value of our assets.

S. Sundararaman has been appointed as an independent valuer under the provisions of the InvIT Regulations for the purpose of valuation of the InvIT Assets. The Valuer has issued the Valuation Reports, which set out their opinion as to the fair enterprise value of the Portfolio Assets as at March 31, 2024 and the Target Asset as at June 30, 2024. In order to issue the Valuation Reports, the Valuer based certain assumptions to estimate the fair enterprise value of the InvIT Assets using the discounted cash flow method on information provided by and discussions with or on behalf of us, the Sponsor and the Investment Manager, and which reflects current expectations and views regarding future events and, therefore, necessarily involves known and unknown risks and uncertainties. The Valuation Reports contain forecasts, projections and other "forward-looking" statements that relate to future events, which are, by their nature, subject to significant risks and uncertainties. The future events referred to in these forward-looking statements involve risks, uncertainties and other factors which may cause the actual results or performance to be materially different from any future results or performance expressed or implied by the forward-looking statements. For further details, please see the "*Valuation Reports*" attached as Annexure A to this Preliminary Placement Document.

Furthermore, not all assumptions used in the preparation of the Valuation Reports have been included herein. The Valuation Reports are not an opinion on the commercial merits and structure of the Anzen Trust or the InvIT Assets nor is it an opinion, expressed or implied, as to the future trading price of our Units or our financial condition upon listing. The Valuation Reports do not purport to contain all the information that may be necessary or desirable to fully evaluate us or the InvIT Assets or an investment in the Anzen Trust or our Units. The Valuation Reports are not based on a comprehensive review of the business, operational or financial condition of the InvIT Assets and, accordingly, makes no representation or warranty, expressed or implied, in this regard. The Valuation Reports do not confer rights or remedies upon investors or any other person and do not constitute and should not be construed as any form of assurance as to the financial condition or future performance of the Anzen Trust or as to any other forward-looking statements included therein, including those relating to certain macro-economic factors, by or on behalf of the Sponsor, the Investment Manager, the Project Manager or the Anzen Trust. Furthermore, we cannot assure you that the valuation reports prepared by the Valuer reflect the true value of the net future revenues of the InvIT Assets, or that other valuers would arrive at the same valuation. Accordingly, the valuation contained therein may not be indicative of the true value of the InvIT Assets. The Valuation Reports have not been updated since the date of their issue, do not take into account any subsequent developments and should not be considered as a recommendation by the Sponsor, the Investment Manager, the Project Manager, the Anzen Trust or any other party that any person should take any action based on the Valuation Reports. Accordingly, prospective investors should not unduly rely on the Valuation Reports in making an investment decision to purchase Units in the Anzen Trust.

45. ***The Financial Statements presented in this Preliminary Placement Document may not be indicative of our future financial condition, results of operations and cash flows.***

The financial statements included in this Preliminary Placement Document may not be comparable to our financial statements in the future, including on account of the acquisitions of eligible infrastructure assets in the power transmission, renewable energy sectors and other in accordance with our Investment Objectives, business strategy and related transactions.

46. Our contingent liability could adversely affect our financial condition, results of operations and cash flows.

As at December 31, 2024, our contingent liabilities disclosed in the unaudited interim consolidated financial results (as per Ind AS 37 – *Provisions, Contingent Liabilities and Contingent Assets*) were as set forth below:

Particulars	**December 31, 2024**
	(₹ millions)
Other matters	75.69

If any of our contingent liabilities materialise, it could have an adverse effect on our financial condition, results of operations and cash flows.

47. We may be subject to significant disruptions of information technology systems or breaches of cyber security and data security.

Our business is dependent upon information technology systems, including internet-based systems, to support business processes. The complexity of our computer systems may make them potentially vulnerable to breakdown, malicious intrusion and computer viruses. The proper functioning of our technology infrastructure is essential to the conduct of our business. Our technological systems may experience service interruptions or other performance problems because of, amongst other, hardware and software defects or malfunctions, unexpected high volume of transactions, cyberattacks and cyber-security breaches, infrastructure changes, human error, natural disasters, power losses, disruptions in telecommunications services, unauthorized access, fraud, military or political conflicts, terrorist attacks, legal or regulatory takedowns, computer viruses, ransomware, malware, or other events. In some instances, we may not be able to identify the cause of these performance problems within a reasonable period of time.

Further, as techniques used to obtain unauthorized access to or sabotage systems change frequently and may not be known until launched against us, we may be unable to anticipate, or implement adequate measures to protect against, these attacks. Our insurance coverage may not be sufficient to cover all of our losses that may result from interruptions in our service as a result of systems failures and similar events and we may need to expend significant financial and development resources to analyze, correct, or eliminate errors or defects or to address and eliminate vulnerabilities. Any failure to timely and effectively resolve any such errors, defects, or vulnerabilities or recover data could adversely affect our business, financial condition, cash flows and results of operations. There is no assurance that we will be able to successfully claim such insurance coverage. While our InvIT assets have not yet been impacted by information security breaches, we cannot assure you that we will not encounter disruptions to our information technology systems in the future and any such disruption may result in the loss of key information or disruption of our business processes, which could adversely affect our business and results of operations and cash flows. In addition, our systems are potentially vulnerable to data security breaches, whether by employees or others that may expose sensitive data to unauthorized persons. Any such security breaches could have an adverse effect on our business and reputation.

48. We do not own the "Anzen" trademark or logo. Our trademark application for "Anzen" mark and the logo, may be rejected and our ability to use the trademark and logo may be impaired.

The application for the trademark for "Anzen" and the logo was submitted on July 29, 2022. Our ability to use the trademark and logo may be seriously impaired if our trademark application is rejected, as and when submitted. As a result, we will be required to cease the use of "Anzen" and the logo which may have a material, adverse effect on the operations of the Anzen Trust and require the management's time and attention. In the absence of a registration of the trademark and logo under the Trademarks Act, 1999, we will not enjoy the statutory protections accorded to a registered mark or logo, and may not be able to initiate an infringement action against a third party for use of the logo and a passing off action might not be sufficient protection until such time as the registration for the trademark or logo is granted.

49. The registered offices of the Anzen Trust, Investment Manager and Sponsor are not owned by the respective parties.

The registered offices of each of the Anzen Trust, Investment Manager and Sponsor are located on premises which are not owned by the respective parties and are occupied based on no objection certificates/ lease and license arrangements. The parties may not be able to renew or extend these agreements at commercially acceptable terms, or at all. Further, the parties may be required to re-negotiate rent or other terms and conditions of such agreements during their currency and may also be required to vacate the premises at short notice and may not be able to obtain alternate location in a short span of time. Any such action may adversely affect the business operations, financial conditions, cash flows and results of operations of the Anzen Trust, Investment Manager and Sponsor.

Risks Related to our Organisation and Structure

50. Changes in government regulation could adversely affect our profitability, prospects, results of operations, cash flows and ability to make distributions to our Unitholders.

Regulatory changes in India, particularly in respect of the InvIT Regulations and other taxation legislations could expose us to greater tax liability than our estimates. The application of various Indian sales, value-added and other tax laws, rules and regulations to our services, currently or in the future, may be subject to differing or stricter interpretation by applicable authorities, which could result in an increase in our tax payments (prospectively or retrospectively) and/or subject us to penalties, which could affect our business operations, profitability, results of operations and cash flows, and affect our ability to make distributions to our Unitholders.

51. We depend on the Investment Manager, the Project Manager and the Trustee to manage our business and assets, who may fail to perform satisfactorily. The rights of the Anzen Trust and the rights of the Unitholders to recover claims against the Project Manager, the Investment Manager or the Trustee may be limited.

The Sponsor is also acting as the Project Manager in respect of the Anzen Trust under the PIMA, and is responsible for implementing, operating, maintaining and managing our power transmission projects and solar project as per the terms and conditions of the respective operation and maintenance agreements and the InvIT Regulations. EAAA Real Assets Managers Limited is acting as the Investment Manager in respect of the Anzen Trust under the Investment Management Agreement, in accordance with the InvIT Regulations. The success of our business and growth strategy and the operational success of our transmission systems will depend significantly upon the managers' satisfactory performance of these services. Our recourse against the Project Manager, the Trustee and Investment Manager is limited. The aggregate maximum liability of the Project Manager under the PIMA in each financial year is limited to an amount equivalent to one month's fees payable to the Project Manager in such financial year in accordance with the terms of the PIMA except in the event that such liability arises out of any gross negligence, wilful default, wilful misconduct or fraud on the part of the Project Manager, as determined by a court of competent jurisdiction. If the Trustee is required by the InvIT Regulations or any applicable law to provide information regarding the Anzen Trust or the Sponsor or the Unitholders, the investments made by the Anzen Trust and income therefrom and provisions of such presents, and complies with such request in good faith, whether or not it was in fact enforceable, the Trustee is not liable to the Unitholders or to any other party as a result of such compliance or in connection with such compliance. The Trustee is also not liable on account of anything done or omitted to be done or suffered by the Trustee in good faith in accordance with, or in pursuance of any request or advice of the Investment Manager. Furthermore, the Trustee is not liable for any act or omission or (as the case may be) failing to do any act or thing which may result in a loss to a Unitholder, except in the event that such loss is a direct result of fraud, gross negligence, or willful default on the part of the Trustee or results from a breach by the Trustee of the Trust Deed, as determined by a court of competent jurisdiction. The Investment Manager's liability to the Trustee, its directors, employees and officers for breach of its obligations under the Investment Management Agreement in each financial year is limited to the aggregate fees paid to the Investment Manager for the immediately preceding financial year under the agreement, except in the event that such liability arises out of any gross negligence, wilful default or misconduct or fraud of the Investment Manager, as determined by the competent court of jurisdiction. Furthermore, the Investment Manager is not liable for any act or omission which may result in a loss to a Unitholder, except in the event that such loss is a result of the Investment Manager's fraud or gross negligence or wilful default. Accordingly, the Unitholders may not be able to recover claims against the Project Manager, the Trustee or the Investment Manager.

If the management agreements were to be terminated or if their terms were to be altered, our business could be adversely affected, as the Trustee may not be able to immediately replace such services, and even if replacement services were immediately available, the terms offered or obtained with the new managers could be less favourable than the ones currently offered by the Investment Manager and the Project Manager.

52. There may be conflicts of interest between the Anzen Trust, the Investment Manager, the Project Manager or the Sponsor.

The Sponsor and its affiliates are engaged in the business of infrastructure assets. Furthermore, the Sponsor/ Project Manager also provides consultancy, project management, and operation and maintenance services in the infrastructure industry including for transmission and renewable energy assets of third parties. All of these activities could significantly divert the time and resources of the Sponsor/ Project Manager and may adversely affect our business, prospects, financial condition, results of operations and cash flows.

There can be no assurance that our interests will not conflict with those of the Investment Manager, Sponsor, its subsidiaries and Associates, in relation to matters including but not limited to future acquisitions of power transmission and renewable energy businesses.

53. We have entered into material related party transactions and may continue to do so in the future, which may potentially involve conflict of interests with the Unitholders.

The transactions resulting from the PIMA, the Investment Management Agreement, the Securities Purchase Agreements, the Trust Loan Agreement and the ROFO Agreements are related party transactions and their terms may not be deemed as favorable to us as if they had been negotiated solely amongst unaffiliated third parties. In addition, the Portfolio Assets have in the past entered into transactions with the Project Manager in the ordinary course of their business and all such transactions have been conducted on an arm's length basis. Furthermore, it is likely that we will enter into additional related party transactions in the ordinary course of our business. There can be no assurance that related party transactions we may enter into from time to time may not be made on more favourable terms with unrelated parties, and there can be no assurance that related party transactions we may enter into in the future, individually or in the aggregate, could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows. For additional details, see *"Related Party Transactions"* and *"Parties to the Anzen Trust"* on pages 376 and 155, respectively.

54. Our InvIT Assets, the Sponsor (and Project Manager), the Investment Manager and their respective Associates and the Trustee are involved in certain legal proceedings.

From time to time, our InvIT Assets, the Investment Manager, the Sponsor, their respective Associates and the Trustee may be involved in litigation, claims and other proceedings relating to the conduct of their business, including regulatory claims, compensation and contractual claims, civil matters, criminal matters and tax disputes. Any claims could result in litigation against us, the Investment Manager, the Sponsor and their respective Associates, the Target Asset and the Trustee, and could also result in regulatory proceedings being brought against us by various government and state agencies that regulate our businesses. Often, these cases raise complex factual and legal issues, which are subject to risks and uncertainties and which could require significant time from the operation and management of our InvIT Assets. Litigation and other claims and regulatory proceedings against the InvIT Assets or their management could result in unexpected expenses and liabilities and could also materially and adversely affect our business, prospects, financial condition, results of operations and cash flows.

Currently, there are outstanding legal proceedings against our InvIT Assets that are incidental to their business and operations. These proceedings are pending at different levels of adjudication before various courts, tribunals, enquiry officers and regulatory commissions. Such proceedings could divert management time and attention, and consume financial resources in their defense. Furthermore, an adverse judgment in some of these proceedings could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows. In addition, the Sponsor (also acting as the Project Manager) and its Associates and the Trustee are involved in litigation, claims and other proceedings relating to the conduct of their businesses, including compensation claims, civil matters, criminal matters and tax disputes. Any unfavourable decision in such litigation and/ or regulatory proceedings could harm our reputation and materially and adversely affect our business, prospects, financial condition, results of operations and cash flows. For details of such material litigation, please see the section entitled "*Legal and Other Information*" on page 398.

Under the Securities Purchase Agreements, the Anzen Trust has agreed that the claims made by the Portfolio Assets, as identified and subject to the provisions of the Securities Purchase Agreements and as disclosed in the section entitled "*Legal and Other Information – Litigation involving the Anzen Trust and its Associates*" on page 398, shall be to the account of the Sponsor and subject to applicable law, shall be transferred by the Anzen Trust to the Sponsor.

55. Parties to the Trust are required to satisfy the eligibility conditions specified under Regulation 4 of the InvIT Regulations on an ongoing basis.

Each of the Parties to the Anzen Trust is required to satisfy the eligibility conditions specified in the InvIT Regulations on an ongoing basis. These eligibility conditions include ensuring that (a) the Sponsor, Investment Manager and Trustee are separate entities; (b) the Sponsor has a net worth of not less than ₹ 1,000 million and has a sound track record in the development of infrastructure or fund management in the infrastructure sector; (c) the Investment Manager has a net worth of not less than ₹ 100 million and has not less than five years' experience in fund management or advisory services or development in the infrastructure sector or the combined experience of the directors, partners and employees of the Investment Manager in fund management or advisory services or development in the infrastructure sector is not less than 30 years; (d) the Trustee is registered with the SEBI under Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993 and is not an Associate of the Sponsor or Investment Manager; and (e) Anzen Trust and Parties to the Anzen Trust are "fit and proper persons" as defined under Schedule II of the Securities and Exchange Board of India (Intermediaries) Regulations, 2008 on an ongoing basis. We may not be able to ensure such ongoing compliance by the Anzen Trust, Sponsor, the Investment Manager, the Project Manager and the Trustee, which could result in the cancellation of the registration of the Anzen Trust as an infrastructure investment trust. Further, due to the nature of its structure, the Anzen Trust may be unable to dispose off its non-performing assets or under-performing assets in a timely manner, or at all. For example, under the InvIT Regulations, any asset acquired by the Anzen Trust is required to be held for a period of at least three years from the date of acquisition. As a result, no assurance can be given that the Anzen Trust may be able to adapt to market developments, changes in asset quality, or adverse macroeconomic factors in a way comparable to, or competitive with, its competitors (whether the Anzen Trust's or public/ private companies). Any inability to dispose off non-performing assets may in turn adversely affect the financial condition, business and prospects of the Anzen Trust, as well as distributions to the Unitholders.

56. We are governed by the provisions of, amongst others, the InvIT Regulations and the Securities Contracts (Regulation) Act, 1956 ("SCRA"), the implementation and interpretation of which, is evolving. The evolving regulatory framework governing infrastructure investment trusts in India may have a material adverse effect on the ability of certain categories of investors to invest in the Units, our business, financial condition, cash flows and results of operations and our ability to make distributions to the Unitholders.

The SEBI issued the InvIT Regulations with effect from September 26, 2014. The regulations have been amended and supplemented with additional guidelines, notifications and circulars from time to time. Recently, SEBI has issued amendments to the InvIT Regulations, dated September 26, 2024, and the Master Circular for Infrastructure Investment Trusts dated May 15, 2024. The SEBI has also revised pricing methodology for institutional placements of privately placed InvITs by way of a circular dated February 8, 2024.

As the regulatory framework governing infrastructure investment trusts in India comprises a separate set of regulations, interpretation and enforcement by regulators and courts involves uncertainties. Furthermore, regulations and processes with respect to certain aspects of infrastructure investment trusts have not yet been issued. For example, infrastructure investment trusts are not "companies" or "bodies corporate" within the meaning of the Companies Act, 2013 and various SEBI regulations, including the Securities and Exchange Board of India (Buy-back of Securities) Regulations, 2018 and the Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011.

Additionally, with effect from April 1, 2021, units and other instruments issued by an InvIT have been included in the definition of 'securities' under section 2(h) of the SCRA. Such amendments have come into effect on April 1, 2021 and consequently, the implementation and interpretation of these amendments is untested and evolving. Accordingly, the applicability of several regulations (including regulations relating to intermediaries, underwriters, merchant bankers, takeovers, insider trading and fraudulent and unfair trade practices) to the Anzen Trust is unclear and subject to the interpretation and clarifications issued by regulatory bodies such as SEBI.

Uncertainty in applicability, interpretation or implementation of any amendment to, or change in, law, regulation or policy, including due to an absence, or a limited body, of administrative or judicial precedent may be time consuming and costly for us to resolve and may impact the viability of our current business or restrict our ability to grow our business in the future and consequently, our ability to make distributions to the Unitholders. Changes to our organizational structure, changes to our agreements, cost increases, fines, legal fees or business interruptions may result from changes to regulations, from new regulations, from new interpretations by courts or regulators of existing regulations or from stricter enforcement practices by regulatory authorities of existing regulations.

Further, SEBI has the right to, with or without prior notice, order inspection of the books of accounts, records and other documents pertaining to our operations, either on its own or, upon receipt of complaint. Upon review of the inspection report, SEBI is entitled, if it so deems appropriate (in the interest of the securities markets or our investors) (a) to require us to surrender our certificate of registration; (b) to wind-up our operations; (c) to sell our assets; (d) to direct us to not operate or access the capital markets for a specified period; or (e) to direct us to not do such things as SEBI may deem appropriate in the interest of our investors. Any such occurrence may have a material adverse effect on our business, result of operations, financial conditions and cash flows.

Further, it is unclear whether certain categories of investors that are currently permitted to invest in equity shares offered by Indian companies, may also invest in the Units in the Issue.

In addition, new costs may arise from audit, certification and/or self-assessment standards required to maintain compliance with new and existing InvIT Regulations. Such changes in regulation, interpretation and enforcement may render it economically unviable to continue conducting business as an infrastructure investment trust or have a material, adverse effect on our business, financial condition, cash flows and results of operations.

As we will be operating in a relatively unclear regulatory environment, it is difficult to forecast how any new laws, regulations or standards or future amendments to the InvIT Regulations will affect infrastructure investment trusts and this could have any consequential impact on the infrastructure sector in India, and no assurance can be given that the regulatory system will not change in a way that will impair our ability to comply with the regulations, conduct our business, compete effectively or make distributions. We may incur increased costs and other burdens relating to compliance with such new regulations, which may also require significant time and other resources, and any failure to comply with these changes may adversely affect our business, results of operations, cash flows and prospects.

Failure to comply with changes in laws, regulations and standards may have a material, adverse effect on our business, financial condition, results of operations, cash flows and prospects.

57. ***We must maintain certain investment ratios, which may present additional risks to us.***

Pursuant to the InvIT Regulations, we are required to invest not less than 80% of the value of our assets in completed and revenue-generating infrastructure projects, such as the InvIT Assets. In addition, we must not invest more than 10% of the value of our assets in under-construction infrastructure projects and we must not invest more than 20% of the value of our assets in certain financial instruments prescribed under the InvIT Regulations.

Additionally, if the aggregate consolidated borrowings of the Anzen Trust and the InvIT Assets, net of cash and cash equivalents exceed 25%, for any further borrowings up to 49%, we are required to adhere to specific conditions, such as obtaining a credit rating and seeking Unitholder approval. For any further borrowings beyond 49%, we are required to comply with specific conditions prescribed under the InvIT Regulations, *inter alia*, obtaining prior approval from at least 75% of the Unitholders, and demonstrating a track record of at least six distributions on a continuous basis post listing of the Units, in the years preceding the financial year in which the enhanced borrowings are proposed to be made. The aggregate consolidated borrowings and deferred payments, net of cash and cash equivalents of the Anzen Trust and the InvIT Assets cannot exceed 70% of the value of the assets of the Anzen Trust. If these conditions are breached on account of market movements of the price of the underlying assets or securities, the Investment Manager must inform the Trustee and ensure that these conditions are satisfied within six months of such breach (or within one year subject to approval from the Unitholder). Failure to comply with these conditions may present additional risks to us, including divestment of certain assets, delisting and other penalties, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

58. ***The Investment Manager is required to comply with certain ongoing reporting and management obligations in relation to the Anzen Trust.***

The Investment Manager is required to comply with certain ongoing reporting and management obligations in relation to the Anzen Trust in accordance with the InvIT Regulations. These requirements include: (a) making investment decisions with respect to the underlying assets or projects of the Anzen Trust; (b) overseeing the activities of the Project Manager; (c) investing and declaring distributions in accordance with the InvIT Regulations; (d) submitting reports to the Trustee; (e) ensuring audit of our accounts. There can be no assurance that the Investment Manager will be able to comply with such requirements in a timely manner or at all, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

59. ***Unitholders will have no vote in the election or change in Investment Manager including removal of the Investment Manager and may face difficulty in changing the Investment Manager and Trustee.***

The Investment Manager has the responsibility of managing the Anzen Trust.

Unitholders have no vote in the election or removal of directors in the Investment Manager. Unitholders' recourse is the removal of the Investment Manager by way of a resolution where Unitholders holding at least 60% of the Units must vote in favour of the resolution. In comparison, the Companies Act, 2013 requires the removal of a director of a private limited company to be by way of an ordinary resolution approved by a simple majority.

Similarly, Unitholders may change the Trustee only if they believe that the acts of the Trustee are detrimental to the interests of the Unitholders. Further, the Investment Manager and the Trustee cannot be discharged until a suitable replacement is appointed in their place, and there can be no guarantees that a suitable replacement will be appointed, or that appointment will take place in a timely manner, or at all. Under the InvIT Regulations, the Trustee or the Investment Manager cannot be changed without the prior approval of Unitholders where the votes cast in favour of the resolution shall be at least sixty percent of the total votes cast for the resolution. Furthermore, under the InvIT Regulations, prior approval of SEBI is required for change in the Investment Manager of the Trust. Accordingly, the Unitholders may face difficulties in removing and replacing the Trustee or the Investment Manager.

Accordingly, as opposed to shareholders removing a director of a private limited company, it may not be possible for Unitholders to remove the Investment Manager or the Trustee.

60. ***Certain of the Investment Manager's records are not traceable and we have relied upon secondary documents for certain disclosures.***

Certain of the Investment Manager's management related documents, such as certificates related to educational qualifications and experience letters of its directors, are not traceable. We have conducted a search of the records and have not been able to retrieve these documents. Further, there is no regulatory action or litigation pending against us in relation to such missing records. Accordingly, for such matters where we have been unable to trace our management related documents, we have relied on other documents such as affidavits provided by the Directors in relation to their biographies.

61. ***We will depend on certain directors, executive officers and key employees of the Investment Manager, the Project Manager, and such entities may be unable to appoint, retain such personnel or to replace them with similarly qualified personnel, which could have a material adverse effect on the business, financial condition, results of operations, cash flows and prospects of the Trust.***

Our performance will depend, in part, upon the continued service and performance of certain directors, executive officers and key personnel of the Investment Manager and Project Manager. The continued operations and growth of our business will be dependent upon the Investment Manager and the Project Manager being able to attract and retain personnel who have the necessary and required experience and expertise. Competition for qualified and experienced personnel with relevant industry expertise in India is intense, and the aforesaid entities may not be able to retain their executive officers and key employees or attract and retain fresh talent in the future. Furthermore, the Investment Manager and the Project Manager may not be able to adequately re-deploy and re-train their employees to keep pace with evolving industry standards and changing customer preferences. Any inability by the Investment Manager and/or the Project Manager to retain their directors, executive officers and key employees, or the inability to replace such individuals with similarly qualified personnel, could have a material, adverse effect on the business, financial condition, results of operations, cash flows and prospects of the Trust.

Risks Related to India

62. ***We are exposed to risks associated with the power sector in India.***

We derive and expect to continue to derive in the foreseeable future, most of our revenues and operating profits from India. Changes in macroeconomic conditions generally impact the power sector and could negatively impact our business. Accordingly, our business is highly dependent on the state of development of the Indian economy and the macroeconomic environment prevailing in India. Since the use of our transmission systems, our expansion plans and future power transmission projects depend or will depend on the operation of power generation projects, the financial health of distribution companies ("**DISCOMs**") and transmission companies, macroeconomic factors that may negatively impact demand for electricity or more generally the development of power generation projects in India, or the timely commencement of their operations (such as fuel price fluctuations, volatility and other market conditions that may adversely impact power generation projects) could in turn have a material adverse effect on our growth prospects, business and cash flows. For instance, due to the COVID-19 pandemic, the CERC issued an order, directing amongst others, the reduction in late payment surcharge for payments overdue from DISCOMS. In addition, access to financing may be more expensive or not available on commercially acceptable terms during economic downturns. Any of these factors and other factors beyond our control could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

63. ***Our performance and growth are dependent on the factors affecting the Indian economy.***

Our performance and growth are dependent on the performance of the Indian economy, which, in turn, depends on various factors. The Indian economy has been affected by the recent global economic uncertainties, volatility in interest rates, currency exchange rates, commodity and electricity prices, adverse conditions affecting agriculture and various other macroeconomic factors.

Conditions outside India, such as a slowdown or recession in the economic growth of other major countries and regions, especially in U.S., Europe and China, have an impact on the growth of the Indian economy, and GoI policy may change in response to such conditions.

While recent Indian governments have been focused on encouraging private participation in the industrial sector, any adverse change in policy could result in a further slowdown of the Indian economy. The rate of economic liberalisation could decrease, and specific laws and policies affecting foreign investment, currency exchange rates and other matters affecting investment in India could change as well. In the power transmission industry, there can be no assurance that the GoI's engagement with and outreach to private sector operators, including the Anzen Trust, will continue in the future. A significant change in India's economic liberalisation and deregulation policies, in particular those relating to the power transmission industry, could disrupt business and economic conditions in India generally and our business specifically. In addition, adverse developments in the Indian economy could also impact companies and banks that provide services to us. As we source a significant portion of our equipment, spare parts and other components from vendors in China, we are particularly vulnerable to any disruptions in trade relations between India and China.

Furthermore, an increase in trade deficit or a decline in India's foreign exchange reserves could negatively impact interest rates and liquidity, which could adversely impact the Indian economy and our business. Any downturn in the macroeconomic environment in India could materially and adversely affect the business, prospects, financial condition, results of operations and cash flows in future.

64. We may be exposed to variations in foreign exchange rates.

While our revenues are in Indian rupees, our InvIT Assets and other project companies may borrow funds from outside India in foreign currencies to finance their capital expenditure and working capital requirements. The InvIT Assets may also purchase equipment from suppliers located outside India, and payment for such equipment is typically denominated in foreign currency. The Indian rupee has depreciated in recent years, and in the future may continue to depreciate, against the U.S. dollar, leading to increases in the Indian rupee cost for the InvIT Assets to service and repay foreign currency borrowings. In addition, in the event of disputes under any of the foreign currency borrowings, the InvIT Assets may be required by the terms of those borrowings to defend themselves in foreign courts or arbitration proceedings, which could result in additional costs. A depreciation of the Indian rupee would also increase the costs of imports and may have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows in future.

65. A decline in India's foreign exchange reserves may reduce liquidity and increase interest rates in India.

Flows to foreign exchange reserves can be volatile, and past declines have adversely affected the valuation of the Indian rupee. A decline in exchange reserves could result in reduced liquidity and higher interest rates in the Indian economy. On the other hand, increased foreign capital inflows could add excess liquidity into the system, leading to policy interventions by the RBI and a consequential slowdown in economic growth. Either way, an increase in interest rates in the economy following a decline in foreign exchange reserves could adversely affect our business, financial condition, results of operations and cash flows.

66. Social, economic and political conditions and natural disasters could have a negative effect on our business.

Each of the InvIT Assets is incorporated in India and they derive all of their revenue from India. In addition, all of our assets are located in India. Consequently, our business and the trading price of our Units may be adversely affected by the social, economic and political conditions in India and its neighbouring countries. Specific risks such as the following could adversely influence the Indian economy, thereby having a material adverse effect on our business, financial condition, results of operations and cash flows:

- political instability, riots or other forms of civil disturbance or violence;
- war, terrorism, invasion, rebellion or revolution;
- government interventions, including expropriation or nationalisation of assets, increased protectionism and the introduction of tariffs or subsidies;
- changing regulatory regimes;
- underdeveloped industrial and economic infrastructure;
- changes in exchange rates and controls, interest rates, government policies, taxation and economic and political developments;
- changes in policies such as, fiscal and economic policy, industrial policy, direct and indirect taxes and export-import policy; and
- changes in state specific regulation and conditions.

Pandemics, such as the outbreak of the COVID-19, and natural disasters such as floods, earthquakes or famines, events and conditions linked to climate change have in the past had a negative impact on the Indian economy. Potential effects may include damage to infrastructure and the loss of business continuity and business information. If our facilities are affected by any of these events, our operations may be significantly interrupted, which could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows.

67. Any downgrading of India's debt rating by rating agencies could have a negative impact on our business.

India's sovereign rating is Baa3 with a "stable" outlook by Moody's, BBB- with a "stable" outlook by Fitch, BBB- with a "positive" outlook by S&P and BBB (low) with a "positive" outlook by DBRS. India's sovereign rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside our control. Any adverse revisions to India's credit ratings by rating agencies may adversely affect our ability to raise additional financing, and the interest rates and other terms at which such additional financing is available. This could materially and adversely affect our ability to obtain financing for capital expenditure, which could in turn materially and adversely affect our business, prospects, financial condition, results of operations and cash flows.

68. Financial instability in other countries may cause increased volatility in Indian financial markets.

The Indian market and the Indian economy are influenced by economic and market conditions in other countries, including conditions in the United States, Europe and certain emerging economies in Asia. Financial turmoil in Asia, Russia and elsewhere in the world in recent years has adversely affected the Indian economy. Any such financial instability may cause increased volatility in the Indian financial markets and, directly or indirectly, adversely affect the Indian economy and financial sector and us.

Although economic conditions vary across markets, loss of investor confidence in one economy may cause increased volatility across other economies, including India. Financial instability in other parts of the world could have a global influence and thereby negatively impact the Indian economy. Financial disruptions could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows.

The global credit and equity markets have experienced substantial dislocations, liquidity disruptions and market corrections. The dislocation of the sub-prime mortgage loan market in the United States since September 2008, and the more recent European sovereign debt crisis, has led to increased liquidity and credit concerns and volatility in the global credit and financial markets. These and other related events have had a significant adverse impact on the global credit and financial markets as a whole, including reduced liquidity, greater volatility, widening of credit spreads and a lack of price transparency in the global credit and financial markets. Furthermore, economic developments globally can have a significant impact on our principal markets. Following the United Kingdom's exit from the European Union ("**Brexit**"), there remains significant uncertainty around the impact of Brexit on the general economic conditions in the United Kingdom and the European Union and any consequential impact on global financial markets. For example, Brexit could give rise to increased volatility in foreign exchange rate movements and the value of equity and debt investments.

In addition, China is one of India's major trading partners and there are rising concerns of a possible slowdown in the Chinese economy as well as a strained relationship with India, which could have an adverse impact on the trade relations between the two countries. In response to such developments, legislators and financial regulators in the United States and other jurisdictions, including India, implemented a number of policy measures designed to add stability to the financial markets. However, the overall long-term effect of these and other legislative and regulatory efforts on the global financial markets is uncertain, and they may not have the intended stabilizing effects. Any significant financial disruption could have a material adverse effect on our business, financial condition, results of operation and cash flows. These developments, or the perception that any of them could occur, have had and may continue to have a material adverse effect on global economic conditions and the stability of global financial markets, and may significantly reduce global market liquidity, restrict the ability of key market participants to operate in certain financial markets or restrict our access to capital. This could have a material adverse effect on our business, financial condition, results of operations and cash flows in future.

69. If inflation rises in India, increased costs may result in a decline in profits.

Inflation rates in India have been volatile in recent years, and such volatility may continue. Increasing inflation in India could cause a rise in the price of transportation, wages, raw materials and other expenses. While the escalable component of the tariff is linked to the wholesale price index and consumer price index, there is no assurance that an increased escalable tariff will sufficiently offset our increased costs due to inflation which could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

70. Significant differences exist between Ind AS and other accounting principles, such as IFRS, Indian GAAP and U.S. GAAP.

The Audited Special Purpose Combined Financial Statements included in this Preliminary Placement Document are prepared and presented in accordance with Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015, as amended, prescribed under Section 133 of the Companies Act, 2013, except for Ind AS 33: Earning Per Share, read with InvIT Regulations, 2014 and the circulars issued thereunder and the Guidance Note on Combined and Carve-Out Financial Statements issued by the Institute of Chartered Accountants of India, consistently applied during the periods stated in those financial statements, except as otherwise provided therein, and no attempt has been made to reconcile any of the information given in this Preliminary Placement Document to any other principles or to base the information on any other standards. Further, the Audited Consolidated Financial Statements included in this Preliminary Placement Document are prepared in accordance with Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015, as amended, prescribed under Section 133 of the Companies Act, 2013 ("**Ind AS**") read with InvIT Regulations, as amended, and Master Circular No. SEBI/HO/DDHS-PoD-2/P/CIR/2023/115 dated July 6, 2023, issued thereunder. The Unaudited Interim Consolidated Financial Results for the nine months ended December 31, 2024, consisting of unaudited statement of profit and loss of the Anzen Trust, DMTCL and NRSS, along with explanatory notes thereto, prepared in accordance with Regulation 23 of the InvIT Regulations, as amended, read with the SEBI Circulars. Ind AS differs from accounting principles with which prospective investors may be familiar in other countries, such as IFRS, Indian GAAP and U.S. GAAP. Accordingly, the degree to which the summary financial information included in this Preliminary Placement Document will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices. Persons not familiar with Indian accounting practices should limit their reliance on the financial disclosures presented in this Preliminary Placement Document.

Ind AS has certain differences with IFRS and Indian GAAP. In addition, there is no significant body of established practice from which we can draw on in forming judgments regarding the implementation and application of Ind AS, as compared to established IFRS or Indian GAAP generally, or in respect of specific industries, such as the power transmission industry.

71. ***Changing laws, rules and regulations, including changes in legislation or the rules relating to tax regimes could materially and adversely affect our business, prospects, cash flows and results of operations.***

Our business, financial condition, cash flows and results of operations could be adversely affected by any change in laws or interpretations of existing, or the promulgation of new, laws, rules and regulations applicable to us and our business. We cannot assure you that the Government or the state governments will not implement new regulations and policies which will require the Anzen Trust and InvIT Assets to obtain additional approvals and licenses from governmental and other regulatory bodies or impose onerous requirements and conditions on our operations. Further, some of the agreements entered into by our InvIT Assets include clauses for change in law claims. However, any failure to receive such claim by our InvIT Assets may adversely affect our business and operational results. For instance, RSWPL may face the risk of delayed/non-payment by SECI in the event of any litigation on the change in law claim. We cannot assure you that all payments in regards to such claims will be made within time or at all and such delayed/non-payments would adversely affect our business, financial condition, cash flows and results of operations.

Tax and other levies imposed by the Government and state governments may include: (i) income tax (including withholding tax and tax collection at source); (ii) wealth tax (which was withdrawn with effect from January 1, 2016); (iii) excise duty; (iv) value added tax/central sales tax/ goods and service tax; (v) service tax; (vi) stamp duty; and (vii) other special taxes and surcharges that are introduced on a temporary or permanent basis from time to time. In some cases, these taxes and other levies may be changed from year to year and the Indian courts which interpret tax legislation may apply such interpretations with retroactive effect. Also, the Government in certain situations has the authority to change tax laws retrospectively.

Further, the Government of India has announced the Union budget for the financial year 2024-2025 and has enacted the Finance Act, 2024. While the Finance Act, 2024, does not propose any significant changes to the Income Tax Act, 1961 (the "**IT Act**") a comprehensive review of the IT Act is targeted, under the union budget, in order to make the act easy to read. There is no certainty on the impact of such review on the tax laws, which may adversely affect our business financial conditions, cash flows or results of operations.

By way of the Finance Act, 2021 the GoI, amongst others, amended the Securities Contracts (Regulation) Act, 1956 ("**SCRA**") to recognize pooled investment vehicles and recognize the units, debentures, other marketable securities and other instruments issued by InvITs as "*securities*". The Finance Act exempted the payment of tax deducted at source on interest and dividends paid by the SPVs to InvITs. For further details, please see the sections entitled "*Risk Factors – Investors may be subject to Indian taxes arising out of capital gains on the sale of Units and on any dividend or interest component of any returns from the Units*" and "*Risk Factors – We are governed by the provisions of, amongst others, the InvIT Regulations and the Securities Contracts (Regulation) Act, 1956 ("SCRA"), the implementation and interpretation of which, is evolving. The evolving regulatory framework governing infrastructure investment trusts in India may have a material adverse effect on the ability of certain categories of investors to invest in the Units, our business, financial condition,* cash flows *and results of operations and our ability to make distributions to the Unitholders*" on pages 148 and 139.

There have been two recent major reforms in Indian tax laws, namely the introduction of the Goods and Services Tax ("**GST**") and provisions relating to general anti-avoidance rules ("**GAAR**"). The GST regime came into effect on July 1, 2017, combining taxes and levies by the Government and State Governments into a unified rate structure.

Further, any application of existing law or future amendments may affect our overall tax efficiency and may result in significant additional taxes becoming payable.

Tax laws and regulations are subject to differing interpretations by tax authorities. Differing interpretations of tax and other fiscal laws and regulations may exist within governmental ministries, including tax administrations and appellate authorities, thus creating uncertainty and potential unexpected results. The degree of uncertainty in tax laws and regulations, combined with significant penalties for default and a risk of aggressive action by the governmental or tax authorities, may result in tax risks being significantly higher than expected.

The GAAR regime came into effect on April 1, 2017. The tax consequences of the GAAR provisions being applied to an arrangement could result in denial of tax benefit, among other consequences. In the absence of any precedents on the subject, the application of these provisions is uncertain. If the GAAR provisions are made applicable to the Anzen Trust or any member of the Anzen Trust, it may have a material adverse tax impact on the Anzen Trust.

Such transactions are declared as impermissible avoidance arrangements and the consequence in relation to tax arising from such arrangements, including denial of a tax benefit or a benefit under a tax treaty, shall be determined according to the circumstances of the case. The rules notified with respect to GAAR prescribe that these shall not be applicable to FIIs in accordance with the SEBI (Foreign Institutional Investors) Regulations, 1995 subject to the fulfilment of certain conditions.

GAAR may have a material adverse tax impact on the Anzen Trust, the Sponsor and the Unitholders.

The Investment Manager has not determined the impact of such existing or proposed legislations on our business. Uncertainty in the applicability, interpretation or implementation of any amendment to, or change in, governing law, regulation or policy, including by reason of an absence, or a limited body, of administrative or judicial precedent may be time consuming as well as costly for us to resolve, and may impact the viability of our current business or restrict our ability to grow our business in the future.

72. We may be affected by competition law in India and any adverse application or interpretation of the Competition Act could adversely affect our business.

The Competition Act, 2002 regulates practices having an appreciable adverse effect on competition in the relevant market in India. Under the Competition Act, any formal or informal arrangement, understanding or action in concert, which causes or is likely to cause an appreciable adverse effect on competition, is considered void and results in the imposition of substantial monetary penalties. Further, any agreement among competitors which, directly or indirectly, involves the determination of purchase or sale prices, limits or controls production, supply, markets, technical development, investment or provision of services, shares the market or source of production or provision of services by way of allocation of geographical area, type of goods or services or number of customers in the relevant market or, directly or indirectly, results in bid-rigging or collusive bidding, is presumed to have an appreciable adverse effect on competition. The Competition Act also prohibits abuse of a dominant position by any enterprise. The Competition Commission of India ("**CCI**") has extra-territorial powers and can investigate any agreement, abusive conduct or combination occurring outside India if such agreement, conduct or combination has an appreciable adverse effect on competition in India. However, there can be no assurance as to the impact of the provisions of the Competition Act on the agreements that the InvIT Assets have entered into. We are not currently party to any outstanding proceedings, nor have we received notice in relation to non-compliance with the Competition Act or the agreements they have entered into. However, if we are affected, directly or indirectly, by the application or interpretation of any provision of the Competition Act, or any enforcement proceedings initiated by the CCI, or any adverse publicity that may be generated due to scrutiny or prosecution by the CCI or if any prohibition or substantial penalties are levied under the Competition Act, it could materially and adversely affect our business, prospects, financial condition, results of operations and cash flows.

73. Unitholders may not be able to enforce a judgment of a foreign court against the Anzen Trust or the Investment Manager.

The enforcement of civil liabilities by overseas investors in the Units, including the ability to effect service of process and to enforce judgments obtained in courts outside of India, may be adversely affected by the fact that (i) the Anzen Trust is constituted under the laws of the Republic of India, (ii) the Investment Manager is a limited liability company incorporated under the laws of the Republic of India, (iii) the majority of the directors and key personnel of the Investment Manager reside in India and (iv) all of the assets of the Anzen Trust and the Investment Manager are located in India. The majority of the Directors are also located in India. As a result, it may be difficult to serve process upon the Anzen Trust, the Investment Manager or any of these persons outside of India or to enforce in India judgments obtained against such persons in courts outside of India.

India is not a party to any international treaty in relation to the recognition or enforcement of foreign judgments. Recognition and enforcement of foreign judgments are provided for under Section 13, Section 14 and Section 44A of the Civil Procedure Code. The GoI has, under Section 44A of the Civil Procedure Code, notified certain countries as reciprocating countries. Section 13 of the Civil Procedure Code provides that a foreign judgment will be conclusive regarding any matter directly adjudicated upon, between the same parties or between the parties whom they or any of them claim are litigating under the same title, except: (i) where the judgment has not been pronounced by a court of competent jurisdiction; (ii) where the judgment has not been given on the merits of the case; (iii) where it appears on the face of the proceedings that the judgment is founded on an incorrect view of international law or a refusal to recognise the law of India in cases in which such law is applicable; (iv) where the proceedings in which the judgment was obtained were opposed to natural justice; (v) where the judgment has been obtained by fraud; or (vi) where the judgment sustains a claim founded on a breach of any law in force then in India. Section 44A of the Civil Procedure Code provides that where a foreign judgment has been rendered by a superior court in any country or territory outside India, which the GoI has, by notification, declared to be a reciprocating territory, it may be enforced in India by proceedings in execution as if the judgment had been rendered by the relevant court in India. However, Section 44A of the Civil Procedure Code is applicable only to monetary decrees not being in the nature of any amounts payable in respect of taxes or other charges of a similar nature or in respect of a fine or other penalties and does not include arbitration awards. The United Kingdom and some other countries have been declared by the GoI to be reciprocating territories for the purposes of Section 44A. However, the United States has not been declared by the GoI to be a reciprocating territory for the purposes of Section 44A. A judgment of a court in the United States may be enforced in India only by a suit upon the judgment, subject to Section 13 of the Civil Procedure Code and not by proceedings in execution.

There may be considerable delays in the disposal of suits by Indian courts. It may be unlikely that a court in India would award damages on the same basis as a foreign court if an action is brought in India. Furthermore, it may be unlikely that an Indian court would enforce foreign judgments if it viewed the amount of damages awarded as excessive or inconsistent with the public policy in India. A party seeking to enforce a foreign judgment in India is required to obtain prior approval from the RBI to repatriate any amount recovered pursuant to execution and any such amount may be subject to income tax in accordance with applicable laws. Any judgment or award in a foreign currency would be converted into Indian Rupees on the date of the judgment or award and not on the date of the payment which could be subject to foreign exchange risk. Generally, there are considerable delays in the processing of legal actions to enforce a civil liability in India, and therefore it is uncertain whether a suit brought in an Indian court will be disposed of in a timely manner or subject to considerable delays.

Risks Related to the Issue and the Units

74. ***The Anzen Trust may be dissolved, and the proceeds from the dissolution thereof may be less than the amount invested by the Unitholders.***

The Anzen Trust is an irrevocable trust registered under the Registration Act, 1908 and it may only be extinguished: (i) if it is impossible to continue with the Anzen Trust or if the Trustee, on the advice of the Investment Manager, deems it impracticable to continue with us; (ii) on the written recommendation of the Investment Manager and upon obtaining the prior written consent of such number of the Unitholders as is required under the InvIT Regulations; (iii) if our Units are delisted from the Stock Exchanges; (iv) if the SEBI passes a direction to wind up the Anzen Trust or the delisting of the Units; or (v) in the event our activities are rendered illegal. Should the Anzen Trust be dissolved, depending on the circumstances and the terms upon which our assets are disposed of, there is no assurance that our Unitholder will recover all or any part of its investment.

75. ***The reporting requirements and other obligations of infrastructure investment trusts post-listing are still evolving. Accordingly, the level of ongoing disclosures made to and the protection granted to our Unitholders may be more limited than those made to or available to shareholders of a company that has listed its equity shares upon a recognised stock exchange in India.***

The InvIT Regulations, along with the guidelines and circulars issued by the SEBI from time to time, govern the infrastructure investment trusts in India. However, as compared with the statutory and regulatory framework governing companies that have listed their equity shares or debt securities on recognised stock exchanges in India, the regulatory framework applicable to infrastructure investment trusts is relatively nascent and thus, still evolving.

Accordingly, the ongoing disclosures made to our Unitholders under the InvIT Regulations may differ from those made to shareholders of a company that has listed its equity shares on a recognised stock exchange in India in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. Furthermore, the rights of our Unitholders may not be as extensive as the rights of shareholders of a company that has listed its equity shares on a recognised stock exchange in India, and accordingly, the protection available to our Unitholders may be more limited than those available to such shareholders.

76. ***The sale or possible sale of a substantial number of Units by the Sponsor and its affiliates in the public market following the expiry of its lock-in requirement as prescribed under the InvIT Regulations could adversely affect the price of the Units.***

Under the InvIT Regulations, the Sponsor and Sponsor Group, collectively, are required to mandatorily hold not less than 15% of our Units for a minimum period of three years from the date of listing pursuant to the initial offer and any holding by the Sponsor and Sponsor Group exceeding 15%, is required to be held for a period of not less than one year from the date of listing of the Units. Pursuant to the SEBI (Infrastructure Investment Trusts) (Second Amendment) Regulations, 2023, dated August 18, 2023, the Sponsor and Sponsor Group, collectively, are required to mandatorily hold our units as follows:

From the beginning of 4th year after the date of listing pursuant to the initial offer and till the end of 5th year from the date of listing pursuant to the initial offer	5% of total Units or ₹ 500 crores, whichever is lower*
From the beginning of 6th year after the date of listing pursuant to the initial offer and till the end of 10th year from the date of listing pursuant to the initial offer	3% of total Units or ₹ 500 crores, whichever is lower*
From the beginning of 11th year after the date of listing pursuant to the initial offer and till the end of 20th year from the date of listing pursuant to the initial offer	2% of total Units or ₹ 500 crores, whichever is lower*
After completion of the 20th year from the date of listing pursuant to the initial offer	1% of total Units or ₹ 500 crores, whichever is lower*

**Provided that the maximum value of units to be held by the Sponsor and Sponsor Group for compliance with the above shall not exceed ₹500 crores or such other value as may be decided by SEBI from time to time wherein such valuation shall be based on the latest available net asset value of the InvIT.*

The Units have been listed on the NSE and BSE. If the Sponsor or its affiliates, following the lapse of any of the aforesaid lock-in periods directly or indirectly sells or is perceived as intending to sell a substantial number of its Units, or if a secondary offering of the Units is undertaken, the market price for the Units could be adversely affected.

77. Tax laws are subject to changes and differing interpretations, which may materially and adversely affect our operations.

Tax laws and regulations are subject to differing interpretations by tax authorities. Differing interpretations of tax and other fiscal laws and regulations may exist within governmental ministries, including tax administrations and appellate authorities, thus creating uncertainty and potential unexpected results. The degree of uncertainty in tax laws and regulations, combined with significant penalties for default and a risk of aggressive action by the governmental or tax authorities, may result in tax risks in the jurisdictions in which we operate being significantly higher than expected. For instance, while the Investment Manager intends to take measures to ensure that it is in compliance with all relevant tax laws, there is no assurance that the tax authorities will not take a position that differs from the position taken by us with regard to our tax treatment of various items. Any of the above events may result in a material, adverse effect on our business, financial condition, results of operations, cash flows and/or prospects and our ability to make distributions to the Unitholders.

78. The Ministry of Finance, GoI, has constituted a task force to draft new direct tax legislation, the provisions of which may have an unfavorable implication for us.

The Ministry of Finance, GoI, has set up a panel to review the Income Tax Act and to draft a new direct tax legislation ("**Panel**"). The Panel has been tasked with drafting appropriate direct tax legislation aimed at (i) aligning India's domestic direct tax regime in line with international best practices; and (ii) ensuring and encouraging compliance. The impact of the report by the Panel, including findings and recommendations in their report and the provisions of the proposed direct tax legislation could have an unfavorable implication on us. Since the Panel and its report, including their recommendations and the draft of the new direct tax legislation has not been released yet, the possible impact on us is not clear.

79. A portion of the income of the Anzen Trust is not eligible for pass through status under the IT Act and may be chargeable to Indian **taxes.**

Under the provisions of the IT Act, the total income of the Anzen Trust other than capital gain, interest and dividend income from the InvIT Assets would be tax chargeable at the maximum marginal rate ("**MMR**"). MMR is defined under the provisions of the IT Act to mean the rate of income-tax (including surcharge on income-tax, if any) applicable in relation to the highest slab of income.

In accordance with section 115UA of the IT Act, the MMR applicable to the Anzen Trust, a separately assessable resident entity, is 30.0% (plus applicable surcharge and cess). However, the relevant authorities may view the Anzen Trust as a "pass through" entity and the applicable tax rate will be the MMR applicable to its beneficiaries. If any beneficiary is chargeable to MMR at a rate higher than the rate applicable to other beneficiaries, the income of the Anzen Trust attributable to the share of such beneficiary will be taxed at a higher applicable rate. For example, if any Unitholder is a non-resident, the MMR of 40.0% (plus applicable surcharge and cess) would apply.

As there are two divergent views, there is a possibility that the matter may be litigated if the latter view is taken up by the tax authorities of India.

80. Investors are not permitted to withdraw or lower their Bids (in terms of quantity of Units or the Bid Amount) at any stage after submitting a Bid.

Pursuant to the InvIT Regulations and SEBI guidelines, investors are required to pay the Bid Amount on submission of the Bid, and are not permitted to withdraw or lower their Bids (in terms of quantity of Units or the Bid Amount) at any stage after submitting a Bid, notwithstanding adverse developments in international or national monetary policy, financial, political or economic conditions, our business, results of operations, cash flows or otherwise, at any stage after the submission of their Bids.

81. Under Indian law, foreign investors are subject to restrictions that limit their ability to transfer or redeem Units, which may adversely impact the trading price of the Units. Further, the Unitholders are unable to require the redemption of their Units.

Under foreign exchange regulations currently in force in India, transfers of units between non-residents and residents are permitted, subject to certain exceptions, if they comply with the pricing and reporting requirements specified by RBI. If a transfer of units is not compliant with such pricing or reporting requirements and does not fall under any of the exceptions specified by RBI, then RBI's prior approval is required.

Additionally, unitholders who seek to convert Indian rupee proceeds from a sale of units in India into foreign currency and repatriate that foreign currency from India require a no-objection or a tax clearance certificate from the Indian income tax authorities.

We cannot assure you that any required approval from RBI or any other Governmental agency can be obtained on any particular terms or in a timely manner, or at all.

Our Unitholders will not have the right to redeem or request the redemption of our Units while our Units are listed on the Stock Exchanges. In terms of the InvIT Regulations, an infrastructure investment trust may redeem units only by way of a buyback or at the time of delisting of units and may be subject to additional conditions and restrictions under Indian regulations.

82. There is no assurance that our Units will remain listed on the stock exchange.

Although it is currently intended that the Units will remain listed on the NSE and BSE, there is no guarantee of the continued listing of the Units. Among other factors, we may not continue to satisfy the listing requirements of the Stock Exchanges. Accordingly, Unitholders will not be able to sell their Units through trading on the Stock Exchanges if the Units are no longer listed on the Stock Exchanges. While the InvIT Regulations state that we must provide Unitholders with an exit prior to delisting, the specific mechanism of such delisting and related exit offer has not yet been finalised by the SEBI. Furthermore, under the InvIT Regulations, we are required to maintain a minimum of 5 Unitholders (other than the Sponsor, its related parties and its associates) at all times after the listing of the Units pursuant to the Issue and certain minimum public holding requirements. Failure to maintain such minimum number of Unitholders or public holding may result in action being taken against us by the SEBI and the Stock Exchanges, including the compulsory delisting of our Units.

83. The Issue Price of the Units may not be indicative of the market price of the Units after the Issue.

The Issue Price of the Units is determined with the SEBI Institutional Placement Guidelines and may not be indicative of the market price for the Units after the completion of the Issue. The Units may trade at prices significantly below the Issue Price after the Issue. The trading price of the Units will depend on many factors, including:

- the perceived prospects of our business and the power transmission industry;
- differences between our actual financial and operating results and those expected by investors and analysts;
- changes in analysts' recommendations or projections;
- changes in general economic or market conditions;
- the market value of our assets;
- the perceived attractiveness of the Units against those of other equity or debt securities, including those not in the infrastructure industry;
- the balance of buyers and sellers of the Units;
- the future size and liquidity of the Indian infrastructure investment trust market;
- any future changes to the regulatory system, including the tax system, both generally and specifically in relation to Indian infrastructure investment trusts;
- the ability on our part to implement successfully our investment and growth strategies;
- foreign exchange rates; and
- broad market fluctuations, including weakness of the equity markets and increases in interest rates.

For these reasons, among others, the price of Units may fluctuate. To the extent that we retain operating cash flow for investment purposes, working capital reserves or other purposes, these retained funds, while increasing the value of its underlying assets, may not correspondingly increase the market price of the Units. Any failure on our part to meet market expectations with regard to future earnings and cash distributions may adversely affect the market price for the Units.

In addition, the Units are not capital-protected products and there is no guarantee that Unitholders can regain the amount invested. If the Anzen Trust is terminated or liquidated, it is possible that investors may lose all or a part of their investment in the Units.

84. Rights of Unitholders under Indian law may be more limited than under the laws of other jurisdictions.

Indian legal principles related to corporate procedures, directors' fiduciary duties and liabilities, and unitholders' rights may differ from those that would apply to a company in another jurisdiction. Unitholders' rights and disclosure standards under Indian law may not be as extensive as Unitholders' rights under the laws of other countries or jurisdictions. Investors may have more difficulty in asserting their rights as unitholders in an Indian entity than as unitholders of a corporation in another jurisdiction.

85. Investors may be subject to Indian taxes arising out of capital gains on the sale of Units and on any dividend or interest component of any returns from the Units.

Under current Indian tax laws with effect from July 23, 2024, units of a business trust listed on recognized stock exchange in India and held for more than 12 months are considered as long term capital assets. In case of sale of such units through a recognised stock exchange in India and subject to payment of securities transaction tax ("**STT**"), any gain arising in excess of ₹ 0.125 million is subject to long term capital gains tax at a concessional rate of 12.5% (plus applicable surcharge and cess) with effect from July 23, 2024. However, if the said units are sold in any other manner, the same shall be subject to long term capital gains tax at the rate of 12.50% without indexation benefit (plus applicable surcharge and cess).

In case the units are held for less than or up to 12 months, the same shall be regarded as short term capital asset with effect from July 23, 2024. Any gain arising in case of sale of such units through a recognised stock exchange in India and subject to payment of STT, is subject to short term capital gains tax at concessional rate of 20% (plus applicable surcharge and cess) with effect from July 23, 2024. However, if the said units are sold in any other manner, the same shall be subject to short term capital gains tax at applicable tax slab rates of the unitholder (plus applicable surcharge and cess) with effect from July 23, 2024.

The aforesaid taxability in India is subject to tax treaty benefits in the case of a non-resident holder. Further, the applicable taxes on the sale of Units and on any dividend or interest component of any returns from the Unit will also be subject to the category of investor holding or selling the Units.

The Finance Act, 2020 amended the Income Tax Act to abolish the dividend distribution tax regime and shift the incidence of taxation of dividend (declared or distributed on or after April 1, 2020) to the unitholder. Under the current Indian tax laws, a distribution made by a business trust, being in nature of dividend income received from a special purpose vehicle, will not be subject to tax in the hands of a unitholder, so long as the special purpose vehicle has not opted to pay corporate tax under the beneficial regime introduced under Section 115BAA of the Income Tax Act. Similarly, a business trust (which includes an infrastructure investment trust) will not be required to withhold tax on any distributions which are in the nature of dividend income received from a special purpose vehicle, so long as such special purpose vehicle has not opted to pay corporate tax under the beneficial regime introduced under Section 115BAA of the Income Tax Act. However, where the special purpose vehicle opts to pay tax under Section 115BAA of the Income Tax Act, dividend income distributed by the business trust would be taxed in the hands of a non-resident unitholder at 20% (plus applicable surcharge and cess) or the applicable treaty rate and at the applicable rate for a resident unitholder. Furthermore, the business trust would be required to withhold tax on such distributions made from dividend received from the special purpose vehicle which has opted for beneficial tax rate u/s 115BAA. Thus, the taxability of dividends distributed by the Anzen Trust will depend on the taxation regime opted by the InvIT Assets. It may also be noted that in terms of Section 194 LBA (1) of the IT Act, any distributable income in the nature of interest income in the hands of a resident unitholder is subject to deduction of tax at the rate of 10%. Similarly, in terms of Section 194 LBA (2) of the IT Act, any distributable income in the nature of interest income in the hands of a non-resident unitholder is subject to deduction of tax at the rate of 5% (plus applicable surcharge and cess).

Furthermore, the Anzen Trust might not be able to pay or maintain the levels of distributions or ensure that the level of distributions will increase over time, or that future acquisitions will increase the Anzen Trust's distributable free cash flow to the Unitholders. Any reduction in, or elimination or taxation of, payments of distributions could materially and adversely affect the market price of the Units.

86. The Anzen Trust, the InvIT Assets may be subject to certain tax related risks under the provisions of the Income Tax Act.

Shortfall in the determination of fair market value of the equity shares at the time of transfer of the InvIT Assets to the Anzen Trust may be subject to taxation in the hands of the acquirer. The equity shares of the Portfolio Assets are transferred to the Anzen Trust and the equity shares of the Target Asset are proposed to be transferred to the Anzen Trust. Under the provisions of section 56(2)(x) of the Income Tax Act, where a purchase of shares is undertaken at a value which is lower than the fair market value of the shares, such shortfall in value is subject to be taxed as income from other sources in the hands of the acquirer. The manner of determination of fair market value as provided under the Income Tax Rules, 1962, includes the value determined by net asset method, subject to the prescribed adjustments.

The Anzen Trust is under an obligation to distribute to the Unitholders, the surplus of the income earned from receipt of cash flows from the interest and dividend received from the InvIT Assets, after the deduction of the various expenses incurred in connection with earning such income and general-purpose expenses. The provisions of the Income Tax Act provide that the Anzen Trust should disclose the nature of the amount distributed to the Unitholders, i.e., whether from dividends received from the InvIT Assets, interest income earned, etc. However, there is lack of clarity on the method to be adopted by the Anzen Trust for the allocation of various expenses incurred towards earning each specific stream of income by the Anzen Trust.

87. We are subject to risks associated with outbreaks of diseases or similar pandemics or public health threats, such as the novel coronavirus ("COVID-19"), which could have a material adverse impact on our business and our results of operations, cash flows and financial condition.

In the past, various contagious diseases have spread throughout the world, including India, where operations of the Sponsor and Investment Manager and the InvIT Assets are located. Most recently, beginning in late 2019 and continuing in 2020 and 2021, the global spread of COVID-19 has created significant economic and political volatility and uncertainty and business disruption. The spread of COVID-19 has led to governments around the world taking various restrictive measures design to limit the spread of the virus, such as the implementation of travel restrictions, mandatory cessations of business operations, mandatory quarantines and work-from-home and other alternative working arrangements, curfews, limitations on social and public gatherings and partial lockdowns of cities or regions.

The spread of COVID-19 and governmental responses have resulted in worker absences, reduced business productivity, other business disruptions, reduced demand and stagnated economic activity in India and around the world. The long-term effects of COVID-19, including the mutation of more transmissible strains is highly uncertain and cannot be predicted. More generally, any epidemic, pandemic or other health crisis, whether similar to COVID-19, SARS, H1N1, MERS or other past global diseases, could materially and adversely affect our business, financial condition, cash flows and results.

GENERAL INFORMATION

The Anzen Trust

The Anzen Trust was set up as a contributory irrevocable trust under the provisions of the Indian Trusts Act, 1882. The Anzen Trust was registered as an infrastructure investment trust under the InvIT Regulations on January 18, 2022 having registration number IN/InvIT/21-22/0020. The principal place of business of Anzen Trust is situated at Plot no. 294/3, Edelweiss House, Off CST Road, Kalina, Santacruz East, Mumbai 400 098.

For information on the background of the Anzen Trust and the description of the InvIT Assets, please see the sections entitled "*Overview of the Anzen Trust*", *"Description of InvIT Assets"* and "*Business*" on pages 24, 26 and 299, respectively.

Compliance Officer of the Anzen Trust

The compliance officer of the Anzen Trust ("**Compliance Officer**") is Jalpa Parekh. Her contact details are as follows:

Jalpa Parekh
Plot no. 294/3, Edelweiss House
Off CST Road
Kalina
Santacruz (East)
Mumbai 400 098
Tel: +91 22 4009 4400
Mobile: +91 9029942618
Fax: N.A
E-mail: jalpa.parekh@eaaa.in

Bidders can contact the Compliance Officer in case of any pre-Issue or post-Issue related problems such as non-receipt of Confirmation of Allocation Note, non-credit of Allotted Units in the respective beneficiary account, non-receipt of refund orders and non-receipt of funds by electronic mode.

The Sponsor – SEPL Energy Private Limited

Registered office and address for correspondence:

504 & 505, 5th Floor, Windsor
Off CST Road
Kalina
Santacruz (East)
Mumbai 400 098
Tel: +91 22 6841 7000
E-mail: cs.energy@energy-sel.com

Contact Person of the Sponsor:

Vijayanand Semletty is the contact person of the Sponsor. His contact details are as follows:

Vijayanand Semletty
504 & 505, 5th Floor, Windsor
Off CST Road
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Santacruz (East)
Mumbai 400 098
Tel: +91 22 6841 7000
E-mail: cs.energy@energy-sel.com

The Investment Manager – EAAA Real Assets Managers Limited

Registered office and address for correspondence:

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Santacruz (East)

Mumbai 400 098
Tel: +91 22 4009 4400
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E-mail: jalpa.parekh@eaaa.in

The Project Manager – SEPL Energy Private Limited

Registered office and address for correspondence:

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Mumbai 400 098
Tel: +91 22 6841 7000
E-mail: cs.energy@energy-sel.com

Contact person: Vijayanand Semletty

The Trustee – Axis Trustee Services Limited

Registered Office:

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Bombay Dyeing Mills Compound
Pandurang Budhkar Marg
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Axis Trustee Services Limited
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Fax: +91 22 6230 0700
E-mail: debenturetrustee@axistrustee.in, anil.grover@axistrustee.in
Contact Person: Anil Grover, Chief Operating Officer
Website: www.axistrustee.in

Other Parties involved in the Trust

Auditor

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PARTIES TO THE ANZEN TRUST

A. The Sponsor and Sponsor Group

SEPL Energy Private Limited

History and Certain Corporate Matters

SEPL Energy Private Limited is the Sponsor of the Anzen Trust. The Sponsor was incorporated as a public limited company on April 6, 2018, under the Companies Act, 2013, having CIN U74999MH2018PTC307666. The Sponsor was converted into a private limited company i.e. Sekura Energy Private Limited, with effect from November 22, 2021. Further, a fresh certificate of incorporation dated September 19, 2024, was issued for the change in name from Sekura Energy Private Limited to SEPL Energy Private Limited.

The Sponsor's registered office is situated at 504 & 505, 5th Floor, Windsor, Off CST Road, Kalina, Santa Cruz (East), Mumbai 400 098. For further details, please see the section entitled "*General Information*" on page 151.

Background of the Sponsor

The Sponsor is an infrastructure company in India that carries out investments in power transmission companies and renewable energy companies operating in the private sector. In accordance with the eligibility criteria specified under InvIT Regulations, the Sponsor is relying on the experience of its subsidiary i.e. Solaire Surya Urja Private Limited ("**SSUPL**").

SSUPL is a subsidiary of SEPL Energy Private Limited. SSUPL was incorporated as a private limited company on March 13, 2015, in Maharashtra, India. As per the object clause in the Memorandum of Association of the company, SSUPL was formed to '*carry on in India or elsewhere the business to produce solar energy and to identify, develop, design, build, construct, integrate, assemble, finance, manage, operate, maintain, repair and trade with projects and power plants in the field of solar energy by applying technologies and other businesses in connection with it, to undertake projects for the purpose of solar power generation in India or elsewhere based on project finance and investment models ranging from but not limited to build, construct, operate, and maintain to Build, Own, Operate and Transfer(BO, BOO, BOOT) basis or offer turnkey solutions such as supply and installation of systems, project development, engineering, procurement, construction and to participate in co-operations and partnerships for on-grid and off-grid solar energy projects.*'

M/s NTPC Limited ("**NTPC**") has been designated by Government of India as the nodal agency for the implementation of MNRE scheme for developing "Purchase and sale of 33 kV and above grid connected Solar PV Power under the JNNSM". As a part of this scheme, NTPC invited proposals for setting up solar projects under this scheme. In response to this, SSUPL has submitted two successful bids (of 70 MW each) for developing project of 140 MW capacity in the State of Rajasthan ("**Project**"). Following the allocation of the Project, SSUPL executed two power purchase agreements ("**PPA**") each for 70 MW along with NTPC on May 2, 2016, for the sale of power at a tariff rate of INR 4.35/unit for a period of 25 years from the commercial operation date, as mentioned in the relevant PPA.

The Project is located in Bhadla Village, Bap Tehsil, Jodhpur District in the State of Rajasthan. The geographical coordinates of sites are 27.4805086°N, 71.971216°E (Plot – 8) and 27.46553°N, 71.972062°E (Plot – 10). The Project (full commissioning) was actually synchronized to the grid on August 11, 2017 (50 MW on June 1, 2017 (Plot 8), 40 MW on June 11, 2017 (Plot 10), 20 MW on July 21, 2017 (Plot 8) and 30 MW on August 11, 2017 (Plot 10) as confirmed by Rajasthan Renewable Energy Corporation Limited and the plant is operational since then.

In accordance with the eligibility criteria specified under the InvIT Regulations, the Sponsor has a net worth (as defined under section 2(57) of the Companies Act, 2013, as amended) of ₹ 2,884.52 million as on September 30, 2024, *i.e.*, not less than Rs. 1,000 million. The Sponsor has experience of at least five years and the Sponsor is a developer in the renewable energy sector of India with at least two projects of the Sponsor having been completed.

Further, neither the Sponsor nor any of the promoters or directors of the Sponsor: (i) are debarred from accessing the securities market by SEBI; (ii) are promoters, directors or persons in control of any other company or a sponsor, investment manager or trustee of any other infrastructure investment trust or an infrastructure investment trust which is debarred from accessing the capital market under any order or direction made by SEBI; or (iii) are in the list of wilful defaulters published by the RBI.

As of the date of this Preliminary Placement Document, Sponsor is in compliance with the eligibility criteria provided under Regulation 4 of the InvIT Regulations and is a "fit and proper person" as prescribed under SEBI Intermediaries Regulations.

Board of Directors of the Sponsor

The board of directors of the Sponsor is entrusted with the overall management of the Sponsor. Please see below the details in relation to the board of directors of the Sponsor:

Sr. No.	Name	DIN	Designation
1.	Vijayanand Bishamber Semletty	08414988	Non-executive Director
2.	Sushanth Nayak	02857645	Non-executive Director
3.	Tharuvai Venugopal Rangaswami	01957380	Non-executive Director
4.	Sreekumar Chatra	07149285	Non-executive Director

Sponsor Group

SEPL Energy Private Limited, Solaire Surya Urja Private Limited, Edelweiss Infrastructure Yield Plus (EIYP), Dhola Infra Projects Private Limited, Dibang Infra Projects Private Limited, Pokaran Solaire Energy Private Limited, Solairepro Urja Private Limited, Solairedirect Projects India Private Limited, Solaire Power Private Limited, Solaire Urja Private Limited, Northern Solaire Prakash Private Limited, Suryauday Solaire Prakash Private Limited, Enviro Solaire Private Limited, Suprasanna Solaire Energy Private Limited, Ujjvalatejas Solaire Urja Private Limited, Nirjara Solaire Urja Private Limited, Jorabat Shillong Expressway Limited, Thrissur Expressway Limited and SRPL Roads Private Limited form part of the Sponsor Group.

Each of the members of the Sponsor Group have been identified with respect to the Sponsor, in terms of Regulation 4(2)(d)(i) and other applicable provisions of the InvIT Regulations.

As of the date of this Preliminary Placement Document, the Sponsor and the Sponsor Group are in compliance with the eligibility criteria provided under Regulation 4 of the InvIT Regulations, to the extent applicable to each of the Sponsor or Sponsor Group, severally. Further, each member of the Sponsor Group has confirmed that they are fit and proper persons based on the criteria as specified in Schedule II of the Securities and Exchange Board of India (Intermediaries) Regulations, 2008.

B. The Trustee – Axis Trustee Services Limited`

Axis Trustee Services Limited is the Trustee of the Anzen Trust. The Trustee is a registered intermediary with SEBI under the SEBI Debenture Trustee Regulations as a debenture trustee having registration number IND000000494 and the certificate of registration is valid until suspended. The Trustee's registered office is situated at Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai 400 025 and corporate office at The Ruby 2nd floor, SW, 29 Senapati Bapat Marg, Dadar West, Mumbai 400 028. The Trustee is a wholly-owned subsidiary of Axis Bank Limited.

Background of the Trustee

The Trustee is a wholly-owned subsidiary of Axis Bank Limited. The Trustee's services are aimed at catering to the individual needs of the client and enhancing client satisfaction. As a trustee, it ensures compliance with all statutory requirements and believes in the highest ethical standards and best practices in corporate governance. It aims to provide the best services in the industry with its well trained and professionally qualified staff with a sound legal acumen. The Trustee is involved in varied facets of debenture and bond trusteeships, including, advisory functions and management functions. The Trustee also acts as a security trustee and is involved in providing services in relation to security creation, compliance and holding security on behalf of lenders.

The Trustee is also involved in providing services as (i) a facility agent for complex structured transactions; (ii) an escrow agent; (iii) a trustee to alternative investment funds; (iv) custodian of documents as a safekeeper; (v) a trustee to real estate investment trust, etc.

The Trustee confirms that it has and undertakes to ensure that it will at all times, maintain adequate infrastructure personnel and resources to perform its functions, duties and responsibilities with respect to the Anzen Trust, in accordance with the InvIT Regulations, the Trust Deed and other applicable law.

The Trustee is not an Associate of the Sponsor or the Investment Manager. Further, neither the Trustee nor any of the promoters or directors of the Trustee (i) are debarred from accessing the securities market by SEBI; (ii) is a promoter, director or person in control of any other company or a sponsor, investment manager or trustee of any other infrastructure investment trust or an infrastructure investment trust which is debarred from accessing the capital market under any order or direction made by SEBI; or (iii) are in the list of wilful defaulters published by the RBI.

Further, as of the date of this Preliminary Placement Document, the Trustee is in compliance with the eligibility criteria provided under Regulation 4 of the InvIT Regulations and is a "fit and proper person" as prescribed under SEBI Intermediaries Regulations.

Board of Directors of the Trustee

The Board of Directors of the Trustee is entrusted with the responsibility for the overall management of the Trustee. Please see below the details in relation of the board of directors of the Trustee:

Sr. No.	Name	DIN	Designation
1.	Rahul Choudhary	10935908	Managing Director and CEO
2.	Prashant Ramrao Joshi	08503064	Non-Executive Director
3.	Arun Mehta	08674360	Non-Executive Director
4.	Pramod Kumar Nagpal	10041946	Non-Executive Director

Brief profiles of the Directors of the Trustee

1. **Rahul Choudhary** is a banker with around 21 years of experience (joined Axis Bank as a Management Trainee in 2003) across product/portfolio/process management with P&L ownership, operations, customer experience, strategy and planning, new product development, innovation/transformation, business development/coverage, project management and compliance/risk management. These roles have been in multiple functions in Axis Bank and across domains like transaction banking, business & institutional banking, retail & branch banking, govt. banking, corporate credit, trade & forex and wholesale banking operations; with subject matter expertise in liability, payments, transaction banking, corporate credit/asset products, CMS, govt. business and digital banking. His forte, across multiple roles, has been in setting up new business lines/products/services from scratch and leading large organizational transformation initiatives right from designing the blueprint and strategic framework to execution in line with the company's vision and strategic goals; and driven a culture with strong and sharp focus on governance, risk and compliance across all stints.

   He was heading the wholesale banking operations (WBO) department at Axis Bank with a team size of 3,500+ staff – a mix of central back-office units & decentralized wholesale banking service teams across credit, domestic & cross-border trade finance, retail forex & remittance, CMS & current account, treasury operations, custody & capital market and ground delivery of these services to wholesale (corporate & SME/commercial banking) clients through 350+ ground service teams (wholesale banking centers). His key responsibilities in the role included delivering superior customer service through best-in-class TATs leading to increased wallet share; enhanced operating efficiency through tech, digital & analytics driven Ops transformation; delivering on the digitization mandate through industry first initiatives and innovation including process re-engineering; accelerating digital adoption; increasing Cx / NPS scores; and ensuring compliance to regulations with effective and ro–ust risk controls - the focus in the last few years has been on transformation of wholesale Ops as an agile & future ready customer centric Ops/service team with best-in-class compliance standards. He has proven track record of delivery and execution across all roles. Specific to compliance – he has ensured Nil RMP observations, reduced RBI RAR observations (and all closed within committed timelines with no delays/breaches) and no repeat issues, Nil overdue Issues across IAD/Compliance/OR/FRR with more than 30% reduction in issues compared to previous year.

2. **Prashant Joshi** is a Non-Executive Director on the board of the Trustee. He is the group executive & chief credit officer of the Bank since May 1, 2022. As the chief credit officer, he is responsible for all underwriting functions across the retail and corporate categories. He has nearly three decades of experience in financial services, primarily in project finance appraisals and credit functions. He has been with Axis Bank since September 2006 in roles related to credit/ underwriting and risk across various categories.

   In his previous stint, he was with the Industrial Development Bank of India in the project finance department for nearly 13 years, with in-depth experience of working on proposals across sectors. He started his career in a private firm as a project engineer. He holds a bachelor's degree in Engineering from Sardar Patel College of Engineering, Mumbai University.

3. **Arun Mehta** is a Non-Executive Director on the board of the Trustee. He holds a master's degree in Economics and is a certified member of the Indian Institute of Bankers. He has over 38 years of experience, which includes corporate banking (mid corporates as well as large corporates), international banking, ECBs and loan syndication (heading the merchant banking division), investment banking as well as retail banking. He has also had considerable international exposure, having worked overseas in Hong Kong handling loan syndications and investments.

   He has earlier held the position of MD & CEO of SBI Capital Markets, the merchant banking arm of SBI. He was also the non-executive chairman of SBICap Securities (retail broking arm), SBICap ventures Ltd and SBICap trustee Company Ltd. He was a Non-Executive Director in Investec Capital services India Pvt Ltd. Some of the other senior level assignments include chief general manager, financial control (ALM, budgeting and performance monitoring, raising equity and AT1 & Tier II debt). He has also chaired the mid corporates credit committee for Gujarat Diu and daman.

4. **Pramod Kumar Nagpal** is a Non-Executive Director on the board of the Trustee. He is a professional having more than 40 years of work experience. In 1989 Mr. Nagpal Joined SEBI as manager worked with SEBI for about 30.5 years. Before retirement in December 2019, he was executive director of SEBI for almost 13 years.

   He has versatile experience of working in all operational departments of SEBI - corporate finance, market regulation, mutual funds, venture capital funds, market intermediaries supervision, investigation and foreign portfolio investors. He was also involved in policy formulation and implementation of Regulations, registration and supervision of market intermediaries, inspection of stock exchanges and market intermediaries, investigation of market manipulation and insider trading, Takeovers, IPOs, compliance of listing requirements by the companies, corporate governance, etc. Many of the notifications of regulations and guidelines were done under his supervision including Listing Regulations and Foreign Portfolio Investors Regulations.

   He was chief vigilance officer of SEBI and in-charge of internal inspections department, HRD, finance and audit, establishment, premises and internal security and acted as disciplinary authority for internal matters. While working with SEBI, he was assigned additional responsibilities of director of its training institute - National Institute of Securities Markets (NISM) and chief executive officer of Central Listing Authority. He was nominated on the boards of 3 stock exchanges and NISM.

   He has acted as enquiry and adjudicating authority for deciding quasi-judicial matters of market participants based on evaluation of facts and evidence. He has also conducted enquiries under High Court Orders in the functioning of stock exchanges and default by stockbrokers. He was a member of various Committees of SEBI, other financial sector regulators, Government and international bodies pertaining to disclosures, enactment of the Companies Act 2013, corporate governance, KYC, anti-money laundering, insolvency code, etc. He has also chaired the standing committee of financial sector regulators (SEBI, RBI, IRDA and PFRDA) on credit ratings and was chair of committees of international organization of securities commissions (IOSCO) on issuer accounting, audit and disclosures, comprising of 33 countries.

   He has also worked on climate related disclosures and sustainability. He led a report on money laundering in securities markets in Eurosian Countries under international organization FATF (Financial Action Task Force) and was a speaker at various national and international forums on securities markets.

   Prior to SEBI, he has worked in senior positions with (i) Delhi Stock Exchange (ii) an investment banking firm involved in stock broking, merchant banking and equity research and (iii) others. Post his tenure at SEBI, he conducted training for officers of insolvency and bankruptcy board of India (IBBI) on carrying out inspections and quasi-judicial proceedings. Subsequently, provided consultancy on the same subject and submitted a detailed report for further improvement of their systems and procedures.

   He has also provided consultancy to international agencies, listed companies, market intermediaries and advisor to group of entities and a leading law firm and advised on different segments of securities regulations, passed test of proficiency conducted by MCA for appointment of independent directors, got certificate of merit for all India quiz contest on insolvency code conducted by the government of India and the IBBI for his performance being among the top 10 per cent of the participants. He is enrolled as Advocate with Bar Council of Maharashtra and Goa and passed all India written examination conducted by Bar Council of India.

Key Terms of the Amended and Restated Trust Deed

The Trustee has entered into the Amended and Restated Trust Deed, in terms of the InvIT Regulations, the key terms of which, are provided below:

1. *Powers of the Trustee*

The Trustee has been provided with various powers under the Trust Deed in accordance with the Indian Trusts Act, 1882 and the InvIT Regulations, including but not limited to:

(i). Without prejudice to the scope and generality of the powers and authority conferred upon the Trustee under the Indian Trusts Act, 1882, the Trustee shall, in relation to the InvIT, have every and all powers that a Person competent to contract and acting as a legal and beneficial owner of such property has, and such powers shall not be restricted by any principle of construction or rule or requirement, but shall operate according to the widest generality of which the foregoing words are capable, notwithstanding that certain powers are more specifically set forth herein.

(ii). The Trustee shall have the power to determine, in accordance with the Investment Management Agreement and the Investment Objectives, distributions to Unitholders and other rights attached to the Units in compliance with the InvIT Regulations and applicable law.

(iii). The Trustee shall oversee voting of the Unitholders in accordance with the InvIT Regulations.

(iv). The Trustee shall have the power to do the following, in accordance with the InvIT Regulations, which power may be delegated to the Investment Manager in terms of the Investment Management Agreement:

(a). cause the offering of the Units through any Offer Document;

(b). cause any Offer Document to be provided to the investors;

(c). issue and allot Units;

(d). summon and conduct meetings of the Unitholders in accordance with the relevant InvIT Documents and the InvIT Regulations; and

(e). subject to, and only in accordance with, the terms of the InvIT Documents and the InvIT Regulations, approve transfer of the Units.

(v). The Trustee shall invest and hold the InvIT Assets in the name of the InvIT for the benefit of the Unitholders in accordance with the provisions of the InvIT Regulations, the InvIT Documents, the Trust Deed and the Investment Objectives. The Trustee shall be empowered to make investment decisions as provided below, with respect to the underlying assets or projects of the InvIT including any further investments or divestment, subject to InvIT Regulations and in accordance with the Offer Document. Provided such power is delegated to, and exclusively exercised by, the Investment Manager pursuant to the Investment Management Agreement the Investment Manager is also empowered to:

(a). acquire, subscribe, hold, manage, trade and dispose of shares, stocks, convertibles, debentures, bonds or other equity or equity-related securities or other debt or mezzanine securities of all kinds issued by any Holding Company or any SPV whether in physical or dematerialised form, including power to hypothecate, pledge or create encumbrances of any kind on such securities held by the InvIT in such Holding Companies or SPVs, to be used as collateral security for any borrowings by the InvIT or any Holding Company or any SPV;

(b). avail commercial loans, including the power to hypothecate, pledge or create Encumbrances of any kind on the InvIT Assets as collateral security for any such loans availed by the InvIT, in accordance with the InvIT Regulations and applicable law;

(c). keep the capital and monies of the InvIT, the Holding Companies and the SPVs in deposit with banks or mutual funds or other institutions whatsoever, in accordance with the InvIT Regulations and other applicable law;

(d). accept contributions;

(e). collect and receive the profit, interest, repayment of principal of debt or debt like, or equity or equity like, mezzanine securities, dividend, return of capital of any type by the Holding Companies, or SPVs, and income of the InvIT as and when the same may become due and receivable;

(f). invest in securities or in units of mutual funds in accordance with the InvIT Regulations and other applicable law by the InvIT, the Holding Companies and the SPV;

(g). invest in money market instruments including government securities, treasury bills, certificates of deposit and commercial papers in accordance with applicable law by the InvIT, the Holding Companies and the SPV.

(h). to give, provide and agree to provide to any Holding Companies or SPVs, financial assistance in the form of investment in its debt securities or share capital of any class including ordinary, preference, participating, non-participating, voting, non-voting or other class, and in the form of investment in securities convertible into share capital;

(i). to invest, acquire, purchase, hold, divest, sale, hypothecate, pledge or otherwise transfer movable property or immovable property of any kind including any rights and interest therein of the Holding Companies and the SPVs; and

(j). to carry out any other functions, as appropriate and necessary to achieve the investment objectives, subject to compliance with the Trust Deed, the InvIT Documents and applicable law.

(vi). Subject to the provisions of the InvIT Regulations, the Trustee, in consultation with the Investment Manager, shall have the power to make such reserves out of the income or capital as the Trustee may deem proper and any decisions of the Trustee whether made in writing or implied from its acts, so far as the applicable law may permit, shall be conclusive and binding on the Unitholders and all Persons actually or prospectively interested under the Trust Deed. Any distribution made by the Trustee from such reserves shall be in the manner set out in the Trust Deed;

(vii). In addition to acting in its capacity as trustee, the Trustee shall have the power to employ and pay at the expense of the InvIT, any agent in any jurisdiction whether attorneys, solicitors, brokers, banks, trust companies or other agents whether associated or connected in any way with the Trustee or not, without being responsible for the default of any agent if employed in good faith to transact any business, including without limitation, the power to appoint agents to raise funds, or do any act required to be transacted or done in the execution of the trusts hereof including the receipt and payment of moneys and the execution of documents.

(viii). The Trustee shall, on behalf of the InvIT, within a reasonable time from the date of execution hereof, appoint the Investment Manager as the investment manager to the InvIT, by execution of the Investment Management Agreement, on behalf of the InvIT, to manage the assets and investments of the InvIT and undertake activities of the InvIT in accordance with the terms and conditions set out in the Trust Deed and the Investment Management Agreement and applicable law.

(ix). The Trustee shall oversee the activities of the Investment Manager in the interest of the Unitholders, ensure that the Investment Manager complies with the InvIT Regulations and applicable law and shall obtain a compliance certificate from the Investment Manager on a quarterly basis or such other time period as prescribed by applicable law, in the form prescribed by SEBI, if any.

(x). The Trustee shall, on behalf of the InvIT, within a reasonable time from the date of execution hereof, appoint the Project Manager as the project manager for the InvIT, by execution of the Project Implementation and Management Agreement, for the operation and management of the InvIT Assets, in accordance with the terms and conditions set out in the Trust Deed, the Project Implementation and Management Agreement and applicable law.

(xi). The Trustee shall oversee activities of the Project Manager with respect to compliance with the InvIT Regulations and the Project Implementation and Management Agreement and shall obtain a compliance certificate from the Project Manager on a quarterly basis or such other time period as prescribed by applicable law, in the form prescribed by SEBI, if any.

(xii). The Trustee may, in consultation with the Investment Manager, appoint any custodian in order to provide custodian services, and may permit any property comprised in the InvIT to be and remain deposited with a custodian or with any Person or Persons in India or in any other jurisdiction subject to such deposit being permissible under the applicable law.

(xiii). In the event of any capital gains tax, income tax, stamp duty or other duties, fees or taxes (and any interest or penalty chargeable thereon) whatsoever becoming payable in any jurisdiction in respect of the InvIT or any part thereof or in respect of documents issued or executed in pursuance of the Trust Deed in any circumstances whatsoever, the Trustee shall have the power and duty to pay all such duties, fees or taxes (and any interest or penalty chargeable thereon) as well as to create any reserves for future potential tax liability out of the income of the InvIT, or to the extent of the amount invested in the Units by the Unitholders, as may be permitted under applicable law, and the Trustee may pay such duties, fees or taxes (and any such interest or penalty) on behalf of the InvIT. For avoidance of doubt, it is clarified that pursuant to this Article no Unitholder will be required to make a contribution as a capital commitment to the InvIT (other than the value for Units already paid).

(xiv). The Trustee shall, subject to the advice of the Investment Manager, have the power to pay InvIT expenses out of the funds held by the InvIT.

(xv). The Trustee shall, in discharge of its duties, have the power to take the opinion of legal or tax counsel in any jurisdiction concerning any disputes or differences arising under the Trust Deed or any matter relating to the InvIT and the fees of such counsel shall be paid out of the funds held in the InvIT.

(xvi). The Trustee may, in execution of the InvIT hereof or in exercise of any of the powers hereby or by law given to the Trustee sell, rent or buy any property, or borrow property from or carry out any other transaction with the trustees of any other trust or the executors or administrators of any estate notwithstanding that the Trustee is the same Person as those trustees, executors or administrators or any of them and where the Trustee is the same Person as those trustees, executors or administrators, the transaction shall be binding on all Persons then or thereafter interested hereunder though effected and evidenced only by an entry in the books of accounts of the Trustee, provided such power is delegated to, and exclusively exercised by, the Investment Manager pursuant to the Investment Management Agreement. The Trustee shall ensure that no conflicts of interest shall arise whilst conducting such activities.

(xvii). Subject to applicable law, the Trustee (acting on behalf of the InvIT), shall have the power to:

(a). accept any property before the time at which it is transferable or payable;

(b). pay or allow any claim on any evidence that it thinks sufficient;

(c). accept any security movable or immovable in lieu of any amounts payable to it;

(d). alter the dates for payment of any amounts payable to it; and

(e). subject to such approval (if any) as may be required from the Unitholders, compromise, compound, abandon or otherwise settle any claim or thing whatsoever relating to the InvIT or the Trust Deed.

(xviii). The Trustee shall, subject to the advice of the Investment Manager, have the power to borrow funds including any subordinated equity, long term loans, short term loans, bonds or other loans or funds from any Person or authority (whether Government or otherwise, whether Indian or overseas) for the purpose of the InvIT on such terms and conditions and for such periods and subject to approval of the Unitholders in accordance with and as may be required in terms of the InvIT Regulations and applicable law. The Trustee shall, subject to the advice of the Investment Manager, also have the power to create encumbrances of any kind on the InvIT Assets as collateral security for any such borrowings.

(xix). Subject to the conditions laid down in any InvIT Documents, and the InvIT Regulations and applicable law, the Trustee may, subject to any advice of the Investment Manager, retain any proceeds received by the InvIT from any Holding Companies or SPVs, including through the sale of or any Holding Company or SPV.

(xx). The Trustee may make rules to give effect to and carry out the investment objectives subject to applicable law. In particular, and without prejudice to the generality of such power, the Trustee may provide, in a manner not inconsistent with the provisions of the Trust Deed and the InvIT Regulations, for all or any of the following matters namely:

(a). manner of maintaining of the records and particulars of the Unitholders;

(b). norms of investment by the InvIT in accordance with the investment objectives of the InvIT and in accordance with the powers and authorities of the Trustee as set out in the Trust Deed;

(c). matters relating to entrustment / deposit or handing over of any securities or shares of the SPVs of the InvIT to any one or more custodians and the procedure relating to the holding thereof by the custodian ;

(d). such other administrative, procedural or other matters relating to the administration or management of the affairs of the InvIT and which matters are not by the very nature required to be included or provided for in the Trust Deed or by the management thereof and which matters are not inconsistent with the investment objectives of the Trust Deed and applicable law;

(e). procedure for seeking the vote of the Unitholders either by calling a meeting or through postal ballot or otherwise; and

(f). procedure for summoning and conducting meetings of Unitholders.

The aforementioned power to make rules may be delegated by the Trustee to the Investment Manager subject to the InvIT Regulations and in terms of the Investment Management Agreement.

(xxi). The Trustee shall cause the depository to maintain the depository register.

(xxii). The Trustee shall advise the Investment Manager in relation to the appointment of valuer, auditors, registrar and transfer agent, merchant bankers, custodian, credit rating agency and any other intermediary or service provider or agent as may be applicable with respect to the activities pertaining to the InvIT, in a timely manner, in accordance with the InvIT Regulations and applicable law. The Investment Manager shall ensure that the activities of, and the services provided by, any of the intermediaries set out above are as per the provisions of the InvIT Regulations and applicable law.

(xxiii). The Trustee shall review the reports required in terms of InvIT Regulations and applicable law, as submitted by the Investment Manager. In the event such reports are not submitted in a timely manner, the Trustee, after due follow-up, shall intimate the same to SEBI.

(xxiv). The Trustee shall have the power to open one or more bank accounts for the purposes of the InvIT, to deposit and withdraw money and fully operate the same.

(xxv). The Trustee shall have the power to take up with SEBI or with the stock exchange(s) as applicable, any matter which has been approved in any meeting of Unitholders, if the matter requires such action.

(xxvi). Without prejudice to any other provisions of the Trust Deed, the Trustee shall also have the following powers and authorities:

(a). to institute, conduct, compromise, compound, or abandon any legal proceedings for or on behalf of or in the name of the InvIT or the Trustee, and to defend, compound or otherwise deal with any such proceedings against the InvIT or Trustee or the officers of the Trustee or concerning the affairs of the InvIT, and also to compound and allow time for payment or satisfaction of any equity due and of any claims or demands by or against the InvIT and observe and any decisions thereof;

(b). to make and give receipts, releases and other discharges for moneys payable to the InvIT and for the claims and demands of the InvIT;

(c). to enter into all such negotiations and contracts, and, execute and do all such acts, deeds and things for or on behalf of or in the name of the InvIT as the Trustee may consider expedient for or in relation to any of the matters or otherwise for the purposes of the InvIT;

(d). to sign, seal, execute, deliver and register according to law all deeds, documents, agreements, and assurances in respect of the InvIT;

(e). to negotiate, sign, seal, execute and deliver the InvIT Documents, including but not limited to, any issue agreement, share purchase agreement, services agreement, deed of right of first offer, debenture subscription agreement, escrow agreement, underwriting agreement, loan documentation, offer document or any other deed, agreement or document in connection with the InvIT or the Units, including any amendments, supplements or modifications thereto;

(f). take into their custody and/or control all the capital, assets, property of the InvIT and hold the same in trust for the Unitholders in accordance with the Trust Deed, the InvIT Regulations and applicable law; and

(g). generally to exercise all such powers as it may be required to exercise under the InvIT Regulations and applicable law for the time being in force and do all such matters and things as may promote the InvIT or as may be incidental to or consequential upon the discharge of its functions and the exercise and enforcement of all or any of the powers and rights under the Trust Deed, applicable law and the InvIT Regulations.

(xxvii). Subject to applicable law, the Trustee may at any time, buy-back the Units from the Unitholders.

(xxviii). The Trustee may, delegate to the Investment Manager or the Project Manager, any powers set out above and the duties set out below, or as available to it under the InvIT Regulations and applicable law, including, *inter alia,* management of the assets and investments of the InvIT vested in it under the Trust Deed, taking investment decisions, issue, listing and allotment of Units and making distributions in accordance with the InvIT Regulations. Further, for administrative and operational convenience, the Trustee may delegate to any committee or Person, with consent of the Investment Manager, any administrative duties as set out below, provided, however, the Trustee shall remain responsible and liable for any such Persons' acts of commission or omission as determined by a court of competent jurisdiction whose decision is final, binding and non-appealable ,except in cases of gross negligence, misconduct, wilful default and fraud by such person or committee and except the roles and responsibilities delegated by the Trustee to Investment Manager, Project Manager or any third party expert, or any sub-delegation by the Investment Manager or the Project Manager.

2. *Duties of the Trustee*

(i). The Trustee shall use best endeavours to carry on and conduct the business of the InvIT in a proper and efficient manner in the best interest of the Unitholders.

(ii). The Trustee, on behalf of the InvIT, shall appoint an Investment Manager and Project Manager in accordance with the InvIT Regulations and applicable law .

(iii). The Trustee shall, on behalf of the InvIT, within a reasonable time from the date of execution of the Trust Deed, enter into the Investment Management Agreement with the Investment Manager .

(iv). The Trustee shall ensure that the Investment Manager performs its obligations as specified below:

(a). The Trustee shall ensure that the Investment Manager complies with reporting and disclosure requirements in accordance with InvIT Regulations and in case of any delay or discrepancy, require the Investment Manager to rectify such delay or discrepancy on an urgent basis;

(b). The Trustee shall review the transactions carried out between the Investment Manager and its associates and where the Investment Manager has advised that there may be a conflict of interest, it shall obtain a certificate from a practising chartered accountant or valuer, as applicable, that such transaction is on arm's length basis;

(c). The Trustee shall review the valuation report submitted by the Investment Manager;

(d). The Trustee may require the Investment Manager to set up such systems and procedures and submit such reports to the Trustee, as may be necessary for effective monitoring of the functioning of the InvIT; and

(e). The Trustee shall ensure that the Investment Manager convenes meetings of the Unitholders in accordance with the InvIT Regulations and oversee the voting by Unitholders. The Trustee shall ensure that the Investment Manager convenes meetings of Unitholders not less than one every year and the period between such meetings shall not exceed 15 months.

(v). The Trustee shall provide SEBI and the stock exchange(s), where applicable, such information as may be sought by SEBI or by the stock exchange(s) pertaining to the activity of the InvIT. The Trustee shall comply with intimation requirements under the InvIT Regulations and applicable law, including in relation to intimating SEBI in case of any discrepancy in the operation of the InvIT with the Trust Deed, the InvIT Regulations and any offer document. The Trustee shall also immediately inform SEBI in case any act which is detrimental to the interest of the Unitholders is noted.

(vi). The Trustee shall at all times exercise due diligence in carrying out its duties and protecting the interests of the Unitholders.

(vii). The Trustee shall delegate all such powers to the Investment Manager as may be required by the Investment Manager to carry out its obligations under the Investment Management Agreement and under applicable law.

(viii). The Trustee shall delegate all such powers to the Project Manager as may be required by the Project Manager to carry out its obligations under the Project Implementation and Management Agreement and under applicable law.

(ix). The Trustee shall obtain prior approval from the Unitholders in accordance with the InvIT Regulations before any change in, or change in control of, the Investment Manager due to removal or otherwise. In this regard, the Trustee shall also obtain prior approval from SEBI prior to any change in, or change in control of, the Investment Manager, in the event that such approval is required in terms of the InvIT Regulations. In case of change in Investment Manager due to removal or otherwise, the Trustee shall, appoint a new investment manager in accordance with the InvIT Regulations and applicable law, within the time period prescribed under the InvIT Regulations. The previous investment manager shall continue to act as such at the discretion of the Trustee until such time as the new investment manager is appointed. The Trustee shall ensure that the new investment manager shall stand substituted as a party in all the documents to which the earlier Investment Manager was a party. The Trustee shall also ensure that the earlier Investment Manager continues to be liable for all its acts of omissions and commissions for the period during which it served as investment manager, notwithstanding its termination.

(x). In case of change in Project Manager due to removal or otherwise, the Trustee shall appoint a new project manager in accordance with the InvIT Regulations and applicable law. The Trustee shall appoint a new project manager within the time period prescribed under the InvIT Regulations. The Trustee may, *suo moto* appoint an administrator in connection with an infrastructure project for such terms and on such conditions as it deems fit. The previous project manager shall continue to act as the project manager at the discretion of the Trustee till such time as a new project manager is appointed. All costs and expenses in this regard will be borne by the new project manager. The Trustee shall ensure that the new project manager shall stand substituted as a party in all the documents to which the earlier Project Manager was a party. The Trustee shall also ensure that the earlier Project Manager continues to be liable for all its acts of omissions and commissions for the period during which it served as project manager, notwithstanding its termination.

(xi). The Trustee shall ensure that in case of change in control of the Project Manager, written consent is obtained from the counter parties in terms of the concession agreements or agreements of a similar nature entered into by the holding company(ies) or SPVs, prior to such change, if applicable.

(xii). The Trustee shall ensure that subscription amount is kept in a separate bank account in name of the InvIT and is only utilised for adjustment against allotment of Units or refund of money to the applicant till the time such Units are allotted in the case of an unlisted InvIT or listed in the case of a listed InvIT and the same will be utilised for objectives of the offering as will be mentioned in the relevant offer document.

(xiii). The Trustee shall cause the books of accounts of the InvIT to be in accordance with the Trust Deed.

(xiv). The Trustee shall ensure that all acts, deeds and things are done for the attainment of the investment objective of the Anzen Trust and in compliance with the InvIT Regulations and applicable law and to secure the best interests of the Unitholders.

(xv). The Trustee, either by itself or through the Investment Manager shall, from time to time, file such reports as may be required by SEBI or any other regulatory authority or as required under the InvIT Regulations and applicable law with regard to the activities carried on by the Trust.

(xvi). The Trustee shall periodically review the status of the Unitholders' complaints and their redressal undertaken by the Investment Manager, in accordance with the InvIT Regulations.

(xvii). The Trustee and its directors, officers, employees and agents shall at all times maintain the greatest amount of confidentiality as regards the activities and assets of the InvIT and such other matter connected with them and the InvIT generally and shall not disclose any confidential information to any other Person, other than the Investment Manager, or the Project Manager, unless such information is required to be disclosed to some regulatory authority, court or any other Person under any order of court or any law in force in India.

(xviii). The assets and liabilities of the InvIT shall at all times be segregated from the assets and liabilities of the Trustee and the assets and liabilities of other trusts managed by the Trustee. The assets held under the InvIT shall be held for the exclusive benefit of the Unitholders and such assets shall not be subject to the claims of any creditor or any Person claiming under any other fund administered by the Trustee or by the Investment Manager.

(xix). The Trustee shall ensure through the Investment Manager that a detailed valuation is undertaken of the InvIT Assets by a valuer at such intervals and in the manner as may be prescribed under the InvIT Regulations and applicable law. The Trustee shall ensure that the remuneration of the valuer is not linked to or based on the value of the asset(s) being valued.

(xx). The Trustee of the InvIT shall not invest in Units of the Trust.

(xxi). The Trustee shall fulfil its obligations in terms of the InvIT Regulations.

(xxii). The Trustee shall ensure that the activity of the Anzen Trust is being operated in accordance with the provisions of the Trust Deed, the InvIT Regulations, applicable law and the InvIT Documents and if any discrepancy, it shall inform SEBI immediately in writing.

(xxiii). The Trustee shall ensure that the InvIT, the Investment Manager, the Project Manager, the Holding Companies and the SPVs adopt, policies, including corporate governance policies, policies in relation to acquisition of assets from the Sponsor and third parties, policies in relation to the net distributable cash flows, policies in relation to anti-bribery and anti-corruption, policies in relation to environment, safety and health, policies anti-money laundering and any other policies in relation to their activities related to the InvIT ("**Policies**"),as may be required and as applicable, prior to filing of the relevant offer document for the initial offer. The terms, such as, manner or requirement of Unitholders' approval for each of these Policies, applicability, amendment and termination, of the respective Policies shall be set out in each of the Policies.

(xxiv). The Trustee shall maintain records in accordance with the InvIT Regulations and applicable law.

(xxv). The Trustee shall wind up the InvIT in accordance with the InvIT Regulations and applicable law. Upon winding up of the InvIT, the Trustee shall surrender the certificate of registration to SEBI.

3. *Rights of the Trustee*

The Trustee shall have the following rights:

(i). The Trustee may, in the discharge of its duties, act upon any advice obtained in writing from any bankers, accountants, brokers, lawyers, professionals, consultants, or other experts acting as advisers to the Trustee.

(ii). Without prejudice to any other provisions of the Trust Deed, but save as otherwise provided for in any InvIT Document, the Trustee shall be entitled to reimburse itself and shall be entitled to charge the InvIT with the expenses, taxes, levies, and liabilities (including indemnity obligations of the InvIT, if any) as set out in the Trust Deed.

(iii). The Trustee may accept as sufficient evidence for the value of any investment or for the cost price or sale price thereof or for any other fact within its competence, a certificate by a valuer or any other professional Person appointed by the Investment Manager for the purpose.

4. *Liabilities of the Trustee*

The liabilities of the Trustee in terms of the Trust Deed are as follows:

(i). The Trustee shall only be held chargeable for such monies, stocks, funds, shares, assets, investment, property and securities as the Trustee shall have actually received and shall not be liable or responsible for any banker, broker, custodian or other Person in whose hands the same may be deposited or placed, nor for the deficiency or insufficiency in the value of any investments of the InvIT nor otherwise for any involuntary loss. Any receipt signed by the Trustee for any monies, stocks, funds, shares, securities, investment or property, paid, delivered or transferred to the Trustee under or by virtue of the Trust Deed or in exercise of the duties, functions and powers of the Trustee shall effectively discharge the Trustee or the Person or Persons paying, delivering or transferring the same therefrom or from being bound to see to the application thereof, or being answerable for the loss or misapplication thereof provided that the Trustee and such Persons shall have acted in good faith, without negligence and shall have used their best efforts in connection with such dealings and matters.

(ii). The Trustee shall not be under any liability on account of anything done or omitted to be done or suffered by the Trustee in good faith in accordance with, or in pursuance of any request or advice of the Investment Manager.

(iii). The Trustee shall not be under any obligation to institute, acknowledge the service of, appear in, prosecute or defend any action, suit, proceedings or claim in respect of the provisions hereof or in respect of the InvIT

Assets or any part thereof or any corporate action which in its opinion would or might involve it in expense or liability unless the Investment Manager shall so request in writing and the Trustee in consultation with the Investment Manager is satisfied that the value of the investment is sufficient to provide adequate indemnity against costs, claims, damages, expenses or demands to which it may be put as Trustee as a result thereof. The costs in relation to such action, suit, proceedings or claims (whether undertaken upon request of Investment Manager or otherwise) incurred by the Trustee in connection with or arising out of the InvIT, shall be borne by the InvIT.

(iv). The Trustee shall not be liable in respect of any action taken or damage suffered by it on reliance upon any notice, resolution, direction, consent, certificate, affidavit, statement, certificate of stock, plan of reorganization or (without being limited in any way by the foregoing) other paper or document believed to be genuine and to have been passed, sealed or signed by appropriate authorities or entities.

(v). The Trustee shall not be liable to the Unitholders for doing or failing to do any act or thing which it is directed or requested to do or perform or to forbear from doing or performing by reason of any provision of any present or future law or regulation made pursuant thereto, or of any decree, order or judgment of any court, or by reason of any request announcement or similar action (whether of binding legal effect or not) which may be taken or made by any Person or body acting with or purporting to exercise the authority of any government (which legally or otherwise). If for any reason it becomes impossible or impracticable to carry out any of the provisions of these presents the Trustee shall not be under any liability therefore or thereby.

(vi). The Trustee shall not be responsible to any Unitholder for the authenticity of any signature affixed to any document or be, in any way, liable for any forged or unauthorized signature on or for acting upon or giving effect to any such forged or unauthorized signature. The Trustee shall be entitled but not bound to require that the signature of any Unitholder to any document required to be signed by him under or in connection with these presents shall be verified to the Trustee's reasonable satisfaction.

(vii). Nothing contained in the Trust Deed, shall be construed so as to prevent the Trustee from acting as trustee of other trusts or alternate investment funds or venture capital funds or private equity funds or real estate investments trusts or infrastructure investment trusts or private trusts or customised fiduciary trusts separate and distinct from the InvIT, and retaining for its own use and benefit all remuneration, profits and advantages which it may derive therefrom, as permitted under applicable law.

(viii). If the Trustee is required by the InvIT Regulations or any other applicable law to provide information regarding the InvIT or the Unitholders, the investments made by the InvIT and income therefrom and provisions of these presents and complies with such request in good faith, whether or not it was in fact enforceable, the Trustee shall not be liable to the Unitholders or to any other party as a result of such compliance or in connection with such compliance.

(ix). The Trustee shall not incur any liability for any act or omission or (as the case may be) failing to do any act or thing which may result in a loss to a Unitholder (by reason of any depletion in the value of the InvIT assets or otherwise), except in the event that such loss is a direct result of fraud, gross negligence or wilful default on the part of the Trustee or results from a breach by the Trustee of the Trust Deed, as determined by a court of competent jurisdiction.

(x). If the Trustee engages any external advisors or experts (in accordance with the Trust Deed), to discharge its obligations under the Trust Deed, or undertakes any work (in consultation with the Investment Manager, in the interest of the Unitholders) which is not covered within the scope of work of the Trustee under the Trust Deed and such additional work is beyond the obligations of the Trustee under applicable law, the Trustee shall be entitled to recover such costs, charges and expenses which the Trustee may incur in this regard, from the funds of the InvIT. Further, it is clarified that, the Trustee will not be required to utilize funds held by the Trustee for any other trust for which, Axis Trustee Services Limited is appointed as a trustee, for discharging its obligations as the Trustee under the Trust Deed.

5. *Provisions relating to Unitholders*

(i). Notwithstanding anything to the contrary contained in any of the InvIT Documents, aggregate liability of each Unitholder in the InvIT shall be limited to making the capital contribution payable by it in respect of the Units subscribed by it. For the avoidance of doubt, the Unitholders shall not be responsible or liable, directly or indirectly, for acts, omissions or commissions of the Trustee, the Investment Manager, the Sponsor, or any other Person, whether or not such act, omission or commission, has been approved by the Unitholders in accordance with the InvIT Regulations or not. Further, the Sponsor shall not be responsible or liable, directly or indirectly, for acts, omissions or commissions of the Trustee, the Investment Manager or any other Person, whether or not such act, omission or commission, has been approved by the Unitholders in accordance with the InvIT Regulations or not.

(ii). Each Unit allotted to the Unitholders shall have one vote for any decisions requiring a vote of Unitholders.

(iii). No Unitholder shall enjoy preferential voting or any other rights over another Unitholder. However, subordinate Units may be issued to the Sponsor and its associates, where such subordinate Units shall carry only inferior voting or any other rights compared to other Units.

(iv). In no event shall the Trustee or the Investment Manager be bound to make payment to any Unitholder, except out of the funds held by it for that purpose under the provisions of the Trust Deed.

(v). A Unitholder whose name and account details are entered in the depository register shall be the only Person entitled to be recognised by the Trustee as having a right, title, interest in or to the Units registered in his name and the Trustee shall recognise such holder as an absolute owner and shall not be bound by any notice to the contrary and shall also not be bound to take notice of or to see to the execution of any trust, express or implied, save as expressly provided or as required by any court of competent jurisdiction to recognise any trust or equity or interest affecting the title of the Units.

(vi). The Unitholders shall not give any directions to the Trustee or the Investment Manager (whether in a meeting of Unitholders or otherwise) if it would require the Trustee or the Investment Manager to do or omit doing anything which may result in:

(a). the InvIT or the Trustee, in its capacity as the trustee of the InvIT, or the Investment Manager, in its capacity as the investment manager of the InvIT, ceasing to comply with applicable law;

(b). interference with the exercise of any discretion expressly conferred on the Trustee by the Trust Deed or the Investment Manager by the Investment Management Agreement, or the determination of any matter which requires the agreement of the Trustee or the Investment Manager, provided that nothing in (vi) above, shall limit the right of the Unitholder to require the due administration of the InvIT in accordance with the Trust Deed.

(vii). The depository register shall (save in case of manifest error) be conclusive evidence of the number of Units held by each depositor and in the event of any discrepancy between the entries of the depository register and any statement issued by the depository, the entries in the depository register shall prevail unless the depositor proves to the satisfaction of the Trustee and the depository that the depository register is incorrect.

(viii). The Unitholders shall have the right to call for certain matters to be subject to their consent, in accordance with the InvIT Regulations and applicable law.

(ix). The eligible unitholders shall have the right to appoint unitholder nominee directors on the board of directors of the Investment Manager from time to time, in the manner prescribed under the InvIT Regulations. The Trustee shall supervise and ensure that the Investment Manager takes all such actions and compliances, as may be prescribed under the InvIT Regulations from time to time, in relation to the eligible unitholders to appoint unitholder nominee directors on the board of directors of the Investment Manager.

(x). The Unitholders may, in accordance with the provisions of the InvIT Documents and applicable law, transfer any of the Units to an investor where such investor accepts all the rights and obligations of the transferor and the Trustee or the Investment Manager shall give effect to such transfer in accordance with applicable law.

(xi). After the initial offer, no Person, other than the Sponsor, its related parties and associates ("**Investor**") shall acquire or receive Units, which when taken together with Units held by the Investor and by persons acting in concert with the Investor exceeds 25% (twenty five percent) of the value of the outstanding Units unless prior approval of the Unitholders is obtained in accordance with the InvIT Regulations. In the event such approval is not received, the Investor shall provide an exit option to the dissenting Unitholders in terms of the InvIT Regulations and in the manner specified by SEBI.

(xii). The Trustee shall obtain, and shall ensure that the Investment Manager obtains, as applicable, the consent of the Unitholders for the matters prescribed under the InvIT Regulations in accordance with the provisions of the InvIT Regulations.

6. *Indemnification*

In addition to the fees, distributions and expense reimbursements herein described, the InvIT Assets shall be utilized to indemnify and hold harmless the Trustee, the Sponsor and any of their respective officers, directors, shareholders, sponsors, partners, members, employees, advisors and agents ("**Indemnified Parties**") from and against any claims, losses, costs, damages, liabilities, and expenses, including legal fees ("**Losses**") suffered or incurred by them by reason of their activities on behalf of the InvIT, unless such Losses resulted from fraud, gross negligence, willful default or willful misconduct or material breach of any obligations or duties under applicable law by the relevant Indemnified Party, as determined by a final non-appealable order of a court of competent jurisdiction.

7. *Termination*

The InvIT is subject to dissolution and termination in accordance with and subject to the InvIT Regulations and applicable law:

(i). if the InvIT fails to make any offer of Units, whether by way of public issue or private placement, within the time period stipulated in the InvIT Regulations or any other time period as specified by SEBI, the InvIT shall surrender its certificate to SEBI and cease to operate as an investment infrastructure trust, unless the period is extended by SEBI;

(ii). Upon the liquidation of all InvIT Assets;

(iii). if there are no projects having valid concession agreements remaining under the InvIT and the InvIT does not invest in any project for six months thereafter ;

(iv). delisting of the Units in accordance with the InvIT Regulations unless such delisting is done for purposes of conversion of a listed InvIT to an unlisted InvIT in accordance with the InvIT Regulations and the InvIT retains its certificate of registration and continues to undertake the activity of a privately placed and unlisted InvIT ; or

(v). illegality of the InvIT.

C. The Investment Manager – EAAA Real Assets Managers Limited

History and Certain Corporate Matters

EAAA Real Assets Managers Limited is the Investment Manager of the Anzen Trust. The Investment Manager is a public limited company incorporated on June 25, 2021, under the Companies Act, 2013, having CIN U67110MH2021PLC362755.

The Investment Manager's registered office is situated at Plot 294/3, Edelweiss house, Off CST Road, Kalina, Santacruz (East), Mumbai 400 098.

Background of the Investment Manager

EAAA Real Assets Managers Limited is the Investment Manager of the Anzen Trust. The Investment Manager was incorporated on June 25, 2021 to, amongst others, carry on the business of acting as investment manager, investment adviser, trustee, settlor, sponsor, promoter, portfolio manager, manager, administrator, attorney, agent, consultant, representative or nominee of or for any investment funds, unit trusts, private equity funds, debt funds, mutual funds, venture capital funds, alternative investment funds, hedge funds, collective investment schemes, taxable or tax exempt funds, trusts, pooled investment vehicles, special purpose vehicles, infrastructure investment trusts, real estate investment trusts, or any other portfolio of securities, properties and/or assets of any kind, including any pension, provident fund or superannuation fund set up, formed or established in India or in any other country by the Company or by any other person including bodies corporate, limited liability partnerships, partnerships, trusts, societies, associations of persons, or by government, state, local authority, institute (whether incorporated or not) of any other agency or organization with respect to any class of assets, and to thereby settle, administer, manage and deploy funds, acquire, take up, manage, invest, hold, sell, deal or dispose of all or any property, investments, securities or other assets of any kind whatsoever. The net worth of the Investment Manager as on September 30, 2024, was ₹ 143.45 million on a consolidated basis. The Investment Manager shall (i) comply with the minimum net worth requirement set out in Regulation 4(2)(e)(i) of the InvIT Regulations.

In accordance with the eligibility criteria specified under the InvIT Regulations, the combined experience of the directors/key personnels of the Investment Manager in fund management or advisory services or development in the infrastructure sector is above 30 years. For details in relation to the key personnel of the Investment Manager, please see the section entitled "*Parties to the Anzen Trust - Brief profiles of the Key Personnel of the Investment Manager*" on page 171.

Further, neither the Investment Manager nor any of the promoters or directors of the Investment Manager: (i) are debarred from accessing the securities market by SEBI; (ii) are promoters, directors or persons in control of any other company or a sponsor, investment manager or trustee of any other infrastructure investment trust or an infrastructure investment trust which is debarred from accessing the capital market under any order or direction made by SEBI; or (iii) are in the list of wilful defaulters published by the RBI.

The Investment Manager confirms that it has, and undertakes to ensure that it will at all times maintain, adequate infrastructure, personnel and resources to perform its functions, duties and responsibilities with respect to the management of the Anzen Trust, in accordance with InvIT Regulations, the Investment Management Agreement and applicable law. None of the directors of the Investment Manager hold or propose to hold any Units in this Issue.

Further, as of the date of this Preliminary Placement Document, the Investment Manager is in compliance with the eligibility criteria provided under Regulation 4 of the InvIT Regulations and is a "fit and proper person" as prescribed under SEBI Intermediaries Regulations.

Board of Directors of the Investment Manager

The board of directors of the Investment Manager is entrusted with the responsibility for the overall management of the Investment Manager. Please see below the details in relation of the board of directors of the Investment Manager:

Sr. No.	Name	DIN	Designation
1.	Venkatchalam Arakoni Ramaswamy	00008509	Non-Executive Director
2.	Subahoo Chordia	09216398	Non-Executive Director
3.	Sunil Mitra	00113473	Independent Director
4.	Bala C Deshpande	00020130	Independent Director
5.	Nupur Garg	03414074	Independent Director
6.	Ranjita Deo	09609160	Whole-Time Director and Chief Investment Officer
7.	Shiva Kumar	06590343	Independent Director

Brief Biographies of the Directors of the Investment Manager

Please see below brief biographies of the directors of the Investment Manager:

1. **Venkatchalam Arakoni Ramaswamy** is the managing director and chief executive officer of EAAA India Alternatives Limited-the holding company of the Investment Manager and has been associated with the Investment Manager as a Non-Executive Director since November 23, 2021. He holds a bachelor of engineering degree in electronics and communication from Karnatak University, Dharwad and a master's degree in business administration from the University of Pittsburgh, Pennsylvania. Further, he has played an instrumental role in overseeing the business operations, building client and institutional relationships, and the fund-raising activities undertaken by EAAA India Alternatives Limited, since 2010. He is also a founding member of Edelweiss group.

2. **Subahoo Chordia** is a Non-Executive Director on the board of the Investment Manager since June 25, 2021. He is a chartered accountant and was admitted as an associate of the Institute of Chartered Accountants of India in 2001. He has over 23 years of work experience in the infrastructure sector including in asset management, mergers and acquisitions, advisory services, equity and debt and project finance. He was a founding member of the Edelweiss Alternative's infrastructure business and has previously worked with Edelweiss Investment Banking, Axis Bank and IDBI Bank.

3. **Sunil Mitra** is an Independent Director on the board of the Investment Manager since November 23, 2021. He retired in June 2011 from the office of Revenue & Finance Secretary, Government of India. During his public service career of over 37 years, he headed important policy initiatives in public finance at the national level, including, a new disinvestment policy and taxation reforms. During his earlier appointments under the West Bengal Government, he was credited with the design and implementation of significant public policy reforms in the state-owned public sector enterprises and in restructuring state's power sector.

   After completing his term of public service, he chaired a Committee in Planning Commission between

October 2011 and August 2012 tasked with a comprehensive review of the different sectors of our economy and formulate recommendations that would foster a vibrant ecosystem for entrepreneurship in the country and with the implementation of several of these by different agencies both public and private.

Till late 2016, he was engaged in leading a term for a consortium led by M/s IPE Global Limited, New Delhi that designed and managed a 'Knowledge Partnership Programme' for the Department of International Development of the Government of the United Kingdom. He also served as a member of a Technical Advisory Panel set up by the Government of India, to review an Indian Power Sector Diagnostic Study Report prepared by the World Bank and as a Non-Official Member of the Eastern Regional Board of the Reserve Bank of India. He presently serves as a Non-Executive & Independent Director on the Boards of a number of Public Companies.

4. **Bala C Deshpande** is an Independent Director on the board of the Investment Manager since April 1, 2023. She holds a master's degree in management studies from Jamnalal Bajaj Institute of Management Studies, University of Bombay and an M.A. degree from University of Bombay. She has been a designated partner of MegaDelta Capital Asset Managers LLP since its incorporation (i.e. December 26, 2016). She has more than 18 years of experience in the investment sector. Previously she was associated with ICICI Venture Funds Management Company Limited as a senior director (investments), ICI India Limited, New Enterprise Associates (India) Private Limited as a senior managing director and Cadbury India Limited.

5. **Nupur Garg** has been appointed as an Independent Director on the board of the Investment Manager since May 23, 2023. She holds a master's degree in business administration from Massachusetts Institute of Technology and has completed a course on private equity and venture capital from Harvard Business School. She is also a certified chartered accountant. She is the founder of Winpe, an initiative to enhance gender diversity in the investing ecosystem. She serves as an independent director on the boards of Kids Clinic India Limited, Kerala Infrastructure Fund Management Limited, Molbio Diagnostics Limited and was also a director on the board of SIDBI, the Indian development finance institution. She is an advisor to Triple Jump B. V. in an investment committee role for the Dutch Good Growth Fund (DGGF) investment funds mandate. Previously, she was also associated with International Finance Corporation, Discovery Communication India and was also an independent member of the investment committee of NIIF Fund of Funds -1 managed by the National Investment and Infrastructure Fund (NIIF). She was listed in the BW VC World Most Influential Women 2024, 2023 and 2022 and Forbes W-Power list of Self Made Women 2020, and has received various awards in recognition of her achievements.

6. **Ranjita Deo** has been appointed as the Whole-time Director on the board of the Investment Manager and the Chief Investment Officer of the Anzen Trust with effect from May 17, 2022 and April 12, 2022, respectively. She has a master's degree in Management Studies from the University of Mumbai and is a CFA (Chartered Financial Analyst) charterholder from the CFA Institute, USA. She has, over 21 years of experience across private equity, corporate /project finance and research. She has previously worked with the Aditya Birla Group in the capacity of a vice president in finance and accounts in their solar business, IL & FS Investment Managers Limited, Bennett Coleman & Company Limited and CRISIL Research and Information Services. She will be heading the investment related decisions of the Anzen Trust.

7. **Shiva Kumar** has been appointed as an Independent Director on the board of the Investment Manager since April 1, 2022. He holds a bachelor of arts degree from Patna University and has also completed a programme on Strategic Human Resource Management – India from Michigan Ross School of Business. He is also an associate member of the Indian Institute of Bankers.

He has participated in international corporate governance program of Harvard Business School (making corporate boards more effective) and Organisation for Economic Co-operation and Development (OECD) (corporate governance of state-owned enterprises), and has also participated in various programmes conducted by Indian School of Business (leadership skills for top management) and Duke Corporate Education (enterprise leadership programme).

He has over 42 years of experience across both public and private sector banking and financial services. Further, he has worked at State Bank of Bikaner & Jaipur (now merged with the State Bank of India) as managing director and had also served as President in the Edelweiss Group. At State Bank of India, he was the project leader for the business process re-engineering project and was also a part of their credit card project. He was also a representative of associate banks on the managing committee of Indian Banks' Association.

At Edelweiss Group, he was on the boards of Edelweiss Housing Finance Limited and Edelweiss Retail

Business, and was a key member of several committees including asset liability management (ALM) committee, investment committee and management committee. He also led the initiative to setup their general insurance business. In 2013, he received the 'Business Leadership Award', which was presented to him by Institute of Public Enterprises (IPE).

Brief profiles of the Key Personnel of the Investment Manager

In addition to the above directors, please see below brief biographies of the other key personnel of the Investment Manager:

1. **Ranjita Deo** is the Whole-time Director of the Investment Manager and Chief Investment Officer of the Anzen Trust. For further details, please see the section entitled "*Brief Biographies of the Directors of the Investment Manager*" on page 169.

2. **Jalpa Parekh** is the Company Secretary and Compliance Officer of the Investment Manager since May 17, 2022. She has a bachelor's degree in commerce and law from the University of Mumbai. She is also an Associate Member of the Institute of Company Secretaries of India. She has an overall experience of over 8 years in handling corporate compliance and secretarial matters. She has joined Edelweiss Group in January 2022. Prior to joining the Edelweiss group, she was associated with Kotak Mahindra Bank Limited. She was also designated as the Company Secretary of Add Pens Private Limited and was responsible for handling secretarial and legal matters.

3. **Vaibhav Doshi** is the Chief Financial Officer of the Investment Manager since February 1, 2023. He holds a bachelor's degree in commerce from the University of Mumbai and is a member of the Institute of Chartered Accountants India. He has more than 15 years of experience in the finance sector. Prior to joining the Investment Manager, he was the Chief Financial Officer of SEPL Energy Private Limited. Further, he was also associated with Sprng Energy Private Limited, Bharti Airtel Limited, Elecon Engineering Company Limited, Mather & Platt Pumps Limited, Reliance Communications Limited and Sekura Roads Limited.

Key Terms of the Amended and Restated Investment Management Agreement

The Investment Manager has entered into the Amended and Restated Investment Management Agreement, in terms of the InvIT Regulations, the key terms of which, are provided below.

1. *Powers of the Investment Manager*

The Investment Manager has been provided with various powers under the Investment Management Agreement in accordance with the InvIT Regulations, including but not limited to:

(i). The Investment Manager shall take all decisions in relation to the management and administration of InvIT assets and the investments of the InvIT as may be incidental or necessary for the advancement or fulfilment of the investment objectives of the InvIT in accordance with the InvIT Regulations and other applicable law.

(ii). The Investment Manager shall, subject to such approval as may be required from the Unitholders, make the investment decisions with respect to the underlying assets or projects of the InvIT, including any further investments or divestments, subject to InvIT Regulations and in accordance with the offer document, and in this regard is also empowered to do the following acts on behalf of the InvIT, including:

(a). acquire, subscribe, hold, manage, trade and dispose of shares, stocks, convertibles, debentures, bonds or other equity or equity-related securities or other debt or mezzanine securities of all kinds issued by any holding company or any SPV or any infrastructure project, whether in physical or dematerialised form, including power to hypothecate, pledge or create encumbrances of any kind on such securities held by the InvIT in such holding companies or SPVs, or infrastructure projects to be used as collateral security for any borrowings by the InvIT or any holding company or any SPV or any infrastructure project;

(b). avail commercial loans, including the power to hypothecate, pledge or create encumbrances of any kind on the InvIT Assets as collateral security for any such loans availed by the InvIT, in accordance with the InvIT Regulations and applicable law;

(c). keep the capital and monies of the InvIT, the holding companies and the SPVs in deposit with banks or mutual funds or other institutions, whatsoever;

(d). accept contributions;

(e). collect and receive the profit, interest, repayment of principal of debt or debt like, or equity or equity like, mezzanine securities, dividend, return of capital of any type by the holding companies, or SPVs, or infrastructure projects and income of the InvIT as and when the same may become due and receivable;

(f). invest in securities or in units of mutual funds in accordance with the InvIT Regulations and other applicable law by the InvIT, the holding companies and the SPVs;

(g). invest in money market instruments including government securities, treasury bills, certificates of deposit and commercial papers in accordance with applicable law by the InvIT, the holding companies and the SPVs;

(h). to give, provide and agree to provide to any holding companies, or SPVs financial assistance in the form of investment in the debt securities or share capital of any class including ordinary, preference, participating, non-participating, voting, non-voting or other class, and in the form of investment in securities convertible into share capital; and

(i). to invest, acquire, purchase, hold, divest, sale, hypothecate, pledge or otherwise transfer movable property or immovable property of any kind including any rights and interest therein of the Project SPVs.

(iii). The Investment Manager along with the Trustee shall within a reasonable time from the date of execution hereof, appoint a Project Manager for the InvIT, by execution of the Project Implementation and Management Agreement.

(iv). The Investment Manager shall oversee activities of the Project Manager with respect to compliance with the InvIT Regulations and the Project Implementation and Management Agreement and in terms of the InvIT Regulations and applicable law. The Investment Manager shall obtain a compliance certificate from the Project Manager in the form as may be specified by SEBI, on a quarterly basis or such other intervals as may be prescribed under applicable law.

(v). The Trustee hereby authorizes the Investment Manager to do all such other acts, deeds and things as may be incidental or necessary for the advancement or fulfilment of the investment objectives of the InvIT, as set out in the offer document.

(vi). The Investment Manager shall have the power to issue and allot Units in accordance with the InvIT Regulations and within such time period as may be prescribed under applicable law. The Investment Manager shall have the power to accept subscriptions to Units of the InvIT and issue and allot Units to Unitholders or such other Persons and undertake all related activities under applicable law. The Investment Manager shall also have the power to refund subscription money and pay necessary interest thereon, in accordance with applicable law. Further, the Investment Manager shall, subject to and only in accordance with the terms of the InvIT documents and applicable law, have the power to transfer the Units. The power of the Investment Manager is subject to the condition that, after the initial offer, no Person, other than the Sponsor, its related parties and associates (the "**Investor**") shall acquire or receive Units, which when taken together with Units held by the Investor and by persons acting in concert with the Investor exceeds 25% (twenty five percent) of the value of the outstanding Units unless prior approval of the Unitholders is obtained in accordance with the InvIT Regulations. In the event such approval is not received, the Investor shall provide an exit option to the dissenting Unitholders in terms of the InvIT Regulations and in the manner specified by SEBI.

(vii). The Investment Manager shall cause the depository to maintain a depository register.

(viii). The Investment Manager, in consultation with the Trustee shall make such reserves out of the income or capital as it may deem proper, and any directions of the Trustee in this behalf whether made in writing or implied from their acts shall, so far as the applicable law may permit, be conclusive and binding. Any distribution made from such reserves shall be in accordance with the InvIT Regulations.

(ix). The Investment Manager shall have the power to cause the InvIT to have the power to borrow funds including any subordinated equity, long term loans, short term loans, bonds or other loans or funds from any Person or authority (whether Government or otherwise, whether Indian or overseas) for the purpose of the InvIT on such terms and conditions and for such periods and subject to approval of the Unitholders in accordance with and as may be required in terms of the InvIT Regulations and applicable law. In the event the Units of the

InvIT are unlisted, such power of the Investment Manager shall be subject to the provisions of the Trust Deed. The Investment Manager shall also have the power to cause the InvIT to create encumbrances of any kind on the InvIT Assets as collateral security for any such borrowings.

(x). The Investment Manager shall have the power to exercise all rights of the InvIT in the Project SPVs, including voting rights, rights to appoint directors, whether pursuant to securities held by it, or otherwise, in such manner as it deems to be in the best interest of the InvIT, and in accordance with the InvIT Regulations and applicable law. Additionally, if the InvIT has invested in infrastructure projects through the holding company or SPVs, then the Investment Manager, in consultation with the Trustee, shall appoint the majority of the directors of the holding company(ies) and/or the SPV(s), in accordance with the applicable law, as well as ensure that in every general meeting including the annual general meeting of any SPV or holding company, the voting of the InvIT is exercised, in accordance with the InvIT Regulations and applicable law.

(xi). The Investment Manager or the Management Team may use the services of external advisors and rely on the information provided in the due diligence process of assessing investment proposals as it deems necessary in its sole discretion.

(xii). The Investment Manager shall have the power to employ and pay at the expense of the InvIT, any agent in any jurisdiction whether attorneys, solicitors, brokers, banks, trust, companies or other agents, without being responsible for the default of any agent if employed in good faith to transact any business, including without limitation, the power to appoint agents to raise funds, or do any act required to be transacted or done in the execution of the responsibilities hereof including the receipt and payment of moneys and the execution of documents.

(xiii). The Investment Manager may appoint any custodian in order to provide such custodian services as may be authorised by the Trustee, and may permit any property comprised in the InvIT to be and remain deposited with a custodian or with any person or persons in India or in any other jurisdiction subject to such deposit as authorised by the Trustee and permissible under the applicable law.

(xiv). The Investment Manager, in consultation with the Trustee, shall appoint and have the power to appoint, determine the remuneration and enter into, execute, deliver and terminate all documents and agreements, any contracts, agreements, including share purchase agreement, deed of right of first offer and refusal, escrow agreements, debt documentation, underwriting agreements and other InvIT documents, any investment pooling agreement, agreement relating to strategic investments, co-investment agreements and other any and all documents and instruments containing customary terms including contractual indemnity with valuers, auditors, registrar and transfer agent, merchant banker, credit rating agency, or any other intermediary or service provider or agent including any amendments or supplements thereto as may be applicable with respect to the activities pertaining to the InvIT in a timely manner as per the provisions of the InvIT Regulations and applicable law. The Investment Manager shall appoint an auditor for a period of not more than five consecutive years or such period as provided in the InvIT Regulations. The Investment Manager shall have the power to determine the remuneration of the auditors in consultation with the Trustee. Provided that in the event the Investment Manager is required to take any approval of the Unitholders for approval of remuneration of the auditors or appointment of the auditors, the same shall be obtained in accordance with the requirements as set out in the InvIT Regulations. The Investment Manager shall also have the power to determine the remuneration of the valuer. The remuneration of the valuer shall not be linked to or based on the value of the InvIT Assets being valued.

(xv). In the event of any capital gains tax, income tax, stamp duty or other duties, fees or taxes (and any interest or penalty chargeable thereon) whatsoever becoming payable in any jurisdiction in respect of the InvIT or any part thereof or in respect of documents issued or executed in pursuance of the Investment Management Agreement and the Trust Deed in any circumstances whatsoever, the Investment Manager shall have the power and duty to pay all such duties, fees or taxes (and any interest or penalty chargeable thereon) as well as to create any reserves for future potential tax liability (and any such interest or penalty) out of the InvIT's income, in accordance with applicable law. For avoidance of doubt, it is clarified that pursuant to this clause no Unitholder will be required to make a contribution as a capital commitment to the InvIT (other than the issue price for Units allotted). The Investment Manager shall exercise due care and prudence in payment of duties and taxes of the InvIT and shall endeavour to ensure that there are no material outstanding dues in that behalf, except for any claim or demand made by any tax department or authority subsequently, or any amounts disputed in good faith.

(xvi). The Investment Manager shall have the power to pay InvIT Expenses out of the funds of the InvIT, or from any or all of the InvIT Assets on behalf of the InvIT and the Project SPVs, in such proportion as may be determined from time to time, and the Investment Manager shall be entitled to reimbursement of any such expenditure duly incurred, subject to as set out in the Investment Management Agreement.

(xvii). The Investment Manager shall have the power to take the opinion of legal / tax counsel in any jurisdiction concerning any difference arising under the Investment Management Agreement or any matter in any way relating to the Investment Management Agreement or to its duties in connection with the Investment Management Agreement.

(xviii). Subject to applicable law, the Investment Manager shall have the power to, on behalf of the InvIT, to:

(a). accept any property before the time at which it is transferable or payable;

(b). pay or allow any equity or claim on any evidence that it thinks sufficient;

(c). accept any security movable or immovable in lieu of any amounts payable to it;

(d). alter the dates for payment of any amounts payable to it; and

(e). subject to such approval as may be required from the Unitholders, compromise, compound, abandon, submit to arbitration or otherwise settle any equity account, claim or thing whatsoever relating to the InvIT or the Investment Management Agreement.

(xix). Subject to the conditions laid down in any offer document and applicable law, the Investment Manager may retain the invested capital portion of any proceeds received by the InvIT from any holding company or SPV, including through the sale of or any holding company or SPV.

(xx). The Investment Manager may make rules to give effect to, and carry out the investment objectives, subject to applicable law. In particular, and without prejudice to the generality of such power, the Investment Manager may provide for all or any of the following matters, namely:

(a). manner of maintaining of the records and particulars of Unitholders;

(b). norms of investment by the InvIT in accordance with the investment objectives of the InvIT and in accordance with the powers and authorities of the Trustee as set out in the Trust Deed;

(c). matters relating to entrustment, deposit or handing over of any securities or SPVs of the InvIT to any one or more custodians and the procedure relating to the holding thereof by the custodian;

(d). such other administrative, procedural or other matters relating to the administration or management of the affairs of the InvIT and which matters are not, by their very nature, required to be included or provided for in the Trust Deed or by the management thereof and which matters are not inconsistent with the investment objectives;

(e). procedure for seeking the vote of the Unitholders either by calling a meeting or through postal ballot or otherwise; and

(f). procedure for summoning and conducting of meetings of Unitholders.

(xxi). Subject to applicable law, no Unitholder shall be entitled to inspect or examine the InvIT's premises or properties without the prior permission of the Investment Manager. Further, no Unitholder shall be entitled to require discovery of any information with respect to any detail of the InvIT's activities or any matter which may be related to the conduct of the business of the InvIT and which information may, in the opinion of the Investment Manager, adversely affect the interest of other Unitholders.

(xxii). The Investment Manager (acting on behalf of the InvIT) may buyback the Units from the Unitholders at the end of the term of the InvIT or any other time or in any other manner in accordance with applicable law , if so directed by the Trustee.

(xxiii). The Investment Manager shall provide the Trustee with advice and recommendations regarding the extension of loans from the InvIT to the holding company or the SPVs and also subscription to debt securities or quasi-debt securities or any similar kind of securities issued by the holding company or SPVs to the InvIT or extension of loans from the InvIT in compliance with applicable law.

(xxiv). The Investment Manager shall also have the following powers and authorities:

(a). to institute, conduct, compromise, compound, or abandon any legal proceedings for or on behalf of or in the name of the InvIT, and to defend, compound or otherwise deal with any such proceedings against the InvIT or the Investment Manager or the officers of the Investment Manager or concerning the affairs of the InvIT, and also to compound and allow time for payment or satisfaction of any equity due and of any claims or demands by or against the InvIT and to refer any differences to arbitration and observe and perform any awards thereof;

(b). to make and give receipts, releases and other discharges for moneys payable to the InvIT and for the claims and demands of the InvIT;

(c). to enter into all such negotiations and contracts, and, execute or terminate and do all such acts, deeds and things for or on behalf of or in the name of the InvIT as it may consider expedient for or in relation to any of the matters or otherwise for the purposes of the InvIT;

(d). to ascertain, appropriate, declare and distribute or reinvest the surplus generally or under the InvIT, to determine and allocate income, profits and gains in respect of the InvIT to and amongst the Unitholders, to carry forward, reinvest or otherwise deal with any surplus and to transfer such sums, as it may deem fit, to one or more reserve funds which may be established by it;;

(e). to open one or more bank accounts and demat accounts for the purposes of the InvIT, to deposit and withdraw money, and fully operate and manage any such account fully;

(f). to sign, seal, execute, deliver and register according to applicable law all deeds, documents, and assurances in respect of the InvIT;

(g). to ascertain, assess and calculate the net distributable cash flows of the InvIT in accordance with the Trust Deed, the policy adopted by the InvIT, the InvIT Regulations and applicable law;

(h). pay out of the income of the InvIT, after deducting all expenses, the income and other distributions in accordance with the Trust Deed, InvIT Regulations and applicable law;

(i). take into their custody or control all the capital, assets, property of the InvIT and hold the same in trust for the Unitholders in accordance with the Trust Deed, applicable law and the InvIT Regulations;

(j). generally to exercise all such powers as it may be required to exercise under the InvIT Regulations and applicable law for the time being in force and do all such matters and things as may promote the investment objectives of the InvIT or as may be incidental to or consequential upon the discharge of its functions and the exercise and enforcement of all or any of the powers and rights under the Investment Management Agreement, applicable Law and the InvIT Regulations;

(k). in accordance with applicable law, together with the Trustee, initiate, prosecute or defend any action or other proceedings in any court of law or through arbitration or in any other manner for recovery of debts or sums of money, right, title or interest, property, claim, matter or thing whatsoever now or hereafter to become due or payable or in any way and belonging to the InvIT by any means or on any account whatsoever in respect of and pertaining to the investments made by it and the same actions or proceedings or suits to discontinue or settle, as it shall in its best judgment or discretion deem fit;

(l). to issue statement of accounts or Unit certificates (if requested) to the Unitholders on behalf of the Trustee in accordance with applicable law. To submit Units for dematerialisation and to make all applications and execute all documents with the depositories and depository participants as may be necessary in this regard;

(m). to set up such systems and procedures, and submit such reports, as may be required by the Trustee as necessary for effective monitoring of the functioning of the InvIT.

2. *Duties of the Investment Manager*

The Investment Manager shall perform its duties as required under the Amended and Restated Investment Management Agreement in accordance with the InvIT Regulations, including but not limited to:

(i). The Investment Manager shall conduct all affairs of the InvIT in the interest of all the Unitholders. Further, it shall at all times maintain high standards of integrity and fairness in all its dealings and in the conduct of its business.

(ii). The Investment Manager shall coordinate with the Trustee, as may be necessary, with respect to the operations of the InvIT.

(iii). The Investment Manager shall appoint an eligible valuer and ensure that the valuation of the InvIT assets is done by the valuer(s) in accordance with the InvIT Regulations and at the frequency as required under the InvIT Regulations. The Investment Manager shall submit the valuation reports to the Trustee as required under the InvIT Regulations and within the timelines prescribed in the InvIT Regulations. In the event the InvIT is listed, the Investment Manager shall also submit the valuation reports to the stock exchange(s) in accordance with the InvIT Regulations and applicable law.

(iv). The Investment Manager shall arrange for adequate insurance coverage for the InvIT assets in accordance with the InvIT Regulations. The Investment Manager shall ensure that InvIT assets held by the Project SPVs are adequately insured in accordance with the InvIT Regulations.

(v). The Investment Manager shall maintain proper books of accounts, documents and records with respect to the InvIT, in the manner set out in the Trust Deed, to give a true, fair and accurate account of the investments, expenses, earnings, profits etc. of the InvIT. The financial year of the InvIT shall begin from the date of the Trust Deed and shall end on the immediately succeeding 31^{st} of March and on the 31^{st} of March in each succeeding year, unless otherwise determined. The Investment Manager shall ensure that audit of the accounts of the InvIT by the auditors is undertaken in accordance with the InvIT Regulations and other applicable law and such report is submitted to the stock exchange(s) within the time stipulated by the stock exchange(s), if any, and in accordance with the InvIT Regulations.

(vi). The Investment Manager shall facilitate the appointment of unitholder nominee directors by eligible unitholders in the manner prescribed under the InvIT Regulations, from time to time, and shall take all actions as may be required under the InvIT Regulations and applicable law in relation to the review, monitoring and reporting of the nomination rights. In this regard, the Investment Manager shall comply with all obligations prescribed under the InvIT Regulations or any policy as may be adopted by the board of directors of the Investment Manager (on behalf of te rust) or applicable law from time to time, including, inter alia, informing Unitholders on a periodic basis of the right to nominate unitholder nominee directors, evaluating notices from eligible unitholder(s) on an ongoing basis, taking requisite actions in relation to the withdrawal of nomination or vacation of office of unitholder nominee directors, and submitting such information and reports t the Trustee in relation to eligible unitholder(s) and unitholder nominee directors, as may be prescribed from time to time.

(vii). The Investment Manager shall declare distributions to Unitholders in accordance with the InvIT Regulations, the Trust Deed and in accordance with the policy adopted by the InvIT. Subject to applicable law, such percentage of the net distributable cash flows of the SPVs shall be distributed to the InvIT in terms of the InvIT Regulations, the Trust Deed and in accordance with the policy adopted by the InvIT. Such declared distributions shall be made within the time period prescribed by the InvIT Regulations, the Trust Deed and in accordance with the policy adopted by the InvIT.

(viii). The Investment Manager shall convene meetings of the Unitholders and maintain records pertaining to the meetings in accordance with the InvIT Regulations. The Investment Manager acknowledges that matters brought to vote at a meeting of the Unitholders shall require approval of such percentage of Unitholders, present and voting, in accordance with the InvIT Regulations.

(ix). The Investment Manager shall intimate the Trustee prior to any change in control of the Investment Manager to enable the Trustee to seek prior approval from the Unitholders as required in accordance with the InvIT Regulations, and prior approval from SEBI, if required under applicable law, and shall ensure that no such change is given effect to until such prior approval has been obtained, or the Investment Management Agreement is terminated and a new investment manager has been appointed in accordance with the terms hereof, or in compliance with any other requirement under the InvIT Regulations and applicable law.

(x). The Investment Manager will monitor the InvIT, including monitoring current and projected financial position of the InvIT and the Project SPVs. The Investment Manager shall place before its board of directors, a report on the activity and performance of the InvIT in accordance with the InvIT Regulations. The Investment Manager shall designate an employee from the team or a director as the compliance officer for monitoring of compliance with the InvIT Regulations and any circulars or guidelines issued thereunder and intimating SEBI in case of any non-compliance.

(xi). The Investment Manager shall maintain records pertaining to the activity of the InvIT in terms of the InvIT Regulations.

(xii). The Investment Manager shall adopt, as applicable, and shall ensure that, the InvIT, the Project Manager, the holding companies and the SPVs adopt policies, including corporate governance policies, policies in relation to acquisition of assets from the Sponsor and third parties, policies in relation to the net distributable cash flows, policies in relation to anti-bribery and anti-corruption, policies in relation to environment, safety and health, policies anti-money laundering and any other policies, in relation to their activities related to the InvIT as may be required and applicable, prior to filing of the relevant offer document for the initial offer. The terms, such as, manner or requirement of Unitholders' approval for each of these policies, applicability, amendment and termination, of the respective policies shall be set out in each of the policies.

(xiii). The Investment Manager shall manage the InvIT in accordance with the InvIT Regulations and the investment objectives of the InvIT, and shall ensure that the investments made by the InvIT are in accordance with the investment conditions enumerated in the InvIT Regulations, applicable law and in accordance with the investment objectives.

(xiv). The Investment Manager shall review the transactions carried out between the Project Manager and its associates and where the Project Manager has advised that there may be a conflict of interest, shall obtain confirmation from a practising chartered accountant or a valuer, as applicable, that such transaction is on an arm's length basis.

(xv). The Investment Manager shall ensure adequate and timely redressal of all Unitholders' grievances pertaining to the activities of the InvIT.

(xvi). The Investment Manager shall submit to the Trustee:

(a). quarterly reports on the activities of the InvIT including receipts for all funds received by it and for all payments made, status of compliance with the InvIT Regulations, specifically Regulations 18, 19 and 20 of the InvIT Regulations, performance report, status of development of under-construction projects, within the time period specified under the InvIT Regulations;

(b). valuation reports as required under the InvIT Regulations within the time period specified under the InvIT Regulations;

(c). proposal or decision to acquire, sell or develop, or bid for any asset or project or expand existing completed assets or projects along with rationale for the same;

(d). details of any action which requires approval from the Unitholders as may be stipulated under the InvIT Regulations;

(e). details of transactions it enters into with its associates;

(f). details of any other material fact including change in its directors, change in its shareholding, any legal proceedings that may have a significant bearing on the activity of the InvIT, within such period as stipulated under applicable law;

(g). details, including reports and any other information, in relation to eligible unitholders or unitholder nominee directors, a stipulated under the InvIT Regulations and applicable law, from time to time;

(h). such information, document and records as pertaining to the activities of the InvIT as may be required under the InvIT Regulations and as may be reasonably necessary for the Trustee with respect to its responsibilities under the Trust Deed, the InvIT Regulations and applicable law; and

(i). such other information, document and records as pertaining to its activities, obligations, duties and responsibilities under the Investment Management Agreement, the InvIT Regulations and applicable law, as may be reasonably necessary for, and sought by, the Trustee.

In the event of failure of the Investment Manager to submit information or reports as specified above in a timely manner and in terms of the InvIT Regulations, the Trustee shall intimate SEBI.

(xvii). The Investment Manager shall submit to the Unitholders such information, document and records as pertaining to the activities of the InvIT or having bearing on the operation or performance of the InvIT as may be required under the InvIT Regulations.

(xviii). The Investment Manager shall be responsible for all activities pertaining to the offer, issue and listing of the Units of the InvIT, as applicable, in accordance with applicable law, including:

(a). filing of Offer Document with SEBI;

(b). filing the offer document the stock exchange(s), in the event the InvIT is listed or proposes to be listed, within the prescribed time period;

(c). dealing with all matters up to the allotment of Units to the Unitholders;

(d). obtaining in-principle approval and final listing and trading approvals from the designated stock exchange, in the event the InvIT is listed or proposes to be listed; and

(e). dealing with all matters relating to the issue and listing of the Units as specified under Chapter IV of the InvIT Regulations and all matters relating to the offer and issue of Units under Chapter VIA of the InvIT Regulations and any guidelines as may be issued by SEBI in this regard, as applicable. In the event the InvIT is listed, the InvIT shall also comply with the minimum public holding for the Units and minimum number of Unitholders as prescribed under the InvIT Regulations.

The Investment Manager shall also ensure that all relevant provisions of the InvIT Regulations and applicable law have been complied with and all statements and disclosures made in any offer document are material, true, correct, not misleading and are adequate disclosures in order to enable the investors to make an informed decision and are in accordance with the InvIT Regulations and applicable law, and such offer document should not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(xix). In the event the InvIT is listed and in case of occurrence of any event specified in Regulations 17(1)(a) to 17(1)(g) of the InvIT Regulations, the Investment Manager shall apply for delisting of units of the InvIT to SEBI and the designated stock exchange in accordance with the InvIT Regulations and applicable law.

(xx). The Investment Manager shall within the time period prescribed under the InvIT Regulations, submit an annual report of the InvIT to all the Unitholders electronically or provide physical copies, and to the designated stock exchange.

(xxi). In the event the InvIT is listed, the Investment Manager shall, in accordance with the requirements of the InvIT Regulations and other applicable law, including any requirements prescribed by SEBI or the stock exchange(s) from time to time, disclose half-yearly reports within the time period prescribed under the InvIT Regulations to the stock exchange(s) and provide any information having bearing on the operation or performance of the InvIT, as well as price sensitive information and other information that is required in terms of the InvIT Regulations and applicable law

(xxii). Without prejudice to any other provision of the Investment Management Agreement, the Investment Manager will also have the following duties and obligations:

(a). ensure that computation and declaration of net asset value of the InvIT is based on the valuation done by the valuer in accordance with the InvIT Regulations and applicable law and is disclosed to the stock exchanges in accordance with the InvIT Regulations and applicable law, if applicable;

(b). maintain regular interaction with the Trustee regarding performance of the InvIT and providing the Trustee with any information in relation to the operations of the InvIT as maybe required under applicable law;

(c). conducting its affairs and the affairs of the InvIT in such a manner that no Unitholder will have any personal liability (except to the extent of their Unitholding, where such Unit is partly paid) with respect to any liability or obligation of the InvIT;

(d). keeping the Unitholders of the InvIT informed and updated on investment activities of the Anzen Trust in accordance with the terms of the InvIT documents;

(e). collecting all dividends, fees, property and other payments due and receivable by the InvIT declaring distribution to the Unitholders in the manner set out in the Trust Deed and in terms of the InvIT

Regulations and applicable law;

(f). to ensure that no commission or rebate or any other remuneration, arising out of transactions pertaining to the InvIT is collected by it or its associates, other than as specified in the offer document or any other document as may be specified by SEBI for the purpose of the issue of the Units of the InvIT;

(g). to ensure that the Project SPVs, have proper legal titles, to the extent applicable, and that all the material contracts entered into on behalf of the InvIT or the Project SPVs are legal, valid, binding and enforceable by and on behalf of the InvIT and the Project SPVs;

(h). to ensure that the activities of the intermediaries or agents or service providers appointed by it are in accordance with the InvIT Regulations or any guidelines or circulars issued thereunder;

(i). to ensure that any possible conflict of interest involving its role as Investment Manager is reported to the Trustee;

(j). to ensure that disclosures or reporting to Unitholders, SEBI, the Trustee and the designated stock exchange(s) are in accordance with the InvIT Regulations and applicable law;

(k). provide SEBI, the designated stock exchange and Trustee, where applicable, such information as may be sought by SEBI or by the designated stock exchange or Trustee pertaining to the activity of the InvIT;

(l). to inform the Trustee in writing about any change in the representations and warranties provided under the Investment Management Agreement; and

(m). taking any other actions reasonably incidental to any of the foregoing, or necessary or convenient in order to fully effect or evidence any action or transaction contemplated under the Investment Management Agreement.

(xxiii). The Investment Manager shall provide to the Trustee such assistance as may be required by the Trustee in fulfilling its obligation towards the InvIT under applicable law or as may be required by any regulatory authority with respect to the InvIT.

3. *Liabilities of the Investment Manager*

The liabilities of the Investment Manager in terms of the Investment Management Agreement are as follows:

(i). The Investment Manager shall not be liable in respect of any action taken or damage suffered by it on reliance upon any notice, resolution, direction, consent, certificate, affidavit, statement, certificate of stock, plan of reorganization or, without being limited in any way by the foregoing, other paper or document believed to be genuine and to have been passed, sealed or signed by appropriate authorities or entities.

(ii). The Investment Manager shall not be liable to the Unitholders for doing or failing to do any act or thing which by reason of any provision of any present or future law or regulation made pursuant thereto, or of any decree, order or judgment of any court, or by reason of any request, announcement or similar action, whether of binding legal effect or not, which may be taken or made by any person or body acting with or purporting to exercise the authority of any government (legally or otherwise) it shall be directed or requested to do or perform or to forbear from doing or performing. If for any reason it becomes impossible or impracticable to carry out any of the provisions of the Investment Management Agreement, the Investment Manager shall not be under any liability. However, it shall duly inform the Trustee and the Unitholders of the same.

(iii). If the Investment Manager is required or reasonably believes that it is required, by the InvIT Regulations or any other applicable law to provide information regarding the InvIT or the Unitholders, the InvIT investments and income therefrom and provisions of these presents and complies with such request in good faith, whether or not it was in fact enforceable, the Investment Manager shall not be liable to the Unitholder or any of them or to any other party as a result of such compliance or in connection with such compliance.

(iv). The Investment Manager shall not incur any liability for any act or omission which may result in a loss to a Unitholder by reason of any depletion in the value of the InvIT Assets or otherwise, except in the event that such loss is a result of fraud or gross negligence or wilful default on the part of the Investment Manager, as determined by a court of competent jurisdiction.

(v). If the distributions, after being declared, are not made within the period prescribed in the InvIT Regulations, the Investment Manager shall be liable to pay interest to the Unitholders at the rate as may be prescribed in the InvIT Regulations until the distribution is made, and such interest shall not be recovered in the form of fees or any other form payable to the Investment Manager by the InvIT.

(vi). The Investment Manager shall not be liable to any Unitholder for the authenticity of any signature or of any seal affixed to any endorsement or other document affecting the title to or the transmission of Units or interests in the InvIT or of any investments of the InvIT or be in any way liable for any forged or unauthorized signature or seal affixed to such endorsement, transfer or other document, or for acting upon or giving effect to any such forged or unauthorized signature or seal. The Investment Manager shall be bound to require that the signature of any Unitholder to any document required to be signed by such Unitholder, under or in connection with these presents shall be verified to its reasonable satisfaction.

(vii). The Investment Manager shall continue to be liable for all of its acts of omission and commission with respect to the activities of the InvIT, notwithstanding surrender of registration of the InvIT to SEBI.

4. *Indemnification*

(i). In addition to the fees, distributions and expense reimbursements herein described, the Trustee (on behalf of the InvIT) shall, from the InvIT assets, indemnify and hold harmless the Investment Manager and its respective officers, directors, shareholders, partners, members, employees, advisors and agents (“**Indemnified Parties**”) from and against any claims, losses, costs, damages, liabilities, suits, proceedings, tax and expenses, including legal fees (“**Losses**”) suffered or incurred by them by reason of their activities on behalf of the InvIT, unless such Losses have resulted from fraud, gross negligence, wilful default or wilful misconduct or breach of any obligation or duties under applicable law by the relevant Indemnified Party, as finally determined by a court of competent jurisdiction.

(ii). The Trustee, its directors, employees and officers (“**Trustee Party**”) shall be indemnified by the Investment Manager against any and all direct and actual losses, actions, claims, suits, proceedings, damages, liabilities, costs and expenses including legal fees, incurred or suffered by the Trustee Party in connection with the breach of any of the terms of the Investment Management Agreement by the Investment Manager, or failure in furnishing information required by SEBI or any regulatory authority with respect to the InvIT, or furnishing incorrect information by the Investment Manager under the InvIT Regulations or related to InvIT including in any offer document, if arising out of gross negligence, wilful default or misconduct or fraud on part of the Investment Manager, in carrying out its obligations under the Investment Management Agreement, Trust Deed, the other InvIT Documents, any information memorandum, offer document and applicable law, as finally determined by a court of competent jurisdiction.

(iii). The Trustee acknowledges and agrees that the aggregate maximum liability of the Investment Manager in each financial year with regard to this indemnity clause, shall be limited to the aggregate fees paid to the Investment Manager for the immediately preceding one financial year, in accordance with the terms of the Investment Management Agreement, provided that such aggregate maximum liability shall not be applicable in the event such liability of the Investment Manager to indemnify the Trustee Party for losses or damages suffered arises out of any gross negligence, wilful default or misconduct or fraud of the Investment Manager, as determined by a final non-appealable order of a court of competent jurisdiction.

5. *Termination*

(i). Subject to the other provisions of the Investment Management Agreement, including this Clause, the Agreement shall continue during the term of the InvIT and shall terminate upon dissolution of the InvIT.

(ii). The Investment Management Agreement shall be effective from the date of execution of the Investment Management Agreement and shall terminate in accordance with the terms of the Investment Management Agreement.

(iii). The appointment of the Investment Manager may be terminated by the Trustee in accordance with the procedure specified under the InvIT Regulations.

(iv). The Unitholders, other than any party related to the transactions and its associates holding not less than such percentage by value as specified under the InvIT Regulations, may apply in writing to the Trustee for removal of the Investment Manager.

(v). Subject to the approval of Unitholders (if required) and compliance with other requirements under applicable law, the Investment Management Agreement may be terminated:

(a). by the Investment Manager by delivery of a written notice of 60 (sixty) business days to the Trustee, subject to appointment of new Investment Manager in accordance with the Investment Management Agreement and the InvIT Regulations; or

(b). by the Trustee by delivery of a written notice to the Investment Manager at any time, upon breach of any of the terms, covenants, conditions or provisions of the Investment Management Agreement by the Investment Manager and a failure of the Investment Manager to cure the said breach within a period that is earlier of: (a) the period stipulated under applicable law, or (b) 90 (ninety) business days; or such other period as may be mutually agreed to cure such breach; or

(c). by any Party by delivery of a written notice to the other Party upon the bankruptcy of such other Party, or if winding up or liquidation proceedings are commenced against such other Party, and such proceedings persist for a period of more than three months.

(vi). After prior approval from the Unitholders and SEBI (in the event the InvIT is listed) in accordance with the InvIT Regulations, for the change in the Investment Manager due to removal or otherwise, the Trustee shall appoint a new investment manager and execute a new investment management agreement within three months from the termination of the previous investment management agreement in accordance with applicable law, and the terms of such appointment and agreement shall not be on more favourable terms and conditions. The Trustee shall also ensure that the new investment manager stands substituted as a party in all documents to which the Investment Manager was a party, in relation to the InvIT in its capacity as the Investment Manager. The Investment Manager shall remain in office until the appointment of a new investment manager. The Investment Manager shall continue to be liable for all of its acts, omissions and commissions during its tenure as Investment Manager, notwithstanding the termination.

(vii). Upon removal or replacement of the Investment Manager in accordance with the InvIT Regulations, the Investment Manager shall, within a period of 60 (sixty) business days, transfer custody of the InvIT to the Trustee and give the Trustee all books of accounts, correspondence, documents and records relating to the InvIT which the Investment Manager has in its possession. In the event of removal or resignation of the Investment Manager, the Investment Manager shall be entitled to receive management fees only up to the date of effectiveness of such removal or resignation.

Notwithstanding anything contained hereinabove, (i) in the event that the offer of Units does not occur within the time period stipulated in the InvIT Regulations or such other date as may be mutually agreed to between the Investment Manager and the Trustee, or (ii) in the event of cancellation of registration of the InvIT by SEBI, or (iii) winding up of the InvIT, then the Investment Management Agreement shall automatically terminate without any liability on any party.

D. The Project Manager – SEPL Energy Private Limited

History and Certain Corporate Matters

SEPL Energy Private Limited is the Sponsor and Project Manager of the Anzen Trust. For details in relation to the corporate history of the Sponsor and Project Manager, please see the section entitled "*Parties to the Anzen Trust – The Sponsor and Sponsor Group– SEPL Energy Private Limited*" on page 155.

Background of the Project Manager

The Sponsor is an infrastructure company in India that carries out investments in power transmission companies and renewable energy companies operating in the private sector. In accordance with the eligibility criteria specified under InvIT Regulations, the Sponsor is relying on the experience of its subsidiary i.e. Solaire Surya Urja Private Limited ("**SSUPL**"). For further details in relation to the background of the Sponsor and Project Manager, please see the section entitled "*Parties to the Anzen Trust – The Sponsor and the Sponsor Group – SEPL Energy Private Limited*" on page 155.

Neither the Project Manager nor any of the promoters or directors of the Project Manager (i) is debarred from accessing the securities market by SEBI; (ii) is a promoter, director or person in control of any other company or a sponsor, investment manager or trustee of any other infrastructure investment trust or an infrastructure investment trust which is debarred from accessing the capital market under any order or direction made by SEBI; or (iii) is in the list of wilful defaulters published by the RBI.

Key terms of the Project Implementation and Management Agreement

The Project Manager has entered into the Project Implementation and Management Agreement, in terms of the InvIT Regulations, the key terms of which, are provided below.

1. *Scope of Services*

The Project Manager shall undertake the operation, maintenance and management of the InvIT Assets, either directly or through the appointment and supervision of appropriate agents, as per the terms and conditions of the DMTCL TSA and the NRSS TSA (collectively, the "**Project Agreements**") and applicable law. The scope of services shall include, amongst other things:

(i). supervision of the engineering, procurement and construction works in relation to the InvIT Assets, if any, as may be required, including completion of all outstanding capital works in respect of the InvIT Assets, to the extent applicable, and in procuring the relevant approvals and certificates in relation to such constructions, where applicable;

(ii). oversight, supervision and advice over the operations and maintenance for the InvIT Assets as stipulated under the Project Agreements ("**O&M Works**"), which shall include performance optimization through central monitoring, procurement, invoicing and all commercial matters and supervising any O&M Works undertaken by the Portfolio Assets and the agents as per as local site conditions and site requirements;

(iii). undertake routine and preventive maintenance of the InvIT Assets on a scheduled basis to ensure the continued safety and integrity of assets and to compile condition information for subsequent analysis and planning. Preventive maintenance comprises the following activities:

a. visual inspections, line patrols and testing to confirm the safety and integrity of assets and identify follow up work;

b. activities performed to monitor asset condition and provide systematic input to asset health analysis;

c. routine tasks performed on the asset to ensure condition is maintained at an acceptable level, including access track maintenance; and

d. vegetation management to reduce tripping on account of growth of trees along the right of way;

(iv). represent the Project SPVs in respect of commercial correspondence and the InvIT Assets and ordinary management towards Agents;

(v). coordination and undertaking of any and all activities required to be performed by the Portfolio Assets pursuant to the Project Agreements or pursuant to any communication from the relevant authorities or any other Governmental Authorities;

(vi). promptly reporting to the Trustee and the Investment Manager, any deficiency, non-compliance or failure in fulfilling its obligations. The Project Manager, either by itself or by way of supervision of agents shall undertake all steps to remedy such deficiency.

(vii). providing assistance wherever sought by the Project SPVs or considered expedient by the Project Manager, in relation to the following:

a. liasioning with Governmental Authorities in connection with the InvIT Assets;

b. sending appropriate responses to notices from the Governmental Authorities and coordinating with them to obtain appropriate approvals, if any, for the InvIT Assets;

c. supporting the Project SPVs in resolving any new right-of-way or local issues in order to enable unhindered operations; and

d. submitting appropriate reports on interactions with Governmental Authorities in relation to the InvIT Assets;

(viii). undertaking corrective maintenance to restore an asset to service, make it safe or secure, prevent imminent failure or address defects.

(ix). undertaking emergency maintenance to restore an asset to service in case of disruption at the shortest possible time.

(x). provide business support services for certain activities to be undertaken by the Project SPVs.

(xi). with the objective of maximizing value for shareholders and as a prudent utility / operator, tracking the technical performance of the InvIT Assets closely through remote monitoring by deploying suitable technical and technological solutions and support the Project SPVs in optimizing project performance in terms of energy produced, availability, etc.; and

(xii). reviewing reports shared by the Agents on the project performance, performance ratio, availability, and other contractor related key performance indicators.

2. *Duties of the Project Manager*

The functions, duties and responsibilities of the Project Manager in terms of the Project Implementation and Management Agreement and the InvIT Regulations are, amongst others, as follows:

(i). The Project Manager shall, either directly or through the appointment and supervision of Agents, provide services in relation to the InvIT Assets as may be necessary for the discharge of its duties under the terms of the Project Implementation and Management Agreement and under the InvIT Regulations.

(ii). The Project Manager shall, either directly or through agents, oversee the progress of development, approval status and other aspects of the InvIT Assets that may be under development or, of any new projects, until its completion in accordance with any agreement that may be entered into in this regard, including the supervision of agents appointed for such purpose.

(iii). The Project Manager shall, either directly or through agents, discharge all obligations in respect of the maintenance, operation and management of the infrastructure projects which have achieved the commercial operations date in terms of the respective Project Agreements in terms of the Project Implementation and Management Agreement and the InvIT Regulations.

(iv). The Trustee and the Investment Manager will oversee the activities undertaken by the Project Manager in accordance with the InvIT Regulations. The Project Manager shall provide compliance certificate(s), as may be specified, to the Investment Manager and the Trustee in accordance with the InvIT Regulations, in the form prescribed by SEBI, if any.

(v). The Project Manager shall at all times ensure that the transactions or arrangements entered into by the Project Manager with a related party are on an arm’s-length basis and shall provide the Investment Manager details of transactions carried out between itself and its associates and disclose any conflict of interest in such cases to the Investment Manager, in accordance with the InvIT Regulations.

(vi). The Project Manager shall intimate the Trustee prior to any change in control of the Project Manager to enable the Trustee to seek approval requisite approval from regulatory, statutory, legal or government authorities, lenders and any contractual counter parties in accordance with any documents pertaining to the InvIT Assets, if applicable.

(vii). The Project Manager shall, either by itself or through its agents, provide to the Trustee and Investment Manager or to such other person as the Trustee and/or the Investment Manager may direct, all information that may be necessary for each of them to maintain the records of the Anzen Trust and as may be required for making submissions to SEBI or other Governmental authority, including with respect to relevant approvals, consents and other documents required in relation to the InvIT Assets and the reporting requirements under the InvIT Regulations, in a proper and timely manner, and in the format prescribed (if any), as required by the Trustee and /or Investment Manager.

(viii). The Project Manager shall, either by itself or through its agents provide reasonable assistance to the Portfolio Assets to apply for, obtain and maintain all necessary approvals (and renewals of the same) that each of the Project SPVs is required to obtain from or file relevant applications for approvals with any Governmental Authority in connection with InvIT Assets or as may be required under any third party agreement entered into by the Portfolio Assets.

(ix). The Project Manager shall appoint one of its qualified employees reasonably acceptable to the Investment

Manager and the each of the Portfolio Assets with adequate and appropriate experience as a principal contact for the board of directors of each Portfolio Asset, the Trustee and the Investment Manager in relation to the project and the services. The Project Manager shall have full authority, to receive directions and instructions from each Portfolio Asset and to take action in relation to and ensure compliance with such directions and instructions and report back to each Portfolio Asset, Trustee and the Investment Manager.

(x). The Project Manager shall promptly inform the parties to the Project Implementation and Management Agreement in writing of any act, occurrence or event, which the Project Manager believes is reasonably likely to increase the cost of or the time for implementation taken in relation to a project, or materially to change the financial viability, quality or function of any InvIT Asset.

(xi). If any defects are found in the maintenance, materials and workmanship of the services provided under the Project Implementation and Management Agreement by the Project Manager and/or by the agents, the Project Manager shall promptly, in consultation and agreement with the other parties to the Project Implementation and Management Agreement regarding appropriate remedying of the defects including through its Agents, repair, replace or otherwise make good such defects.

(xii). The Project Manager shall be liable to the other parties to the Project Implementation and Management Agreement for any direct loss or damage attributable to the non-performance or breach of the obligations of the Project Manager including those of the agents, under the Project Implementation and Management Agreement. The Trustee and the Investment Manager acknowledge and agree that the aggregate maximum liability of the Project Manager shall be limited to the fee payable to the Project Manager in accordance with the terms of the Project Implementation and Management Agreement.

(xiii). The duties of Project Manager shall also include the following:

(a) supervision of revenue streams from the InvIT Assets and providing the necessary certification as may be required under the Applicable Law and the InvIT Regulations;

(b) execution and completion of activities in relation to the InvIT Assets under development or to be developed in accordance with and in the manner contemplated in any agreement entered into by the relevant Portfolio Asset in this regard;

(c) exercising diligence and vigilance in carrying out its duties and protecting the InvIT Assets;

(d) keeping the Investment Manager informed on all matters which have a material bearing on the operations of the InvIT Assets;

(e) liaising with governmental authorities in respect of its obligations under the Project Implementation and Management Agreement;

(f) taking appropriate measures to mitigate the risks which may be encountered by the Anzen Trust in respect of the InvIT Assets;

(g) keeping proper records for actions taken in respect of the InvIT Assets; and

(h) complying with the instructions of the Investment Manager and the Trustee and the provisions of the InvIT Regulations.

(xiv). The parties to the Project Implementation and Management Agreement may, from time to time, agree to provisions for additional services to be rendered by the Project Manager. If, in the assessment of the Project Manager, additional services are required for the purposes of carrying out its duties and obligations under the Project Implementation and Management Agreement and applicable law, the Project Manager shall notify the parties to the Project Implementation and Management Agreement in writing of such requirement and obtain prior written approval of the parties in this regard.

(xv). In case of any inconsistency or discrepancy between the Project Implementation and Management Agreement and the Project Agreements, the Project Manager shall bring the same into the notice of the Trustee and the Investment Manager and take all such actions necessary to resolve the inconsistency.

(xvi). Notwithstanding anything to the contrary contained in the Project Implementation and Management Agreement, nothing contained in the Project Implementation and Management Agreement shall be construed to limit or restrict the performance of any duties or obligations of the Project Manager, Investment Manager or the Trustee contained in the InvIT Regulations and other applicable law.

(xvii). During the term of the Project Implementation and Management Agreement, in the event the representations provided by the Project Manager, becomes untrue or incorrect or incomplete in any respect, the Project Manager shall, within a reasonable time, inform the Trustee and Investment Manager of such event.

3. *Indemnity*

The Trustee, the Investment Manager and their respective directors, employees, officers and the InvIT ("**Indemnified Parties**") shall be indemnified by the Project Manager against any claims, losses, costs, damages, liabilities and expenses, including legal fees from and incurred or suffered by the Indemnified Parties in connection with the breach of any of the terms of the Project Implementation and Management Agreement by the Project Manager, or failure in furnishing information required by SEBI or any regulatory authority with respect to the Anzen Trust, or furnishing wrong information by the Project Manager under the InvIT Regulations or related to the Anzen Trust including in any offer documents, or arising out of gross negligence, willful default or fraud on part of the Project Manager, in carrying out its obligations under the Project Implementation and Management Agreement, the other documents in relation to the Anzen Trust as specified under the Project Implementation and Management Agreement, information memorandum / offer documents and applicable law. The Trustee and the Investment Manager acknowledge and agree that the aggregate maximum liability of the Project Manager in each financial year shall be limited to the fees payable to the Project Manager in such financial year in accordance with the terms of the Project Implementation and Management Agreement.

4. *Termination*

(i). The Project Implementation and Management Agreement shall remain valid and effective, unless terminated by the parties in accordance with the provisions hereto or extended by mutual consent expressed in writing by the parties, for the period that the Project Agreements are in force ("**Validity Period**").

(ii). Prior to the expiry of its Validity Period, it may be terminated:

(i) by the Investment Manager after consultation with the Trustee by delivery of a written notice to the Project Manager at any time, upon breach of any of the terms, covenants, conditions or provisions of the Project Implementation and Management Agreement by the Project Manager and a failure of the Project Manager to remedy the said breach within a period of 120 days or such other period as may be mutually agreed to cure such breach; or

(j) by any party by delivery of a written notice to the other party upon the bankruptcy of such other party or if winding up or liquidation proceedings whether voluntary or involuntary are commenced or admitted against such other party (and such proceedings persist for a period of more than three months).

(iii). Notwithstanding anything contained hereinabove, the Trustee shall appoint a new project manager and execute a new project implementation and management agreement within three months from the termination of the earlier project implementation and management agreement in accordance with applicable law. The Trustee and Investment Manager shall also ensure that the new project manager stands substituted as a party in all documents to which the Project Manager was a party. The Project Manager shall remain in office until the appointment of a new project manager. The Project Manager shall continue to be liable for all its acts and omissions and commissions notwithstanding its termination.

(iv). The termination of the Project Implementation and Management Agreement shall not affect the rights and obligations of the Parties accrued prior to such termination.

(v). In case of early termination prior to the expiry of the Validity Period, the Project Manager shall be entitled to and the Trustee shall be liable to pay to the Project Manager the fee accrued up to the date of termination. The Fee shall be paid to the Project Manager within a period of 7 Business Days from the date of receipt of demand in this regard from the Project Manager failing which the Fee, or any part thereof, which remains outstanding shall attract interest at the rate of 12%.

(vi). In case of termination under Clause 10.2 (iii) of the Project Implementation and Management Agreement, the fee accrued and outstanding up to the date of termination shall be treated as dues and the Project Manager shall be treated as a creditor for such amounts.

Notwithstanding anything contained hereinabove, (i) in the event that the offer of the Units does not occur within the time period stipulated in the InvIT Regulations or such other date as may be mutually agreed to between the parties, or (ii) in the event of cancellation of registration of the Anzen Trust by SEBI, or (iii) winding up of the Anzen Trust, then the Project Implementation and Management Agreement shall automatically terminate without any liability to any party.

OTHER PARTIES INVOLVED IN THE ANZEN TRUST

The Auditor

Background and terms of appointment

The Investment Manager, in consultation with the Trustee, has appointed M/s. S R B C & Co LLP, Chartered Accountants, with effect from July 13, 2022, as the statutory auditor of the Anzen Trust. The appointment of S R B C & Co LLP was further ratified by the Unitholders of the Anzen Trust on July 28, 2023, at the first annual general meeting of the Trust. The Auditors have audited the Audited Consolidated Financial Statements, Audited Special Purpose Combined Financial Statements, as stated in their respective reports included herein, and have performed limited review of Unaudited Interim Consolidated Financial Results, as stated in report included herein, which have been included in this Preliminary Placement Document.

Functions, Duties and Responsibilities of the Auditors

The functions, duties and responsibilities of the Auditors will be in accordance with the InvIT Regulations. Presently, in terms of the InvIT Regulations, the Auditors is required to comply with the following conditions at all times:

1. the Auditors shall conduct audit of the accounts of the Anzen Trust and draft the audit report based on the accounts examined after taking into account the relevant accounting and auditing standards, as may be specified by SEBI;

2. the Auditors shall, to the best of its information and knowledge, ensure that the accounts and financial statements give a true and fair view of the state of the affairs of the Anzen Trust, including profit or loss and cash flow for the period and such other matters as may be specified;

3. the Auditors shall have a right of access at all times to the books of accounts and vouchers pertaining to activities of the Anzen Trust;

4. the Auditors shall have a right to require such information and explanation pertaining to activities of the Anzen Trust as he may consider necessary for the performance of its duties as auditors from the employees of the Anzen Trust or Parties to the Anzen Trust or the InvIT Assets or any other person in possession of such information; and

5. the Auditor shall undertake a limited review of the audit of all the entities or companies whose accounts are to be consolidated with the accounts of the Anzen Trust as per the applicable Indian Accounting Standards and any addendum thereto as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015, in such manner as may be specified by SEBI.

The Valuer

Background and terms of appointment

The Investment Manager, in consultation with the Trustee, has appointed S Sundararaman, bearing registration no. IBBI/RV/06/2018/10238, as the valuer of the Anzen Trust for the Fiscal 2025. In accordance with the InvIT Regulations, the Valuer has undertaken a full valuation of the Portfolio Assets, and their report dated May 20, 2024 in relation to such valuation as on March 31, 2024 is available at https://www.anzenenergy.in/wp-content/uploads/2024/05/Valuation-Report-March-24.pdf. The valuation report in relation to the Target Asset has been attached as Annexure A.

Functions of the Valuer

The functions, duties and responsibilities of the Valuer will be in accordance with the InvIT Regulations. Presently, in terms of the InvIT Regulations, the Valuer is required to comply with the following conditions at all times:

1. the Valuer shall ensure that the valuation of the InvIT Assets is impartial, true and fair and is in accordance with Regulation 21 of the InvIT Regulations;

2. the Valuer shall ensure that adequate and robust internal controls to ensure the integrity of its valuation reports;

3. the Valuer shall ensure that it has sufficient key personnel with adequate experience and qualification to perform valuations;

4. the Valuer shall ensure that it has sufficient financial resources to enable it to conduct its business effectively and meet its liabilities;

5. the Valuer and any of its employees involved in valuing of the assets of the Anzen Trust, shall not, (i) invest in Units or in the assets being valued; and (ii) sell the assets or Units held prior to being appointed as the valuer, until the time the Valuer is designated as the valuer of the Anzen Trust and not less than six months after ceasing to be valuer of the Anzen Trust;

6. the Valuer shall conduct valuation of the Anzen Trust's assets with transparency and fairness and shall render, at all times, high standards of service, exercise due diligence, ensure proper care and exercise independent professional judgment;

7. the Valuer shall act with independence, objectivity and impartiality in performing the valuation;

8. the Valuer shall discharge its duties towards the Anzen Trust in an efficient and competent manner, utilizing its knowledge, skills and experience in best possible way to complete given assignment;

9. the Valuer shall not accept remuneration, in any form, for performing a valuation of the Anzen Trust's assets from any person other than the Anzen Trust or its authorized representative;

10. the Valuer shall before accepting any assignment from any related party of the Anzen Trust, disclose to the Anzen Trust any direct or indirect consideration which the valuer may have in respect of such assignment;

11. the Valuer shall disclose to the Anzen Trust any pending business transactions, contracts under negotiation and other arrangements with the investment manager or any other party whom the Anzen Trust is contracting with and any other factors that may interfere with the Valuer's ability to give an independent and professional valuation of the assets;

12. the Valuer shall not make false, misleading or exaggerated claims in order to secure assignments;

13. the Valuer shall not provide misleading valuation, either by providing incorrect information or by withholding relevant information;

14. the Valuer shall not accept an assignment which interferes with its ability to do fair valuation; and

15. the Valuer shall, prior to performing a valuation, acquaint itself with all laws or regulations relevant to such valuation.

Policy on Appointment of Auditor and Valuer ("Appointment Policy")

The Investment Manager has adopted a policy on the appointment of auditor and valuer of the Anzen Trust, pursuant to its resolution dated July 8, 2022. The key terms of the Appointment Policy are set out below:

Appointment and role of the auditor of the Anzen Trust

(i). The Investment Manager, in consultation with the Trustee, shall appoint the auditor of Anzen Trust, in a timely manner and in accordance with the InvIT Regulations.

(ii). The Investment Manager shall ensure that the appointment of the auditor and the fees payable to the auditor is approved by the Unitholders, in accordance with the InvIT Regulations.

(iii). The Investment Manager shall appoint an auditor for a period of not more than five consecutive years; provided that the auditor, not being an individual, may be reappointed for a period of another five consecutive years, subject to approval of Unitholders in the annual meeting in accordance with the InvIT Regulations.

(iv). In terms of the policy, the auditor shall comply with the following conditions at all times:

    (a). the accounts of the Anzen Trust shall be subjected to audit by the Auditors and shall be accompanied by a report of the Auditors in such manner and at such intervals as may be prescribed under applicable law, including the InvIT Regulations;

    (b). the auditor shall, to the best of his information and knowledge, ensure that the accounts and financial statements give a true and fair view of the state of the affairs of Anzen Trust, including profit or loss and cash flow for the period and such other matters as may be specified by SEBI;

    (c). the auditor shall have a right of access at all times to the books of accounts and vouchers pertaining to activities of Anzen Trust; and (d). the auditor shall have a right to require such information and explanation pertaining to activities of Anzen Trust as he may consider necessary for the performance of his duties as auditor from the employees of Anzen Trust or parties to Anzen Trust or the special purpose vehicle(s) or any other person in possession of such information.

Appointment and role of valuer of the Anzen Trust

(i). The Investment Manager, in consultation with Trustee, shall appoint the Valuer of Anzen Trust, to undertake valuation of the assets of Anzen Trust in accordance with the InvIT Regulations. A 'valuer' shall have the meaning set forth in the InvIT Regulations.

(ii). The remuneration of the valuer shall not be linked to or based on the value of the assets being valued.

(iii). The valuer shall not be an associate of the Sponsor or the Investment Manager or Trustee.

(iv). The Valuer shall be eligible to act as a valuer in accordance with the InvIT Regulations or any clarifications, guidelines, notifications or exemptions issued by SEBI.

(v). A valuer shall not undertake valuation of the same project for more than four years consecutively, provided that the valuer may be reappointed after a period of not less than two years from the date it ceases to be the valuer of Anzen Trust.

(vi). The valuer shall not undertake valuation of any assets in which it has either been involved with the acquisition or disposal within the last twelve months other than such cases where the valuer was engaged by Anzen Trust for such acquisition or disposal.

(vii). In terms of the policy, the valuer shall comply with the following conditions at all times:

(a). the valuer shall ensure that the valuation of the Anzen Trust assets is impartial, true and fair and is in accordance with the InvIT Regulations;

(b). the valuer shall ensure adequate and robust internal controls to ensure the integrity of its valuation reports;

(c). the valuer shall ensure that it has sufficient key personnel with adequate experience and qualification to perform valuations;

(d). the valuer shall ensure that it has sufficient financial resources to enable it to conduct its business effectively and meet its liabilities;

(e). the valuer and any of its employees involved in valuing of the assets of the Anzen Trust, shall not:

- invest in units of the Anzen Trust or in the assets being valued; and
- sell the assets or units of the Anzen Trust held prior to being appointed as the valuer,

until the time such person is designated as valuer of the Anzen Trust and not less than six months after ceasing to be valuer of the Anzen Trust;

(f). the valuer shall conduct valuation of the Anzen Trust assets with transparency and fairness and shall render, at all times, high standards of service, exercise due diligence, ensure proper care and exercise independent professional judgment;

(g). the valuer shall act with independence, objectivity and impartiality in performing the valuation;

(h). the valuer shall discharge its duties towards the Anzen Trust in an efficient and competent manner, utilizing its knowledge, skills and experience in best possible way to complete given assignment;

(i). the valuer shall not accept remuneration, in any form, for performing a valuation of the Anzen Trust assets from any person other than the Anzen Trust or its authorized representative;

(j). the valuer shall before accepting any assignment, from any related party of the Anzen Trust, disclose to the Anzen Trust, through the Investment Manager, any direct or indirect consideration which the valuer may have in respect of such assignment;

(k). the valuer shall disclose to the Anzen Trust, through the Investment Manager, any pending business transactions, contracts under negotiation and other arrangements with the investment manager or any other party whom the Anzen Trust is contracting with and any other factors that may interfere with the valuer's ability to give an independent and professional valuation of the assets, and other necessary disclosures required under the InvIT Regulations;

(l). the valuer shall not make false, misleading or exaggerated claims in order to secure assignments;

(m). the valuer shall not provide misleading valuation, either by providing incorrect information or by withholding relevant information;

(n). the valuer shall not accept an assignment which interferes with its ability to do fair valuation; and

(o). the valuer shall, prior to performing a valuation, acquaint itself with all laws or regulations relevant to such valuation.

CORPORATE GOVERNANCE

The section below is a summary of the corporate governance framework in relation to the Anzen Trust, implemented or to be implemented by the Investment Manager and the InvIT Assets, as applicable and as specified in this section.

Investment Manager

EAAA Real Assets Managers Limited *(formerly known as Edelweiss Real Assets Managers Limited)* is the investment manager of the Anzen Trust. For further details on the background of the Investment Manager, please see the section entitled "*Parties to the Anzen Trust – The Investment Manager"* on page 168.

Board of Directors

Composition of the Board of Directors of the Investment Manager

In addition to the applicable provisions of the InvIT Regulations, Companies Act and Listing Regulations (as applicable), the composition of the board of directors of the Investment Manager ("**IM Board**") shall adhere to the following:

(i). Not less than 50% of the board of directors of the Investment Manager shall comprise independent directors, determined in accordance with the InvIT Regulations. The IM Board shall comprise of not less than 6 directors and also have not less than one-woman independent director. The independent directors shall not be directors or members of the governing board of the investment manager of another infrastructure investment trust registered under the InvIT Regulations. The remaining directors shall be appointed in accordance with the provisions of the Companies Act;

(ii). the independence of directors shall be determined in accordance with the InvIT Regulations and Other applicable law;

(iii). the chairperson of the IM Board shall be a non-executive director; and

(iv). collective experience of the directors shall cover a broad range of commercial experience, particularly experience in infrastructure sector (including the applicable sub-sector), including development, investment/fund management or advisory and financial matters.

For details of the current composition of the board of directors, please see the section entitled "*Parties to the Anzen Trust – The Investment Manager – EAAA Real Assets Manager Limited – Board of Directors of the Investment Manager*" on page 169.

Quorum

The quorum shall be one-third of the total strength of the board of directors or three directors, whichever is higher, including at least one independent director.

Frequency of meetings

The board of directors of the Investment Manager should meet at least four times every year, with a maximum gap of 120 days between any two successive meetings. Additionally, the board of directors of the Investment Manager shall meet prior to any meeting of the Unitholders and approve the agenda for Unitholders' meetings.

Sitting fee

The directors of the Investment Manager will receive sitting fee for attending board meetings and meetings of the committees, in accordance with the provisions of the Companies Act, and other applicable law.

Articles of Association of the Investment Manager

The articles of association does not include any affirmative rights for the Sponsor of the Anzen Trust or the Sponsor group.

Committees of the board of directors

Name of the committee	Composition	Present Members	Quorum	Frequency of meetings
Nomination and Remuneration Committee	The Nomination and Remuneration Committee shall consist of at least three directors. All members of the committee shall be non-executive directors, and at least two-thirds of the members of the committee	Bala C Deshpande (Independent Director), Shiva Kumar (Independent Director) and Sunil	The quorum shall be either two members or one third of the members of the	The nomination and remuneration committee shall meet at least once in a year.

Name of the committee	Composition	Present Members	Quorum	Frequency of meetings
	shall be independent directors. The chairperson of the committee should be an independent director.	Mitra (Independent Director)	committee, whichever is greater, including at least one independent director in attendance.	
Audit Committee	The audit committee shall consist of at least three directors and at least two-thirds of the members of audit committee shall be independent directors. The chairperson of the audit committee should be an independent director. All members of the audit committee should be financially literate and at least one member should have accounting or related financial management expertise, in accordance with the Listing Regulations.	Shiva Kumar (Independent Director), Sunil Mitra (Independent Director), Bala C Deshpande (Independent Director) and Ranjita Deo (Whole Time Director and Chief Investment Officer).	The quorum shall either be two members or one third of the members of the audit committee, whichever is greater, including at least two independent directors in attendance.	The audit committee should meet at least four times every year, with a maximum gap of 120 days between any two meetings.
Stakeholders Relationship Committee	The stakeholders relationship committee shall consist of at least three directors. At least one member of the committee shall be an independent director. The chairperson of this committee shall be a non-executive director.	Venkatchalam Ramaswamy (Non-Executive Director), Bala C Deshpande (Independent Director) and Shiva Kumar (Independent Director)	The quorum shall be any two members or one third of the members, whichever is greater, including at least one independent director.	The stakeholders relationship committee shall meet at least once in a year.
Risk Management Committee	The risk management committee shall consist of at least three members with a majority of the members of the committee shall be directors on the board. The chairperson of this committee shall be a director of the board and senior executives of the Investment Manager may be members of the committee.	Ranjita Deo (Whole Time Director and Chief Investment Officer), Subahoo Chordia (Non-Executive Director), Nupur Garg (Independent Director) and Sunil Mitra (Independent Director)	The quorum shall either be two members or one third of the members of the committee, whichever is greater, including at least one member of the board in attendance.	The risk management committee should meet at least twice every year, with a maximum gap of 180 days between any two consecutive meetings.
Investment Committee	The investment committee shall comprise of directors constituting at least 50% of the board of directors of the Investment Manager.	Venkatchalam Ramaswamy (Non-Executive Director), Shiva Kumar (Independent Director), Sunil Mitra (Independent Director), Bala C Deshpande (Independent Director), Subahoo Chorda (Non-Executive Director), Nupur Garg (Independent Director) and Ranjita Deo (Whole Time Director and Chief Investment Officer)	The quorum shall be at least 50% of the members of the committee, subject to a minimum of two members.	The investment committee shall meet as and when required.

For details of the scope of each committee, please see below.

Nomination and Remuneration Committee

Terms of reference of the Nomination and Remuneration Committee

The terms of reference of the Nomination and Remuneration Committee include, amongst others, the following:

(i). formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors of the Investment Manager a policy relating to, the remuneration of the directors, key managerial personnel and other employees;

(ii). for every appointment of an independent director, valuation of the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the IM Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the nomination and remuneration committee may:

  (a). use the services of an external agencies, if required;
  (b). consider candidates from a wide range of backgrounds, having due regard to diversity; and
  (c). consider time commitment of the candidates.

(iii). formulation of criteria for evaluation of performance of independent directors and the board of directors;

(iv). devising a policy on board diversity;

(v). identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down and recommend to the board of directors their appointment and removal;

(vi). determining whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors;

(vii). making all decisions in relation to appointment or replacement or removal of directors on the board of directors of the SPVs and holding companies, as applicable;

(viii). recommending to the board of directors of the Investment Manager, all remuneration, in whatever form, payable to senior management; and

(ix). any other matter as per the corporate governance framework.

Audit Committee

Terms of reference of the Audit Committee

The terms of reference of the Audit Committee include, amongst others, the following:

(i). providing recommendations to the board of directors regarding any proposed distributions;

(ii). overseeing Anzen Trust's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;

(iii). giving recommendations to the board of directors regarding appointment, re-appointment, remuneration and terms of appointment of the statutory auditor of the Anzen Trust and the audit fee, subject to the approval of the Unitholders;

(iv). approving payments to statutory auditors of the Anzen Trust for any other services rendered by such statutory auditors;

(v). reviewing, with the management of the Investment Manager, the annual financial statements and auditor's report thereon of the Anzen Trust, before submission to the board of directors for approval, with particular reference to:

  (a). changes, if any, in accounting policies and practices and reasons for such change;
  (b). major accounting entries involving estimates based on the exercise of judgment by management;
  (c). significant adjustments made in the financial statements arising out of audit findings;
  (d). compliance with listing and other legal requirements relating to financial statements;
  (e). disclosure of any related party transactions; and
  (f). modified opinion(s) and qualifications in the draft audit report;

(vi). reviewing, with the management of the Investment Manager, all periodic financial statements, including but not limited to quarterly, half-yearly and annual financial statements of the Anzen Trust before submission to the board of directors for approval;

(vii). reviewing, with the management of the Investment Manager, the statement of uses/application of funds raised through the issue of units by the Anzen Trust (public issue, rights issue, preferential issue, etc.) and any issue of debt securities and the statement of funds utilised for purposes other than those stated in the offer documents/ notice, and making appropriate recommendations to the board of directors for follow-up action;

(viii). reviewing and monitoring the independence and performance of the statutory auditor of the Anzen Trust, and effectiveness of audit process;

(ix). approval or any subsequent modifications of transactions of the Anzen Trust with related parties;

(x). recommending such related party transactions to the board of directors or the unitholders, as may be required under the InvIT Regulations;

(xi). scrutinising inter-corporate loans and investments of the Anzen Trust;

(xii). reviewing all valuation reports required to be prepared under applicable law, periodically, and as required, under applicable law;

(xiii). evaluating financial controls and risk management systems of the Anzen Trust;

(xiv). reviewing, with the management, the performance of statutory auditors of the Anzen Trust, and adequacy of the internal control systems, as necessary;

(xv). reviewing the adequacy of internal audit function if any of the Anzen Trust, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;

(xvi). discussion with internal auditors of any significant findings and follow up thereon;

(xvii). reviewing the findings of any internal investigations in relation to the Anzen Trust, into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board of directors;

(xviii). reviewing the procedures put in place by the Investment Manager for managing any conflict that may arise between the interests of the unitholders, the parties to Anzen Trust and the interests of the Investment Manager, including related party transactions, the indemnification of expenses or liabilities incurred by the Investment Manager, and the setting of fees or charges payable out of Anzen Trust's assets

(xix). discussing with statutory auditors and valuers prior to commencement of the audit or valuation, respectively, about the nature and scope, as well as post-audit/ valuation discussion to ascertain any area of concern;

(xx). reviewing and monitoring the independence and performance of the valuer of Anzen Trust;

(xxi). looking into the reasons for substantial defaults in the payment to the depositors, debenture holders and creditors;

(xxii). evaluating any defaults or delay in payment of distributions to the unitholders or dividends by the SPVs to the holding companies and by the holding companies and/or SPVs, as applicable, to the Anzen Trust and payments to any creditors of the Anzen Trust or the holding companies or the SPVs, and recommending remedial measures;

(xxiii). reviewing the functioning of the whistle blower mechanism;

(xxiv). approving the appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;

(xxv). reviewing the utilization of loans and/ or advances from/investment by the holding company in the SPV exceeding Rs. 1,000 million or 10% of the asset size of the SPV, whichever is lower;

(xxvi). approving any management information systems or interim financial statements to be submitted by Anzen Trust to any unitholder or regulatory or statutory authority;

(xxvii). considering and commenting on the rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on Anzen Trust and its unitholders;

(xxviii). approving any reports required to be issued to the unitholders under the InvIT Regulations;

(xxix). formulating any policy for the Investment Manager as necessary, in relation to its functions, as specified above;

(xxx). Mandatorily review, amongst others, (a) management discussion and analysis of financial condition and results of operations, (b) statement of significant related party transactions (as defined by the audit committee), submitted by management, and (c) management letters/ letters of internal control weaknesses issued by statutory auditors; and

(xxxi). any other matter as per the corporate governance framework.

Stakeholders Relationship Committee

Terms of reference of the Stakeholders Relationship Committee

The terms of reference of the Stakeholders Relationship Committee shall include, amongst others, the following:

(i). consider and resolving grievances of the unitholders, including complaints related to the transfer of units, non-receipt of annual report, general meetings and non-receipt of declared distributions;

(ii). review of measures taken for effective exercise of Voting rights by unitholders;

(iii). review of adherence to the service standards adopted by the Anzen Trust in respect of various services being rendered by the Registrar;

(iv). review of the various measures and initiatives taken by the Anzen Trust for ensuring timely receipt of distributions/ annual reports/statutory notices by the unitholders;

(v). update unitholders on acquisition / sale of assets by Anzen Trust and any change in capital structure of the Holding companies or the SPVs, as applicable;

(vi). undertaking all functions in relation to protection of unitholders' interests and resolution of any conflicts of interest (other than in relation to investors grievances), including reviewing agreements or transactions in this regard;

(vii). review of any litigation related to unitholders' grievances and reporting specific material litigation related to unitholders' grievances to the board of directors;

(viii). approve report on investor grievances to be submitted to the Trustee; and

(ix). any other matter as per the corporate governance framework.

Risk Management Committee

Terms of reference of the Risk Management Committee

The terms of reference of the Risk Management Committee include, amongst others, the following:

(i). formulation of a detailed risk management policy;

(ii). ensuring that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Anzen Trust;

(iii). monitoring and overseeing implementation of the risk management policy, including evaluating the adequacy of risk management systems;

(iv). periodically reviewing the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

(v). keeping the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;

(vi). approving the appointment, removal and terms of remuneration of the Chief Risk Officer (if any);

(vii). Coordinating its activities with other committees, in instances where there is any overlap with activities of such committees, as per the framework laid down by the Board; and

(viii). any other matters as per the corporate governance framework.

Investment Committee

Terms of reference of the Investment Committee

The terms of reference of the Investment Committee shall include, amongst others, the following:

(i). reviewing the investment decisions with respect to the underlying assets or projects of the Anzen Trust, including any further investments or divestments to ensure protection of the interest of unitholders including, investment decisions which are related party transactions;

(ii). approving any proposal in relation to acquisition of assets, further issue of units including in relation to acquisition or assets;

(iii). reviewing investments made by Anzen Trust and ensuring compliance of such investments with the investment conditions specified in the InvIT Regulations;

(iv). subject to approval of unitholders as required under the Trust Deed and applicable law, make all decisions in relation to borrowing or availing debt (including provision of security for such debt or borrowing) by Anzen Trust, holding companies or SPVs, as applicable, or any prepayment of any borrowing or debt at Anzen Trust, holding companies or SPVs;

(v). making decisions, including framing of policies in relation to entrustment, deposit or handing over of any securities to any one or more custodians and the procedure relating to the holding thereof by the custodian;

(vi). formulating any policy for the Investment Manager as necessary, in relation to its functions, as specified above;

(vii). ensuring that all activities of the intermediaries or agents or service providers appointed by the investment committee are in accordance with the InvIT Regulations and guidelines or circulars issued under applicable law; And

(viii). any other matter as per the corporate governance framework.

Policies of the Board of Directors of the Investment Manager in relation to the Anzen Trust

The Investment Manager has adopted the following policies and codes in relation to the Anzen Trust, which have previously been published or issued, and shall be incorporated in, and form part of, this Preliminary Placement Document, as on the date of this Preliminary Placement Document:

Sr. No.	Title of Document	Available at
Policies		
1.	Borrowing Policy	https://www.anzenenergy.in/wp-content/uploads/2023/02/Project-Shine-Borrowing-Policy.pdf
2.	Policy in relation to Related Party Transactions	https://www.anzenenergy.in/wp-content/uploads/2023/02/Policy-on-RPTs.pdf
3.	Policy on Appointment of Auditor and Valuer	https://www.anzenenergy.in/wp-content/uploads/2023/02/Appointment-of-auditor-and-valuer.pdf
4.	Policy for Determining Materiality of Information for Periodic Disclosures	https://www.anzenenergy.in/wp-content/uploads/2023/02/Distribution-of-Information-Policy-1.pdf
5.	Document Archival Policy	https://www.anzenenergy.in/wp-content/uploads/2023/02/Document-Archival-Policy.pdf
6.	Policy for Appointment of Directors and Key Managerial Personnel	https://www.anzenenergy.in/wp-content/uploads/2023/04/ERAML-_NRC-Policy_Website-Upload-1.pdf
7.	Remuneration Policy	https://www.anzenenergy.in/wp-content/uploads/2023/04/ERAML-Remuneration-Policy.pdf
8.	Distribution Policy	https://www.anzenenergy.in/wp-content/uploads/2023/02/Distribution-Policy.pdf

Sr. No.	Title of Document	Available at
9.	Policy for Unclaimed Distributions of the Anzen Trust	https://www.anzenenergy.in/wp-content/uploads/2024/04/Policy-for-unclaimed-distribution-of-Anzen.pdf
10.	Risk Policy	https://www.anzenenergy.in/wp-content/uploads/2023/09/Risk-Management-Policy-AnZen.pdf
11.	Policy on unpublished price sensitive information and dealing in units by the parties to the Trust	https://www.anzenenergy.in/wp-content/uploads/2023/02/Policy-on-UPSI.pdf
12.	Investor Grievance Redressal Policy	https://www.anzenenergy.in/wp-content/uploads/2023/04/Investor-Grievance-Redressal-Policy.pdf
13.	Whistleblower/ Vigil Mechanism Policy	https://www.anzenenergy.in/wp-content/uploads/2023/04/Whistleblower-Policy.pdf
Codes		
14.	Code of Conduct for Anzen Trust	https://www.anzenenergy.in/wp-content/uploads/2023/02/Project-Shine-Code-of-Conduct-.pdf

InvIT Assets

Representatives on the Board of Directors of the InvIT Assets

The Investment Manager, in consultation with the Trustee, has the power to appoint the majority of the members of the board of directors of each of the InvIT Assets, in accordance with the requirements prescribed under the InvIT Regulations. Further, the Investment Manager shall ensure that in every meeting, including annual general meetings of any of the InvIT Assets, the voting of Anzen Trust is exercised.

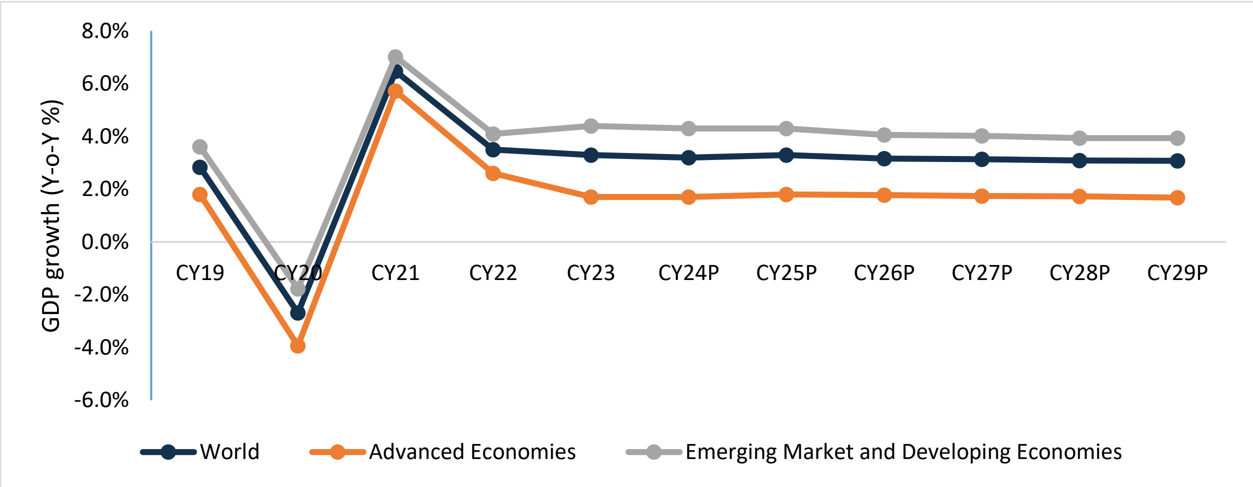
*The information contained in this section, unless otherwise specified, is derived from a report titled "Industry Research Report on Energy Sector" dated January, 2025 prepared and issued by CARE Analytics and Advisory Private Limited (the "**CARE Report**") commissioned by and paid for by us in connection with the Issue. Industry sources and publications generally state that the information contained therein has been obtained from sources generally believed to be reliable, but that their accuracy, completeness, and underlying assumptions are not guaranteed and their reliability cannot be assured. Industry publications are also prepared based on information as at specific dates and may no longer be current or reflect current trends. Accordingly, investment decisions should not be based on such information. See "Presentation of Financial Data and Other Information–Industry and Market Data" on page 15.*

1. Economic Outlook

1.1 Global Economy

Global growth, which stood at 3.3% in CY23, is anticipated to fall to 3.2% in CY24 and then bounce back again to 3.3% in CY25. The CY24 forecast has remained same compared to the April 2024 World Economic Outlook (WEO) Update and increased by 0.1 percentage point compared to the January 2024 WEO. Despite this, the expansion remains historically low, attributed to factors including sustained high borrowing costs, inflation woes, reduced fiscal support, lingering effects of Russia's Ukraine invasion, Iran–Israel War, sluggish productivity growth, and heightened geo-economic fragmentation.

Chart 8: Global Growth Outlook Projections (Real GDP, Y-o-Y change in %)



Notes: P-Projection; Source: IMF – World Economic Outlook, July 2024

Table 22: GDP growth trend comparison - India v/s Other Economies (Real GDP, Y-o-Y change in %)

	Real GDP (Y-o-Y change in %)									
	CY20	**CY21**	**CY22**	**CY23**	**CY24P**	**CY25P**	**CY26P**	**CY27P**	**CY28P**	**CY29P**
India	-5.8	9.7	7.0	8.2	7.0	6.5	6.5	6.5	6.5	6.5
China	2.2	8.5	3.0	5.2	5.0	4.5	3.8	3.6	3.4	3.3
Indonesia	-2.1	3.7	5.3	5.0	5.0	5.1	5.1	5.1	5.1	5.1
Saudi Arabia	-3.6	5.1	7.5	-0.8	1.7	4.7	4.0	3.5	3.0	3.5
Brazil	-3.3	4.8	3.0	2.9	2.1	2.4	2.1	2.0	2.0	2.0
Euro Area	-6.1	5.9	3.4	0.5	0.9	1.5	1.4	1.3	1.3	1.2
United States	-2.2	5.8	1.9	2.5	2.6	1.9	2.0	2.1	2.1	2.1

P- Projections; Source: IMF- World Economic Outlook Database (July 2024)

Advanced Economies Group

Advanced economies are expected to experience a gradual increase in growth, remaining same at 1.7% in CY24 and increasing to 1.8% in CY25. The projection for CY24 and CY25 remains unchanged compared to the April 2024 WEO Update.

The **United States** is expected to see growth rise to 2.6% in CY24, followed by a slight slowdown to 1.9% in CY25. This deceleration is attributed to gradual fiscal tightening and labour market softening, which dampen aggregate demand.

The **Euro Area's** growth is anticipated to rebound from its sluggish growth in CY23 to 0.9% in CY24 and further to 1.5% in CY25. This recovery is driven by stronger household consumption, as the impact of elevated energy prices diminishes and declining inflation bolsters real income growth. Additionally, strong momentum in services, higher than expected net exports, and higher investments have further driven this growth.

Emerging Market and Developing Economies Group

Emerging market and developing economies are forecasted to maintain stable growth at 4.3% in both CY24 and CY25. This forecast has been made on account of stronger activity in Asia, particularly China and India. Growth prospects in economies across the Middle East and Central Asia continue to be weighed down by oil production and regional conflicts. Growth forecast of sub-Saharan Africa has also been revised downward on account of weak economic activity. Low-income developing countries are anticipated to experience a gradual growth uptick, starting at 4.4% in CY24 and climbing to 5.3% in CY25, as certain constraints on near-term growth begin to ease.

The economic forecast for emerging and developing Asia reveals a modest deceleration in growth, with projections indicating a decline from 5.4% in CY24 to 5.1% in CY25. **China's** trajectory reflects a slowdown, transitioning from 5.0% in CY24 to 4.5% in CY25 due to fading post-pandemic stimuli and ongoing property sector challenges. In contrast, **India's** growth remains robust, with anticipated rates of 7.0% in CY24 and 6.5% in CY25, bolstered by resilient domestic demand and a burgeoning working-age populace.

The **Indonesian** economy is expected to register growth of 5.0% in CY24 and 5.1% in CY25 with a strong domestic demand, a healthy export performance, policy measures, and normalization in commodity prices. **Saudi Arabia's** growth in CY24 is predicted to see a revamp in growth rate to 1.7% on account of Vision 2030 reforms that helped advance the country's economic diversification agenda, including through reduced reliance on oil. Going forward, GDP is expected to grow at 4.7% in CY25. On the other hand, **Brazil's** growth is projected to ease to 2.1% in CY24, driven by fiscal consolidation, the lingering impact of tight monetary policies, and reduced contributions from the agricultural sector. Going forward, GDP is expected to grow at 2.4% in CY25 on account of reconstruction following the floods and supportive structural factors.

Despite the turmoil in the last 2-3 years, India bears good tidings to become a USD 5 trillion economy by CY27. According to the IMF dataset on Gross Domestic Product (GDP) at current prices, the nominal GDP has been at USD 3.6 trillion for CY23 and is projected to reach USD 5.3 trillion by CY27 and USD 6.4 trillion by CY29. India's expected GDP growth rate for coming years is almost double compared to the world economy. The Indian economy shows resilience amid global inflation, supported by a stable financial sector, strong service exports, and robust investment driven by government spending and high-income consumer consumption, positioning it for better growth than other economies.

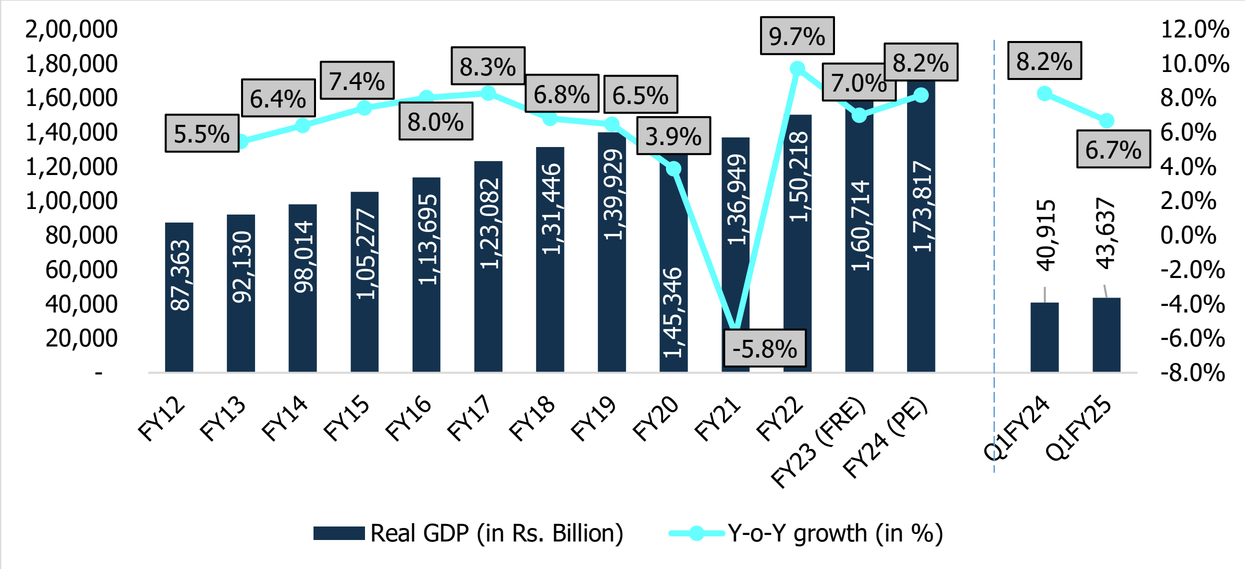
Besides, India stands out as the fastest-growing economy among the major economies. The country is expected to grow at more than 6.5% in the period of CY24-CY29, outshining China's growth rate. By CY27, the Indian economy is estimated to emerge as the third-largest economy globally, hopping over Japan and Germany. Currently, it is the third largest economy globally in terms of Purchasing Power Parity (PPP) with a ~7.6% share in the global economy, with China (~18.7%) on the top followed by the United States (~15.6%).

1.2 Indian Economic Outlook

1.3 GDP Growth and Outlook

Resilience to External Shocks remains Critical for Near-Term Outlook

Chart 9: Trend in Real Indian GDP growth rate



Note: FRE – First Revised Estimates, PE – Provisional Estimate; Source: MOSPI

India's real GDP grew by 7.0% in FY23 and stood at ~Rs. 161 trillion, as per the First Revised Estimate, despite the pandemic in previous years and geopolitical Russia-Ukraine spillovers. Real GDP in the year FY24 is estimated to grow at 8.2% at Rs. 173.82 trillion as per provisional estimate of the Ministry of Statistics and Programme Implementation. It is expected that domestic demand, especially investment, to be the main driver of growth in India, amid sustained levels of business and consumer confidence.

In Q1FY25, real GDP grew by 6.7% y-o-y, hitting a 15-month low, as compared to 8.2% y-o-y in the previous quarter. Private consumption, a key driver of the GDP, showed resilience increasing by 7.45% while government spending contracted by 0.24%. This growth was largely driven by elections and extreme summer conditions, which impacted economic activities across several sectors.

GDP Growth Outlook

- Driven by fixed investment and improving global environment, domestic economic activity continues to expand. The provisional estimates (PE) placed real GDP growth at 8.2% for FY24.
- Industrial activity led by manufacturing continues its momentum on the back of strengthening domestic demand, lower input costs, and a supportive policy environment. The purchasing managers' index for both manufacturing and services sector remained elevated in September 2024, indicating a robust expansion.
- Domestic economic activity continues to remain steady. On the supply side, advancing monsoon has boosted kharif sowing and improved agricultural production prospects, while higher reservoir levels and good soil moisture conditions are favourable for the upcoming rabi crop. Additionally, growth in GVA for major non-agricultural sectors like manufacturing, construction, and utilities has stayed above 5% for Q1FY25, indicating expansion. On the demand side, household consumption is bolstered by an upward trend in rural demand while urban demand continues to hold firm. Additionally, improvement in government consumption can also be observed. Moreover, on the global trade front, services exports are supporting overall growth.
- Fixed investment activity is robust, supported by the government's ongoing focus on capital expenditure, healthy balance sheets of banks and corporates, and other policy measures. Private investment is picking up, driven by an increase in non-food bank credit, higher capacity utilization, and rising investment intentions.

Persistent geopolitical tensions, volatility in international financial markets and geo-economic fragmentation do pose risk to this outlook. Based on these considerations, the RBI, in its October 2024 monetary policy, has projected real GDP growth at 6.6% y-o-y for FY25.

Table 23: RBI's GDP Growth Outlook (Y-o-Y %)

FY25P (complete year)	Q3FY25P	Q4FY25P	Q1FY26P	Q2FY26P
6.6%	6.8%	7.2%	6.9%	7.3%

Note: P-Projected; Source: Reserve Bank of India

1.4 Gross Value Added (GVA)

Gross Value Added (GVA) is the measure of the value of goods and services produced in an economy. GVA gives a picture of the supply side whereas GDP represents consumption.

Industry and Services sector leading the recovery charge

- The gap between GDP and GVA growth turned positive in FY22 (after a gap of two years) due to robust tax collections. Of the three major sector heads, the service sector has been the fastest-growing sector in the last 5 years.

- In FY23, **the agriculture sector** performed well despite weather-related disruptions, such as uneven monsoon and unseasonal rainfall, impacting yields of some major crops and clocked a growth of 4% y-o-y, garnering Rs. 22.3 trillion. The agriculture sector's growth slowed in FY24 to an estimated 1.4% rise for the year, down from 4.7% in FY23. The sector reached to Rs. 23.1 trillion for FY24 as per provisional estimate. In Q1FY25, the agriculture sector grew by only 2% y-o-y as compared to 3.7% in Q1FY24. Better monsoon conditions are expected to brighten outlook for the agriculture sector. Going forward, rising bank credit and increased exports will be the drivers for the agriculture sector.

- The **industrial sector** output in FY23 grew by only 2.1% with estimated value Rs. 44.74 trillion owing to decline in manufacturing activities. India's industrial sector experienced robust growth in FY24 supported by positive business sentiment, falling commodity prices, and government policies like production-linked incentives. The sector grew by 9.5% on y-o-y basis, reaching Rs. 48.9 trillion for FY24. In Q1FY25, the industrial sector grew by 8.3% y-o-y as compared to 6% in Q1FY24. This growth was driven mainly by sales growth in manufacturing companies, construction, and utility services. Construction grew at the highest rate of 10.5% as compared to a growth rate of 8.3% in the same quarter in previous year.

- In FY23, benefitting from the pent-up demand, the **services sector** was valued at Rs. 80.6 trillion and registered growth of 10.0% y-o-y. In FY24, India's services sector growth was driven by steady growth in various service sector indicators like air passenger traffic, port cargo traffic, GST collections, and retail credit. With this, the growth of service sector is estimated at Rs. 86.7 trillion registering 7.6% growth in FY24 overall. In Q1FY25, the services sector grew by only 7.2% y-o-y as compared to 10.7% in Q1FY24.

Table 24: Sectoral Growth (Y-o-Y % Growth) - at Constant Prices

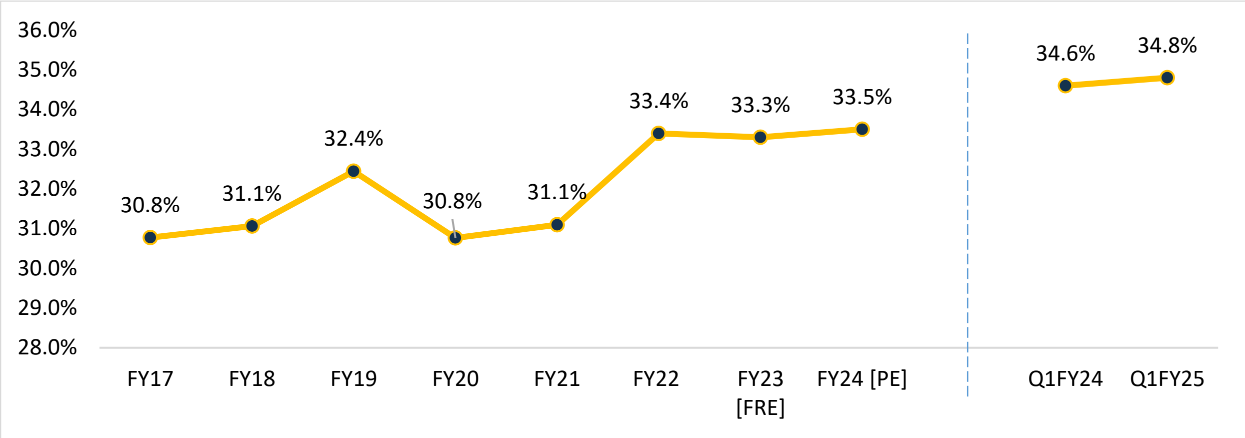
At constant Prices	FY19	FY20	FY21	FY22	FY23 (FRE)	FY24 (PE)	Q1FY24	Q1FY25
Agriculture, Forestry & Fishing	**2.1**	**6.2**	**4.1**	**3.5**	**4.7**	**1.4**	**3.7**	**2.0**
Industry	**5.3**	**-1.4**	**-0.9**	**11.6**	**2.1**	**9.5**	**6**	**8.3**
Mining & Quarrying	-0.9	-3.0	-8.6	7.1	1.9	7.1	7.0	7.2
Manufacturing	5.4	-3.0	2.9	11.1	-2.2	9.9	5.0	7.0
Electricity, Gas, Water Supply & Other Utility Services	7.9	2.3	-4.3	9.9	9.4	7.5	3.2	10.4
Construction	6.5	1.6	-5.7	14.8	9.4	9.9	8.6	10.5
Services	**7.2**	**6.4**	**-8.2**	**8.8**	**10.0**	**7.6**	**10.7**	**7.2**
Trade, Hotels, Transport, Communication & Broadcasting	7.2	6.0	-19.7	13.8	12.0	6.4	9.7	5.7
Financial, Real Estate & Professional Services	7.0	6.8	2.1	4.7	9.1	8.4	12.6	7.1
Public Administration, Defence and Other Services	7.5	6.6	-7.6	9.7	8.9	7.8	8.3	9.5
GVA at Basic Price	**5.8**	**3.9**	**-4.2**	**8.8**	**6.7**	**7.2**	**8.3**	**6.8**

Note: FRE – First Revised Estimates, PE – Provisional Estimate; Source: MOSPI

1.5 Investment Trend in Infrastructure

Gross Fixed Capital Formation (GFCF) is a measure of the net increase in physical assets. In FY23, the ratio of investment (GFCF) to GDP remained flat, as compared to FY22, at 33.3%. Continuing in its growth trend, this ratio has reached 33.5% in FY24. In Q1FY25, GFCF as a proportion in GDP, reached 34.8% as compared to 34.6% in Q1FY24 mainly reflecting growth in private investment.

Chart 10: Gross Fixed Capital Formation (GFCF) as % of GDP (At constant prices)



Note: 3RE – Third Revised Estimate, 2RE – Second Revised Estimates, 1RE – First Revised Estimates, PE – Provisional Estimate, FAE-First Advance Estimate; Source: MOSPI

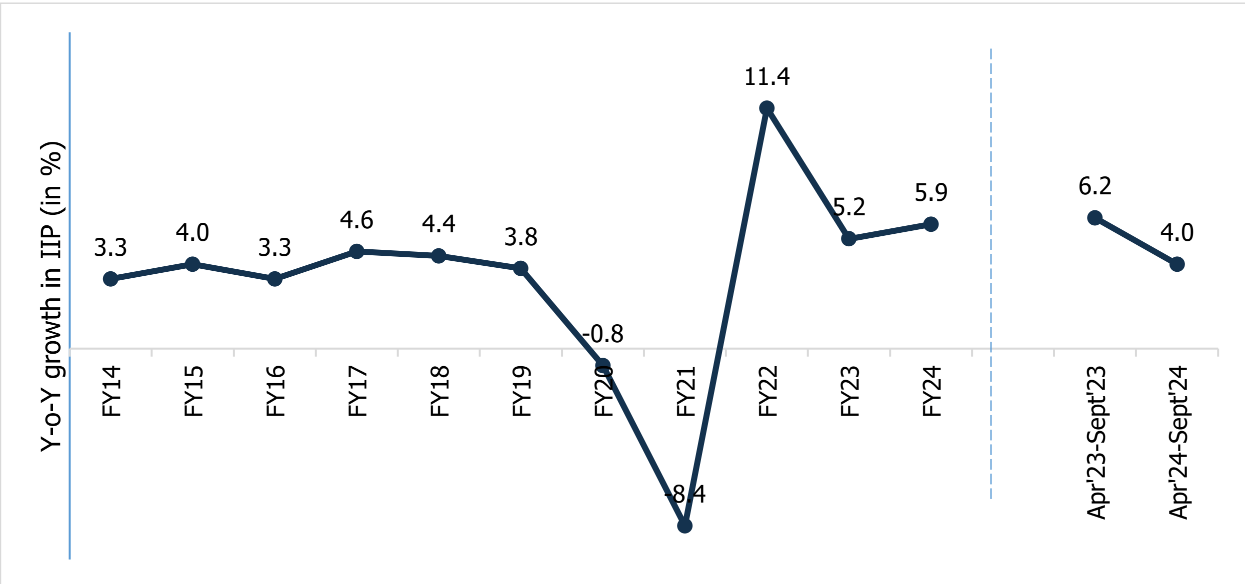
Overall, the support of public investment in infrastructure is likely to gain traction due to initiatives such as Atmanirbhar Bharat, Make in India, and Production-linked Incentive (PLI) scheme announced across various sectors.

1.6 Industrial Growth

Improved Core and Capital Goods Sectors helped IIP Growth Momentum

The Index of Industrial Production (IIP) is an index to track manufacturing activity in an economy. During FY23, the industrial output recorded a growth of 5.2% y-o-y supported by a favourable base and a rebound in economic activities. During FY24, the industrial output recorded a growth of 5.9% y-o-y supported by growth in manufacturing and power generation sectors. The period April 2024 – September 2024, industrial output grew by 4.0% compared to the 6.2% growth in the corresponding period last year. For the month of September 2024, the IIP growth increased by 3.1% as compared to the last year's IIP growth of 6.4%. This increase was on account of all the used based categories witnessing a growth in their Y-o-Y growth in September 2024 compared to August 2023. The manufacturing sector also grew modestly in September 2024 by 3.9% as compared to a growth of 5.1% in September 2023. Within the growth in manufacturing, the top three positive contributors were Manufacture of basic metals, Manufacture of electrical equipment, and Manufacture of coke and refined petroleum products. So far in the current fiscal, the government's strong infrastructure spending and rising private investment are evident, though consumer non-durables production has declined. Urban demand drives consumption, while rural demand improves, highlighting the importance of sustained consumption and investment for industrial performance.

Chart 11: Y-o-Y growth in IIP (in %)

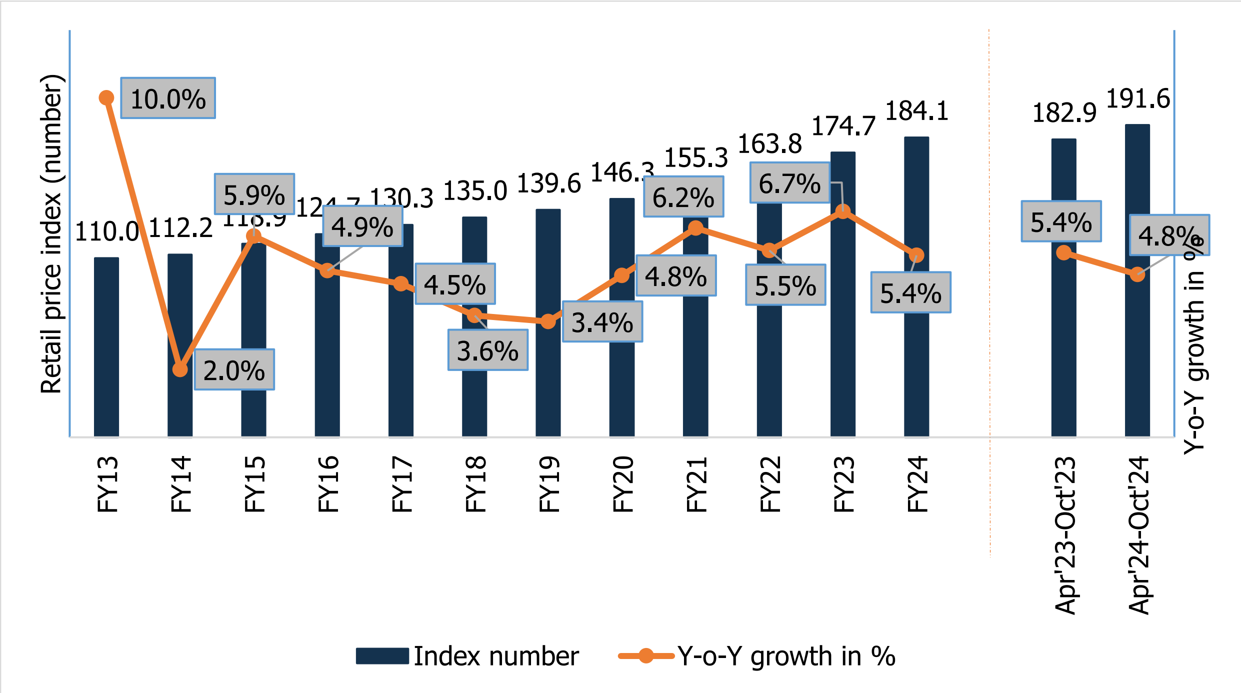


Source: MOSPI

1.7 Consumer Price Index

India's consumer price index (CPI) tracks retail price inflation in the economy. During FY23, CPI remained elevated at an average of 6.7%, above the RBI's tolerance level. In FY24, the Consumer Price Index (CPI) showed fluctuations, starting with a moderation to 4.3% in May 2023, followed by a spike to 7.4% in July 2023 due to rising food prices. Overall, inflation moderated to 5.4% for the year, remaining within the RBI's target range of 2% to 6%, despite volatility in food prices throughout the months. High inflation in specific food items poses inflation risk, even though an improvement in south-west monsoon and better kharif sowing are improving the food inflation outlook. The numbers for April 2024-October 2024 show a decline in inflation growth y-o-y to 4.8% as compared to inflation growth y-o-y of 5.4% in April 2023-October 2023 period. For October 2024, CPI inflation stood at 6.2% which has been the highest retail inflation since December 2023. There was a decline in inflation observed among the subgroups pulses & products, eggs, sugar & confectionery and spices subgroup.

Chart 12: Retail Price Inflation in terms of index and Y-o-Y Growth in % (Base: 2011-12=100)

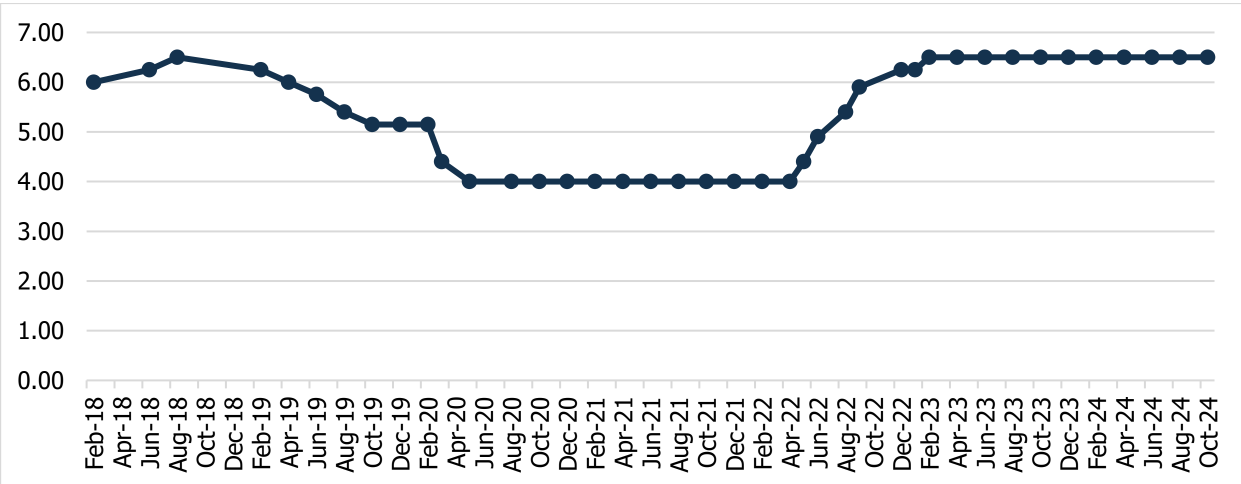


Source: MOSPI

The CPI is primarily factored in by RBI while preparing their bi-monthly monetory policy. At the bi-monthly meeting held in October 2024, RBI projected inflation at 4.5% for FY25 with inflation during Q2FY25 at 4.1%, Q3FY25 at 4.8%, Q4FY25 at 4.2%, and Q1FY26 at 4.3%.

Considering the current inflation situation, RBI has kept the repo rate unchanged at 6.5% again in the October 2024 meeting of the Monetary Policy Committee.

Chart 13: RBI historical Repo Rate



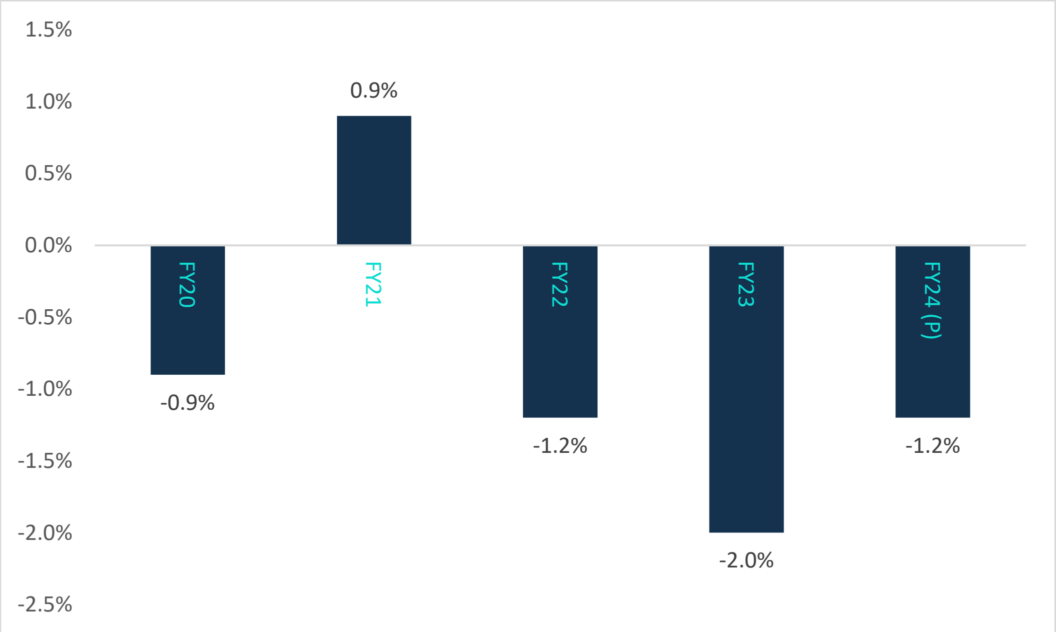
Source: RBI

Further, the central bank changed its stance to neutral. While headline inflation has started easing due to softening in core component and economic activity has been resilient supported by domestic and investment demand, volatility in food prices due to adverse weather conditions pose a risk to the path of disinflation. Core inflation has likely reached its lowest point, and fuel prices are contracting. Domestic growth remains strong, driven by private consumption and investment, allowing the MPC to focus on bringing inflation down to the 4% target. As a result, the MPC decided to adopt a 'neutral' stance, monitoring inflation while supporting growth.

1.8 Current Account Deficit and Capital Account Deficit

The Current Account Deficit (CAD), which reflects the difference between a country's total foreign income and expenditures, is a key indicator of the strength of a nation's external sector. Between FY20 and FY24, India's Current Account Deficit (CAD) exhibited a current account surplus in FY21 attributed to reduced import absorption amid GDP contraction. India's CAD widened post FY21 from 1.2% in FY22 to USD 67 billion, or 2% of GDP in FY23. However, the trend reversed in FY24, with the deficit narrowing to USD 31.1 billion, or 1.2% of GDP. This reduction was driven by a decrease in the merchandise trade deficit, a rise in net services exports, and increased remittances. Robust global demand for India's service sectors, including IT, accountancy, and legal services, played a crucial role in this positive shift.

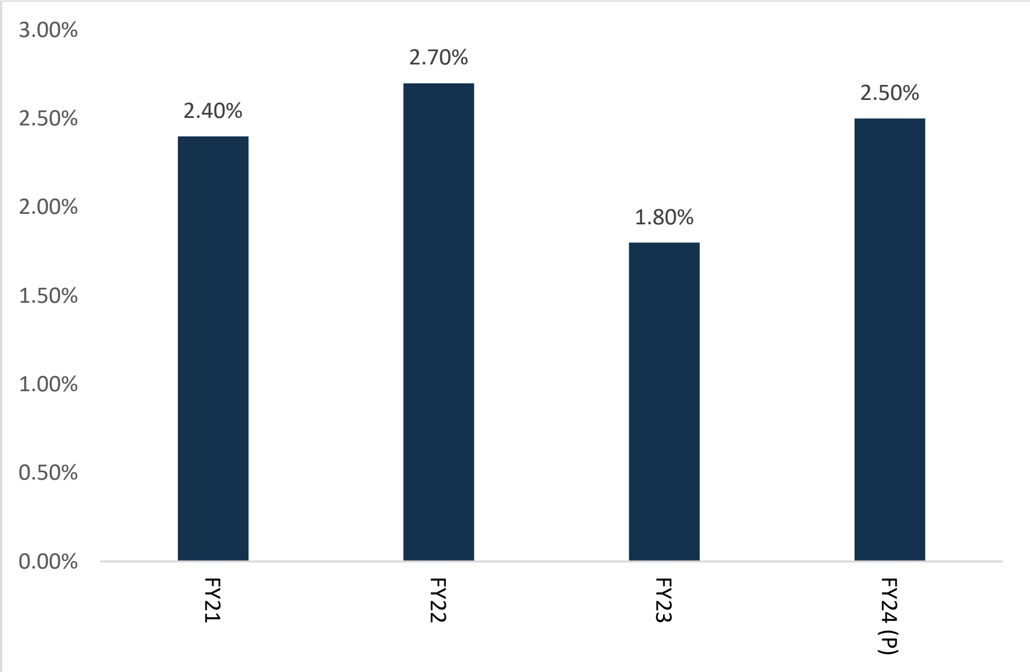
Chart 14: Current Account Deficit as a percentage of GDP (%)



Note: P-Data are provisional and pertain to April-December 2023; Source: RBI

A capital account deficit occurs when a country's capital outflows exceed its capital inflows, indicating more investment leaving the country than coming in. India's capital account deficit has shown fluctuating trends over the fiscal years from FY20 to FY24. In FY20, the deficit peaked at 2.90%, reflecting high capital outflows. This decreased to 2.40% in FY21, likely due to global uncertainties caused by the pandemic. The deficit increased again to 2.70% in FY22, driven by rising investment opportunities abroad. In FY23, it dropped to 1.80%, indicating a tightening in capital flows amid economic challenges. However, a projected rise to 2.50% in FY24 suggests a return to higher capital outflows as economic conditions stabilize and investment sentiment improves.

Chart 15: Capital Account Deficit as a percentage of GDP (%)



Note: P-Data are provisional and pertain to April-December 2023; Source: RBI

1.9 Carbon Emissions

India's dedication to reducing carbon emissions is becoming more important as the country deals with increasing emissions and the effects of climate change. From 1850 to 2019, India, with roughly 17% of the world's population, accounted for only 4% of global greenhouse gas emissions. In 2019, India's per capita annual primary energy consumption was 28.7 gigajoules, which is much lower than that of both developed and other developing nations. The country is dedicated to following low-carbon development strategies specific to its situation, with the goal of guaranteeing energy access and security while promoting economic growth in every industry. Moreover, India acknowledges the importance of implementing adaptation measures to enhance resilience and safeguard its development gains, especially due to its varied geography and susceptibility to climate change impacts.

India has taken major steps in decreasing carbon emissions while striving towards its development objectives. In May 2024, 45.4% of the country's electricity generation capacity came from non-fossil sources, showing a strong dedication to renewable energy, an increase from 32% in 2014. India achieved the majority of its initial Nationally Determined Contributions (NDCs) targets well before the deadline, cutting the emission intensity of its GDP by 33% compared to 2005 levels by 2019. Moreover, the country is expected to achieve a carbon sink of 2.5 to 3.0 billion tonnes by 2030 by increasing tree and forest cover, in addition to the 1.97 billion tonnes of CO2 equivalent already reached from 2005 to 2019.

The Indian government has incorporated climate resilience into its development plans, raising spending for adaptation efforts from 3.7% of GDP in 2015-16 to 5.6% in 2021-22. Innovative financial methods, like issuing sovereign green bonds and introducing a Green Credit Program, are nurturing a green finance environment. Efforts to enhance energy efficiency, like the Energy Conservation Building Code and the Perform, Achieve, and Trade scheme, have resulted in significant yearly financial savings and a decrease of around 306 million tonnes of CO2 emissions. Together, these actions showcase India's proactive stance in tackling climate change while promoting sustainable economic development.

The rapid growth of renewable energy capacity is a key part of India's plan, aiming to reach 500 GW of non-fossil fuel capacity by 2030. The government is making substantial investments in solar and wind initiatives, crucial for reducing reliance on coal, a source responsible for 72% of the country's CO2 emissions. While COP26 called for reducing coal usage, India struggles with meeting its energy demands. Continuing conversations and collaborations, like the $8.5 billion agreement to aid South Africa in shifting away from coal, demonstrate India's commitment to tackling reliance on coal.

Efforts to decrease energy consumption in industries, buildings, and transportation are becoming more popular. Efforts to decrease emissions include initiatives that support the adoption of electric vehicles. Furthermore, India stresses the importance of greater climate funding from developed countries to assist in adaptation and resilience initiatives, especially crucial for vulnerable communities impacted by climate change. The Glasgow Pact's appeal to increase adaptation finance by two aligns with these needs.

India's stance on reducing carbon is influenced by a complicated mix of environmental objectives, economic growth, and social equality. Balancing these elements will be essential in making significant cuts in emissions as the country progresses. The advancements achieved in COP26, combined with internal projects and global collaboration, could enable India to actively participate in worldwide climate actions while also safeguarding its energy independence and economic development.

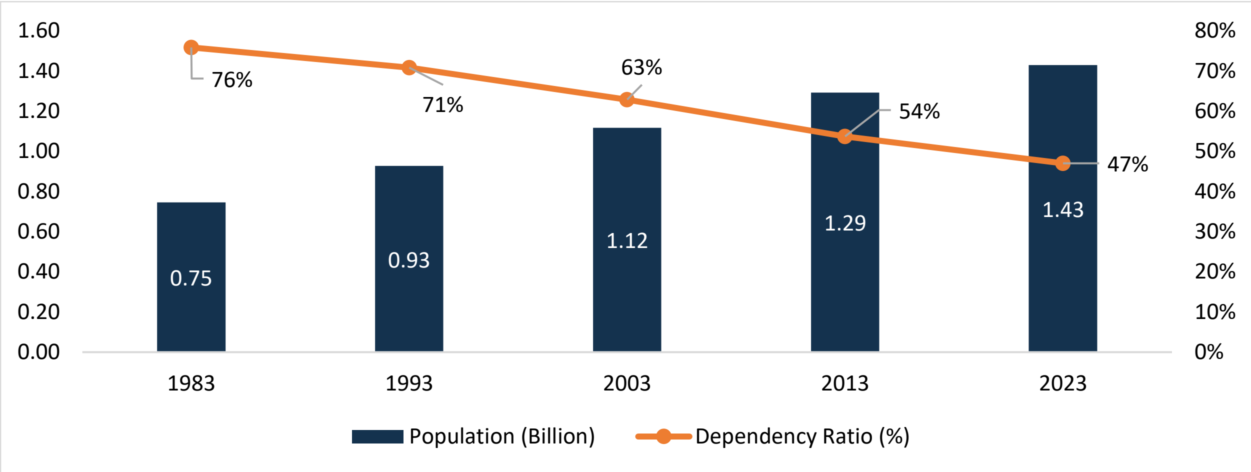
1.10 Overview on Key Demographic Parameters

- **Population growth and Urbanization**

The trajectory of economic growth of India and private consumption is driven by socio-economic factors such as demographics and urbanization. According to the world bank, India's population in 2022 surpassed 1.42 billion slightly higher than China's population 1.41 billion and became the most populous country in the world.

Age Dependency Ratio is the ratio of dependents to the working age population, i.e., 15 to 64 years, wherein dependents are population younger than 15 and older than 64. This ratio has been on a declining trend. It was as high as 76% in 1983, which has reduced to 47% in 2023. Declining dependency means the country has an improving share of working-age population generating income, which is a good sign for the economy.

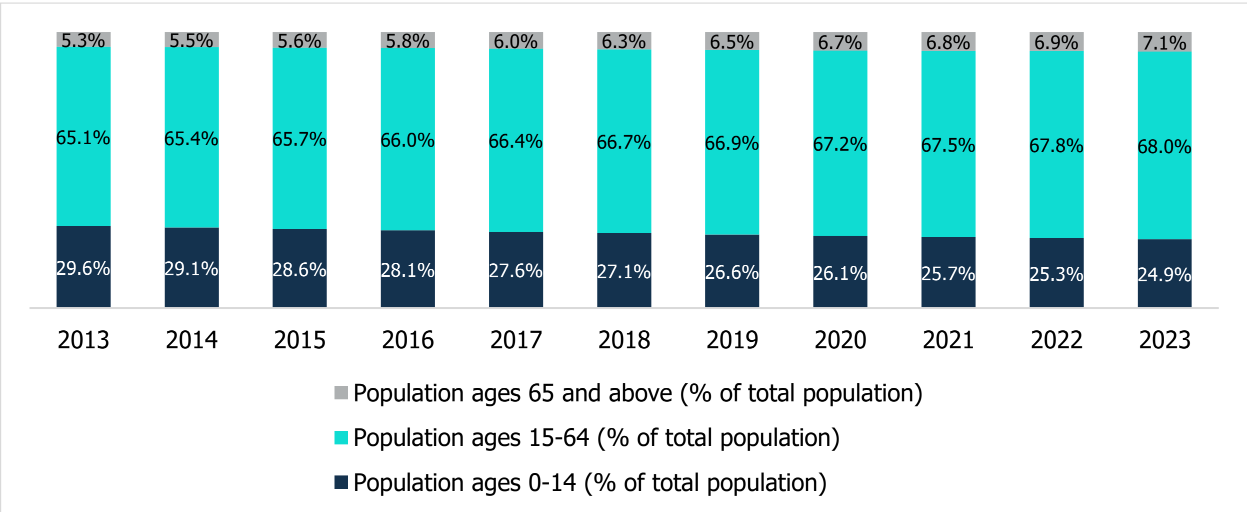
Chart 16: Trend of India Population vis-à-vis dependency ratio



Source: World Bank Database

With an average age of 29, India has one of the youngest populations globally. With vast resources of young citizens entering the workforce every year, it is expected to create a 'demographic dividend'. India is home to a fifth of the world's youth demographic and this population advantage will play a critical role in economic growth.

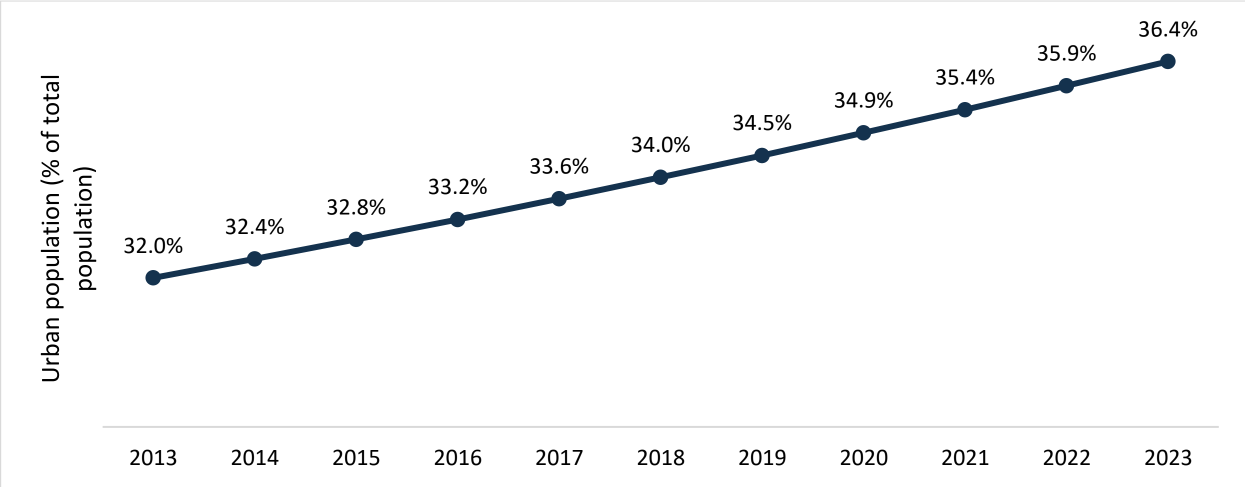
Chart 17: Age-Wise Break Up of Indian population



Source: World Bank Database

The urban population is significantly growing in India. The urban population in India is estimated to have increased from 413 million (32% of total population) in 2013 to 519.5 million (36.4% of total population) in the year 2023.

Chart 18: Urbanization Trend in India



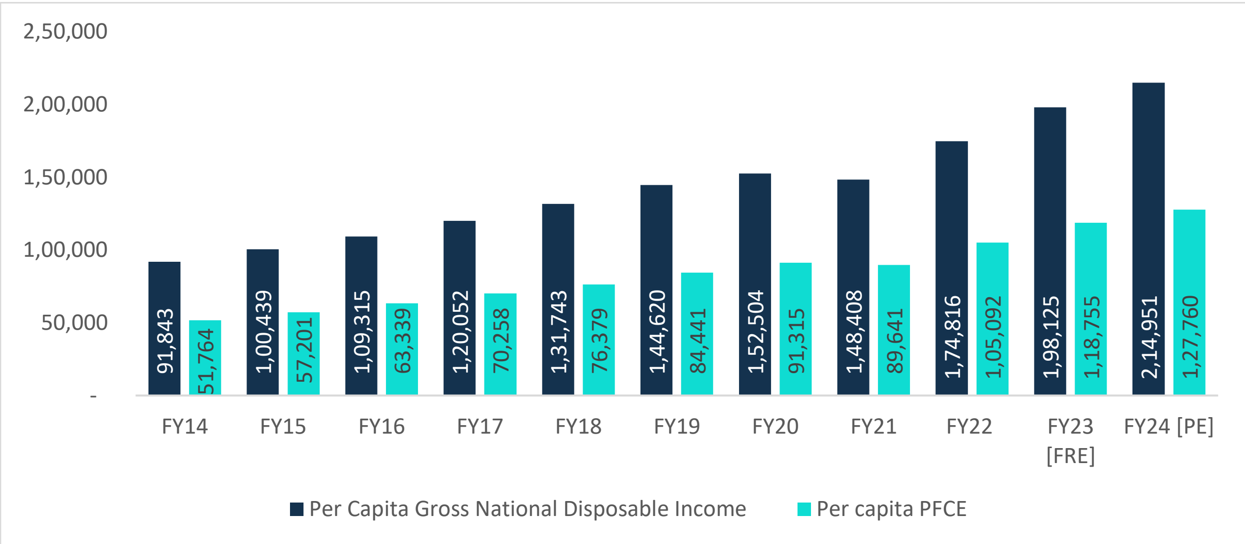
Source: World Bank Database

- **Increasing Disposable Income and Consumer Spending**

  Gross National Disposable Income (GNDI) is a measure of the income available to the nation for final consumption and gross savings. Between the period FY14 to FY24, per capita GNDI at current prices registered a CAGR of 8.88%. More disposable income drives more consumption, thereby driving economic growth.

  With increase in disposable income, there has been a gradual change in consumer spending behaviour as well. Private Final Consumption Expenditure (PFCE) which is measure of consumer spending has also showcased significant growth in the past decade at a CAGR of 9.46%.

Chart 19: Trend of Per Capita GNDI and Per Capita PFCE (Current Price)



Note: FRE – First Revised Estimates, PE – Provisional Estimate; Source: MOSPI

1.11 Concluding Remarks

The major headwinds to global economic growth are escalating geopolitical tensions, volatile global commodity prices, high interest rates, inflation woes, volatility in international financial markets, climate change, rising public debt, and modern technologies. Despite the global economic growth uncertainties, the Indian economy is relatively better placed in terms of GDP growth compared to other emerging economies. According to IMF's forecast, it is expected to be 7% in CY24 compared to the world GDP growth projection of 3.2%. The bright spots for the economy are continued healthy domestic demand, support from the government towards capital expenditure, moderating inflation, investments in technology and improving business confidence.

Likewise, several high-frequency growth indicators including the purchasing managers index, E-way bills, bank credit, toll collections and GST collections have shown improvement in FY24. Moreover, normalizing the employment situation after the opening up of the economy is expected to improve and provide support to consumption expenditure.

At the same time, public investment is expected to exhibit healthy growth as the government has allocated a strong capital expenditure of about Rs. 11.11 lakh crores for FY25. The private sector's intent to invest is also showing improvement as per the data announced on new project investments and resilience shown by the import of capital goods. Additionally, improvement in rural demand owing to healthy sowing, improving reservoir levels, and progress in south-west monsoon along with government's thrust on capex and other policy support will aid the investment cycle in gaining further traction.

2. Overview of Indian Power Sector

Power is one of the most critical components for infrastructure development and the economic growth & well-being of any country. The existence and development of adequate power infrastructure are essential for the sustained growth of the Indian economy.

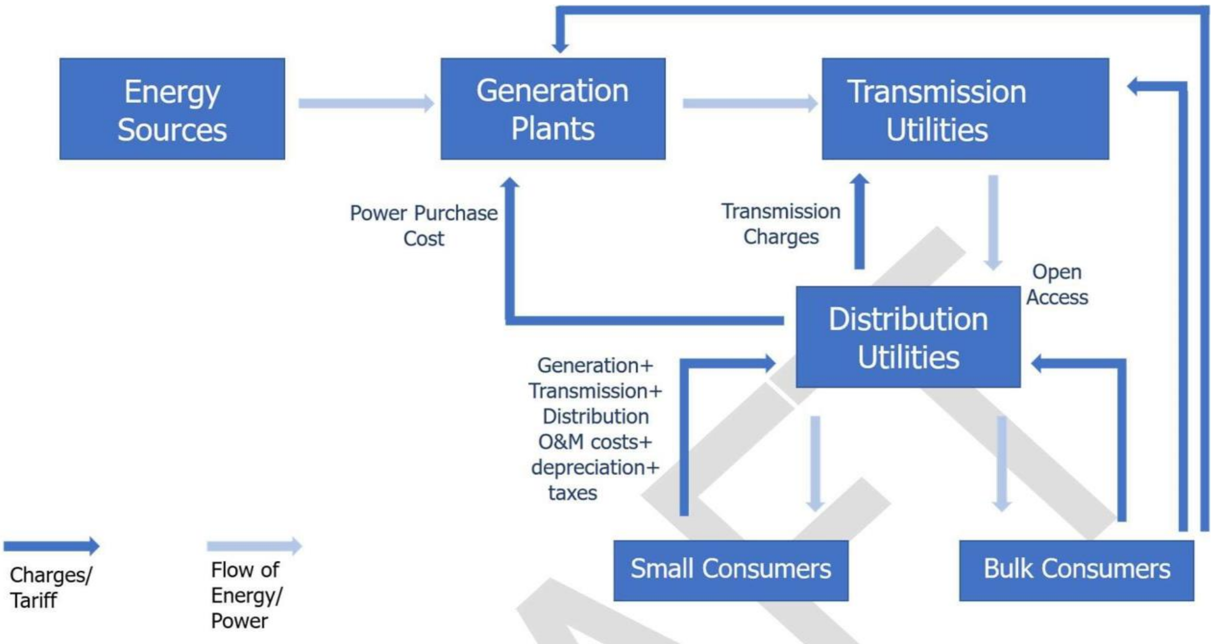
The power industry is divided into three categories:

- Generation
- Transmission
- Distribution

Generation is the process of producing electricity from different sources like thermal energy (coal, diesel etc.), nuclear, and renewable sources such as sunlight, wind, natural gas, etc., in generating stations or power generation plants. Transmission utilities transport large amounts of electricity from power plants to distribution substations via a grid at high voltages. Whereas the retail electricity distribution, the distribution of electricity to consumers at lower voltages, constitutes the distribution category.

The structure of the power industry is depicted in the figure below.

Chart 20: Structure of Power Sector in India

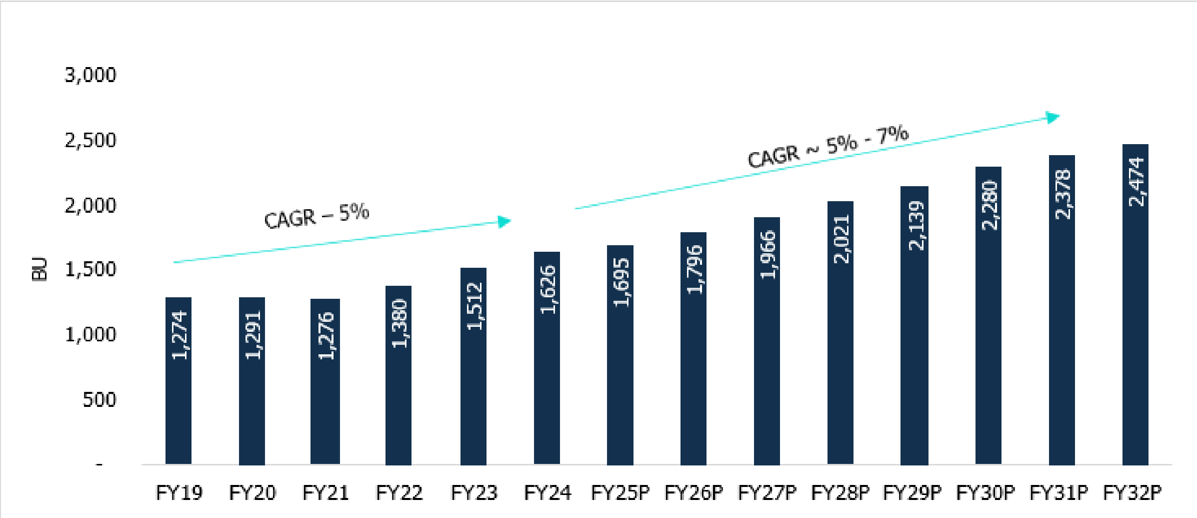


Source: CareEdge Research

2.1 Review and Outlook of the Power Sector in India

The power sector in India has undergone significant transformation in recent years, driven by government initiatives aimed at enhancing efficiency, sustainability, and accessibility. With a mix of conventional and renewable energy sources, India has made considerable strides toward achieving its energy security goals. The push for renewable energy, particularly solar and wind, has positioned the country as a leader in global clean energy efforts. However, challenges remain, including outdated infrastructure, financial viability of state-owned utilities, and regional disparities in power access. The implementation of smart grid technologies and reforms in tariff structures are crucial for addressing these issues. Overall, while the power sector shows promise, continued investment and policy support are essential to ensure a reliable and sustainable energy future for all.

Chart 21: All India Energy Requirement

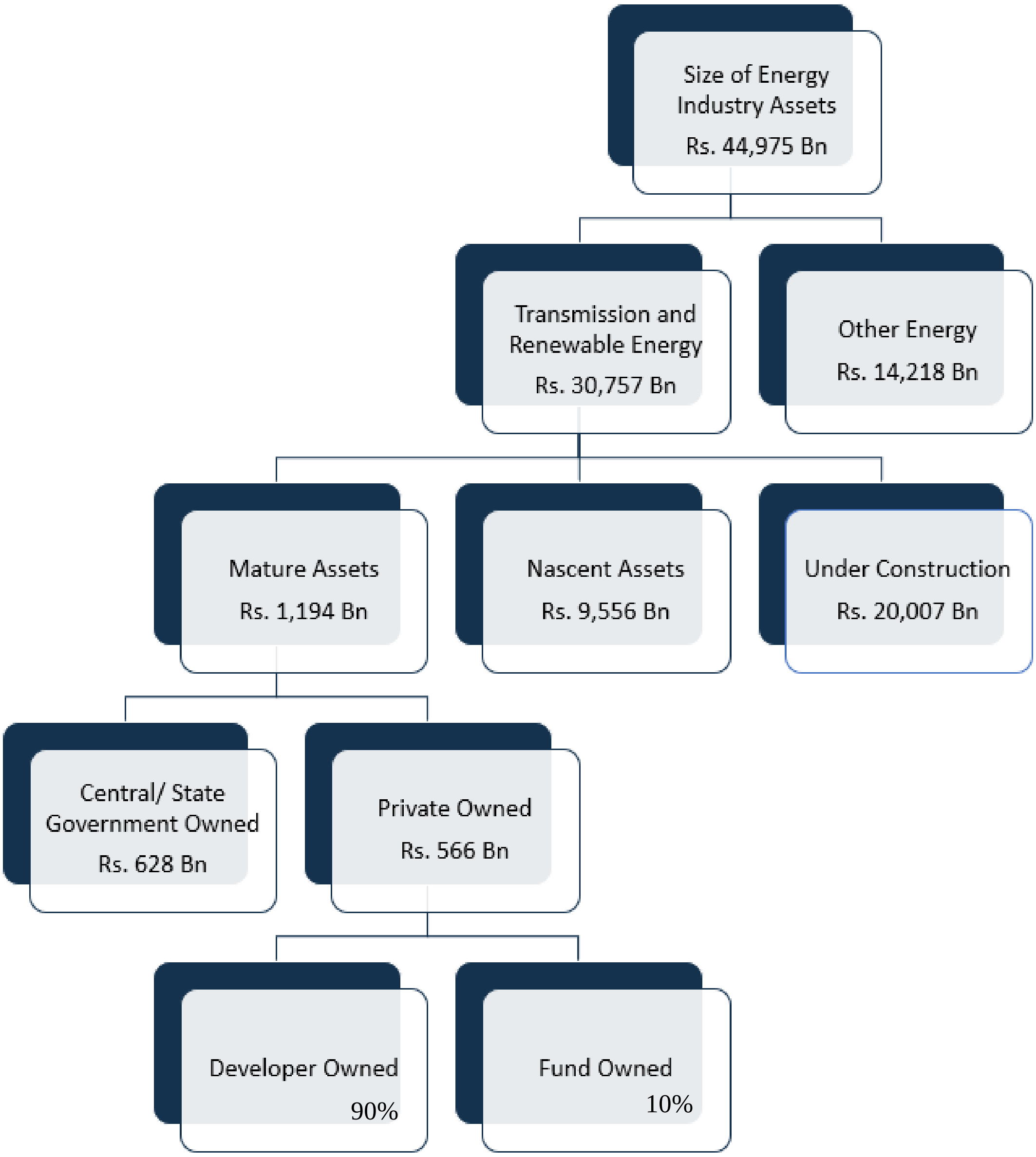


Source: National Electricity Plan (NEP) March 2023, CareEdge Research; P indicates Projected

According to the National Electricity Plan Vol 1, all India peak electricity demand is projected at 296 GW and energy requirement is projected at 1,966 BU for FY27. The power demand is further expected to rise with the growing population and increased economic activities. For FY32, the peak electricity demand is projected at 388 GW and energy requirement at 2,473 BU.

For near future, the momentum for clean energy is likely to persist, contingent on the policy direction set by the incoming administration. The cleantech manufacturing, artificial intelligence (AI), and carbon industries are expected to remain key drivers of renewable energy deployment. On the demand side, cleantech manufacturers, data centers, and direct air capture (DAC) operators are increasingly integrating renewables to support their growing infrastructure needs. On the supply side, these industries are alleviating supply constraints by reshoring cleantech manufacturing plants, which are reshaping solar panel and battery storage supply chains. Furthermore, AI is playing a critical role in optimizing these supply chains, enhancing operational efficiencies, and driving technological advancements in renewable energy. Simultaneously, carbon markets may offer an additional revenue stream for emerging renewable technologies, further accelerating their development.

2.2 Review of Size of Energy Industry Assets



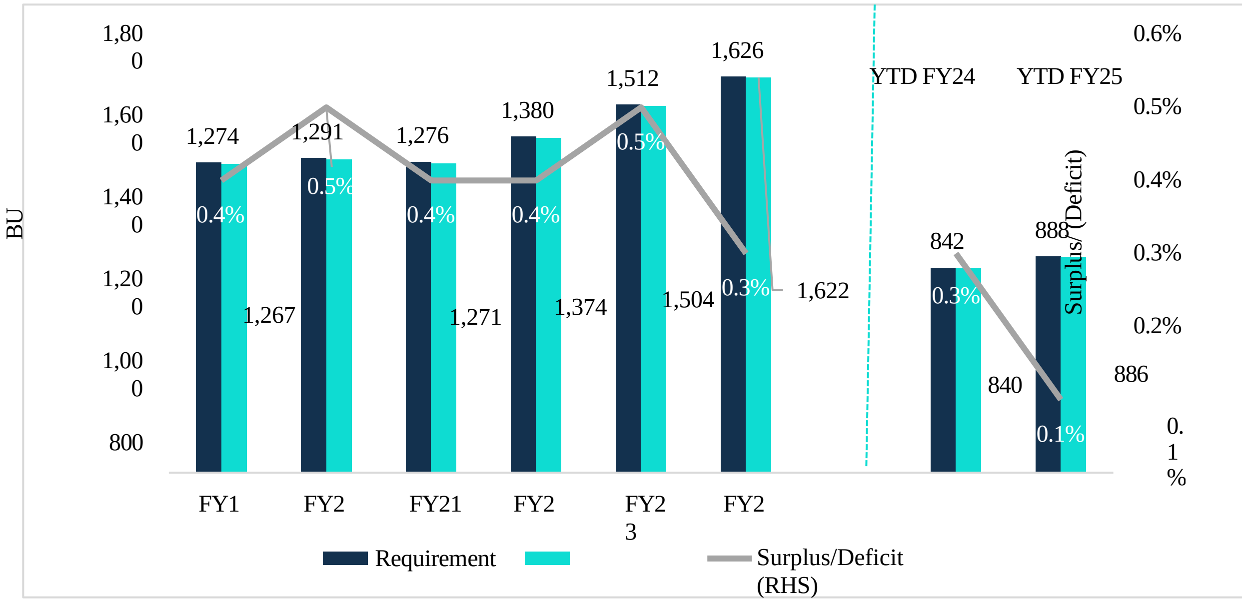
Source: Projects Today
Note: From the Top 20 private owned funds, 90% were developer owned and 10% were fund owned

Details of major state owned and private owned projects is in Annexure -I

2.3 Power Demand, Supply, and Deficit in India

In India, power demand has been rising over the past decade, except during FY21 due to the COVID-19 pandemic. The lockdowns and restrictions induced by COVID-19 led to reduced demand and electricity generation as commercial and business activities were curtailed. Consequently, the first half of FY21 experienced a decline in power demand. However, with the gradual reopening of the economy, despite localized lockdowns, power demand has steadily increased over the past two years.

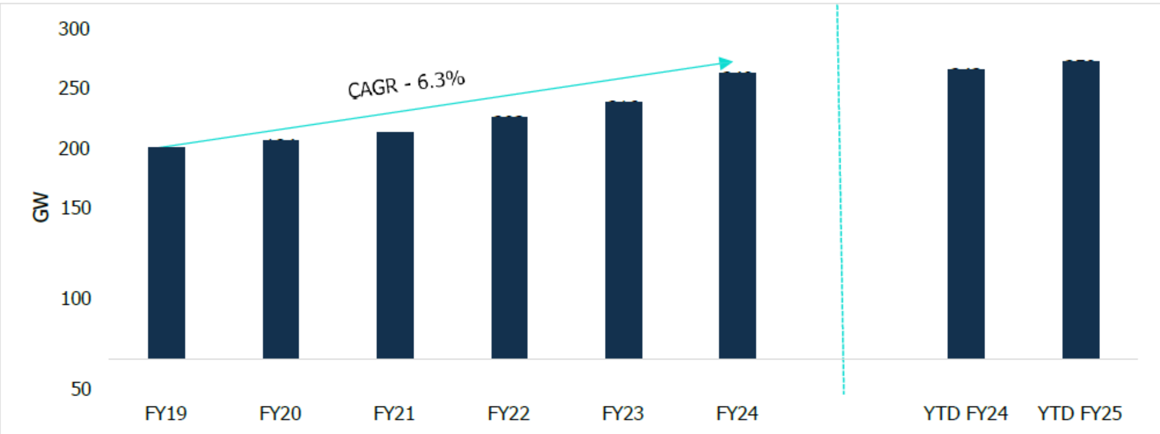
Chart 22: Power Supply Position in India



Source: Power Ministry, CEA, CareEdge Research
Note: YTD Indicates period from April 2024 to September 2024

The electricity requirement has grown from 1,274 BU in FY19 to 1,626 BU in FY24. There has been a continuous deficit between electricity requirement and availability in the range of 0.3%- 0.5% between FY19 and FY24. During April- September 2024, the electricity demand stood at 888 BU, an increase of 5% y-o-y, while the deficit was 0.3%.

Chart 23: All India Peak Demand

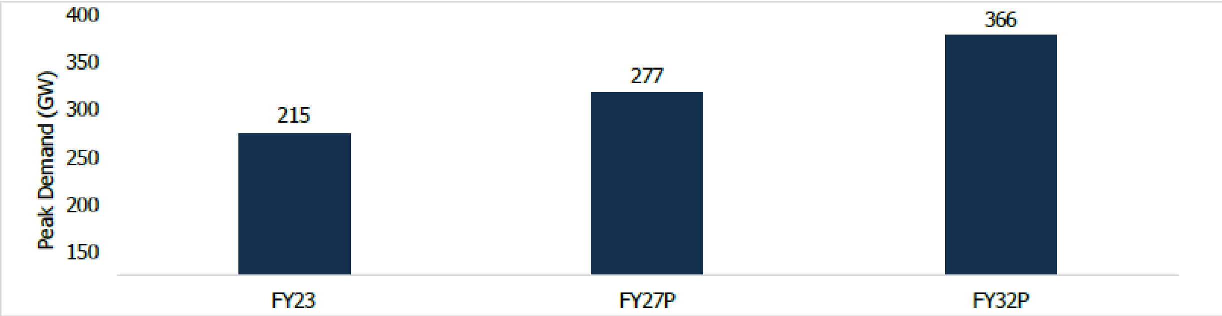


Source: Power Ministry, CEA, CareEdge Research
Note: YTD Indicates period from April 2024 to September 2024

However, the peak demand not met was around 1.5 GW in FY19 and the average energy not supplied was around 7,070 MU. The peak demands not met, and energy not supplied has been on an increasing trend since and substantially decreased to 2.475 GW and 5,787 MU, respectively, in FY22. However, in FY24, due to high power demands, the peak demand not met was 3.34 GW and energy not supplied increased to 4,112 MU. Whereas during April-September 2024, the peak demand not met was 0.002 GW and the energy not supplied was 1,223 MU.

Further, peak energy demand grew at a CAGR of 5% from 136 GW in FY14 to 243 GW in FY24, while peak supply grew at a CAGR of 5% over the same period. There was a 7.5% y-o-y increase in the power requirement by the country in FY24.

Chart 24: Projected All India Peak Demand



*Source: National Electricity Plan (NEP) March 2023, CareEdge Research; *Projected*

The region that is driving the growth from FY23 to FY27 is the North-Eastern region, growing at a CAGR of 7.4% followed by the Northern region growing at 6.1%. The region that is driving growth between FY27 to FY32 is the Eastern region growing at CAGR of 5.8% followed by the Northern region.

The government has taken various steps to meet the peak demand of power such as:

- Adding 175 GW of power generation capacity, 17,33,459 CKM of transmission lines and 6,21,176 MVA of transformation capacity have been added to the grid from 2014 to 31st December 2022.
- Strengthening the distribution system through schemes such as the Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY), Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA), and the Integrated Power Development Scheme (IPDS).
- Allowing 100% FDI in power generation projects through the automatic route.
- Encouraging private sector participation in generation and transmission by notifying the revised Tariff Policy on 28th January 2016.
- Promoting the generation, purchase, and consumption of green energy through the Green Open Access Rules, notified on 6th June 2022.Launching the Revamped Distribution Sector Scheme (RDSS) in 2021 to improve financial sustainability and enhance the operational efficiency of the distribution sector.
- The Electricity Amendment Rules, 2022 were notified on 29.12.2022, which mandates the preparation of a resource adequacy plan to successfully meet the power demand of the consumers.

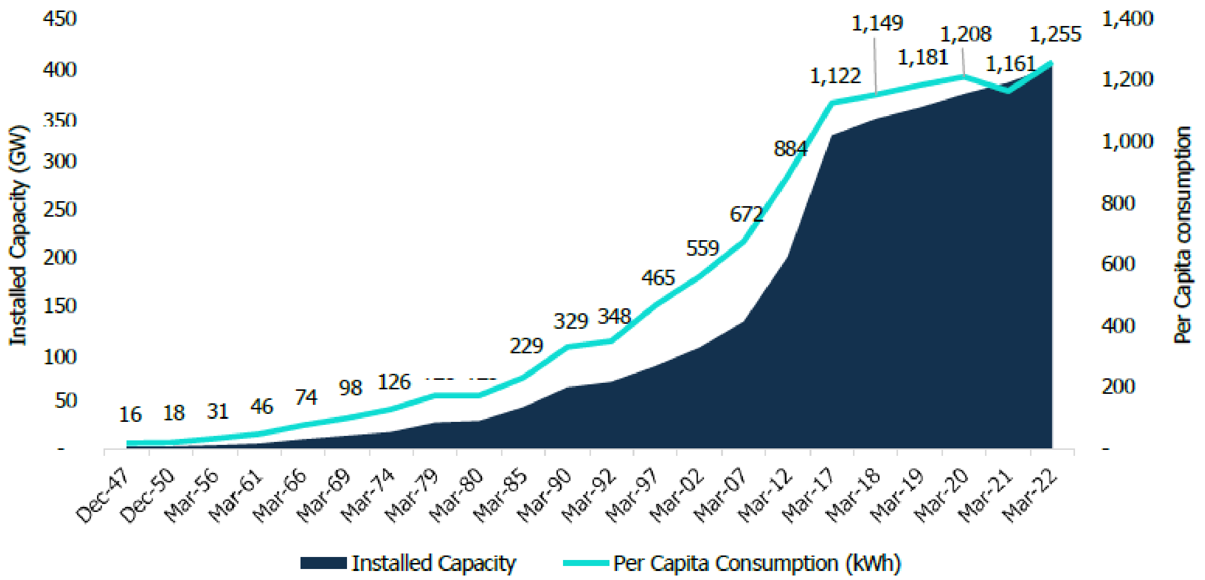
The installed power generation capacity is expected to increase from 416 GW in FY23 to 610 GW by FY27 and 900 GW by FY32 to cater to the growing power demand.

The future of energy is marked by a growing demand for cleaner and more sustainable energy solutions. The shift toward renewable energy is essential but poses challenges related to intermittency, infrastructure, and storage. Energy availability will be driven by both technological innovations and policy shifts, while geopolitical factors will continue to influence the global energy landscape. A combination of renewable energy adoption, energy efficiency improvements, and new technologies (such as hydrogen and advanced storage) will shape the future energy system. Balancing energy security, accessibility, and environmental sustainability will be the key challenge in the coming decades.

2.4 India's Per Capita Electricity Consumption India's Per Capita Power Consumption

India's per capita power consumption has been on a consistent rise with the government increasingly focusing on the electrification of villages and families across the country. It has grown steadily over the last nine years, from 884 kWh per capita in 2011-12 to 1,255 kWh per capita in 2021-22. At the time of India's independence in 1947, demand was only 16 kWh per capita.

Chart 25: Growth of Electricity Sector in India - Installed Capacity and Per Capita Consumption*

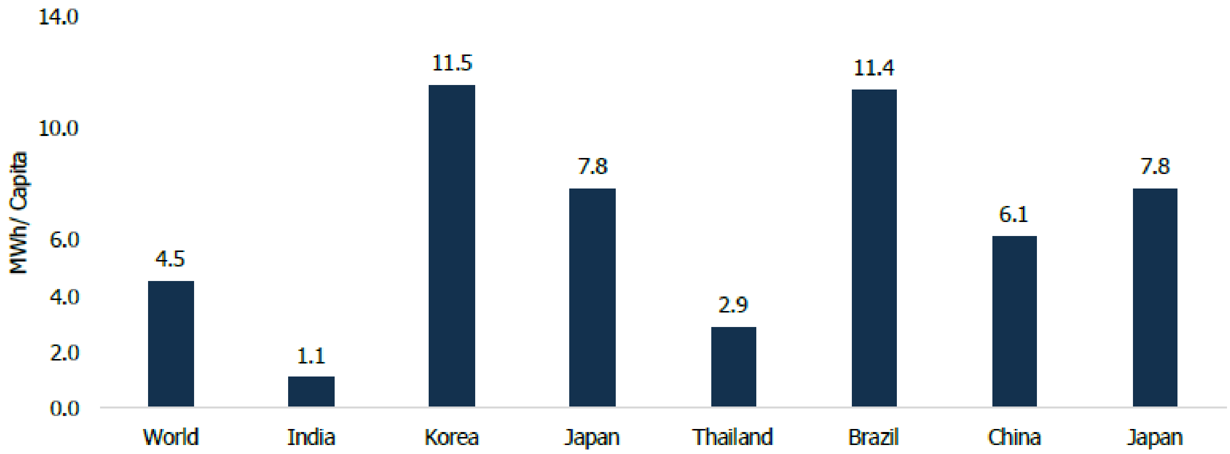


Source: CEA, CareEdge Research

(*) Per Capita Consumption= Gross Electricity availability/ Mid-year Population

Developed countries such as Japan and the United States have the world's highest per capita electricity consumption. India’s per capita consumption has remained low as compared to the emerging countries like Brazil and Mexico, implying room for significant growth.

Chart 26: Global Per Capita Consumption Comparison (MWh/Capita) (CY22)

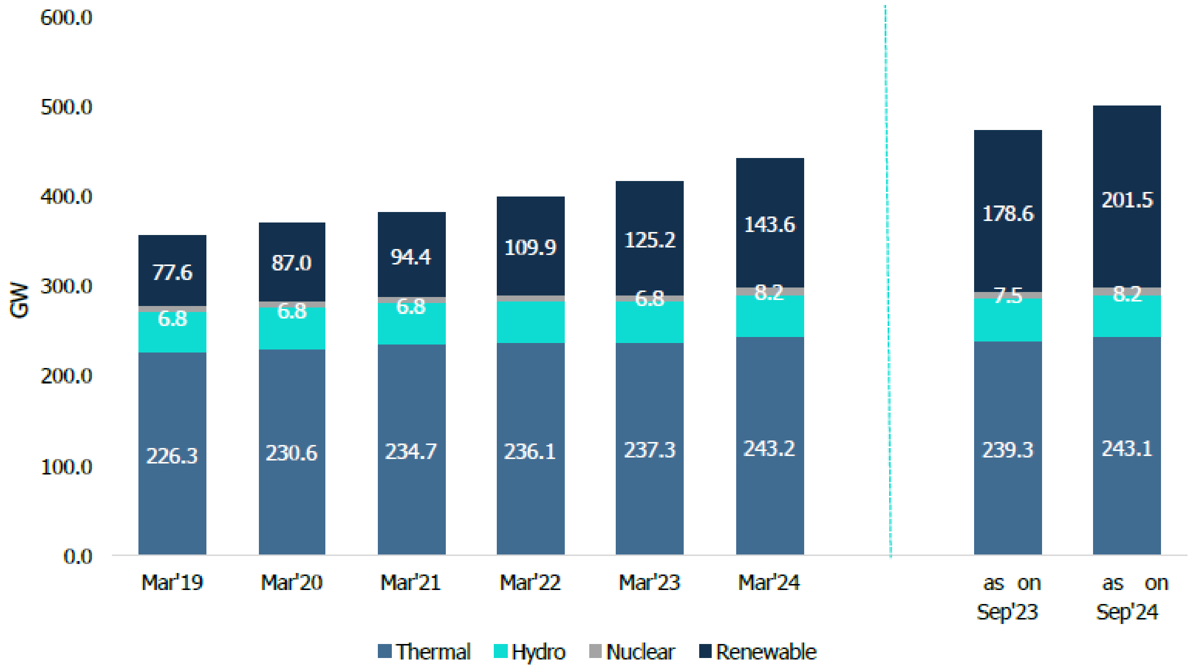


Source: IEA, CareEdge Research

2.5 Trend in Total Installed Capacity

India is the world's third-largest producer and second-largest user of energy. The installed power capacity in India increased from 356 GW in FY19 to 453 GW in FY24. It increased by 6% y-o-y in September 2024 to 453 GW.

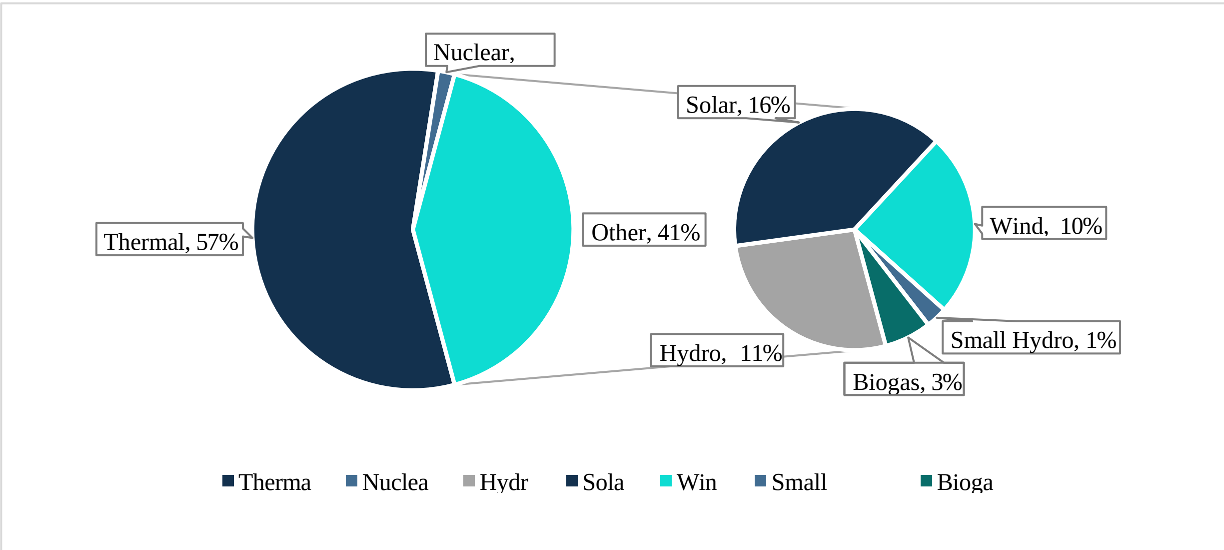
Chart 27: Installed Capacity Trend



Source: CEA, CareEdge Research
Note: Renewable also consists of Hydro power

Conventional sources currently account for 59% of installed capacity, while RES including hydro, currently accounts for 41%. Within RES, solar accounts for the largest share of 16% followed by hydro at 11% and wind at 10%.

Chart 28: Mode-Wise Total Installed Capacity – 426 GW (September'24)



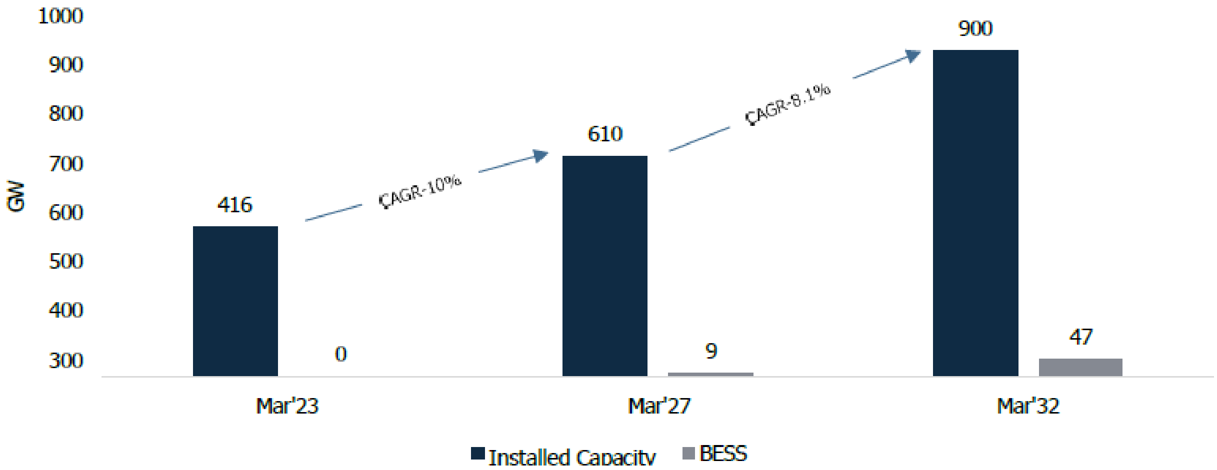
Source: CEA, CareEdge Research

2.6 Outlook of Capacity Additions

The Indian power sector is undergoing a significant transformation in terms of demand growth and energy mix. To ensure to reliable power and sufficient electricity for all, investments are being made to increase the installed capacity and clean energy transition. The government aim to establish a renewable capacity of 500 GW by 2030 and increase the share of non-fossil fuel-based installed capacity to approximately 50%.

As per National Electricity Plan Vol-1 released in March 2023, the installed capacity is expected to grow from 416 GW in March 2023 to around 610 GW by March 2027, growing at a CAGR of around 10%. The Battery Energy Storage System (BESS) is expected to gain traction, reaching 9 GW of installed capacity by March 2027. By March 2032, total capacity is anticipated to reach 900 GW, growing at a CAGR of 8.1% from March 2027, with BESS capacity expected to rise to 47 GW.

Chart 29: Aggregate Installed Capacity Outlook



Source: National Electricity Plan (NEP) March 2023, CareEdge Research

Table 25: Sector wise and fuel wise break up of Additional Capacity Requirement (MW)

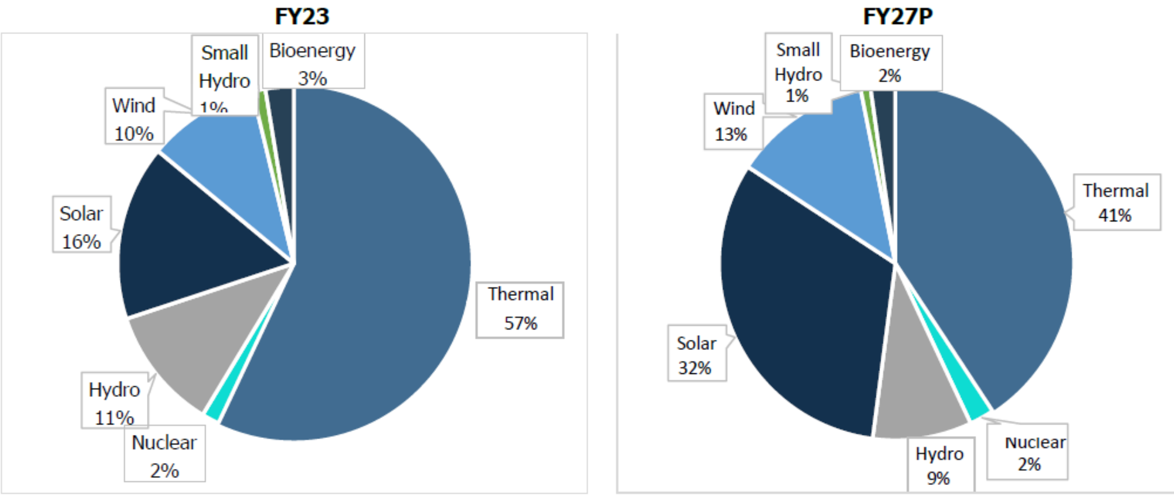
	Under Construction (FY22 to FY27)	Additional Capacity Requirement (FY22 to FY27)	Total Capacity Addition (FY22 to FY27)	Under Construction (FY27 to FY32)	Additional Capacity Requirement (FY27 to FY32)	Total Capacity Addition (FY27 to FY32)
Renewable						
Hydro	10,462	0	10,462	1,032	8,700	9,732
PSP	2,700	0	2,700	80	19,160	19,240
Solar	92,580	38,990	131,570	0	17,900	17,900
Wind	25,000	7,537	32,537	0	49,000	49,000
Biomass	2,318	0	2,318	2,500	0	2,500
Small Hydro	352	0	352	250	0	250
Conventional						
Nuclear	6,300	0	6,300	2,400	4,200	6,600
Coal & Lignite	25,580	0	25,580	1,320	24,160	25,480
Total	165,292	46,527	211,819	7,582	284,220	291,802
BESS	0	8,680	8,680	0	38,564	38,564

Note:

2. *As per MNRE, 117.58 MW of solar and wind capacity was planner for 31.03.22, out of which 10.87 GW has been added during 2022-23 till 31.12.22*
3. *Nuclear Projects of 8,700 MW are under construction of which 6,300 MW are considered to be commissioned during 2022 -27 and 2,400 MW are considered to be commissioned during 2027-32. Additionally, nuclear projects totalling to 7,000 MW are in principle approval stage of which 4,200 MW capacity is likely to yield benefit during the year 2027-32.*
   Source: National Electricity Plan (NEP) March 2023, CareEdge Research
4. *In the table, 'Under Construction' refers to the tenders already been awarded and 'Additional Capacity Requirement' refers to the potential capacity for which tenders will be floated in future.*

At the end of FY23, the conventional generation capacity accounted for 59% of the total installed capacity while renewable energy accounted for the balance 41%. By FY27, it is expected that the contribution of conventional generation will decline to 43%.

Chart 30: Break-up of the total installed capacity - FY23 vs FY27

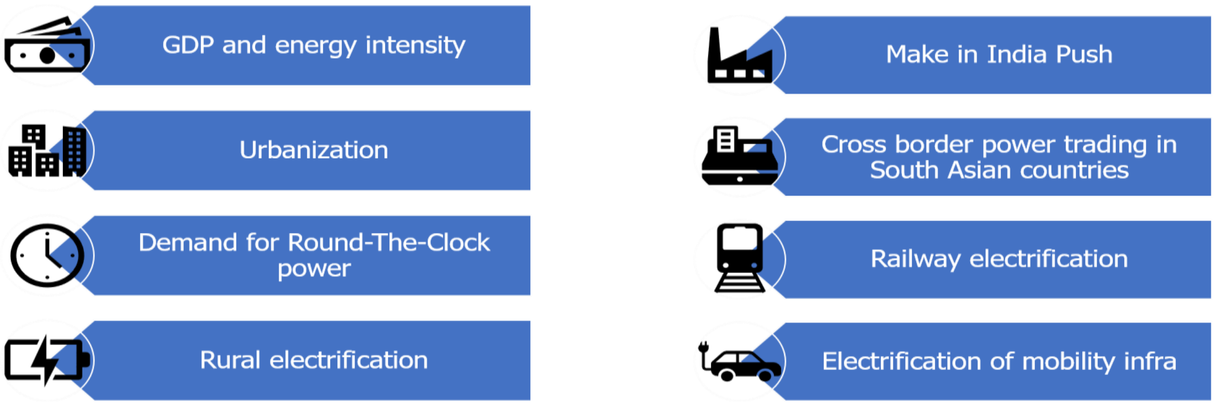


Source: National Electricity Plan (NEP) March 2023, CEA, CareEdge Research,

2.7 Long-Term Drivers for Demand Growth

The growth drivers for the increasing power demand are mentioned below.

Chart 12: Growth Drivers for Power Demand



Source: CareEdge Research

- **GDP and Energy Intensity**

  India has latent power demand because of its low per capita power consumption, strong GDP outlook, and a growing population. India is likely to emerge as one of the world's fastest-growing economies as per IMF, which is expected to lead to an increase in the power demand of the country. India will outpace world to be USD 5 Trillion economy by 2025 and achieve USD 1 Trillion in exports by 2030, which will all drive power consumption.

- **Urbanization**

  Urbanization leads to faster infrastructure development, job creation, development of the consumer, and services sectors, thereby major driver for the growing power demand. The urban consumption is increasing due to rising disposable income, favourable demographics and the trend is likely to continue.

- **Demand for Round-The-Clock power**

  Recently, there has been considerable focus on combining two or more energy sources, such as wind-solar hybrid systems, to attain enhanced synergies, higher plant load factors, and improved energy yields. Wind and solar energy exhibit complementary generation patterns, thereby ensuring a consistent output. The Round-The-Clock approach integrates renewable sources with conventional energy resources, guaranteeing the provision of high-quality clean power around the clock. This approach promotes the stability of power generation while maximizing the utilization of existing coal-based plants.

- **Long Residual Life**

  The long residual life of more than 50 years of the Transmission assets and more than 25 years of the Solar assets provides long and stable visibility of cash flows. The reduced risk associated with asset replacement or major repairs in the future, provides greater confidence in the long-term viability of the investments.

- **Rural Electrification**

  The Government of India has taken joint initiatives with the state governments for providing Power for All (PFA) to all households/homes, industrial, and commercial consumers including supply of power to agricultural consumers. PFA initiative along with rural electrification across various states aims to ensure 24X7 electricity access, enhance the satisfaction levels of the consumers, improve the quality of life of people and increase economic activities. This is one of the key drivers for the growing power demand.

Deen Dayal Upadhyaya Gram Jyoti Yojana (DDUGJY) was launched in December 2014 with the objective of electrification of all un-electrified villages as per Census 2011 by the Government of India. Similarly, Pradhan Mantri Sahak Bijli Har Ghar Yojana- SAUBHAGYA was launched in October 2017 for electrification of rural and urban poor households in the country.

Table 26: State-wise details of electrification of households since launch of SAUBHAGYA Scheme / Additional sanctions and achievements under DDUGJY – as on March 2022

Sr. No.	States	Original households sanctioned under SAUBHAGYA	Additional households sanctioned under SAUBHAGYA		Additional Households sanctioned under DDUGJY		Grand Total
		From 11.10.2017 to 31.03.2019	From 01.04.2019 to 31.03.2021	As on 31.03.2021	Additional Sanctioned	Electrified as on 31.03.2022	
1.	Andhra Pradesh*	1,81,930	0	1,81,930			1,81,930
2.	Arunachal Pradesh	47,089	0	47,089	7,859	0	47,089
3.	Assam	17,45,149	2,00,000	19,45,149	4,80,249	3,81,507	23,26,656
4.	Bihar	32,59,041	0	32,59,041			32,59,041
5.	Chhattisgarh	7,49,397	40,394	7,89,791	21,981	2,577	7,29,368
6.	Gujarat*	41,317	0	41,317			41,317
7.	Haryana	54,681	0	54,681			54,681
8.	Himachal Pradesh	12,891	0	12,891			12,891
9.	Jammu & Kashmir	3,77,045	0	3,77,045			3,77,045
10.	Jharkhand	15,30,708	2,00,000	17,30,708			17,30,708
11.	Karnataka	3,56,974	26,824	3,83,798			3,83,798
12.	Ladakh	10,456	0	10,456			10,456
13.	Madhya Pradesh	19,84,264	0	19,84,264	99,722	0	19,84,264
14.	Maharashtra	15,17,922	0	15,17,922			15,17,922
15.	Manipur	1,02,748	5,367	1,08,115	21,135	0	1,08,115
16.	Meghalaya	1,99,839	0	1,99,839	420	401	2,00,240
17.	Mizoram	27,970	0	27,970			27,970
18.	Nagaland	1,32,507	0	1,32,507			1,32,507
19.	Odisha	24,52,444		24,52,444			24,52,444
20.	Puducherry*	912		912			912
21.	Punjab	3,477	0	3,477			3,477
22.	Rajasthan	18,62,736	2,12,786	20,75,522	2,10,843	52,206	21,27,728
23.	Sikkim	14,900	0	14,900			14,900
24.	Tamil Nadu*	2,170	0	2,170			2,170
25.	Telangana	5,15,084	0	5,15,084			5,15,084
26.	Tripura	1,39,090	0	1,39,090			1,39,090
27.	Uttar Pradesh	79,80,568	12,00,003	91,80,571	3,34,652	0	91,80,571
28.	Uttarakhand	2,48,751	0	2,48,751			2,48,751
29.	West Bengal	7,32,290	0	7,32,290			7,32,290
TOTAL	2,62,84,350	18,85,374	2,81,69,724	11,83,870	4,43,700	2,86,13,4 24	

* *Electrified prior to SAUBHAGYA and not funded under SAUBHAGYA Source: PIB, CareEdge Research*

- **Make in India Push**

  The Make in India Initiative aims to boost manufacturing's share in the GDP, which would lead to substantial growth in electricity demand.

- **Cross Border Power Trading in South Asian Countries**

The power deficit in India has been on a declining trajectory and India is expected to further expand its generation capacity. India is also evaluating opportunities with neighbouring countries such as Nepal, Bangladesh, Sri Lanka, Maldives and Bhutan for better integration and synergies by interlinking electricity transmission systems and allowing surplus power to be exported to other grids.

- **Railway Electrification**

A lot of emphasis is given to railway electrification with the view to reduce the nation's dependence on imported coal and petroleum-based energy and with a vision of providing eco-friendly, faster and energy-efficient modes of transportation.

Table 27: Trend of railway electrification in India (in route Kms)

Particulars	FY19	FY20	FY21	FY22	FY23
Electrified	34,319	39,866	45,772	51,804	58,074
Total	67,415	67,956	68,103	68,043	68,584
Railway Lines Electrified (% of Total)	50.9%	58.7%	67.2%	76.1%	84.7%

Source: Company Annual Report

- **Electrification of Mobility Infra**

The global market for electric vehicles (EVs) is expanding rapidly. According to the International Energy Agency (IEA), the global EV fleet will reach about 130 million by 2030, a sharp rise from just more than 5.1 million in 2018.

India has also witnessed significant growth in the EV category. The penetration of EVs increased to 6.8% of total vehicle sales in FY24. This growth can be attributed to favourable government policies aimed at reducing the upfront cost of EVs, expanding charging infrastructure, rising fuel prices, and shifting consumer preferences.

The two-wheeler and three-wheeler categories dominate the electric vehicles market in India, comprising around 56.5% and 37.8%, respectively, of total EV sales in FY24. Electric two-wheelers (E2Ws) are a key category of the electric vehicle market in India, with growing interest among consumers and increasing government support for electric mobility. On the other hand, Electric three-wheelers (E3Ws) are also an important mode of public transportation in India, particularly for last-mile connectivity and intra-city transportation.

The historical trends of sales of EVs in each category is depicted in the table below:

Table 28: Sale of EV Units in India (in units)

EV Sales Units	FY18	FY19	FY20	FY21	FY22	FY23	FY24
Two-wheeler	1,897	25,393	24,839	40,837	2,52,547	7,27,434	9,44,126
Three-wheeler	92,395	1,18,944	1,40,683	88,378	1,82,587	4,04,231	6,32,485
Four-wheeler	1,362	1,632	2,727	4,588	18,565	47,383	90,432
Goods vehicle	993	517	50	28	2,452	3,049	7,763
Total EV sales units	**96,647**	**1,46,486**	**1,68,299**	**1,33,831**	**4,56,151**	**11,82,097**	**16,70,736**

Source: Council of Energy, Environment & Water (CEEW), SMEV, CareEdge Research

The Government of India has targeted 30% EV penetration by 2030. NITI Aayog projects EV sales penetration of 80% for two and three wheelers, 50% for four wheelers, and 40% for buses by 2030. As EV adoption grows, there will be additional power demand for EVs, and hence, readiness of the electricity grid to EV charging demand is critical to achieve rapid and large-scale transition to EVs.

the total electricity demand for EVs, at 33% EV penetration rate by 2030, is projected to be 37 TWh as per NITI Aayog 2021 report. This constitutes less than 2% of the total electricity demand across the country by 2030. Therefore, meeting the overall energy demand for EVs in India is possible.

2.8 Investments in the Power Sector in India Generation

As per the NEP, total power capacity is expected to increase to 900 GW by FY32 from 416 GW in FY23. The expected investments in the generation section between FY23-FY27 and FY27-FY32 are given in the following table.

Table 29: Expected investments in generation (Rs Crore)

	FY23-FY27	FY27-FY32
A. Conventional		
Thermal	2,18,430	1,85,855
Nuclear	1,20,280	43,051
Sub-total	**3,38,710**	**2,28,906**
B. Renewables		
Hydro	66,148	1,29,777
PSP	54,203	75,240
Wind	2,30,946	3,30,900
Offshore Wind	0	27,401
SHP	1,859	1,669
Biomass	24,704	23,105
Solar	6,80,970	7,96,771
BESS	56,647	2,92,637
Sub-total	**11,15,477**	**16,77,500**
Total	**14,54,188**	**19,06,406**

Source: National Electricity Plan (NEP) March 2023, CareEdge Research

Projected Investments in the Indian Electricity Transmission Sector

A total of Rs. 42,998 cr. by the end of FY28 with highest investments in the Western Region of Rs.19,298 cr.

Table 30: Transmission Line Investments (In Cr)

FY	WR	SR	NR	ER	NER	Total
FY24	7,365	6,659	10,770	285	417	**25,495**
FY25	11,320	3,391	1,077	594	77	**16,459**
FY26	614	-	-	-	430	**1,044**
FY27	-	-	-	-	-	**-**
FY28	-	-	-	-	-	**-**
Total	**19,298**	**10,050**	**11,847**	**879**	**925**	**42,998**

Source: ISTS Rolling Plan 2027-28, CAREEDGE Research

Projected Investments in the Indian Electricity Distribution Sector

A total of Rs. 7.42 lakh crore is expected to be added under this section from FY22 to FY30.

Table 31: Projected Investments in The Indian Electricity Distribution Sector

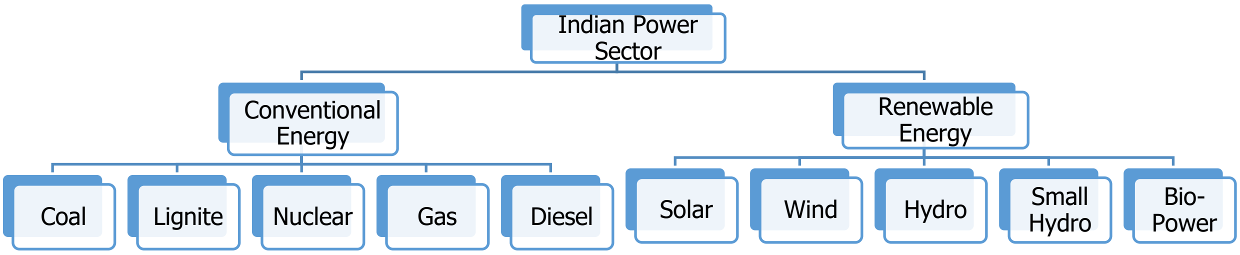
Investment Required from 2022-27	Total Investment available with the Discom from various sources for period 2022-27 including RDSS	Investment Required from 2027-30	% of required investment already sanctioned upto 2027 under RDSS and other schemes
Rs 4.28	Rs 1.89	Rs 2.86	44%

Source: Distribution Perspective Plan 2030, CEA

3. Renewable Energy Industry

Overview of the Indian Renewable Energy sector with focus on solar, wind and hydro.

The renewable power sector in India has witnessed remarkable growth in recent years, positioning the country as a global leader in sustainable energy. With a diverse portfolio that includes solar, wind, biomass, and hydropower, India aims to achieve 500 GW of renewable energy capacity by 2030. Government initiatives, such as the National Solar Mission and various incentives for private investment, have catalysed the sector's' expansion. Moreover, the country's abundant sunlight and vast coastline provide significant potential for solar and wind energy generation. As investments continue to flow and technological advancements enhance efficiency, the renewable power sector is poised to play a pivotal role in India's economic growth and environmental sustainability. In Infrastructure space, especially power sector, O&M expenses are relatively lower resulting in higher EBITDA margin for companies



Solar –

In the last 9 years, solar power capacity has risen manifold, from 4 GW in March 2015 to 90.7 GW as on September 2024, supported by MNRE. Solar tariffs in India are now highly competitive and have reached grid parity. Along with large scale grid connected solar PV, there is development of off-grid solar projects for local needs in India.

As per Central Electricity Authority (CEA), as on September 2024, solar projects aggregating 51.5 GW are under construction.

Wind –

With the total installed capacity of 47.4 GW (as of September 2024), the country has the fourth largest wind installed capacity in the world. The pace of capacity additions in wind had slowed down in the past few years due to non-availability of favourable wind sites, policy structure moving away from feed-in-tariff mechanism to competitive bidding, removal of generation-based incentives (GBI) and accelerated depreciation (AD) benefits etc.

As per Central Electricity Authority (CEA), as on September 2024, wind projects aggregating to 14.87 GW are under construction along with another 12.77 GW of hybrid projects.

Hydro –

India has the fifth largest installed hydroelectric power capacity in the world. India's installed utility-scale hydroelectric capacity was 47 GW as on September 2024, accounting for 10.4% of the country's total utility power generating capacity. Hydro projects aggregating to 14.04 GW are under construction and are likely to be completed between FY24 and FY29.

Small Hydro –

The Ministry of New and Renewable Energy (MNRE) is in charge of constructing Small Hydro Power (SHP) Projects, i.e. hydro power projects with a capacity of up to 24MW. As on September 2024, the total installed capacity is 5.08 GW while another 4.05 GW are under construction.

Bio Energy –

Power Generation from bioenergy and waste to energy offers good potential in rural areas especially if they are far from the grid. The total power generating capacity is 11.33 GW as on September 2024. Gasification based (bioenergy) power projects of aggregate capacity of 59.25 MW are under construction along with 227.25 MW of waste to energy and co-generation.

Trends in renewable energy generation in India

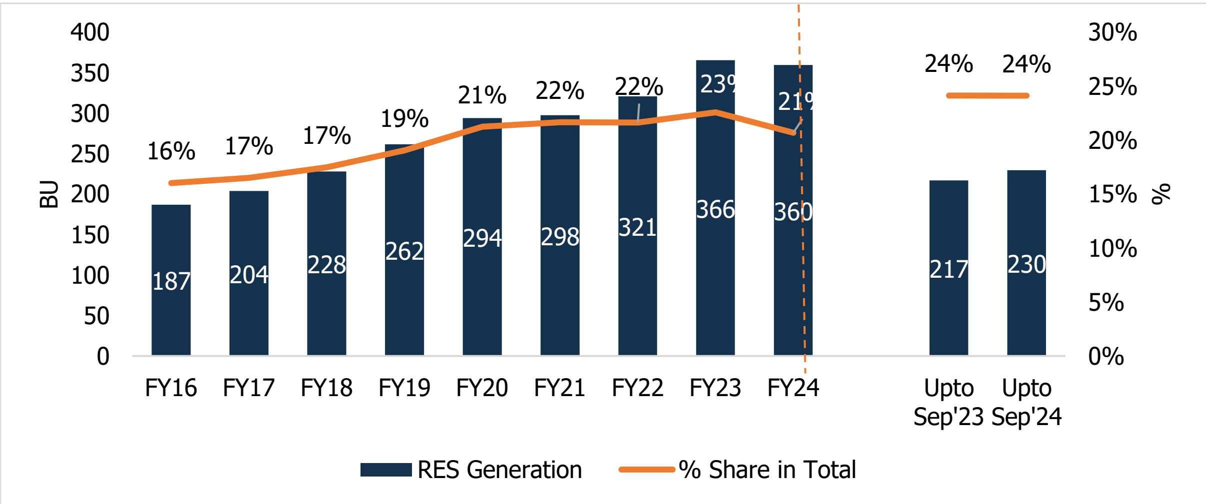
Trends in renewable energy generation in India are evolving rapidly, driven by technological advancements, policy support, and increasing investment. Solar energy has emerged as a frontrunner, with significant growth in solar parks and rooftop installations, fuelled by the government's ambitious targets and declining costs of photovoltaic technology. Wind energy is also gaining momentum, particularly in states like Tamil Nadu and Gujarat, where favourable conditions support large-scale projects. Furthermore, policy frameworks are increasingly focusing on integration with the national grid and encouraging hybrid systems that combine solar and wind energy. Overall, these trends reflect India's commitment to transitioning towards a cleaner and more sustainable energy landscape, aiming for energy security and environmental sustainability.

India is the world's third-largest producer of energy and is also the second largest consumer of electricity.

India's total electricity generation capacity has reached 452.69 GW, with renewable energy contributing a sizeable portion of the overall power mix. As of October 2024, renewable energy-based electricity generation capacity stands at 201.45 GW, accounting for 46.3 percent of the country's total installed capacity. This marks a major shift in India's energy landscape, reflecting the country's growing reliance on cleaner, non-fossil fuel-based energy sources.

The Government of India has implemented a range of measures and initiatives aimed at promoting and accelerating renewable energy capacity across the nation, with an ambitious target of achieving 500 GW of installed electric capacity from non-fossil sources by 2030. Key programs include the National Green Hydrogen Mission, PM-KUSUM, PM Surya Ghar, and PLI schemes for solar PV modules.

Chart 31: Share of Renewables in total power generation



RES includes Solar, Wind, Hydro, Small Hydro and Bioenergy.
Source: CEA, CareEdge Research

As of October 10, 2024, Solar power leads the way with 90.76 GW, playing a crucial role in India's efforts to harness its abundant sunlight. Wind power follows closely with 47.36 GW, driven by the vast potential of the coastal and inland wind corridors across the country. Hydroelectric power is another key contributor, with large hydro projects generating 46.92 GW and small hydro power adding 5.07 GW, offering a reliable and sustainable source of energy from India's rivers and water systems. Biopower, including biomass and biogas energy, adds another 11.32 GW to the renewable energy mix. These bioenergy projects are vital for utilizing agricultural waste and other organic materials to generate power, further diversifying India's clean energy sources. Together, these renewable resources are helping the country reduce its dependence on traditional fossil fuels, while driving progress toward a more sustainable and resilient energy future.

3.1 Overview of Global Renewable Energy Industry and Market Size

According to a new report from the IEA, the world's capacity to generate renewable electricity is growing faster than it has in the past three decades, presenting a genuine opportunity to achieve the goal of tripling global capacity by 2030, as set by governments at the COP28 climate change conference last month.

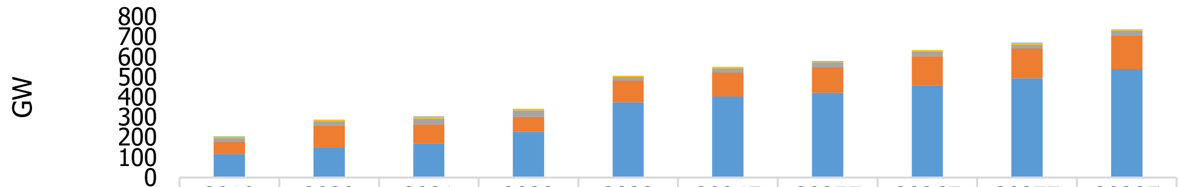
In 2023, the global renewable energy capacity added to energy systems increased by 50%, reaching nearly 510 GW, with solar photovoltaic (PV) making up three-quarters of the global additions, as per IEA report, "Renewables 2023." The most significant growth occurred in China, which installed as much solar PV in 2023 as the entire world did in 2022, while China's wind power additions rose by 66% compared to the previous year. Additionally, renewable energy capacity increases in Europe, the United States, and Brazil also reached record highs.

According to the IEA, the share of renewables in the global power generation mix is expected to increase from 29% to 35% by 2025, leading to a decrease in the share of coal and gas-fired generation. Consequently, global CO2 emissions from the power sector are predicted to level off through 2025, despite reaching a record high of approximately 13.2 gigatons (Gt) of CO2 in 2022.

China is projected to account for nearly half of the additional renewable generation, followed by the European Union at 15%, as reported by the IEA. This growth is driven by heightened government investments in renewables as part of economic recovery initiatives. In the United States alone, the Inflation Reduction Act is set to provide $370 billion for clean energy investments.

Nuclear power output is anticipated to grow at an average rate of around 3.6% per year, primarily due to the expected recovery in nuclear generation in France as scheduled maintenance concludes. New plants are also set to come online, mainly in Asia.

Chart 32: Forecasted Net Global Renewable Electricity Capacity Additions by Technology



	2019	2020	2021	2022	2023	2024E	2025E	2026E	2027E	2028E
CSP	0.6	0	0	0	0	0	0	0	0	0
Geothermal	0	0	0.3	0	0	0	0.6	0	1	0
Bioenergy	8	9	10	7	6	8	6	6	7	7
HydroPower	19	21	28	32	18	21	24	24	19	24
Wind	59	108	95	74	108	121	127	144	148	167
Solar PV	117	151	171	228	375	402	422	459	494	540

Source: IEA

Solar PV capacity, encompassing both large utility-scale and small distributed systems, constitutes two-thirds of the anticipated growth in global renewable capacity for the current year. Solar PV and wind installed capacity constitute to more than 90% of the total renewable energy installed capacity. The installed capacity of renewable energy is expected to reach 11,000 GW by 2030 under COP28 targets.

3.2 India's renewable energy target vs achievement

India's installed renewable power capacity as on September 2023 stood at 179 GW, as per the break-up given in following table.

Table 32: Renewable Energy Capacity as on September 2024 (GW) vs Target (CY30)

	Target for CY30 (GW)	Capacity as on Sep'24
Solar	270	90.7
Wind	117	47.4
Bioenergy	15	11.3
Small Hydro-power	5	5.0
Sub- Total	**407**	**154.5**
Large Hydro	72	46.9
Nuclear	21	8.2
Total	**500**	**209.6**

Source: CEA, CareEdge Research; Thirty-Fourth Report of the Standing Committee on Energy on Demands for Grants (2023-24) (17th Lok Sabha) of the MNRE, CareEdge Research

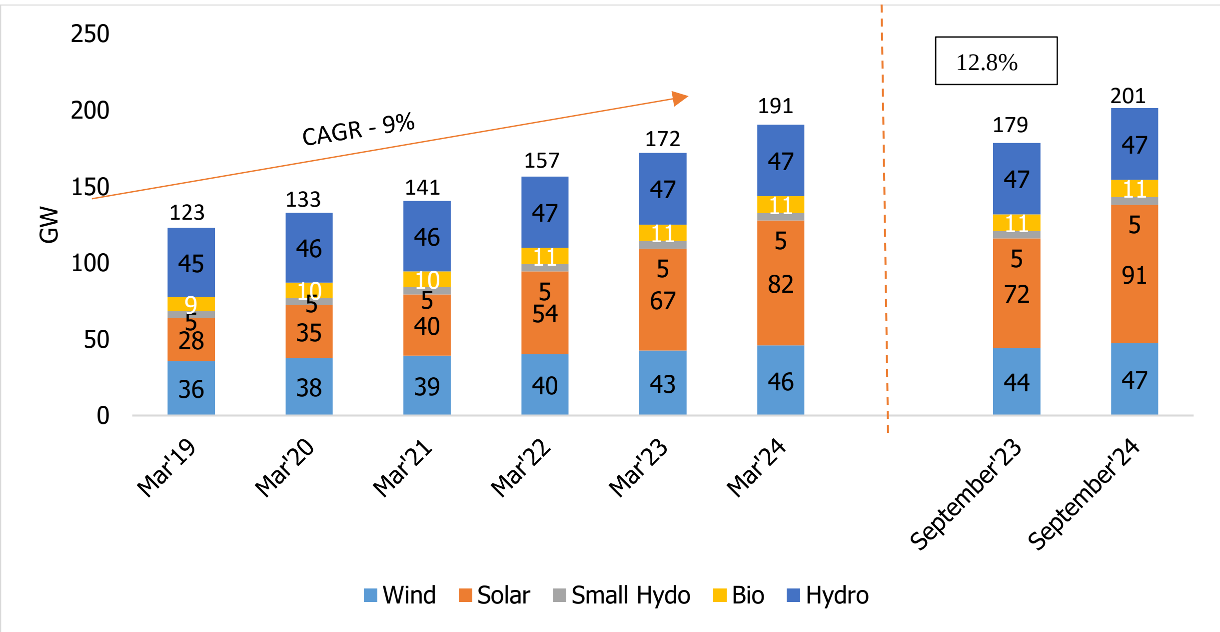
As India is committed to meet 50% of its energy requirements from renewable energy by 2030, non-fossil fuel based installed capacity target of 500 GW by 2030 has been set, with highest target for solar power.

3.3 Renewable power generation capacity mix in India

There has been a significant global shift in the generation capacity mix due to growing concerns about the environment and climate change. India has actively participated in this transition, taking initiatives toward sustainable development and a cleaner environment, including substantial additions to renewable energy generation capacity.

According to the REN21 Renewables 2022 Global Status Report, India currently ranks 4th globally in total renewable energy installed capacity, as well as in wind and solar power capacity. The total potential for renewable power in India is estimated at 2,109 GW, compared to an installed capacity of 201 GW as of September 2024. The installed capacity of renewable energy has increased by 68 GW from FY19 to FY24.

Chart 33: Renewable Energy – Trend in Installed Capacity



Note: Small Hydro denotes projects up to 25 MW, Hydro Power Plants denotes projects more than 25 MW
Source: CEA, CareEdge Research

3.4 Growth in Installed Capacity of Renewable Energy in India

India's renewable energy targets demonstrate a strong commitment to transitioning toward a sustainable energy future, aiming to balance economic growth with environmental responsibility. In 2021, the government escalated its ambitions further by announcing a new target of 500 GW of non-fossil fuel energy capacity by 2030.This revised target aims to derive 50% of India's total energy needs from renewable sources, emphasizing solar and wind energy as the cornerstones of this initiative. To support this, India is actively promoting the development of solar parks, offshore wind farms, and enhanced energy storage solutions.

Additionally, India is focusing on enhancing its grid infrastructure to accommodate the growing influx of renewable energy, alongside initiatives to strengthen domestic manufacturing of solar panels and wind turbines. The government has also launched various schemes and incentives to attract private investments and foster innovation in the renewable sector.

India's commitment to these renewable energy targets is not just about meeting domestic energy demands; it is also aligned with global climate goals. By reducing reliance on fossil fuels and promoting cleaner energy solutions, India aims to contribute to global efforts to combat climate change, enhancing its role as a leader in sustainable development. The ambitious targets, combined with proactive policies and a growing market, position India as a pivotal player in the global renewable energy landscape.

Table 33: India’s Renewable Energy Achievements and Targets

	FY18-19	FY26-27	FY31-32
Installed capacity of RES (GW)	77.6	336.55	567.27
Expected Generation in (BU)			
Large Hydro	8.70*	207.7	246.2
Solar	39.26	339.3	657.7
Wind	62.04	253.5	258.1
Others	16.76**	9.1	10
Total	**126.76**	**709.6**	**1,172**
Contribution of RES to Total Energy Demand (%)	9.21%	35%	44%

Source: National Electricity Plan Vol-1 (March 2023), CareEdge Research
*Note: * value only considers small Hydro; ** others include Biomass, bagasse, others*

3.5 Renewable Energy Potential

v. Solar

The Indian power sector is witnessing a major transformation in terms of demand growth and energy mix. To ensure that everyone has access to reliable power and sufficient electricity, investments are being carried out to increase the installed capacity and clean energy transition.

Table 34: Capacity Additions- review and forecast (MW)

	From FY22 to FY27			From FY27 to FY32		
	Under Construction	Additional Capacity Requirement	Total Capacity	Under Construction	Additional Capacity Requirement	Total Capacity
Solar	92,580	38,990	131,570	0	17,900	17,900

Source: National Electricity Plan (NEP) Vol-1, CareEdge Research

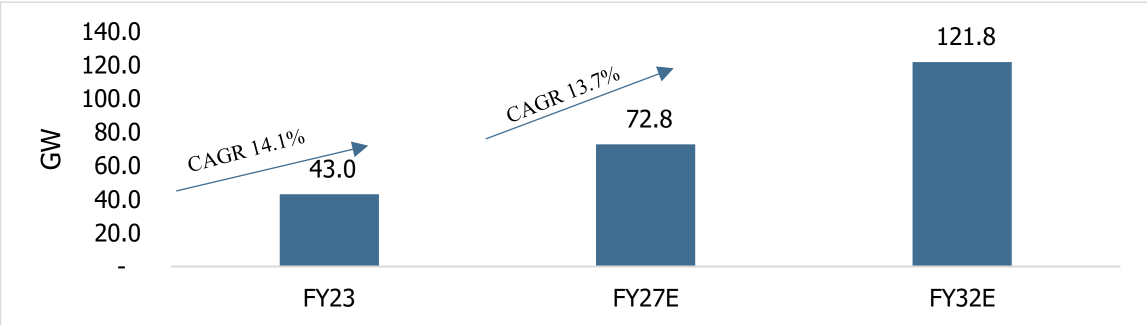
In India's energy outlook, the solar sector is set to become the dominant source of power by FY32, with its share projected to rise from 16% in FY23 to 40%. The push toward solar aligns with India's broader renewable energy goals of reaching 280 GW of solar capacity by 2030, as part of its clean energy commitments. Solar will play a crucial role in reducing dependency on thermal power, which is expected to decline sharply over the same period.

vi. Wind

India's wind power accounts for 10% of the country's total installed capacity and 25% of its total renewable capacity. Moreover, India has a strong wind potential of around 302 GW at 100m and around 695 GW at 120m. The wind potential is mainly concentrated in the top 7 windy states including Andhra Pradesh, Gujarat, Karnataka, Madhya Pradesh, Maharashtra, Rajasthan, and Tamil Nadu.

As per the National Electricity Plan Vol-1 (March 2023), 72.8 GW of installed wind power capacity is expected to be achieved by FY27 and 121.8 GW by FY32.

Chart 34: Wind Power Projections



Source: National Electricity Plan Vol-1 (March 2023), CareEdge Research

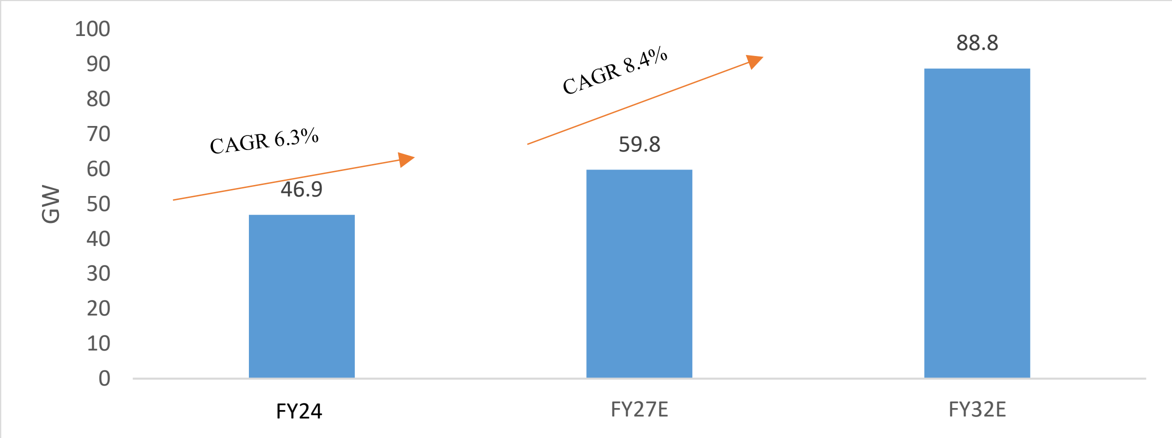
Over the medium term, wind capacity additions are expected to be driven by capacity additions in wind-solar hybrids and offshore wind projects. Key innovations such as wind solar hybrid and offshore wind farms, ultra-mega renewable energy parks, repowering, and round-the-clock supply are expected to be the key drivers for wind capacity additions.

vii. Hydro

India has the fifth-largest installed hydroelectric power capacity globally, with an installed utility-scale capacity of 46.9 GW as of March 2024, accounting for 11% of the country's total power-generating capacity. At a 60% load factor, India's hydroelectric power potential is projected to be 148 GW.

To meet the country's growing energy demand and achieve the targeted 500 GW of non-fossil fuel energy, there is a need to increase reliance on hydropower. Consequently, the development of mega hydro projects is crucial

Chart 35: Hydro Power Projections (Excluding Small Hydro)



Source: National Electricity Plan Vol-1 (March 2023), CareEdge Research

viii. Small Hydro

MNRE is in charge of constructing Small Hydro Power (SHP) Projects, which are hydro power projects with a capacity of up to 25 MW. These projects have the ability to satisfy the electricity needs of rural and inaccessible locations in a decentralized way while also generating jobs for locals.

The projected potential of small, mini, and micro hydel projects in India is 21,135 MW as on June, 2021, with 7,135 locations around the nation. Around half of this potential is in the hilly states of India mainly Arunachal Pradesh, Himachal Pradesh, Jammu & Kashmir and Uttarakhand. As on September 2024 the total installed capacity of small hydro power is 5.08 GW. For small hydro, the installed capacity is expected to remain in the range of 4.8 GW to 5.4 GW between FY23 to FY27.

3.6 Measures taken by the government to promote Renewable Energy in the country

As part of its Nationally Determined Contribution (NDC) for the Paris Agreement obligations, the government stated that by 2030, reduction of the emissions intensity of GDP by 45% below 2005 levels, and raise the percentage of non-fossil fuels in total capacity to 50% and increase share of non-fossil power capacity to 50%. Hence the government has pushed towards renewable capacity additions through policies initiatives like JNNSM, obligations of RPO, setting up of SECI, etc.

- **Green Energy Corridor**

The Green Energy Corridor scheme was launched in 2015 for setting up of transmission and evacuation infrastructure to facilitate evacuation of electricity from renewable energy projects. The Intra state transmission system (ISTS) projects has been sanctioned to eight renewable energy states i.e. Tamil Nadu, Rajasthan, Karnataka, Andhra Pradesh, Maharashtra, Gujarat, Himachal Pradesh and Madhya Pradesh for evacuation of over 20,000 MW of renewable energy.

As on 31.12.2022, 8759 ckm of intra-state transmission lines have been constructed and 19868 MVA intrastate substations have been charged. Under the second phase of Intra-State Transmission System Green Energy Corridor Scheme (InSTS GEC-II) approved on 6th January, 2022, the 7 states of Gujarat, Himachal Pradesh, Karnataka, Kerala, Rajasthan, Tamil Nadu and Uttar Pradesh, are currently in the process of issuing tenders to implement projects for evacuation of 20 GW renewable capacity. The project cost is Rs. 120.31 billion with central financial assistance (CFA) @33% of the project cost i.e. Rs. 39.70 billion.

Table 35: State-wise Project cost and approved CFA

State	Project Cost without IDC (Rs. Billion)	Central Financial Assistance (Rs. Billion)
Gujarat	36.36	12.00
Himachal Pradesh	4.89	1.61
Karnataka	10.36	3.41
Kerala	4.20	1.38
Rajasthan	8.80	2.90
Tamil Nadu	7.19	2.37
Uttar Pradesh	48.47	15.99
Total	**120.31**	**39.70**

Source: MNRE, CareEdge Research

- **Round-the-Clock-Power (RTC) for RE projects**

  The round-the-clock power mechanism is bundling of power has been bought by the government in order to overcome the issues of intermittency and low capacity utilization of transmission infrastructure. Here the RE power is bundled with other sources and/or storage.

  To further promote clean energy generation, India has launched RTC tenders, including hybrid tenders that integrate solar, wind, and storage technologies.

  RTC 400 MW Tender (2020)

  - **Overview:** SECI launched a 400 MW Round-the-Clock (RTC) renewable energy tender in 2020, which required the combination of wind, solar, and storage to provide a consistent energy supply. This marked the first time SECI required bidders to ensure round-the-clock power.
  - **Details**: Developers were encouraged to use wind and solar hybrids along with energy storage (batteries, pumped hydro, etc.) to meet the power demand 24 hours a day.
  - **Results**: ReNew Power won the bid at INR 2.90 per kWh. This was a significant milestone, as the project aimed to deliver clean energy at competitive pricing, with the added reliability of storage.

  RTC Tenders Issued in 2024

  - REMCL 750 MW RE with or Without storage (RTC)
  - SJVN 1200 MW FDRE (RTC) from ISTS Connected RE Power Aug 2024

    The increasing share of (RTC) power, hybrid projects, and complex bids in the latest renewable energy (RE) tenders reflects the growing shift toward more flexible, reliable, and diversified energy systems. These projects typically involve a combination of renewable energy sources (e.g., wind, solar, and sometimes storage or other generation sources) and the integration of various technologies that ensure continuous power generation, even when individual renewable resources like sunlight or wind are unavailable.

- **Competitive Bidding Guidelines for solar and wind projects**

  The bidding guidelines have been issued for long term procurement of power to promote competitive procurement from solar and wind and also to protect the consumer interests. The guidelines for tariff based competitive bidding process for procurement of power from grid connected solar PV power projects were issued vide resolution 3rd August 2017 while the guidelines for tariff based competitive bidding process for procurement of power from grid connected wind power projects issued vide resolution dated 8th Dec 2017.

- **Waiver of ISTS Charges**

  Ministry of Power has issued order for an extension to the inter-state transmission system (ISTS) charges waiver on solar and wind energy projects commissioned up to 30 June 2025. Waiver of ISTS charges shall also be allowed for hydro pumped storage plant and battery energy storage system projects to be commissioned up to 30th June 2025 following some conditions.

  ISTS waiver would be allowed for trading electricity generated and supplied from solar, wind, pumped hydro, and Battery Energy Storage Systems (BESS) in the green term ahead market (GTAM) till 30th June 2023 and the arrangement would be reviewed on annual basis depending on future development in the power market.

  As per the notification issued by Ministry of Power, a complete waiver of ISTS charges has been given for off-shore wind power projects commissioned on or before 31st December, 2032 for a period of 25 years from the date of commissioning of the Project.

- **Must Run Status**

  In line with the Electricity Act 2003 and the Electricity Grid Code 2010, wind and solar power have the 'must-run status'. The term 'must run status' refers to the notion that electricity evacuation from solar and wind power facilities should not be limited for reasons other than grid safety, equipment or people safety, merit order dispatch, or other commercial concerns.

- **Duty exemption certificate for manufacturing of wind turbines**

  Ministry is issuing concessional custom duty exemption certificates (CCDC) to the manufacturers of wind operated electricity generators. For this purpose, the eligible turbine and component manufacturers need to get the bill of material for Revised List of Models and Manufacturers (RLMM) listed turbine models approved and then apply in prescribed formats to Ministry for a CCDC certificate for their import consignments.

  Based on MNRE's recommendation, CCDC for several wind turbine components has been extended till 31.03.2025 by Ministry of Finance (Notification No. 02/2023-Customs dated 01.02.2023).

- **Repowering potential**

  According to the NIWE, all windmills with a CUF of 15% are technically suitable for repowering, and their CUF may be quadrupled, or tripled in wind-intensive areas. If solar is also added, leading to hybrid renewable energy projects, the annual energy production can go up by more than six times.

  It's worth noting that these older wind turbines are situated in some of India's most wind-friendly locations (class I sites). However, they have low plant load factors (PLF) of 10-15%, more opposed to the greater than 30% PLF of contemporary wind turbines.

- **Provisions of the Repowering Policy:**

  Draft National Repowering Policy for Wind Power Projects was issued for stakeholder's consultation in October, 2022, with the objective for optimum utilization of wind energy resources by maximizing energy (kWh) yield per km2 of the project area and utilizing the latest state-of-the-art onshore wind turbine technologies.

- **Offshore Wind Project**

  In light of potential from off-shore wind due to the abundant 7600-kilometer coastline, the Government published the National Offshore Wind Energy Policy in the Gazette on October 6, 2015.

  According to the policy, the Ministry of New and Renewable Energy will serve as the nodal ministry for the development of off-shore wind energy in India, working in close collaboration with other government entities to effectively develop and use Maritime Space within the country's Exclusive Economic Zone (EEZ) for the production of massive amounts of grid-quality electrical power for national cohesion.

- **National Wind- Solar Hybrid Policy**

  On May 14, 2018, the Ministry of New and Renewable Energy released the National Wind-Solar Hybrid Policy. The policy's major goal is to create a framework for the development of large-scale grid-connected wind-solar PV hybrid systems for the most efficient and effective use of wind and solar resources, transmission infrastructure, and land. Wind-solar PV hybrid systems will aid in decreasing renewable power output unpredictability and improving grid stability. The strategy also intends to promote innovative technologies, techniques, and workarounds incorporating wind and solar PV plant co-operation.

  The Hydro Policy was notified by the government on March 2019, the salient features of the policy are as follows:

  - Declaring Large Hydro Projects as renewable energy sources

    The large hydro projects with the capacity more than 25 MW were earlier not recognized as renewable energy, but through the Hydro Policy, it was recognized as renewable in 2019. The large hydro projects would however not be eligible for any differential treatment for statutory clearances like forest clearances, environmental clearances, National Board of Wildlife clearance, any related assessment and study, etc. available for small hydro projects.

  - Hydro Power Obligation (HPO)

    Hydro Power Obligation was given separate category within the non-solar RPO and these would cover all large hydro projects commissioned after the notification as well as untied capacity of the commissioned projects. The non-solar RPO for other renewable sources have remained unchanged by the introduction of HPO.

  - Tariff rationalization measures

Tariff rationalization measures were introduced to bring down the hydropower tariffs. The measures include providing flexibility to the developers to determine the tariff by back loading of tariff after increasing project life to 40 years, increasing the debt repayment period to 18 years and introducing escalating tariff of 2%.

- Budgetary support for funding flood moderation component of hydropower in case-to-case basis

- Budgetary support for cost funding for infrastructure i.e. roads and bridges limited to Rs. 15 million per MW for up to 200 MW projects and Rs. 10 million per MW for above 200 MW projects.

3.7 Mapping of players in Renewable and Transmission Space

1. Acme Solar Holdings Limited

- **Year of Incorporation:** 2015

- **Headquarters**: Gurugram, Haryana, India

- **Description:** ACME Solar Holdings is a renewable energy company in India with a portfolio of solar, wind, hybrid, and firm and dispatchable renewable energy ("FDRE") projects. The company is involved in the development of large utility-scale solar power projects, providing clean energy to various regions. They have been involved in both ground-mounted and rooftop solar projects.

- **Installed Capacity Classification:**

Energy Source	Installed capacity (MW)
Thermal	-
Renewable	1,340
Total	1,340

Source: Company Annual Reports

These projects are intended to sell the power generated, under long term power purchase agreements with state electricity boards.

- **Geography Breakup**: The company generates entire revenue from its domestic markets

- **Plan Ahead:** The Group is developing and constructing various solar energy projects with capacity of 1,650 MW in various states.

2. NTPC Green Energy Limited (NEGL)

- **Year of Incorporation:** 2022

- **Headquarters**: New Delhi, India

- **Description:** NGEL is a wholly owned subsidiary of NTPC Limited, a 'Maharatna' central public sector enterprise. Their renewable energy portfolio encompasses both solar and wind power assets with presence across multiple locations in more than six states.

- **Installed Capacity Classification:**

Energy Source	Installed capacity (MW)
Thermal	-
Renewable	3,320
Total	3,320

Source: Company Annual Reports

- **Geography Breakup**: The company generates entire revenue from its domestic markets

- **Plan Ahead:** They are planning to expand into new business like green hydrogen, green chemicals and energy storage systems. Their strategy is to expand their operations by growing their project portfolio through strategic partnerships and joint ventures and adopting new technologies for peak power supply, round the clock supply and battery storage services.

3. Tata Power Limited

- **Year of Incorporation:** 1919

- **Headquarters:** Mumbai, Maharashtra, India

- **Description:** The Tata Power Company Limited generates and supplies electricity. The Company constructs and operates independent power plants, as well as specializes in transmission and distribution of electricity.

- **Installed Capacity Classification:**

Energy Source	Installed capacity (MW)
Thermal	8,860
Renewable	5,847
Total	14,707

Source: Company Annual Reports

The Renewable Resources comprises of Hydro, waste heat recovery, wind and solar with 880MW, 443MW, 1,034MW and 3,490MW of installed capacity respectively which constitutes about ~40% of total portfolio

- **Other Business:** The company generates ~27% of revenue from its Transmission and Distribution business. This category involves Comprises of transmission and distribution network, sale of power to retail customers through distribution network and related ancillary services

- **Geography Breakup:** The company majorly depends on its Domestic markets and generates ~96% from it, while only 4% is generated from outside India

- **Plan Ahead:** The company Plans to expand its Renewable Capacity which will account for 70% of their overall capacity in by 2030 and phase out thermal portfolio before 2045

4. Adani Energy Solutions Limited

- **Year of Incorporation:** 2013

- **Headquarters:** Ahmedabad, Gujarat, India

- **Description:** Adani Energy Solutions Ltd is a power transmission company in India and indulges in Generation, Transmission and Distribution of Power business for Mumbai City and Mundra Distribution. The transmission and distribution arm of the Adani Portfolio, Adani Energy Solutions Limited (Adani Energy Solutions) (formerly Adani Transmission Ltd) is India's largest private transmission and distribution company and one of the largest smart meters integrators The company is also engaged in the trading of Agri commodities business

- **Installed Capacity Classification:**

Power Transformation	57,011 MVA
Route Length	20,509 Ckm
Substations	73

Source: Company Annual Reports

According to the company Annual Reports it is the country's largest private transmission company, with a presence across 16 states of India

- **Other Business:** The company also indulges in other business i.e supply, install and maintain of Smart Metering Project on Design-Build-Finance-Own-Operate-Transfer and trading activity of goods which all together generates ~8% of total revenue

- **Geography Breakup**: The company's generates entire revenue from its Domestic markets

- **Plan ahead:** The company plans annual capex Rs 5,000 to 7,000 crore of which Rs 1,300 crore to ` Rs 1,500 crore to grow RAB at AEML business specialized in urban infrastructure and construction, water management, and agriculture services. The company also aims at addressing the vast potential in India's transmission sector and has set an ambitious target to set up 30,000 circuit km of transmission lines by 2030.

5. **Adani Green Energy Limited.**

- **Year of Incorporation:** 2016

- **Headquarters:** Ahmedabad, Gujarat, India

- **Description:** Adani Green Energy Limited operates as a producer of renewable energy. The Company builds, owns, and operates power plants for solar and wind energy.

- **Installed Capacity Classification:**

Energy Source	Installed capacity (MW)
Renewable	10,394
Total	10,394

Source: Company Annual Reports

In FY24 the company's operational capacity grew by 35% to 10,934 MW, with the greenfield addition of 2,418 MW solar and 430 MW wind projects. AGEL's operational portfolio consists of 7,393 MW solar, 1,401 MW wind and 2,140 MW wind-solar hybrid capacity

- **Other Business:** NA

- **Revenue Classification:** The company depends on Domestic markets for revenue generation

- **Plan Ahead:** The company aims to reach 50.0 GW in installed capacity by 2030 and increase the share of Solar energy to 71% in 2030 from 66% currently.

6. **Torrent Power Limited**

- **Year of Incorporation:** 2004

- **Headquarters:** Ahmedabad, Gujarat, India

- **Description:** Torrent Power Ltd is an Indian utility company engaged in the business of power generation, transmission, and distribution. It operates a portfolio of gas, combined cycle, coal, wind, and solar power plants. It generates the vast majority of its revenue from the supply of power generated by its facilities and transmitted through its power grids to areas of Western and Northern India.

- **Installed Capacity:**

Energy Source	Installed capacity (MW) (Includes Capacity under Development)
Thermal	368
Renewable	7,000
Total	7,368

Source: Company Annual Reports

To meet the growing demand of energy, >95% of their generation capacity is based on cleaner fuels (i.e. natural gas) and renewables. The plants are spread across the states of Gujarat, Karnataka, Madhya Pradesh, Maharashtra, Rajasthan, Uttar Pradesh, Haryana, Telangana, Andhra Pradesh and Tamil Nadu; with a combined capacity of over 7,368 MWp (including under construction capacity)

- **Other Business:** The company is also in transmission and distribution business (licensed and franchisee) and related ancillary services which generates ~72% of overall revenue. Here, the company currently operates 354 km of 400 kV double-circuit transmission lines and 128 km of 220 kV double-circuit transmission lines for the transmission of power generated at their gas-based power plants to various off-take centres. The operations are conducted through Torrent Power Grid Limited (TPGL), a subsidiary of the Company It also comprises Power Cable business.

- **Revenue Classification:** The company depends on Domestic markets for its revenue generation.

- **Future Plans:** TPGL has been awarded a transmission project for evacuation of power from 4.5 GW RE Project in Khavda, Gujarat and Expected project cost Rs 800 Crore. It has plans to expand their value-added products and is tapping new opportunities in the market to achieve 1 million

MTPA from 0.75 million MTPA in FY25

7. **JSW Energy**

- **Year of Incorporation:** 1994

- **Headquarters:** Mumbai, Maharashtra, India

- **Description:** JSW Energy is an Indian energy company focused on power generation and renewable energy solutions. It operates a diverse portfolio of thermal and hydropower plants, along with a growing emphasis on solar and wind energy. The company is part of the JSW Group, known for its commitment to sustainable development and innovation in energy production.

- **Installed Capacity:**

Energy Source	Installed capacity (GW)
Thermal	3.5
Renewable	3.7
Total	7.2

Source: Company Annual Reports

The Company is primarily engaged in the business of power generation through thermal and renewables. As of 31st March, 2024 the total locked-in generation capacity stands at 13.2 GW comprising total installed capacity of 7.2 GW, under-construction capacity of 2.6 GW and pipeline projects of 3.4 GW of capacity

- **Other Business:** The company is also in transmission and distribution business (licensed and franchisee) and related ancillary services which generates ~72% of overall revenue. Here, the company currently operates 354 km of 400 kV double-circuit transmission lines and 128 km of 220 kV double-circuit transmission lines for the transmission of power generated at their gas-based power plants to various off-take centres. The operations are conducted through Torrent Power Grid Limited (TPGL), a subsidiary of the Company It also comprises Power Cable business.

- **Revenue Classification:** NA

- **Future Plans:** The company will have a significant share in the energy mix, coal will continue to play a critical role with 39% share in installed capacity and will contribute 59% to the total energy mix by 2026-27. The company also plans to Reduce their Energy Intensity and Auxiliary Power Consumption by more than 50% by 2030. JSW also aims to of grow the installed capacity to 10 GW by FY 2025, and from there on, will be work to double the capacity to 20 GW before 2030

8. **NTPC Limited**

- **Year of Incorporation:** 1975

- **Headquarters:** New Delhi, India

- **Description:** NTPC Ltd is an Indian state-owned electric utility company. It is the power producer in India and supplies a significant amount of the nation's total needs. The company generates revenue through the sale of electricity to state-owned Indian power distribution companies from its stations throughout the country.

- **Installed Capacity:**

Energy Source	Installed capacity (MW)
Thermal	67,385
Renewable	7,253
Total	74,638

Source: Company Annual Reports

Renewable energy consists of energy produced by hydro and other renewable sources represents the highest contribution of ~9.7% of overall capacity.

- **Other Business:** NTPC also brings in a significant amount of revenue through its consultancy wing, which provides project management and supervision, energy trading, oil and gas exploration and coal mining.

- **Revenue Classification:** The export only contributes 0.76% of company's overall revenue

- **Future Plans:** The Company has an ambitious plan to reach a total installed capacity of 130 GW+ by 2032. In Renewable space, the target is to achieve 60 GW by 2032

9. Renew Power Limited

- **Year of Incorporation:** 2011

- **Headquarters:** Gurugram, Haryana, India

- **Description:** ReNew Private Limited is a leading renewable energy company in India, specializing in the development and operation of solar and wind power projects. ReNew focuses on sustainability and aims to contribute significantly to India's clean energy goals

- **Installed Capacity:**

Energy Source	Installed capacity (MW)
Renewable	9,520
Total	9,520

The total installed capacity in India comprised of solar and wind assets which was ~9.5 GW altogether in FY 24.

- **Other Business:** The company also provides decarbonization solutions through a mix of green hydrogen, intelligent (data-driven) solutions, energy storage, manufacturing, and carbon markets. It has started operations for Hydro Power and Transmission line project which contributes ~8% of company's total revenue.

- **Revenue Classification:** The Group entities do not operate in more than one geographical category hence depends on domestic markets for their revenue

- **Future Plans:** ReNew has committed to be a net zero company by 2040. The company expects to grow the total installed capacity to 19.4 GW which is 2x increase over FY24

10. Greenko Energy Holdings

- **Year of Incorporation:** 2015

- **Headquarters:** Mauritius

- **Description:** Greenko Energy Holdings is an Indian renewable energy company focused on developing and operating clean energy projects, primarily in solar, wind, and hydro power. Greenko's ultimate holding company is Greenko Energy Holdings, which is incorporated in Mauritius

- **Installed Capacity:** NA

- **Other Business:** The company also provides decarbonization solutions through a mix of green hydrogen, intelligent (data-driven) solutions, energy storage, manufacturing, and carbon markets. It has started operations for Hydro Power and Transmission line project which contributes ~ 8% of company's total revenue.

- **Revenue Classification:** NA

- **Future Plans:** NA

3.8 Governments Plan to increase the share of renewable Energy in country's energy mix.

Budget 2024-25 Highlights:-

- Central Government provided Financial Assistance of Rs. 10,000 crore to **Solar on Grid projects** for FY25, marking a remarkable 110% increase from the Rs. 4,757 crore allocated in FY24 Revised Estimates.

- The government proposed a scheme **PM Surya Ghar Muft Bijli Yojana** to support up to 10 million households to generate 300 units of electricity free of charge every month through solar rooftops, which has been received well with more than 12.8 million registrations. An additional Rs. 6,250 crore has been allocated for this scheme in the FY25.

- Central Financial Assistance for the KUSUM scheme, which aims to promote solar energy use among farmers, has seen an increased budget allocation, rising by Rs. 396 crore from the previous year's allocation indicates a strategic investment in solar energy to boost sustainability and energy security in the agricultural sector.

- The financial allocation for the Green Energy Corridor has been significantly increased to Rs. 600 crore, showing a strong commitment to renewable energy integration. The allocation has grown from Rs. 25 crore in FY23 to Rs. 600 crore in the current budget, and a 38.2% increase from Rs.434 crore in FY24.

- The budget allocates Rs. 2,416.02 crore to Strengthen the Power System, focusing on transmission enhancements and interest subsidies for loans to DISCOMS. The funding aims to improve the distribution network in areas not covered by the RGGVY and R-APDRP schemes, addressing gaps in power distribution infrastructure. The allocation for various power system development schemes is Rs. 747.38 crore, an all-time high, reflecting an 107.3% increase from Rs. 360.50 crore in FY24 and a 128.7% increase from Rs. 326.75 crore in FY23.

- Joint venture proposed between NTPC and BHEL to set up a full scale 800 MW commercial plant using Advanced Ultra Super Critical (AUSC) technology.

- The finance minister announced a separate policy to promote Pumped Storage Projects for electricity storage and smooth integration of the growing share of renewable energy, addressing its variable and intermittent nature. **Viability Gap Funding** (VGF) for developing Battery Energy Storage Systems is ₹96 crore. Total VGF approval of ₹5,813.6 crore (both Union Government & State share) from FY15 to FY24.

- The program component of the National Green Hydrogen Mission has been allocated the same provision as in the interim budget, amounting to ₹600 crore.

These efforts reflect the government's commitment to fostering a sustainable energy future while addressing the challenges posed by climate change and energy security. Here are some other ongoing key initiatives:

- Foreign Direct Investment permitted up to 100 percent under the automatic route to attract investments.

- Waiver of Inter-State Transmission System charges for solar and wind power projects commissioned by June 30, 2025; green hydrogen projects until December 2030; and offshore wind projects until December 2032.

- Ultra Mega Renewable Energy Parks are being set up to provide land and transmission for large-scale renewable energy projects.

- Cabinet approval for a Viability Gap Funding scheme for offshore wind energy projects, facilitating the installation and commissioning of 1 GW of offshore wind energy capacity along the coasts of Gujarat and Tamil Nadu.

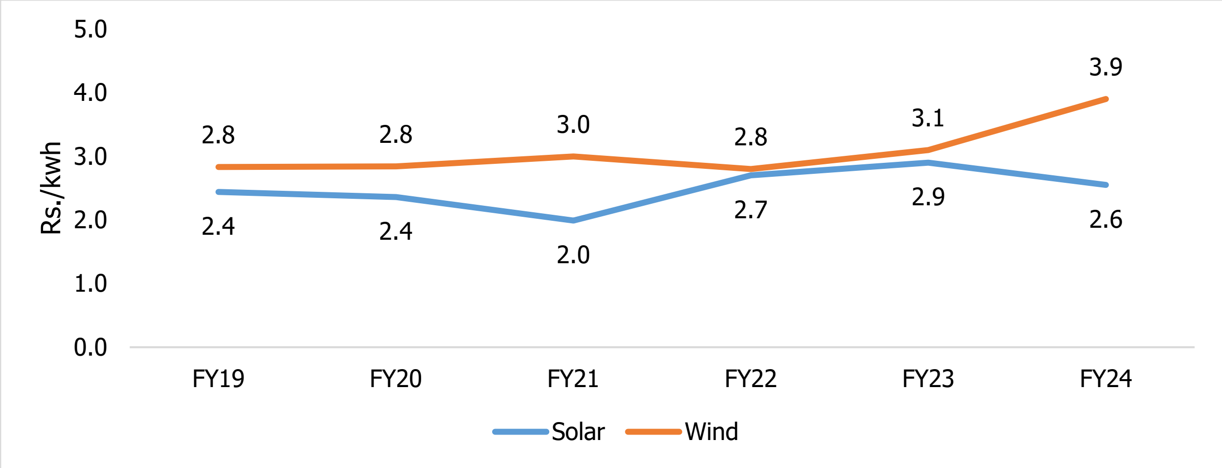
- Standard & Labelling (S&L) programs for Solar Photovoltaic modules and grid-connected solar inverters have been launched.

- "Strategy for Establishment of Offshore Wind Energy Projects" outlines a bidding trajectory of 37 GW by 2030.

- Announced Renewable Purchase Obligation trajectory until 2029-30, including separate RPO for Decentralized Renewable Energy.

3.9 Tariff trends in bids over last 6 years

Chart 36: Trend in Tariff of Solar and Wind



Source: CareEdge Research, MNRE Annual Report
Note: The tariff are average of auction results

The wind tariffs have been on a downward trend, from Rs. 5.9 in FY15 to Rs. 3.1 in FY23 to Rs. 3.9 in FY24. This drop was observed in wind power tariffs when the procurement process was changed from feed-in-tariff to bidding in 2017. The tariffs discovered in the auctions are highly competitive and much lower than coal and thermal tariffs.

The bidding process has changed from reverse auctions to closed bidding in the start of FY24 where the bidder who offers the lowest tariff is awarded the project if the technical criteria are met. While in reverse auctions, bidders would continue quoting lower competitive tariffs after the opening of bids. The change in bidding was expected to stop the aggressive bidding by the developers and lead to higher tariffs but has led to decrease in the wind capacity additions in the last fiscal year because of the emphasis to keep the tariff low.

In FY24, tariffs slightly declined to an average of ₹2.55 per kWh, reflecting supply chain stabilization and improvements in domestic manufacturing, though they remained above historic lows due to ongoing input cost pressures and import duties.

The Ministry of New and Renewable Energy has brought back the reverse auctions, due to the undersubscription by the participants. In addition, there is an overall increased participation from central sector counterparties, which has also been a key driver for low tariffs.

3.10 Upcoming renewable projects

Project Name	Cost (Rs.Crore)	Industry	Ownership	State	Product	Capacity	Units	Promoter Name
Solar Power (Chandrapur) Project	350	Solar based Power	Private (Indian)	Maharashtra	Solar Power	70	MW	UPC Renewables
Solar Power (Saraipalli) Project	385	Solar based Power	Private (Indian)	Chhattisgarh	Solar Power	77.5	MW	CleanMax Terra Pvt. Ltd.
Solar Power (Saraipalli) Project	385	Solar based Power	Private (Indian)	Chhattisgarh	Solar Power	75	MW	CleanMax Terra Pvt. Ltd.
Solar Power (Jaisalmer) Project	2500	Solar based Power	Private (Foreign)	Rajasthan	Solar Power	500	MW	Pravat Renewables India Project Pvt. Ltd.
Floating Solar Power (Dalmia OCP) Project	31	Solar based Power	State Government	West Bengal	Floating Solar Power Unit	5	MW	Eastern Coalfields Ltd.
Solar Power (Bikaner) Project	1500	Solar based Power	Private (Indian)	Rajasthan	Solar Power	300	MW	ACME Cleantech Solutions

Project Name	Cost (Rs.Crore)	Industry	Ownership	State	Product	Capacity	Units	Promoter Name
								Pvt. Ltd.
Wind Power (Koppal) Project	2800	Wind Based Power	Private (Indian)	Karnataka	Wind based power unit	400	MW	Green Infra Wind Energy Ltd.
Wind Power (Dwarka) Project	1350	Wind Based Power	Private (Indian)	Gujarat	Wind Power	270	MW	Juniper Green Energy Pvt. Ltd.
Wind-Solar Hybrid Power Project	463	Wind Based Power	Private (Indian)	Unallocated	Wind-solar hybrid power	66.2	MW	Asurari Renewables India Project Pvt. Ltd.
Solar Power Project	77	Solar based Power	Private (Indian)	Unallocated	Solar based power unit	15.4	MW	Pudumjee Paper Products Ltd.
Wind-Solar Hybrid Power (Maharashtra) Project [Phase IV]	4200	Wind Based Power	Om Prakash Jindal Group	Maharashtra	Wind-solar hybrid power	600	MW	JSW Neo Energy Ltd.
Solar Power (Tamil Nadu) Project	640	Solar based Power	Dalmia Sanjay Group	Tamil Nadu	Solar based power unit	128	MW	Dalmia Cement (Bharat) Ltd.
Solar Park (Kusumba) Project	205	Solar based Power	Private (Indian)	Maharashtra	Solar Park	41	MW	RMC Green Energy Pvt. Ltd.
Solar Power (Banka) Project	375	Solar based Power	Central Government	Bihar	Solar power project	75	MW	SJVN Green Energy Ltd.
Wind-Solar Hybrid Power (Maharashtra) Project	2800	Wind Based Power	Om Prakash Jindal Group	Maharashtra	Wind-solar hybrid power	400	MW	Tata Power Renewable Energy Ltd.
Solar Photovoltaic Power (Gujarat) Project	43	Solar based Power	Private (Indian)	Gujarat	Solar based power unit	13	MW	HPCL Renewables & Green Energy Ltd.
Wind Power Project	1750	Wind Based Power	Om Prakash Jindal Group	Unallocated	Wind based power unit	250	MW	Purvah Green Power Pvt. Ltd.
Solar Power (Kanpur Dehat) Project	375	Solar based Power	Central & State Governments	Uttar Pradesh	Solar based power unit	75	MW	TUSCO Ltd.
Solar Power (Kanpur Nagar) Project	175	Solar based Power	Central & State Governments	Uttar Pradesh	Solar based power unit	35	MW	TUSCO Ltd.
Wind-Solar Hybrid Power Project	7000	Wind Based Power	Central Government	Unallocated	Solar based power unit	500	MW	Asurari Renewables India Project

Project Name	Cost (Rs.Crore)	Industry	Ownership	State	Product	Capacity	Units	Promoter Name
								Pvt. Ltd.
Wind-Solar Hybrid Power (Maharashtra) Project	1400	Wind Based Power	Om Prakash Jindal Group	Maharashtra	Wind-solar hybrid power	200	MW	Tata Power Renewable Energy Ltd.
Wind-Solar Hybrid Power Project	1750	Wind Based Power	Private (Indian)	Unallocated	Wind-solar hybrid power	250	MW	Asurari Renewables India Project Pvt. Ltd.
Solar Power Project	500	Solar based Power	Private (Indian)	Unallocated	Solar based power unit	100	MW	Apraava Energy Pvt. Ltd.
Solar Power Project	500	Solar based Power	Private (Indian)	Unallocated	Solar based power unit	100	MW	Apraava Energy Pvt. Ltd.
Solar Power Project	500	Solar based Power	Private (Indian)	Unallocated	Solar based power unit	100	MW	Apraava Energy Pvt. Ltd.
Solar Power Project	500	Solar based Power	Private (Foreign)	Unallocated	Solar based power unit	100	MW	Apraava Energy Pvt. Ltd.
Wind Power (Tamil Nadu) Project	357	Wind Based Power	Private (Indian)	Tamil Nadu	Wind based power unit	51	MW	Amplus Energy Solutions Pvt. Ltd.
Captive Solar Power (Nashik) Project	98	Solar based Power	Om Prakash Jindal Group	Maharashtra	Solar based power unit	19.6	MW	Jindal Stainless Ltd.
Solar Power Project	1150	Solar based Power	Om Prakash Jindal Group	Unallocated	Solar based power unit	230	MW	Apraava Energy Pvt. Ltd.
Solar Photovoltaic Power Plant (Phey)	60	Solar based Power	Central Government	Ladakh	Solar Photovoltaic Power Plant	12	MW	Solar Energy Corporation of India Ltd.
Captive Solar Power (Akola) Project	350	Solar based Power	Tata Group	Maharashtra	Solar based power unit	70	MW	TP Parivart Ltd.
Wind Power (Gujarat) Project	4900	Wind Based Power	Om Prakash Jindal Group	Gujarat	Wind based power unit	700	MW	JSW Neo Energy Ltd.
Wind Power (Gujarat) Project	350	Wind Based Power	Private (Indian)	Gujarat	Wind based power unit	50	MW	JSW Neo Energy Ltd.
Wind Power (Karnataka) Project	700	Wind Based Power	Torrent Group	Karnataka	Wind based power unit	100	MW	JSW Neo Energy Ltd.
Grid Connected Solar Photovoltaic Plant (Jhansi Division)	29	Solar based Power	Central Government	Uttar Pradesh	Grid Connected Solar Photovoltaic plant	5	MW	North Central Railway

Project Name	Cost (Rs.Crore)	Industry	Ownership	State	Product	Capacity	Units	Promoter Name
Project								
Solar Power (Karnataka) Project	100	Solar based Power	Central Government	Karnataka	Solar based power unit	20	MW	Karnataka Co-op. Milk Producers' Fedn. Ltd.
Solar-Wind Hybrid Power Project	350	Solar based Power	Private (Indian)	Unallocated	Solar-wind hybrid power unit	50	MW	JSW Neo Energy Ltd.
Captive Solar Power Project	500	Solar based Power	Private (Indian)	Unallocated	Solar based power unit	100	MW	Aether Industries Ltd.
Solar Power (Kanhan Area) Project	395	Solar based Power	Central Government	Madhya Pradesh	Solar based power unit	70	MW	Central Mine Planning & Design Institute Ltd.
Solar Power (Pazhavoor) Project	27	Solar based Power	Private (Indian)	Tamil Nadu	Solar based power unit	6	MW	Indowind Energy Ltd.
Solar Power (Amullaivoyal) Project	49	Solar based Power	Central Government	Tamil Nadu	Solar based power unit	7	MW	Chennai Petroleum Corpn. Ltd.
Solar-Wind Hybrid Power (Gujarat) Project	468	Solar based Power	Private (Indian)	Gujarat	Solar based power unit	50	MW	KPI Green Energy Ltd.
Solar-Wind Hybrid Power (Gujarat) Project	1050	Solar based Power	Private (Indian)	Gujarat	Solar-wind hybrid power unit	150	MW	KPI Green Energy Ltd.
Solar Power (Rajasthan) Project	2000	Solar based Power	Private (Indian)	Rajasthan	Solar based power unit	400	MW	Jakson Green Pvt. Ltd.
Solar Power (Fatehgarh) Project	4500	Solar based Power	Private (Indian)	Rajasthan	Solar based power unit	900	MW	Serentica Renewables India Pvt. Ltd.
Wind-Solar Hybrid Power Project	1050	Wind Based Power	Private (Indian)	Unallocated	Wind-solar hybrid power	150	MW	Asurari Renewables India Project Pvt. Ltd.
Solar Photovoltaic Power Project	1250	Solar based Power	Central Government	Unallocated	Solar based power unit	250	MW	JSW Renew Energy Eleven Ltd.
Solar Photovoltaic Power Project	1500	Solar based Power	Private (Indian)	Unallocated	Solar based power unit	300	MW	JSW Renew Energy Eleven Ltd.
Solar Photovoltaic Power Project	1250	Solar based Power	Private (Indian)	Unallocated	Solar based power unit	250	MW	JSW Renew Energy Eleven Ltd.
Wind-Solar Hybrid Power	420	Wind Based Power	Private (Indian)	Unallocated	Wind-solar	60	MW	Asurari Renewables

Project Name	Cost (Rs.Crore)	Industry	Ownership	State	Product	Capacity	Units	Promoter Name
Project		Power			hybrid power			India Project Pvt. Ltd.
Wind-Solar Hybrid Power Project	1680	Wind Based Power	Private (Indian)	Unallocated	Wind-solar hybrid power	240	MW	Asurari Renewables India Project Pvt. Ltd.
Solar Power (Kawani) Project	1675	Solar based Power	Private (Indian)	Rajasthan	Solar based power unit	335	MW	Juna Renewable Energy Pvt. Ltd.
Wind-Solar Hybrid Power Project	2100	Solar based Power	Om Prakash Jindal Group	Unallocated	Wind-solar hybrid power	300	MW	Asurari Renewables India Project Pvt. Ltd.
Solar Park (Surasar & Bhanavatawala)	5000	Solar based Power	State Government	Rajasthan	Solar park	1000	MW	Rajasthan Renewable Energy Corpn. Ltd.
Solar Park (Surasar)	2250	Solar based Power	State Government	Rajasthan	Solar park	450	MW	Rajasthan Renewable Energy Corpn. Ltd.
Solar Park (Sardarpura)	2250	Solar based Power	State Government	Rajasthan	Solar park	450	MW	Rajasthan Renewable Energy Corpn. Ltd.
Wind-Solar Hybrid Power Project	1050	Wind Based Power	Private (Foreign)	Unallocated	Wind-solar hybrid power	150	MW	Asurari Renewables India Project Pvt. Ltd.
Wind-Solar Hybrid Power Project	2100	Wind Based Power	Private (Foreign)	Unallocated	Wind-solar hybrid power	300	MW	Asurari Renewables India Project Pvt. Ltd.
Wind-Solar Hybrid Power Project	3290	Wind Based Power	Private (Indian)	Unallocated	Wind-solar hybrid power	470	MW	Asurari Renewables India Project Pvt. Ltd.
Wind-Solar Hybrid Power Project	420	Wind Based Power	Private (Foreign)	Unallocated	Wind-solar hybrid power	60	MW	Asurari Renewables India Project Pvt. Ltd.
Wind-Solar Hybrid Power Project	490	Wind Based Power	Private (Indian)	Unallocated	Wind-solar hybrid power	70	MW	Asurari Renewables India Project Pvt. Ltd.
Wind-Solar Hybrid Power Project	1050	Wind Based Power	Private (Indian)	Unallocated	Wind-solar hybrid power	150	MW	Asurari Renewables India Project Pvt. Ltd.
Wind Power (Fatehgarh)	728	Wind Based Power	Private (Foreign)	Rajasthan	Wind based power unit	103.95	MW	Ampin Energy Transition

Project Name	Cost (Rs.Crore)	Industry	Ownership	State	Product	Capacity	Units	Promoter Name
Project								Pvt. Ltd.
Grid Connected Solar Photovoltaic Power (Khavda Stage III) Project	1125	Solar based Power	Central Government	Gujarat	Solar based power unit	225	MW	NTPC Renewable Energy Ltd.
Wind Power (Agar) Project	574	Wind Based Power	Private (Indian)	Madhya Pradesh	Wind based power unit	82	MW	Oyster Green Hybrid One Pvt. Ltd.
Wind Power (Kudligi) Project	645	Wind Based Power	Private (Indian)	Karnataka	Wind Power	66	MW	Zenataris Renewable Energy Pvt. Ltd.
Wind Power (Barmer) Project	2580	Wind Based Power	Birla Aditya Group	Rajasthan	Wind based power unit	368.55	MW	Avaada Energy Pvt. Ltd.
Solar Power Project	5250	Solar based Power	Private (Indian)	Unallocated	Solar based power unit	1050	MW	Apraava Energy Pvt. Ltd.
Captive Solar Power (Bikaner) Project	80	Solar based Power	Private (Indian)	Rajasthan	Solar based power unit	16	MW	Lords Chloro Alkali Ltd.
Solar Power Project	2000	Solar based Power	Om Prakash Jindal Group	Unallocated	Solar based power unit	400	MW	Apraava Energy Pvt. Ltd.
Wind Power (Fatehgarh) Project	2814	Wind Based Power	Private (Indian)	Rajasthan	Wind based power unit	402	MW	Ampin Energy Transition Pvt. Ltd.
Solar-Wind Hybrid Power (Mumbai Refinery) Project	390	Solar based Power	Central Government	Maharashtra	Solar-Wind Hybrid Power	78	MW	Hindustan Petroleum Corpn. Ltd.
Wind-Solar Hybrid Power (Neemba) Project	1123	Solar based Power	Private (Indian)	Rajasthan	Wind-Solar Hybrid Power unit	130	MW	Amp Energy Green Eight Pvt. Ltd.
Grid Connected Solar Photovoltaic Power (Bikaner) Project	1300	Solar based Power	Central Government	Rajasthan	Grid Connected Solar Photovoltaic Power unit	260	MW	NTPC Renewable Energy Ltd.
Solar Power (Nawa) Project	500	Solar based Power	Central Government	Rajasthan	Solar based power unit	100	MW	SJVN Green Energy Ltd.
Solar Power Project	1500	Solar based Power	Private (Foreign)	Unallocated	Solar based power unit	300	MW	Apraava Energy Pvt. Ltd.
Solar Power Project	750	Solar based Power	Private (Indian)	Unallocated	Solar based power unit	150	MW	Apraava Energy Pvt.

Project Name	Cost (Rs.Crore)	Industry	Ownership	State	Product	Capacity	Units	Promoter Name
								Ltd.
Solar Power (Jaisalmer) Project	1500	Solar based Power	Mahindra & Mahindra Group	Rajasthan	Solar based power unit	300	MW	Pravat Renewables India Project Pvt. Ltd.
Solar Power (Uyyalavada Town) Project	3500	Solar based Power	Private (Indian)	Andhra Pradesh	Solar based power unit	700	MW	Greenko Group
Wind Hybrid Power (Gujarat) Project	63	Wind Based Power	Private (Indian)	Gujarat	Wind based power unit	9	MW	Bhathwari Technologies Pvt. Ltd.
Solar Power Project	3500	Solar based Power	Om Prakash Jindal Group	Unallocated	Solar based power unit	700	MW	Apraava Energy Pvt. Ltd.
Solar (Maharashtra) Project	350	Solar based Power	Central Government	Maharashtra	Solar based Power Unit	70	MW	Energy Efficiency Services Ltd.
Wind/Solar Hybrid Power (Osmanabad) Project	2000	Solar based Power	Private (Indian)	Maharashtra	Wind-solar hybrid power based unit	400	MW	Sprng Vayu Kiran Pvt. Ltd.
Grid Connected Solar Power Plant (Jaisalmer Circle) Project	180	Solar based Power	State Government	Rajasthan	Grid Connected Solar Power Plant	51.44	MW	Jodhpur Vidyut Vitran Nigam Ltd.
Solar Power Project	1500	Solar based Power	Private (Foreign)	Unallocated	Solar power plant	100	MW	Apraava Energy Pvt. Ltd.
Solar Power (Maharashtra) Project	500	Solar based Power	State Government	Maharashtra	Solar based power unit	100	MW	Mahindra Susten Pvt. Ltd.
Wind Power (Dwarka) Project	507	Wind Based Power	Private (Indian)	Gujarat	Wind based power unit	72.45	MW	Juniper Green Energy Pvt. Ltd.
Wind Power (Gujarat) Project	210	Wind Based Power	Private (Foreign)	Gujarat	Wind based power unit	30	MW	JSW Neo Energy Ltd.
Solar Power Plant (Lalitpur)	750	Solar based Power	Torrent Group	Uttar Pradesh	Solar based power unit	150	MW	Torrent Power Ltd.
Solar Power Project [Phase-XXII]	1100	Solar based Power	Central Government	Unallocated	Solar based power unit	200	MW	SJVN Green Energy Ltd.
Solar Power (Jamui) Project	113	Solar based Power	Central Government	Bihar	Solar based power unit	75	MW	SJVN Ltd.
Solar Power (Gujarat) Project	25	Solar based Power	Private (Indian)	Gujarat	Solar based power unit	5	MW	Paschim Gujarat Vij Company Ltd.

Project Name	Cost (Rs.Crore)	Industry	Ownership	State	Product	Capacity	Units	Promoter Name
Wind Power (Andhra Pradesh) Project	4494	Wind Based Power	Private (Indian)	Andhra Pradesh	Wind based power unit	642	MW	ABC Cleantech Pvt. Ltd.
Solar Power (Gujarat) Project	550	Solar based Power	Central Government	Gujarat	Solar based power unit	100	MW	Paschim Gujarat Vij Company Ltd.
Wind Power (Karnataka) Project	2100	Wind Based Power	Private (Indian)	Karnataka	Wind based power unit	300	MW	JSW Neo Energy Ltd.
Wind-Solar Hybrid Power (Talaja) Project	928	Wind Based Power	Private (Indian)	Gujarat	Wind based power unit	86.1	MW	ABREL EPC Ltd.
Wind Power (Vengaimandalam) Project	1575	Wind Based Power	Private (Indian)	Tamil Nadu	Wind based power unit	225	MW	Everrenew Energy Pvt. Ltd.
Grid Connected Ground Mounted Solar Power Plant (Bharwala) Project	62	Solar based Power	State Government	Uttar Pradesh	Grid Connected Ground Mounted Solar Power	10	MW	Uttar Pradesh Jal Nigam
Wind Power (Karnataka) Project	2100	Wind Based Power	Private (Foreign)	Karnataka	Wind based power unit	300	MW	JSW Neo Energy Ltd.
Wind Power (Vagra-Vilayat) Project	1352	Wind Based Power	Private (Indian)	Gujarat	Wind based power unit	193.2	MW	KP Group
Solar Power Project	1500	Solar based Power	Private (Indian)	Unallocated	Solar based power unit	300	MW	Apraava Energy Pvt. Ltd.
Solar Power (Barmer) Project	1250	Solar based Power	Hinduja (F) Group	Rajasthan	Solar based power unit	250	MW	Green Infra Clean Solar Farms Ltd.
Solar Power (Bikaner) Project	5000	Solar based Power	Private (Indian)	Rajasthan	Solar based power unit	1000	MW	ACME Cleantech Solutions Pvt. Ltd.
Solar Power Project	1250	Solar based Power	Private (Indian)	Unallocated	Solar based power unit	250	MW	Apraava Energy Pvt. Ltd.
Solar Power Project	2000	Solar based Power	Private (Indian)	Unallocated	Solar based power unit	400	MW	Apraava Energy Pvt. Ltd.
Wind-Solar Hybrid Power Project	47	Wind Based Power	Private (Indian)	Unallocated	Wind based power unit	4.2	MW	Asurari Renewables India Project Pvt. Ltd.
Solar Power (Tirupur) Project - Expansion	35	Solar based Power	Private (Indian)	Tamil Nadu	Solar based power unit	12	MW	Dollar Industries Ltd.

Project Name	Cost (Rs.Crore)	Industry	Ownership	State	Product	Capacity	Units	Promoter Name
Solar Power (Tamil Nadu) Project	105	Solar based Power	Private (Indian)	Tamil Nadu	Solar based power unit	21	MW	Dalmia Cement (Bharat) Ltd.
Solar Power (Karnataka) Project	150	Solar based Power	Private (Indian)	Karnataka	Solar based power unit	30	MW	Karnataka Co-op. Milk Producers' Fedn. Ltd.
Wind-Solar Hybrid Power (Gujarat) Project	44	Wind Based Power	Private (Indian)	Gujarat	Wind based power unit	4.9	MW	ABREL (RJ) Projects Ltd.
Wind-Solar Hybrid Power Project	750	Solar based Power	Tata Group	Unallocated	Wind-solar hybrid power	150	MW	Asurari Renewables India Project Pvt. Ltd.
Floating Solar Power (Omkareshwar Reservoir) Project [Phase-II]	560	Solar based Power	Hinduja (F) Group	Madhya Pradesh	Solar based power unit	80	MW	SJVN Green Energy Ltd.
Floating Solar Power (Omkareshwar Reservoir) Project [Phase-II]	560	Solar based Power	Central Government	Madhya Pradesh	Solar based power unit	80	MW	SJVN Green Energy Ltd.
Floating Solar Power (Khandwa) Project	400	Solar based Power	Central Government	Madhya Pradesh	Solar based power unit	80	MW	NTPC Renewable Energy Ltd.
Solar Power Project	1400	Solar based Power	Private (Indian)	Unallocated	Solar based power unit	280	MW	Apraava Energy Pvt. Ltd.
Ground Mounted Solar Power (Maharashtra) Project	1200	Solar based Power	Central Government	Maharashtra	Solar based power unit	200	MW	SJVN Green Energy Ltd.
Wind Power (Velliyanani & Vengaimandalam) Project	706	Wind Based Power	Private (Indian)	Tamil Nadu , Tamil Nadu	Wind based power unit	100.8	MW	Everrenew Energy Pvt. Ltd.
Wind Power (Surendranagar) Project	485	Wind Based Power	Private (Indian)	Gujarat	Wind based power unit	69.3	MW	WYN Renewables Pvt. Ltd.
Wind-Solar Hybrid Power Project	6004	Wind Based Power	Private (Indian)	Unallocated	Wind based power unit	587	MW	Asurari Renewables India Project Pvt. Ltd.
Wind Power Project	693	Wind Based Power	Private (Indian)	Unallocated	Wind based power unit	99	MW	Purvah Green Power Pvt.

Project Name	Cost (Rs.Crore)	Industry	Ownership	State	Product	Capacity	Units	Promoter Name
								Ltd.
Wind Power (Surendranagar) Project	485	Wind Based Power	Private (Indian)	Gujarat	Wind based power unit	69.3	MW	WYN Renewables Pvt. Ltd.
Solar Power (Khavda Solar Park) Project	1200	Solar based Power	Central Government	Gujarat	Solar based power unit	200	MW	SJVN Green Energy Ltd.
Solar Power Project	375	Solar based Power	Central Government	Unallocated	Solar based power unit	75	MW	Apraava Energy Pvt. Ltd.
Wind Power Project	132	Wind Based Power	Private (Foreign)	Unallocated	Wind based power unit	18.9	MW	Purvah Green Power Pvt. Ltd.
Solar Power (Maharashtra) Project	1200	Solar based Power	State Government	Madhya Pradesh	Solar based power unit	200	MW	Mahindra Susten Pvt. Ltd.
Solar Power Plant (Challakere)	7500	Solar based Power	Om Prakash Jindal Group	Karnataka	Solar based power unit	1500	MW	JSW Green Hydrogen Ltd.
Wind Power Plant (Kudlgi & Kotur)	21000	Wind Based Power	Om Prakash Jindal Group	Karnataka	Wind based power unit	3000	MW	JSW Green Hydrogen Ltd.
Substation (Dobbaspet-Nelamangala) Project - Modernisation	35	Power Distribution	State Government	Karnataka	Substation	1000	MVA	Karnataka Power Transmission Corpn. Ltd.
Solar Photovoltaic Power Project	1250	Solar based Power	Private (Indian)	Unallocated	Solar based power unit	250	MWp	JSW Renew Energy Eleven Ltd.
Solar Photovoltaic Power Project	1000	Solar based Power	Central Government	Unallocated	Solar based power unit	200	MWp	JSW Renew Energy Eleven Ltd.
Solar Photovoltaic Power Project	250	Solar based Power	Private (Foreign)	Unallocated	Solar based power unit	50	MWp	JSW Renew Energy Eleven Ltd.
Solar Photovoltaic Power (Bikaner 3) Project	1875	Solar based Power	Private (Indian)	Rajasthan	Solar based power unit	375	MWp	Sunsure Energy Pvt. Ltd.
Solar Photovoltaic Power (Bikaner 4) Project	1800	Solar based Power	Private (Indian)	Rajasthan	Solar based power unit	450	MWp	Sunsure Energy Pvt. Ltd.
Solar Photovoltaic Power (Mantha) Project	40	Solar based Power	Private (Indian)	Maharashtra	Solar based power unit	75	MWp	Sunsure Energy Pvt. Ltd.
Solar-Wind Hybrid Power	5600	Solar based	Private (Indian)	Karnataka	Solar-wind hybrid power	800	MWp	Sunsure Energy Pvt.

Project Name	Cost (Rs.Crore)	Industry	Ownership	State	Product	Capacity	Units	Promoter Name
(Karnataka) Project		Power			unit			Ltd.
Solar Photovoltaic Power (Jalgaon) Project	30	Solar based Power	Private (Indian)	Maharashtra	Solar based power unit	30	MWp	Megha Engineering & Infrastructures Pvt. Ltd.
Solar Photovoltaic Power (Latur) Project	30	Solar based Power	Private (Indian)	Maharashtra	Solar based power unit	30	MWp	Sunsure Energy Pvt. Ltd.
Solar Photovoltaic Power Project	600	Solar based Power	Private (Indian)	Unallocated	Solar based power unit	120	MWp	JSW Renew Energy Eleven Ltd.
Solar Photovoltaic Power Project	2500	Solar based Power	Om Prakash Jindal Group	Unallocated	Solar based power unit	500	MWp	JSW Renew Energy Eleven Ltd.
Solar Photovoltaic Power Project	500	Solar based Power	Private (Indian)	Unallocated	Solar based power unit	100	MWp	JSW Renew Energy Eleven Ltd.
Solar Photovoltaic Power Project	1250	Solar based Power	Private (Indian)	Unallocated	Solar based power unit	250	MWp	JSW Renew Energy Eleven Ltd.
Solar Photovoltaic Power Project	1750	Solar based Power	Private (Indian)	Unallocated	Solar based power unit	350	MWp	JSW Renew Energy Eleven Ltd.
Solar Photovoltaic Power (Lakhanpur) Project	51	Solar based Power	Central Government	Odisha	Solar based power unit	10	MWp	Mahanadi Coalfields Ltd.
Solar Photovoltaic Power (Jagannath) Project	51	Solar based Power	Central Government	Odisha	Solar based power unit	10	MWp	Mahanadi Coalfields Ltd.
Solar Photovoltaic Power (Yavatmal) Project	1125	Solar based Power	Private (Indian)	Maharashtra	Solar based power unit	225	MWp	Avaada Energy Pvt. Ltd.
Solar Photovoltaic Power (Bid) Project	395	Solar based Power	Mukesh Ambani Group	Maharashtra	Solar based power unit	79	MWp	Reliance Industries Ltd.
Solar Photovoltaic Power (Sangli) Project	1035	Solar based Power	Private (Indian)	Maharashtra	Solar based power unit	207	MWp	Avaada Energy Pvt. Ltd.
Solar Photovoltaic Power (Nashik)	860	Solar based Power	Private (Indian)	Maharashtra	Solar based power unit	172	MWp	Avaada Energy Pvt. Ltd.

Project Name	Cost (Rs.Crore)	Industry	Ownership	State	Product	Capacity	Units	Promoter Name
Project								
Solar Photovoltaic Power (Ahmadnagar) Project	980	Solar based Power	Private (Indian)	Maharashtra	Solar based power unit	196	MWp	Avaada Energy Pvt. Ltd.
Solar Photovoltaic Power (Pune) Project	1170	Solar based Power	Private (Indian)	Maharashtra	Solar based power unit	234	MWp	Avaada Energy Pvt. Ltd.
Solar Photovoltaic Power (Nashik) Project	1540	Solar based Power	State Government	Maharashtra	Solar based power unit	306	MWp	Avaada Energy Pvt. Ltd.
Solar Photovoltaic Power (Maharashtra) Project	500	Solar based Power	State Government	Maharashtra	Solar based power unit	100	MWp	Maharashtra State Electricity Distribution Co. Ltd.
Solar Photovoltaic Power Project	1401	Solar based Power	Central Government	Unallocated	Solar based power unit	300	MWp	JSW Renew Energy Eleven Ltd.
Solar Photovoltaic Power (Rajasthan) Project	500	Solar based Power	Private (Indian)	Rajasthan	Solar based power unit	100	MWp	Vikram Solar Ltd.
Solar Photovoltaic Power (Khavda) Project	1125	Solar based Power	Central Government	Gujarat	Solar based power unit	225	MWp	Coal India Ltd.
Solar Photovoltaic Power (Rajasthan) Project	1400	Solar based Power	Private (Indian)	Rajasthan	Solar photovoltaic based power	280	MWp	Vikram Solar Ltd.
Solar Photovoltaic Power Plant (Manali)	200	Solar based Power	Central Government	Tamil Nadu	Solar based power unit	40	MWp	Chennai Petroleum Corpn. Ltd.
Power Distribution (Dudu-Kotputli-Bhiwadi) Project - [TN-559] - (RDSS)	37	Power Distribution	State Government	Rajasthan	Power Distribution	11	kV	Jaipur Vidyut Vitran Nigam Ltd.
Power Distribution (Kota-Bundi-Baran) Project - [TN-558] - (RDSS)	48	Power Distribution	State Government	Rajasthan	Power Distribution	11	kV	Jaipur Vidyut Vitran Nigam Ltd.
Power Distribution	28	Power	State Government	Rajasthan	Power	11	kV	Jaipur Vidyut

Project Name	Cost (Rs.Crore)	Industry	Ownership	State	Product	Capacity	Units	Promoter Name
(Dudu-Kota-Jhalawar) Project - [TN-556] - (RDSS)		Distribution			Distribution			Vitran Nigam Ltd.
Power Distribution (Dudu-Kotputli-Bundi-Jhalawar) Project - RDSS [TN-557]	64	Power Distribution	State Government	Rajasthan	Power Distribution	11	kV	Jaipur Vidyut Vitran Nigam Ltd.
Power Distribution (Bhilwara) Project [Lot-2/TN-132] - (RDSS)	329	Power Distribution	State Government	Rajasthan	Power Distribution	33	kV	Ajmer Electricity Distribution Corpn. Ltd.
Power Distribution (Bhilwara) Project [Lot-1/TN-131] - (RDSS)	357	Power Distribution	State Government	Rajasthan	Power Distribution	33	kV	Ajmer Electricity Distribution Corpn. Ltd.
Power Distribution (Chittaurgarh) Project [TN-115] - (RDSS)	51	Power Distribution	State Government	Rajasthan	Power Distribution	11	kV	Ajmer Electricity Distribution Corpn. Ltd.
Power Distribution (Shahpura) Project [TN-113] - (RDSS)	55	Power Distribution	State Government	Rajasthan	Power Distribution	11	kV	Ajmer Electricity Distribution Corpn. Ltd.
Transmission Line (Talegaon-Chakan) Project	49	Power Distribution	State Government	Maharashtra	Transmission Line	400	kV	Maharashtra State Electricity Transmission Co. Ltd.
Transmission Line (Vataman-Dholera) Project [Package-I]	53	Power Distribution	State Government	Gujarat	Transmission Line	400	kV	Gujarat Energy Transmission Corpn. Ltd.
Substation (Ghansali) Project	173	Power Distribution	State Government	Uttarakhand	Substation	220	kV	Power Transmission Corporation of Uttarakhand Ltd.
Power Distribution (Udaipur) Project [TN-114] - (RDSS)	53	Power Distribution	State Government	Rajasthan	Power Distribution	11	kV	Ajmer Electricity Distribution Corpn. Ltd.
Power Distribution	363	Power	State Government	Rajasthan	Power	33	kV	Ajmer Electricity

Project Name	Cost (Rs.Crore)	Industry	Ownership	State	Product	Capacity	Units	Promoter Name
(Didwana-Kuchaman) Project (Lot-1/TN-130) - (RDSS)		Distribution			Distribution			Distribution Corpn. Ltd.
Power Distribution (Chittaurgarh) Project [Lot-4/TN-129] - (RDSS)	381	Power Distribution	State Government	Rajasthan	Power Distribution	33	kV	Ajmer Electricity Distribution Corpn. Ltd.
Power Distribution (Sikar) Project [Lot-5/TN-128] - (RDSS)	395	Power Distribution	State Government	Rajasthan	Power Distribution	33	kV	Ajmer Electricity Distribution Corpn. Ltd.
Power Distribution (Sikar) Project [Lot-4/TN-127] - (RDSS)	400	Power Distribution	State Government	Rajasthan	Power Distribution	33	kV	Ajmer Electricity Distribution Corpn. Ltd.
Power Distribution (Chittaurgarh) Project [Lot-3/TN-126] - (RDSS)	435	Power Distribution	State Government	Rajasthan	Power Distribution	33	kV	Ajmer Electricity Distribution Corpn. Ltd.
Power Distribution (Ajmer) Project [TN-125] - (RDSS)	438	Power Distribution	State Government	Rajasthan	Power Distribution	33	kV	Ajmer Electricity Distribution Corpn. Ltd.
Power Distribution (Sikar) Project [Lot-3/TN-124] - (RDSS)	485	Power Distribution	State Government	Rajasthan	Power Distribution	33	kV	Ajmer Electricity Distribution Corpn. Ltd.
Power Distribution (Kapasan) Project [Lot-2/TN-123] - (RDSS)	516	Power Distribution	State Government	Rajasthan	Power Distribution	33	kV	Ajmer Electricity Distribution Corpn. Ltd.
Power Distribution (Udaipur) Project [TN-122] - (RDSS)	550	Power Distribution	State Government	Rajasthan	Power Distribution	33	kV	Ajmer Electricity Distribution Corpn. Ltd.
Power Distribution (Reengus) Project [Lot-2/TN-121] - (RDSS)	651	Power Distribution	State Government	Rajasthan	Power Distribution	33	kV	Ajmer Electricity Distribution Corpn. Ltd.
Power Distribution	767	Power	State Government	Rajasthan	Power	33	kV	Ajmer Electricity

Project Name	Cost (Rs.Crore)	Industry	Ownership	State	Product	Capacity	Units	Promoter Name
(Neem ka Thana) Project [Lot-1/TN-120] - (RDSS)		Distribution			Distribution			Distribution Corpn. Ltd.
Power Distribution (Sikar) Project [Lot-1/TN-119] - (RDSS)	934	Power Distribution	State Government	Rajasthan	Power Distribution	33	kV	Ajmer Electricity Distribution Corpn. Ltd.
Power Distribution (Chittaurgarh) Project [Lot-1/TN-118] - (RDSS)	935	Power Distribution	State Government	Rajasthan	Power Distribution	33	kV	Ajmer Electricity Distribution Corpn. Ltd.
Transmission Line (Shapur Nagar-Bollaram & Durshed-Karimnagar) Project	41	Power Distribution	State Government	Telangana	Transmission Line	132	kV	Transmission Corpn. of Andhra Pradesh Ltd.
Underground Cabling Network (Surat) Project	149	Power Distribution	State Government	Gujarat	Underground Cabling Network	11	kV	Dakshin Gujarat Vij Co. Ltd.
Underground Cabling Network (Valsad) Project	317	Power Distribution	State Government	Gujarat	Underground Cabling Network	11	kV	Dakshin Gujarat Vij Co. Ltd.
Underground Cabling Network (Bharuch) Project	236	Power Distribution	State Government	Gujarat	Underground Cabling Network	11	kV	Dakshin Gujarat Vij Co. Ltd.
Substation (Sawana) Project	42	Power Distribution	State Government	Maharashtra	Substation	132	kV	Maharashtra State Electricity Transmission Co. Ltd.
Substation (Kalwa-Themghar) Project	49	Power Distribution	State Government	Maharashtra	Substation	220	kV	Maharashtra State Electricity Transmission Co. Ltd.
Substation (Lakhanka) Project	50	Power Distribution	State Government	Gujarat	Substation	220	kV	Gujarat Energy Transmission Corpn. Ltd.
Substation (Nandgaon Peth) Project	243	Power Distribution	State Government	Maharashtra	Substation	400	kV	Maharashtra State Electricity Transmission Co. Ltd.

Project Name	Cost (Rs.Crore)	Industry	Ownership	State	Product	Capacity	Units	Promoter Name
Substations (Shahpur-Udepur-Adho Majra) Project	26	Power Distribution	State Government	Haryana	Substations	33	kV	Uttar Haryana Bijli Vitran Nigam Ltd.
Substation (Fulsawangi) Project	39	Power Distribution	State Government	Maharashtra	Substation	132	kV	Maharashtra State Electricity Transmission Co. Ltd.
Substation (Udaipur) Project	129	Power Distribution	State Government	Rajasthan	Substation	400	kV	Rajasthan Rajya Vidyut Utpadan Nigam Ltd.
Substation (Nemali Nagar) Project	114	Power Distribution	State Government	Telangana	Substation	220	kV	Transmission Corpn. of Andhra Pradesh Ltd.
Power Distribution (Gurugram) Project - Expansion	49	Power Distribution	State Government	Haryana	Power Distribution	11	kV	Dakshin Haryana Bijli Vitran Nigam Ltd.
Substation (Mudhale) Project	37	Power Distribution	State Government	Maharashtra	Substation	220	kV	Maharashtra State Electricity Transmission Co. Ltd.
Substation (Kutiyana) Project	38	Power Distribution	State Government	Gujarat	Substation	220	kV	Gujarat Energy Transmission Corpn. Ltd.
Substation (Dhank) Project	44	Power Distribution	State Government	Gujarat	Substation	220	kV	Gujarat Energy Transmission Corpn. Ltd.
Medium Voltage Power (Morbi) Project - Improvement	35	Power Distribution	State Government	Gujarat	Medium Voltage Power	11	kV	Paschim Gujarat Vij Company Ltd.
Transmission Line (Vadodara) Project	75	Power Distribution	State Government	Gujarat	Transmission line	11	kV	Madhya Gujarat Vij Co. Ltd.
Underground Cable (Vadodara) Project	37	Power Distribution	State Government	Gujarat	Underground Cable	11	kV	Madhya Gujarat Vij Co. Ltd.
Substation (Mathura-Dholpur-Antri-Bina) Project	510	Power Distribution	Central Government	Rajasthan	Substation	220	kV	North Central Railway

Project Name	Cost (Rs.Crore)	Industry	Ownership	State	Product	Capacity	Units	Promoter Name
Substation (Patna) Project	48	Power Distribution	State Government	Bihar	Substation	33	kV	Bihar State Power Transmission Co. Ltd.
Transmission Line (Durgapur-Barjora) Project	47	Power Distribution	State Government	West Bengal , West Bengal	Transmission line	132	kV	West Bengal State Electricity Transmission Co. Ltd
Intra-State Transmission Line (Ambassa-Kamalpur) Project	49	Power Distribution	State Government	Tripura	Transmission Line	132	kV	Tripura Power Generation Ltd.
Substations (Mukutban & Pandharkawda) Project	39	Power Distribution	State Government	Maharashtra	Substations	132	kV	Maharashtra State Electricity Transmission Co. Ltd.
Transmission Line (Jharia) Project	55	Power Distribution	State Government	Jharkhand	Transmission Line	11	kV	Jharkhand Bijli Vitran Nigam Ltd.
Power Distribution (Nirsa-Dhanbad) Project	63	Power Distribution	State Government	Jharkhand	Power Distribution	11	kV	Jharkhand Bijli Vitran Nigam Ltd.
Substation (Bhestan) Project	45	Power Distribution	State Government	Gujarat	Substation	132	kV	Gujarat Energy Transmission Corpn. Ltd.
Grid Substation (Ramwa) Project	44	Power Distribution	Central Government	Uttar Pradesh	Grid substation	220	kV	North Central Railway
Power Distribution (Alirajpur) Project - RDSS [Lot-19]	57	Power Distribution	State Government	Madhya Pradesh	Power distribution	11	kV	M P Paschim Kshetra Vidyut Vitran Co. Ltd.
Power Distribution (Ujjain, Dewas & Shajapur) Project - RDSS [Lot-07]	68	Power Distribution	State Government	Madhya Pradesh	Power distribution	11	kV	Madhya Pradesh Paschim Kshetra Vidyut Vitaran Co. Ltd.
Power Distribution (Khargone, Barwani & Dhar) Project - RDSS [Lot-3]	107	Power Distribution	State Government	Madhya Pradesh	Power distribution	33	kV	M P Paschim Kshetra Vidyut Vitran Co. Ltd.

Project Name	Cost (Rs.Crore)	Industry	Ownership	State	Product	Capacity	Units	Promoter Name
Transmission Line (Lakhisaai-Haveli Kharagpur) Project	140	Power Distribution	State Government	Bihar	Transmission Line	220	kV	Bihar State Power Transmission Co. Ltd.
Power Distribution (Gadchiroli Circle) Project	30	Power Distribution	State Government	Maharashtra	Power Distribution	11	kV	Maharashtra State Electricity Distribution Co. Ltd.
Power Transmission (Gandchiroli) Project	30	Power Distribution	State Government	Maharashtra	Power Transmission Unit	11	kV	Maharashtra State Electricity Distribution Co. Ltd.
Transmission Line (Wagra S/S-Bharuch DSS) Project	34	Power Distribution	State Government	Gujarat	Transmission line	66	kV	Gujarat Energy Transmission Corpn. Ltd.
Substations (Madhya Pradesh) Project	486	Power Distribution	State Government	Madhya Pradesh	Substations	11	kV	Madhya Kshetra Vidyut Vitran Co. Ltd.
Transmission Line (Talegaon) Project	100	Power Distribution	State Government	Maharashtra	Transmission Line	220	kV	Maharashtra State Electricity Transmission Co. Ltd.
Power Distribution (East Kameng) Project - RDSS	28	Power Distribution	State Government	Arunachal Pradesh	Power distribution	11	kV	Department of Power, Arunachal Pradesh
Grid Substations (Chak Mulajman & Panchu) Project	262	Power Distribution	State Government	Rajasthan	Substations	220	kV	Rajasthan Rajya Vidyut Prasaran Nigam Ltd.
Grid Substation (DTC Gadaipur) Project	43	Power Distribution	ADAG Group	Delhi	Substation	66	kV	BSES Rajdhani Power Ltd.
Power Distribution (West Siang) Project - RDSS	30	Power Distribution	State Government	Arunachal Pradesh	Power distribution	11	kV	Department of Power, Arunachal Pradesh
Power Distribution (Tirap) Project - RDSS	44	Power Distribution	State Government	Arunachal Pradesh	Power distribution	11	kV	Department of Power, Arunachal Pradesh
Power Distribution (Namsai) Project - RDSS	42	Power Distribution	State Government	Arunachal Pradesh	Power distribution	11	kV	[redacted]

Project Name	Cost (Rs.Crore)	Industry	Ownership	State	Product	Capacity	Units	Promoter Name
Grid Substation (Menar) Project - Augmentation	136	Power Distribution	State Government	Rajasthan	Substation	220	kV	Rajasthan Rajya Vidyut Prasaran Nigam Ltd.
GIS Substation (Thirumala) Project	27	Power Distribution	State Government	Kerala	Substation	110	kV	Kerala State Electricity Board
Power Distribution (Gohad & Mehgaon) Project - RDSS	32	Power Distribution	State Government	Madhya Pradesh	Power distribution	11	kV	Madhya Kshetra Vidyut Vitran Co. Ltd.
Power Distribution (Bhind & Lahar) Project - RDSS	71	Power Distribution	State Government	Madhya Pradesh	Power distribution	11	kV	Madhya Kshetra Vidyut Vitran Co. Ltd.
Transmission Line (Narol-Ahmedabad DSS) Project	38	Power Distribution	State Government	Gujarat	Transmission line	66	kV	Gujarat Energy Transmission Corpn. Ltd.
Transmission Line (Kawas-Navsari) Project	37	Power Distribution	State Government	Gujarat	Transmission line	220	kV	Gujarat Energy Transmission Corpn. Ltd.
Substations (Dhaulana & Dhanaura) Project	31	Power Distribution	State Government	Uttar Pradesh , Uttar Pradesh	Substation	132.33	kV	Uttar Pradesh Power Transmission Corpn. Ltd.
Substations (Bajana Kalan, Sampeda, Majri, Balu & Devru) Project	65	Power Distribution	State Government	Haryana	Substations	9	Nos	Uttar Haryana Bijli Vitran Nigam Ltd.
Solar/Wind Hybrid Power (Gujarat) Project	650	Solar based Power	Private (Indian)	Gujarat	Solar based power unit	65	acres	Gujarat Toolroom Ltd.
Power Distribution (Jaipur) Project - RDSS	57	Power Distribution	State Government	Rajasthan	Power distribution	20	Nos	Jaipur Vidyut Vitran Nigam Ltd.
Captive Power Plant (Baramati)	41	Bagasse Based Power	Private (Indian)	Maharashtra	Captive power plant	4.27	acres	Capovitez Industries Pvt. Ltd.
Transmission Line (Hootgalli-Vajamangala-TK Halli) Project -	120	Power Distribution	State Government	Karnataka	Transmission line	82	kms	Karnataka Power Transmission Corpn. Ltd.

Project Name	Cost (Rs.Crore)	Industry	Ownership	State	Product	Capacity	Units	Promoter Name
Reconstruction								
Transmission Lines (Kumhari-Bhilai TSS) Project [Package-III]	132	Power Distribution	Central Government	Chhattisgarh	Transmission lines	152	kms	Rail Vikas Nigam Ltd.
Transmission Lines (Bhatapara-Bhatapara TSS) Project [Package-I]	129	Power Distribution	Central Government	Chhattisgarh	Transmission lines	178	kms	Rail Vikas Nigam Ltd.
Transmission Lines (Patna) Project	143	Power Distribution	State Government	Bihar	Transmission lines	341	kms	Bihar State Power Transmission Co. Ltd.
Transmission Line (Meenajipet-Tunki Bollaram) Project	34	Power Distribution	State Government	Telangana	Transmission Line	53.5	kms	Transmission Corpn. of Andhra Pradesh Ltd.
Transmission Line (Khavda Phase-IV, Part A) Project	118	Power Distribution	Adani Group	Gujarat	Transmission line	111	kms	Adani Energy Solutions Ltd.
Transmission Line (Dhule-Malegaon) Project	54	Power Distribution	State Government	Maharashtra	Transmission Line	80.5	kms	Maharashtra State Electricity Transmission Co. Ltd.
Transmission Line (Jadugoda New-Dhalbhumgarh) Project	62	Power Distribution	State Government	Jharkhand	Transmission Line	63.4	kms	Jharkhand Urja Sancharan Nigam Ltd.
Transmission Line (Atul Substation) Project	69	Power Distribution	State Government	Gujarat	Transmission line	7.52	kms	Gujarat Energy Transmission Corpn. Ltd.
Transmission Line (Veloda-Prantij) Project	206	Power Distribution	State Government	Gujarat	Transmission line	124.95	kms	Gujarat Energy Transmission Corpn. Ltd.
Transmission Line (Amreli-Dhasa) Project	27	Power Distribution	State Government	Gujarat	Transmission line	38.72	kms	Gujarat Energy Transmission Corpn. Ltd.
Transmission Line (Morbi-Rangpar & Pavadiyari-	28	Power Distribution	State Government	Gujarat , Gujarat	Transmission Line	43.33	CKM	Gujarat Energy Transmission Corpn.

Project Name	Cost (Rs.Crore)	Industry	Ownership	State	Product	Capacity	Units	Promoter Name
Jetpar) Project								Ltd.
Transmission Line (Sini-Purulia-Muri) Project	112	Power Distribution	Central Government	Jharkhand , West Bengal , Jharkhand	Transmission line	143	RKM	South Eastern Railway

Source: Projects Today

3.11 Increasing Demand of Renewable Energy driven by decline in Solar Module Prices

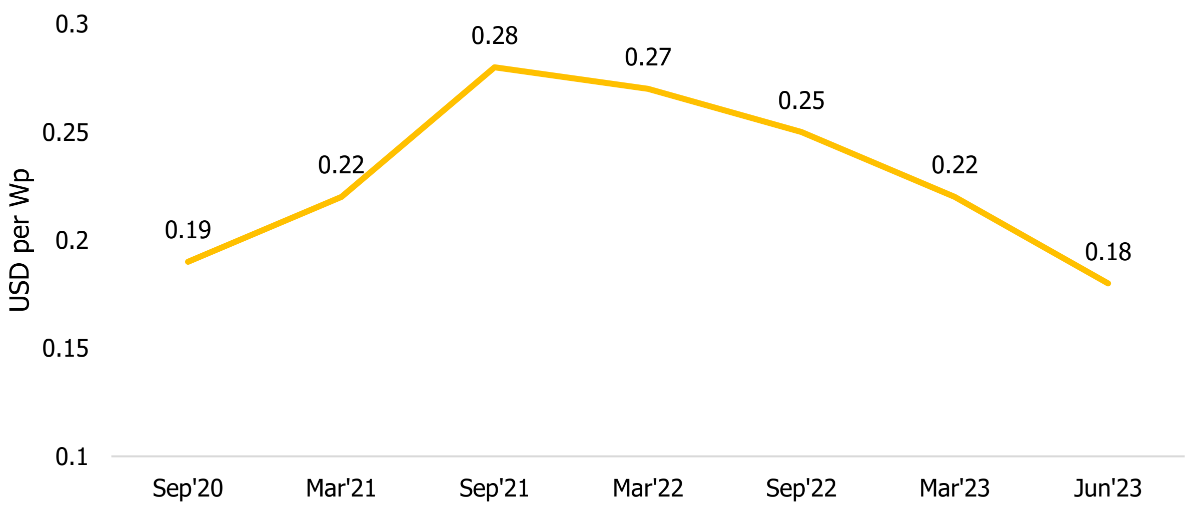
Solar module costs have decline sharply over the past decade. Further, the balance of system cost has also reduced due to advancement of technology, better designs leading to low material consumption, product standardization, economies of scale etc. The decline in cost has led to lower funding requirement and improvement in overall project economics of the solar power projects.

The module prices were witnessing an upward trend in second half of 2021 due to shortage of raw materials in China such as silicon and solar glass coupled with production cuts due to power crisis. However, the prices have decline in 2023 due to increase in raw material production and inventory buildup in China.

As the prices of **solar modules** (the main component of solar power systems) continue to fall, the overall capital required to set up **solar power plants** decreases. This makes solar energy projects more affordable for both **utilities** and **private investors**. As solar module costs fall, the **levelized cost of electricity (LCOE)** from solar power also declines. This translates into **lower solar tariffs** for consumers. Lower tariffs make solar energy **more competitive** compared to traditional energy sources like coal, gas, and even other renewables like wind.

The solar module costs typically account for 60-65% of the solar project capex. This implies an overall EPC opportunity worth Rs 1.75-2 trillion over FY24-27. By reducing the cost of solar installations and making solar power more competitive with traditional fossil fuels, it has led to increased investment, faster adoption of solar energy, and accelerated efforts toward a cleaner, more sustainable energy future. The **cost-competitiveness** of solar also opens the door to wider adoption, particularly in developing regions, and strengthens the renewable energy sector globally thereby leading to increased demand.

Chart 37: Trend in Solar Module Prices



Source: Sterling and Wilson Renewable Energy Investor Presentation

- **PLI scheme for Domestic Module Manufacturers**

  In November 2020, the government approved the PLI scheme for High Efficiency Solar PV Modules (Tranche-I) with a proposed outlay of Rs 4,500 crore. The allocation under this scheme was fully utilized. Subsequently, the government approved Tranche – II of PLI scheme in September 2022 with an outlay of Rs 19,500 crore. Under this scheme, PLI will be disbursed for 5 years post commissioning of solar PV manufacturing plants on sales of high efficiency solar PV modules from the domestic market. The scheme envisages 65,000 MW per annum manufacturing capacity of fully and partially integrated solar PV modules at an investment of Rs 94,000 crore and import substitution of Rs 1.37 lakh crore.

The PLI scheme will lead to significant increase in the domestic module manufacturing capacity thereby reducing import dependence which will allow the solar power producers to have more control over their costs and also reduce risks related to supply chain and currency fluctuations.

3.12 Green Hydrogen Mission and impact on new RE capacity addition

The National Green Hydrogen Mission was approved by the Government of India in January 2023, with an objective to make India a global hub for production, usage and export of green hydrogen and its derivatives and approved an outlay of Rs. 190 billion to help achieve an annual production target of 5 MMT by 2030 for facilitating the net-zero target. The mission is also expected to generate Rs. 8 trillion in total investments by 2030 and around 50 MMT per annum of CO_2 emissions are expected to be averted.

The policy provides the following:

i. Green Hydrogen / Ammonia manufacturers may purchase renewable power from the power exchange or set up renewable energy capacity themselves or through any other, developer, anywhere.

ii. Direct access will be granted within 15 days of receipt of application.

iii. The Green Hydrogen / Ammonia manufacturer can bank his unconsumed renewable power, up to 30 days, with Distribution Company and take it back when required.

iv. Distribution licensees can also procure and supply Renewable Energy to the manufacturers of Green Hydrogen / Green Ammonia in their States at concessional prices which will only include the cost of procurement, wheeling charges and a small margin as determined by the State Commission.

v. Waiver of inter-state transmission charges for a period of 25 years will be allowed to the manufacturers of Green Hydrogen and Green Ammonia for the projects commissioned before 30th June 2025.

vi. The manufacturers of Green Hydrogen / Ammonia and the renewable energy plant shall be given connectivity to the grid on priority basis to avoid any procedural delays.

vii. The benefit of Renewable Purchase Obligation (RPO) will be granted incentive to the hydrogen/Ammonia manufacturer and the Distribution licensee for consumption of renewable power.

viii. To ensure ease of doing business a single portal for carrying out all the activities including statutory clearances in a time bound manner will be set up by MNRE.

ix. Connectivity, at the generation end and the Green Hydrogen / Green Ammonia manufacturing end, to the ISTS for Renewable Energy capacity set up for the purpose of manufacturing Green Hydrogen / Green Ammonia shall be granted on priority.

x. Manufacturers of Green Hydrogen / Green Ammonia shall be allowed to set up bunkers near Ports for storage of Green Ammonia for export / use by shipping. The land for the storage for this purpose shall be provided by the respective Port Authorities at applicable charges.

The mission defines green hydrogen as the hydrogen produced using renewable energy, including but not limited to production through electrolysis or conversion of biomass.

When green hydrogen is produced through electrolysis, the non-biogenic greenhouse gas emissions arising from water treatment, electrolysis, gas purification and drying and compression of hydrogen shall not be greater than 2 kilogram of carbon di-oxide equivalent per kilogram of hydrogen (kg CO_2 eq./kg hydrogen), taken as an average over last 12-month period.

For green hydrogen produced through conversion of biomass, the non-biogenic greenhouse gas emissions arising from biomass processing, heat/steam generation, conversion of biomass to hydrogen, gas purification and drying and compression of hydrogen shall not be greater than 2 kilogram of carbon dioxide equivalent per kilogram of hydrogen (kg CO_2 eq./kg hydrogen) taken as an average over last 12-month period.

The mission is proposed to be implemented in phased manner since the sector is at nascent stage and rapidly evolving.

Phases under Green Hydrogen Mission

Table 36: Phase wise timeline of Green Hydrogen Mission

Phase	Timeline	Activities to be undertaken
Phase I	2022-23 to 2025-26	Focus on creating demand while enabling adequate supply by increasing the domestic electrolyser manufacturing capacity
Phase II	2026-27 to 2029-30	Build on the foundational activities and undertake green hydrogen initiatives in new sectors.

The pilot projects of the mission include outlay of Rs. 4.55 billion up to FY30 for low carbon steel projects, Rs. 4.96 billion up to FY26 for mobility pilot projects, Rs. 1.15 billion up to FY26 for shipping pilot projects and other target areas including decentralized energy applications, hydrogen production from biomass, hydrogen storage technologies, etc.

Under the Green Hydrogen Mission, the sub schemes are Strategic Interventions for Green Hydrogen Transition Programme and Green Hydrogen Hubs where, states and regions capable of supporting large scale production and/or utilization of hydrogen will be identified and developed as hubs,

The Strategic Interventions for Green Hydrogen Transition (SIGHT) program is a major financial measure under the Green Hydrogen Mission with an outlay of Rs. 174.90 billion. The programme has two distinct financial initiative mechanisms to support domestic manufacturing of electrolyser and production of green hydrogen with an aim to enable rapid scale-up, technology development and cost reduction.

3.13 Impact of newer technologies on demand for renewable and transmission sectors such as Green Hydrogen, EV Charging, corporate decarbonization (C&I), Rooftop Solar

The rapid development and deployment of newer technologies like **green hydrogen, electric vehicle (EV) charging infrastructure, corporate decarbonization (C&I)** initiatives, and **rooftop solar** are collectively reshaping the energy landscape, driving higher demand for renewable energy while placing significant pressure on transmission infrastructure. Together, these technologies are not only transforming how energy is generated and consumed but also how grids must be designed, operated, and integrated with decentralized energy resources.

Impact on Renewable Energy Demand:

1. **Increased Demand for Clean Energy**: All these technologies are fundamentally increasing the demand for **renewable energy**. Green hydrogen production, which requires substantial amounts of electricity for water electrolysis, will create a significant new market for renewable energy, especially from **solar** and **wind.** Similarly, the rising adoption of **electric vehicles (EVs)** will drive up electricity demand, particularly during charging hours, with a preference for **low-carbon** electricity. The shift toward **corporate decarbonization**, where companies increasingly commit to 100% renewable energy through **power purchase agreements (PPAs)**, is creating a stable, growing demand for clean electricity. **Rooftop solar**, on the other hand, is decentralizing generation, but it also helps reduce reliance on centralized power, particularly during the day when solar energy is abundant.

2. **Complementary Synergies**: These technologies offer complementary synergies that enhance the demand for renewable energy. For instance, **EV charging** can be optimized to take place when **renewable generation** is high, such as midday for solar, thereby reducing strain on the grid and maximizing the use of clean power. Moreover, **green hydrogen** can act as a form of **energy storage**, allowing excess renewable energy to be converted into hydrogen and stored for later use, ensuring that renewable resources are utilized more efficiently and consistently.

3. **Decarbonization of Hard-to-Abate Sectors**: Green hydrogen, in particular, is critical for decarbonizing sectors like **heavy industry, long-haul transportation**, and **chemicals**, which are challenging to electrify directly. The increasing demand from these industries for green hydrogen will create a **new, sustained demand** for renewable energy at scale, particularly from areas rich in wind or solar resources.

Impact on Transmission and Grid Infrastructure:

1. **Increased Load on Grids**: The collective growth in demand from these technologies will place significant pressure on existing transmission and distribution infrastructure. EVs, in particular, will add substantial load to local grids, especially during peak charging hours, requiring upgrades to **transformers, distribution lines**, and **substations**. Similarly, the establishment of **green hydrogen production hubs** will require dedicated transmission infrastructure to link renewable generation sites with hydrogen plants, further stressing the grid.

2. **Decentralized Generation and Reverse Power Flow**: With **rooftop solar** installations growing, more energy will be generated at the consumer level, leading to an increase in **reverse power flow**, where electricity

flows from consumers back into the grid. This will require grid upgrades to manage the bi-directional flow of electricity and ensure that local distribution networks can accommodate the variability of decentralized generation, particularly in areas with high solar penetration.

3. **Smart Grid Solutions for Flexibility**: To manage the fluctuating loads and decentralized generation, grids will need to become more flexible. Smart grid technologies will play a critical role in **optimizing energy distribution** from renewable sources, **balancing supply and demand** in real-time, and integrating **distributed energy resources (DERs)** like rooftop solar and EVs. Furthermore, smart charging systems for EVs will need to be integrated to ensure that vehicles charge during periods of high renewable availability and help manage grid stability.

4. **Grid Storage and Hydrogen Integration**: The integration of **green hydrogen** as an energy storage solution will require the development of new grid management protocols and infrastructure. Hydrogen can act as **long-duration storage**, storing excess renewable energy for later use when generation is low, but scaling up hydrogen production will necessitate **upgraded transmission networks** to handle the increased electricity flow to electrolyzers and ensure grid reliability.

5. **Localized Energy Solutions and Microgrids**: The rise of corporate and residential **microgrids**, supported by rooftop solar and energy storage, will increasingly require localized transmission and distribution solutions. These microgrids will need to interface seamlessly with the broader grid, potentially providing backup power during grid outages and reducing stress on the main transmission network. This trend also raises the need for **coordinated management** between centralized and decentralized resources to ensure optimal energy flow and grid stability.

3.14 Overview of Firm and Dispatchable Renewable Energy (FDRE) in India

India is making significant strides in transitioning its energy mix towards renewable energy. As part of its commitment to the Paris Agreement and to address air pollution and energy security, India has set ambitious targets to increase the share of renewable energy in its overall electricity generation. The goal is to have 50% of its electricity come from non-fossil fuel sources by 2030.

However, renewable energy sources like solar and wind are intermittent. This means that they do not generate electricity consistently throughout the day, nor is their output predictable — solar is reliant on sunlight, and wind generation is dependent on wind patterns. This intermittency can create challenges for grid stability, especially in a country as large and complex as India, where electricity demand fluctuates widely across regions and seasons. These challenges can be solved through firm and dispatchable RE (FDRE) power, which is obtained by transforming the variable RE into FDRE through integration with energy storage systems (ESS).

Firm and Dispatchable Renewable Energy

- **Firm Energy**: Firm energy refers to power that is available whenever it is needed. Unlike traditional renewable sources (e.g., wind and solar), firm energy can be reliably supplied, even during periods when generation from renewables is low. This is crucial for maintaining grid stability and meeting demand.

- **Dispatchable Energy**: Dispatchable energy refers to power that can be quickly ramped up or down based on demand. It allows grid operators to "dispatch" (send out) electricity from a power source at will, making it flexible and responsive. Dispatchable renewable energy sources are those that can be turned on or off as needed, or whose generation can be adjusted in real-time.

Renewables such as wind and solar are generally not dispatchable on their own, because their output is tied to weather patterns. However, the combination of different technologies can create a more reliable and flexible renewable energy system. This includes integrating energy storage, hybrid systems, and leveraging grid flexibility to ensure the availability of power even when variable renewable generation is low.

Technologies Enabling Firm and Dispatchable Renewables

1. **Energy Storage Solutions**

   - **Batteries**: Large-scale battery storage systems can store excess energy generated by renewable sources when production is high (for example, during sunny or windy periods). When generation is low or when demand increases, stored energy can be released into the grid, ensuring a continuous power supply.

   - **Pumped Hydro Storage**: This is another form of energy storage where water is pumped to a higher elevation during periods of low demand or high renewable generation and is released to generate electricity during periods of high demand or low generation.

- **Other Storage Technologies**: Technologies like compressed air energy storage (CAES) and flywheels are also being explored to improve grid stability and ensure the availability of dispatchable renewable energy.

Storage systems are becoming increasingly cost-effective and efficient, but they still face challenges like high capital costs, long payback periods, and the need for better storage capacity to match long-duration energy needs.

2. Hybrid Renewable Systems

Another important aspect of making renewable energy more firm and dispatchable is hybrid systems. These systems combine diverse types of renewable energy sources (e.g., solar, wind, and hydropower) with energy storage or even with conventional thermal generation like natural gas.

- **Hybrid Solar-Wind Systems**: By combining solar and wind power, energy generation becomes more stable, because the peak generation times for solar and wind don't necessarily overlap. Solar typically generates the most power during the day, while wind energy is often more abundant at night or in specific seasons. Combining these sources helps balance out fluctuations in generation.

- **Solar with Storage or Gas Backup**: A hybrid system may also involve integrating solar power with battery storage or gas-fired power plants. This allows the system to store excess solar energy and release it when demand peaks or use gas as a backup for additional reliability during periods of low renewable generation.

Hybrid systems are particularly valuable in countries like India, where the climate is diverse, and regional differences in solar and wind generation exist. These systems allow power to be generated throughout the day and night and during various seasons.

3. Grid Flexibility and Modernization

India is also working to modernize its electricity grid to accommodate the increasing share of variable renewable energy. This involves investments in smart grid technologies, advanced forecasting, and demand-side management.

Smart Grids: These are digitalized, automated grids that can respond in real time to fluctuations in power generation and demand. Smart grids use advanced sensors, communication networks, and AI-powered algorithms to manage the flow of electricity more efficiently and to better balance supply and demand.

Forecasting: One of the major challenges in integrating variable renewable energy is predicting generation accurately. Advances in forecasting technologies help predict solar and wind generation more accurately, allowing grid operators to better anticipate power availability and make adjustments in advance.

Demand Response: This involves shifting electricity demand away from peak times to match available supply, through mechanisms like time-of-use pricing or demand curtailment programs. It can also be used to encourage users to consume energy when renewable generation is high and reduce consumption when generation is low.

Recent guidelines issued on Tariff Based Competitive bidding for procurement of Firm Dispatchable RE (FDRE)

On June 9, 2023, the Ministry of Power issued Guidelines for the Tariff-Based Competitive Bidding Process aimed at procuring Firm and Dispatchable Power from grid-connected renewable energy projects with energy storage systems.

The key objectives of these guidelines include:

(a) Ensuring that Distribution Companies (DISCOMs) receive reliable and dispatchable power from renewable sources.

(b) Encouraging the deployment of renewable energy capacity to meet the Renewable Purchase Obligation (RPO) and Storage Power Obligation (SPO) requirements of DISCOMs.

(c) Establishing a transparent, equitable, and standardized procurement framework that utilizes open competitive bidding, facilitating appropriate risk-sharing among stakeholders. This approach aims to procure power at competitive rates, enhance project bankability, and provide reasonable returns for investors.

(d) Creating a framework for both inter-state and intra-state long-term power sale and purchase agreements to further mitigate risks within the sector.

4. Indian Solar Power Sector

4.1 Overview of Solar Energy Sector in India

India has substantial solar energy potential. Approximately 5,000 trillion kWh of energy is incident on its geographical area. Solar photovoltaic electricity can be effectively harnessed, allowing for large-scale scalability across the country. Many communities have benefited from solar energy-based decentralized, solar energy-based applications that meet their needs for cooking, lighting, and other energy demands.

Over the past decade, India's solar energy sector has become a major contributor. plays a vital role in supporting the government's goal of sustainable growth and has emerged as a key driver in meeting the nation's energy needs and ensuring energy security. Due to its abundant availability, solar energy is the most reliable source from an energy security perspective.

Chart 38: State-wise Estimated Solar Power Potential

Note: Solar Potential of Union Territories: 0.79 GW

Source: Annual Report 2023-24, CareEdge Research

India has a solar potential of 750 GW, assuming that solar PV modules cover 3% of the wasteland area. Comparatively, India had an installed capacity of 81.8 GW as of FY24. The top ten states, which account for around 75% of the total solar potential, have an installed capacity of 65 GW, only about 9% of their potential—highlighting a significant untapped solar capacity across India.

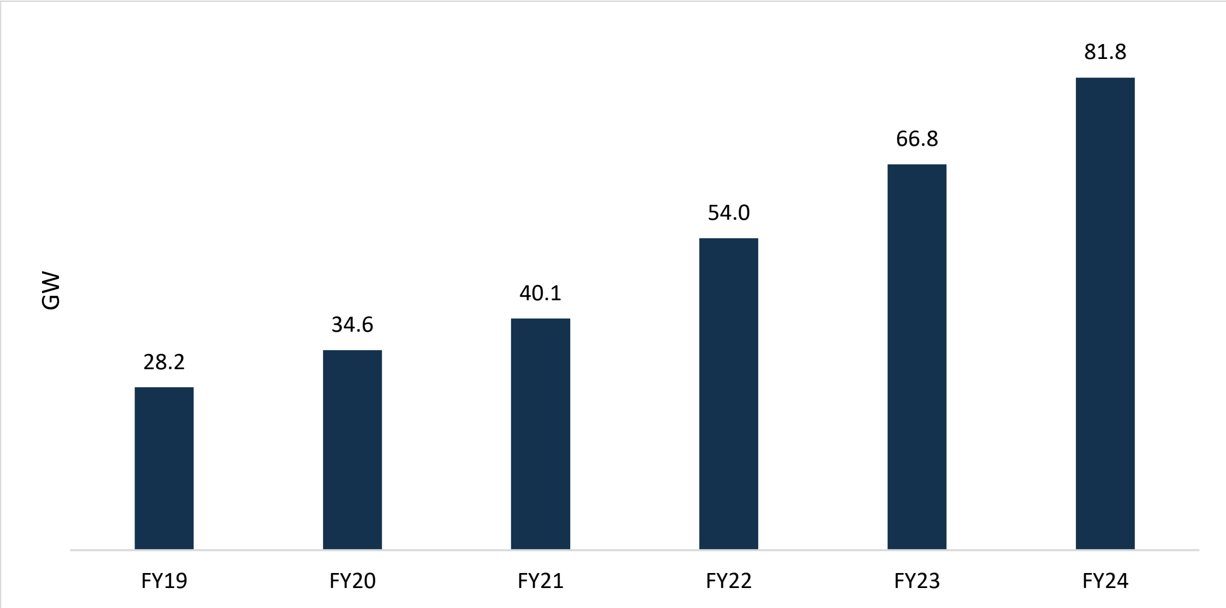
Solar energy is an integral part of India's National Action Plan on Climate Change with the National Solar Mission (NSM) being one of the key solar-focused initiatives. The NSM, an Indian government initiative with strong state participation, aims to encourage environmentally sustainable growth while addressing India's energy security concerns.

India has committed to reducing the emissions intensityof its Gross Domestic Product (GDP) by 45% by 2030, compared to 2005 levels. Additionally, India aims to achieve a non-fossil fuel-based installed power generation capacity of approximately 50% (500 GW) by 2030. These targets were presented at the 26th Conference of the Parties (COP26) to the United Nations Framework Convention on Climate Change (UNFCCC), which took place in Glasgow, United Kingdom, in November 2021.

4.2 Capacity Additions of Solar Energy Sector

Over the previous five years, the solar power industry has experienced robust growth. Over the FY19 through FY24, the category added 53.7 GW of capacity, registering a CAGR of 23.8%, albeit from a low base with its highest additions in FY24, at 15.1 GW installed (vs. 12.8 GW in FY23). This remarkable growth in FY24 was driven by a fall in module prices in second half of 2023, followed by a subsequent decline in cell prices in China, which accelerated installation rates. For FY25, this trajectory is expected to continue fuelled by the completion of delayed projects and sustained lower module prices.

Chart 39: Solar Energy Capacity additions



Source: MNRE, CareEdge Research
Note: This chart refers to cumulative capacity at the end of the respective fiscal years

Despite challenges like supply chain constraints and increased shipping costs, the capacity installations have been high due to rapid technological improvements and a significant decline in module cost. Other growth drivers include heightened competitiveness, accelerated project completions during the COVID-19 period, the Indian government's sustained focus on the sector, and increasing demand from commercial and industrial categories, among other factors. Of the total installed capacity of ~81.8 GW, Rajasthan leads with the highest capacity at 21 GW accounting for an ~26% share, followed by Gujarat at 13 GW and Karnataka at ~9 GW. Other states with significant shares in grid-connected solar power capacity include Tamil Nadu, Maharashtra, Telangana, Andhra Pradesh, Madhya Pradesh, and Uttar Pradesh, which collectively hold ~37% of the total installed capacity, amounting to around 30 GW.

Table 37: State Wise Capacity Addition as of FY24

S. No.	STATES / UTs	Solar Power				
		Ground Mounted (MW)	Roof Top (MW)	Hybrid Solar (MW)	Off-grid Solar (MW)	Total (MW)
1	Andhra Pradesh	4298.52	198.12	0	88.34	4584.98
2	Arunachal Pradesh	1.27	4.34	0	6.18	11.79
3	Assam	105	41.74	0	9.44	156.18
4	Bihar	146.06	71.89	0	21.28	239.23
5	Chhattisgarh	747.96	75.7	0	388.73	1212.39
6	Goa	0.95	41.41	0	1.12	43.48
7	Gujarat	9437.41	3455.9	590.96	60.61	13544.88
8	Haryana	265.8	590.67	0	619.25	1475.72
9	Himachal Pradesh	41.85	19.31	0	34.07	95.23
10	Jammu & Kashmir	2.49	37.66	0	25.29	65.44
11	Jharkhand	21	91.87	0	49.53	162.4
12	Karnataka	7920.47	593.9	0	30.31	8544.68

S. No.	STATES / UTs	Solar Power				
		Ground Mounted	Roof Top	Hybrid Solar	Off-grid Solar	Total
		(MW)	(MW)	(MW)	(MW)	(MW)
13	Kerala	322.79	675.25	0	24.75	1022.79
14	Ladakh	6	1.8	0	0	7.8
15	Madhya Pradesh	3550.33	346.07	0	99.03	3995.43
16	Maharashtra	3848.47	2071.55	0	329.65	6249.67
17	Manipur	0.6	6.36	0	6.08	13.04
18	Meghalaya	0	0.21	0	4.03	4.24
19	Mizoram	22	1.96	0	6.35	30.31
20	Nagaland	0	1	0	2.17	3.17
21	Odisha	419.16	48.22	0	28.25	495.63
22	Punjab	886.27	356.65	0	81.35	1324.27
23	Rajasthan	17554.08	1154.25	1980	659.25	21347.58
24	Sikkim	0	5.12	0	1.92	7.04
25	Tamil Nadu	7546.37	599.16	0	65.85	8211.38
26	Telangana	4360.49	388.96	0	8.71	4758.16
27	Tripura	5	4.78	0	8.68	18.46
28	Uttar Pradesh	2435.46	265.1	0	219.77	2920.33
29	Uttarakhand	298.4	262.71	0	14.42	575.53
30	West Bengal	113.8	67.13	0	13.14	194.07
31	Andaman & Nicobar	25.05	4.59	0	0.27	29.91
32	Chandigarh	6.34	58.37	0	0.81	65.52
33	Dadar & Nagar Haveli/ Daman & Diu	12.64	33.82	0	0	46.47
34	Delhi	9.84	245.21	0	1.46	256.51
35	Lakshadweep	2.45	0	0	2.52	4.97
36	Pondicherry	0.88	48.85	0	0.18	49.91
37	Others	0	0	0	45.01	45.01
	Total (MW)	**64415.2**	**11869.63**	**2570.96**	**2957.81**	**81813.6**

Source: MNRE, CareEdge Research

4.3 Details of projects in Solar energy sector in India

Table 38: Mature projects

Product Type	Project Type	Cost (Rs. Crore)	Industry	Ownership	State	Capacity (MW)	Number of projects
Floating Solar Projects	New Unit	1316	Solar based Power	Both	Madhya Pradesh	188	2
Rooftop Solar Projects	New Unit	230	Solar based Power	Both	Pan India	8530	10
Other Solar Projects	New Unit	55377	Solar based Power	Both	Pan India	9635	103

* *Both: Government and Private Source: CareEdge Research*

Table 39: Nascent Projects

Product Type	Project Type	Cost (Rs. Crore)	Industry	Ownership	State	Capacity (MW)	Number of projects
Floating Solar Projects	New Unit	3000	Solar based Power	Government	Jharkhand	600	1
Other Solar Projects	New Unit, Capacity Expansion	130534	Solar based Power	Both*	Pan India	47153	100

* *Both: Government and Private Source: CareEdge Research*

Table 40: Under Construction projects:

Product Type	Project Type	Cost (Rs. Crore)	Industry	Ownership	State	Capacity (MW)	Number of projects
Floating Solar Projects	New Unit	324	Solar based Power	Government	Pan India	55	2
Rooftop Solar Projects	New Unit	30	Solar based Power	Both*	Pan India	6	2
Other Solar Projects	New Unit, Capacity Expansion	463762	Solar based Power	Both*	Pan India	168944.9	442

* *Both: Government and Private Source: CareEdge Research*

4.4 State wise status of RPO obligations

Under Section 86(1)(e) of the Electricity Act 2003 and the National Tariff Policy 2006, Renewable Purchase Obligation (RPO) is a mechanism that requires obligated entities are obliged to purchase a specified percentage of electricity from renewable energy sources as a share of their total electricity consumption, or alternatively, to buy renewable energy certificates (RECs) from the market. RPOs were earlier categorised as solar and non-solar RPOs. However, under the latest targets, they are now categorized as Wind RPO, Hydro RPO, Distributed RPO, and Others. Obligated entities [which include distribution companies (or DISCOMs), direct access consumers and captive power producers] are required to purchase a minimum share of their electricity from renewable energy sources as per RPO targets.

The state-wise RPO targets for various states from FY18 to FY22 is given as below:

Table 41: State-wise RPO targets from FY18 to FY22

Sr. No.	State	RE Technology	2017-18	2018-19	2019-20	2020-21	2021-22
1.	Andhra Pradesh	Non-Solar	6%	7%	8%	9%	10%
		Solar	3%	4%	5%	6%	7%
		Total	9%	11%	13%	15%	17%
2.	Arunachal Pradesh	Non-Solar	9.5%	10.25%	NA	NA	NA
		Solar	4.75%	6.75%	NA	NA	NA
		Total	14.3%	17%	0%	0%	0%
3.	Assam	Non-Solar	5%	6%	7%	8%	9%
		Solar	4%	5%	6%	7%	8%
		Total	9%	11%	13%	15%	17%
4.	Bihar	Non-Solar	5.5%	6%	6.75%	7.5%	9%
		Solar	2.25%	3.25%	4.75%	6.75%	8%
		Total	7.75%	9.25%	11.5%	14.25%	17%
5.	Chhattisgarh	Non-Solar	7%	7.5%	8%	8.5%	NA
		Solar	2%	3.5%	5%	6.5%	NA
		Total	9%	11%	13%	15%	NA
6.	Delhi	Non-Solar	9.5%	10.25%	11%	NA	NA
		Solar	4.75%	6.75%	8.75%	NA	NA
		Total	14.25%	17%	19.75%	NA	NA
7.	JERC (Goa & UT)	Non-Solar	4.2%	5.4%	6.8%	8%	9%
		Solar	2.5%	3.6%	4.7%	6.1%	8%
		Total	6.7%	9%	11.5%	14.1%	17%
8.	Gujarat	Non-Solar	8.25%	8.45%	8.8%	8.9%	9%
		Solar	1.75%	4.25%	5.5%	6.75%	8%
		Total	10%	12.7%	14.3%	15.65%	17%
9.	Himachal Pradesh	Non-Solar	9.5%	10.25%	10.25%	10.25%	10.5%
		Solar	4.75%	6.75%	7.25%	8.75%	10.5%
		Total	14.25%	17%	18%	19%	21%
10.	Jammu and Kashmir	Non-Solar	7.25%	8%	8.75%	9.5%	9.5%
		Solar	1.25%	1.5%	1.75%	2%	3%
		Total	8.5%	9.5%	10.5%	11.5%	12.5%
11.	Jharkhand	Non-Solar	4%	4.5%	5%	NA	NA
		Solar	3.75%	5.5%	6.55%	NA	NA
		Total	7.75%	10%	11.55%	NA	NA
12.	Karnataka	Non-Solar	NA	NA	NA	NA	NA
		Solar	NA	NA	NA	NA	NA
		Total	NA	NA	NA	NA	NA
13.	Kerala	Non-Solar	6%	7%	5.75%	6.05%	6.35%
		Solar	1.5%	2.75%	0.25%	0.25%	0.25%
		Total	7.5%	9.75%	6%	6.3%	6.6%
14.	Madhya Pradesh	Non-Solar	7%	7.5%	8%	8.5%	9%
		Solar	1.5%	1.75%	4%	6%	8%
		Total	8.5%	9.25%	12%	14.5%	17%
15.	Maharashtra	Non-Solar	10.5%	11%	11.5%	NA	NA
		Solar	2%	2.75%	3.5%	NA	NA
		Total	12.5%	13.75%	15%	NA	NA
16.	Manipur	Non-Solar	2%	2.5%	3%	3%	3%
		Solar	5.5%	8%	9%	10%	10.5%
		Total	10%	12.7%	14.3%	15.65%	17%
17.	Mizoram	Non-Solar	NA	NA	NA	NA	NA

Sr. No.	State	RE Technology	2017-18	2018-19	2019-20	2020-21	2021-22
		Solar	NA	NA	NA	NA	NA
		Total	NA	NA	NA	NA	NA
18.	Meghalaya	Non-Solar	2.07%	3.25%	4%	4.75%	NA
		Solar	0.43%	0.75%	1%	1.25%	NA
		Total	2.5%	4%	5%	6%	NA
19.	Nagaland	Non-Solar	NA	NA	NA	NA	NA
		Solar	NA	NA	NA	NA	NA
		Total	NA	NA	NA	NA	NA
20.	Orissa	Non-Solar	4.5%	5%	5.5%	NA	NA
		Solar	3%	4.5%	5.5%	NA	NA
		Total	7.5%	9.5%	11%	NA	NA
21.	Punjab	Non-Solar	4.2%	4.3%	5.5%	6.5%	8%
		Solar	1.8%	2.2%	4%	5%	6.5%
		Total	6%	6.5%	9.5%	11.5%	14.5%
22.	Rajasthan	Wind	8.2%	8.75%	8.75%	8.75%	8.9%
		Bioenergy	1.3%	1.5%	1.5%	1.5%	1.6%
		Non-Solar	9.5%	10.25%	10.25%	10.25%	10.5%
		Solar	4.75%	6.75%	7.25%	8.75%	10.5%
		Total	14.25%	17%	17.5%	19%	21%
23.	Tamil Nadu	Non-Solar	9%	NA	NA	NA	NA
		Solar	5%	NA	NA	NA	NA
		Total	14%	NA	NA	NA	NA
24.	Tripura	Non-Solar	11.5%	12.25%	13%	NA	NA
		Solar	1.5%	1.75%	2%	NA	NA
		Total	13%	14%	15%	NA	NA
25.	Uttarakhand	Non-Solar	9.5%	10.25%	11%	11.75%	12.5%
		Solar	4.75%	6.75%	7%	7.5%	8%
		Total	14.25%	17%	18%	19.25%	20.5%
26.	Uttar Pradesh	Non-Solar	NA	NA	NA	NA	NA
		Solar	NA	NA	NA	NA	NA
		Total	NA	NA	NA	NA	NA
27.	West Bengal	Non-Solar	7.4%	NA	NA	NA	NA
		Solar	0.6%	NA	NA	NA	NA
		Total	8%	NA	NA	NA	NA
28.	Sikkim	Non-Solar	9.5%	10.25%	NA	NA	NA
		Solar	4.75%	6.75%	NA	NA	NA
		Total	14.25%	17%	NA	NA	NA

Source: MNRE, CareEdge Research

The actual RPO compliance of various states for the year 2019-20 is given below:

Table 42: State/ UT wise RPO Compliance (2019-20)

States/UTs	Energy Supplied excl. Hydro (MU)	Solar Obligation (MU)	Non-Solar Obligation (MU)	Total RE Obligation (MU)	Solar Consumption (MU)	Non-Solar Consumption (MU)	Total RE Consumption (MU)	RPO Compliance (%)	Bracket of RPO compliance
Karnataka	59,537	4,316	6,102	10,419	11,948	14,103	26,052	250%	>100%
Andhra Pradesh	62,143	4,505	6,369	10,875	5,974	7,486	13,460	123.8%	
Rajasthan	77,139	5,592	7,907	13,499	7,572	6,500	14,072	104.2%	
Tamil Nadu	103,617	7,512	10,621	18,133	4,769	13,559	18,328	101.1%	
Gujarat	112,504	8,156	11,531	19,688	3,771	14,134	17,906	90.9%	55% - 100%
Mizoram	488	35	50	85.5	20	49	69	81.2%	
Nagaland	565	41	57	98.9	0	76	76	76.7%	
Madhya Pradesh	68,552	4,970	7,026	11,996	4,213	4,988	9,202	76.7%	
Telangana	65,150	4,723	6,677	11,401	6,325	513	6,838	60%	
Dadar & Nagar Haveli	6,528	473	669	1,142	116	561	677	59.3%	
Maharashtra	148,395	10,758	15,210	25,969	3,184	11,791	14,976	57.7%	
Jharkhand	7,941	575	814	1,389	290	453	743	53.5%	<55%
Punjab	45,742	3,316	4,688	8,005	1,358	2,151	3,509	43.8%	
Meghalaya	961	69	98	168	3	68	71	42.6%	
Delhi	30,045	2,178	3,079	5,258	868	1,209	2,077	39.5%	
Assam	7,825	567	802	1,369	206	285	491	35.9%	
Uttar Pradesh	112,873	8,183	11,569	19,752	2,496	4,470	6,967	35.3%	
Andaman & Nicobar	323	23	33	56	11	5	17	30.6%	
West Bengal	48,032	3,482	4,923	8,405	72	2,128	2,200	26.2%	

States/UTs	Energy Supplied excl. Hydro (MU)	Solar Obligation (MU)	Non-Solar Obligation (MU)	Total RE Obligation (MU)	Solar Consumption (MU)	Non-Solar Consumption (MU)	Total RE Consumption (MU)	RPO Compliance (%)	Bracket of RPO compliance
Puducherry	2,846	206	291	498	4	122	127	25.5%	
Kerala	19,056	1,381	1,953	3,334	157	677	835	25%	
Odisha	22,916	1,661	2,349	4,010	434	683	1,118	27.9%	
Chhattisgarh	29,786	2,159	3,053	5,212	340	720	1,061	20.4%	
Daman & Diu	2,574	186	264	450	23	49	72.	16.1%	
Bihar	29,792	2,160	3,053	5,213	516	266	783	15%	
Goa	4,350	315	446	761	1	103	104	13.6%	
Haryana	50,189	3,638	5,144	8,783	207	902	1,109	12.6%	
Tripura	1,300	94	133	227	2	25	27	12.2%	
Chandigarh	845	61	86	147	12	0	12	8.1%	
Lakshadweep	46	3	4	8	1	0	1	8.1%	
Manipur	646	47	66	113	2	1	4	3.7%	

Source: Report by Standing Committee (2020-21), MNRE

RE-rich states such as Karnataka, Andhra Pradesh, Rajasthan and Tamil Nadu achieved RPO compliance exceeding 100%, thereby fulfilling their targets. In contrast, other states with lower RE potential were unable to meet their RPO targets. The majority of states fall within a compliance rate of less than 55%, indicating an overall shortfall in meeting RPO requirements**.** A joint committee, co-chaired by the Secretary, Ministry of Power and Secretary, Ministry of New and Renewable Energy was established on 17th December 2020. Based on its recommendations, the Ministry of Power has outlined the RPO trajectory beyond FY22. The targets aim for an RPO of 43.33% by FY30.

4.5 Overview of Solar Parks and Upcoming Projects

Solar Parks are large areas of land developed with the necessary infrastructure and clearances for setting up solar projects. Generally, the capacity of solar parks is 500 MW and above; however, due to a shortage of non-agricultural land, smaller parks with capacities up to 20 MW are also considered in some states and union territories. Approximately 4 to 5 acres of land are required for setting up a solar park. **Schemes for Development of Solar Parks**

The scheme for Development of Solar parks and Ultra-mega Solar Power Projects was launched in December 2014 initially targeting a capacity of 20,000 MW. This target was later increased to 40,000 MW in March 2017, with the goal of establishing at least 50 solar parks. The scheme has a timeline of extending up to31st March 2026. The Solar Energy Corporation of India (SECI) and the Indian Renewable Energy Development Agency (IREDA) are responsible for implementing the scheme and managing funds on behalf of the Government of India.

Under this scheme, central financial assistance (CFA) of up to Rs. 25 lakh per solar park is provided for the preparation of a detailed project report (DPR). In addition, CFA of Rs. 20 lakh per MW or 30% of the project cost, whichever is lower, is provided upon achieving the milestones prescribed in the scheme. The total grant approved under the scheme is Rs. 8,100 crore.

Model of Solar Park Operations

Solar parks are developed in collaboration with the state governments, their agencies, Central Public Sector Undertakings (CPSUs) and private entrepreneurs. The implementing agency known as Solar Power Park Developer (SPPD) is selected through one of the eight available modes under the scheme. The modes for SPPD selection and eligibility for CFA are outlined below:

Table 43: Different Modes under which solar power parks are developed

Mode	Brief Description	CFA Pattern
Mode-1	The State designated nodal agency or a State Government Public Sector Undertaking (PSU) or a Special Purpose Vehicle (SPV) of the State Government.	Rs. 12 lakh/MW or 30% of the project cost, whichever is lower, to SPPD for development of internal infrastructure, And Rs. 8 lakh/MW or 30% of the project cost, whichever is lower, to the CTU/STU for creation of external transmission infrastructure
Mode-2	A Joint Venture Company of State designated nodal, agency and Solar Energy Corporation of India Ltd (SECI).	
Mode-3	The State designates SECI as the nodal agency	
Mode-4	(i) Private entrepreneurs with/without equity participation from the State Government	
Mode-5	Central Public Sector Undertakings (CPSUs) like SECI,	

Mode	Brief Description	CFA Pattern
	NTPC etc.	
Mode-6	Private entrepreneurs without any Central Financial Assistance from MNRE	No CFA
Mode-7	SECI will function as the Solar Power Park Developer (SPPD) for Renewable Energy Parks	Rs. 20 lakh/MW or 30% of the project cost, whichever is lower or external transmission infrastructure only
Mode-8	CPSU/ state PSU/ Government organisation/ their subsidiaries or the JV of above entities can act as SPPD.	Rs. 20 lakh/MW or 30% of the project cost, whichever is lower, for internal infrastructure

Source: Ministry Websites, CareEdge Research

Approved and Established Solar Parks

In all, 59 solar parks with an aggregate capacity of 40,000 MW across 13 states have been approved based on proposals received from these states. These solar parks are at various stages of development. The list of approved solar parks as of FY24 is provided below.

Table 44: List of approved solar parks as of FY24

S. No.	States	Solar Park	Approved Capacity (MW)
1	Andhra Pradesh	Ananthapuramu-I Solar Park	1,400
2		Kurnool Solar Park	1,000
3		Kadapa Solar Park	1,000
4		Ananthapuramu-II Solar Park	500
5		Ramagiri Solar Park	300
6	Chhattisgarh	Rajnandgaon Solar Park	100
7	Gujarat	Radhnesada Solar Park	700
8		Dholera Solar Park	1,000
9		NTPC RE Park	4,750
10		GSECL RE Park	3,325
11		GIPCL RE Park Ph-I	600
12		GIPCL RE Park Ph-II	1,200
13		GIPCL RE Park Ph-III	575
14	Himachal Pradesh	Pekhubela Solar Park	53
16	Jharkhand	SECI Floating Solar Park	100
21		DVC Floating Solar Park Ph-I	755
22		DVC Floating Solar Park Ph-II	234
23	Karnataka	Pavagada Solar Park	2,000
24		Kalaburgi Solar Park	500
25	Kerala	Kasaragod Solar Park	105
26		Floating Solar Park	50
		Kasaragod Solar Park Phase – II	100
27	Madhya Pradesh	Rewa Solar Park	750
28		Mandsaur Solar Park	250
29		Neemuch Solar Park	500
30		Agar Solar Park	550
31		Shajapur Solar Park	450
32		Omkareswar Floating Solar Park	600
33		Chhattarpur Solar Park	450
34		Morena Solar Park	600
35		Barethi Solar Park	630
36	Maharashtra	Sai Guru Solar Park	500
37		Dondaicha Solar Park	250
		Patoda Solar Park	250
38	Mizoram	Vankal Solar Park	20
39	Odisha	Solar Park in Odisha	40
40		Floating Solar Park Ph-I	100
41		Floating Solar Park Ph-II	200
42	Rajasthan	Bhadla-II Solar Park	680
43		Bhadla-III Solar Park	1,000
44		Bhadla-IV Solar Park	500
45		Phalodi-Pokaran Solar Park	750

S. No.	States	Solar Park	Approved Capacity (MW)
46		Fatehgarh Phase-1B Solar Park	421
47		Nokh Solar Park	925
48		Pugal Solar Park Ph-I	1,000
49		Pugal Solar Park Ph-II	1,000
50		RVUN Solar Park	2,000
		Badona Solar Park	1,292
51	Uttar Pradesh	Solar Park in UP	365
52		Jalaun Solar Park	1,200
53		Mirzapur Solar Park	100
54		Kalpi Solar Park	65
55		Lalitpur Solar Park	600
56		Jhansi Solar Park	600
57		Chitrakoot Solar Park	800
58		Kanpur Dehat Solar Park	35
59		Kanpur Nagar Solar Park	75
		Total	**40,000**

Source: MNRE Annual Report 2023-24, CareEdge Research

Outlook

The Development of Solar Parks and Ultra-Mega Solar Power Projects scheme provides a conducive environment for solar power developers by addressing issues such as land acquisition, clearances, permissions, and other regulatory approvals, along with the availability of transmission and other essential infrastructure. The scheme has made progress in the past few years, with nearly 25% of the targeted capacity being commissioned and another 10% under development. The scheme aims to achieve an installed capacity of 40,000 MW by FY26, with the target capacity approved based on the proposals received by FY24.

4.6 Trends in Solar Tariffs

Solar tariffs have been volatile in nature. From FY18 to FY20, solar tariffs in India consistently stood at ₹2.4 per kilowatt-hour, driven by competitive bidding and declining costs of solar technology.

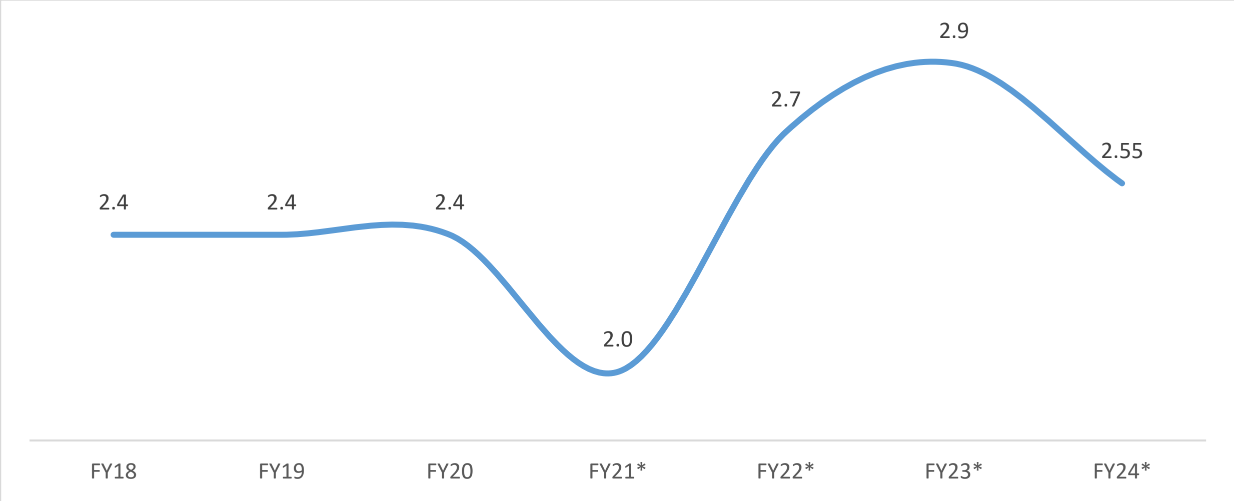
In FY21, tariffs dropped to a historic low of ₹2.0 per kWh due to aggressive bidding by developers and falling global module prices. However, in FY22, prices rebounded to ₹2.7 per kWh, influenced by supply chain disruptions from the COVID-19 pandemic, increased costs of solar components, and safeguard duties on imports.

FY23 saw further an increase to ₹2.9 per kWh, largely because of the introduction of a Basic Customs Duty (BCD) on solar modules, which raised project costs amidst higher raw material prices. Despite these challenges, India's solar market remained appealing to investors.

In FY24, tariffs slightly declined to an average of ₹2.55 per kWh, reflecting supply chain stabilization and improvements in domestic manufacturing, though they remained above historic lows due to ongoing input cost pressures and import duties.

A significant portion of the generation capacity remains sustained after the expiration of the tariff contract period.

Chart 40: Trend in Solar Tariff (Rs. /kWh)



* *Tariff represents average of bids during the respective periods*
Source: MNRE Annual Report, CareEdge Research

4.7 Operating Business Models for Solar PV Systems

Name	Customer Type	Description	Key Features
EPC (Engineering, Procurement, and Construction) Mode	Commercial, industrial, and utility-scale solar projects	In the EPC model, a **third-party contractor** is responsible for the entire **design, procurement**, and **construction** of the solar PV system. The EPC contractor handles all aspects of the project, from site assessment and system design to procurement of solar modules, inverters, and other materials, and the physical installation and commissioning of the system.	• The EPC contractor takes full responsibility for the engineering, procurement of components, and construction of the project. • The customer (or developer) typically provides financing, and the EPC contractor is responsible for delivering the system on time, within budget, and meeting performance specifications. • The contractor may also provide operation and maintenance (O&M) services post-installation.
EPCM (Engineering, Procurement, and Construction Management)	Large-scale solar developers, commercial, and utility sectors.	This model is similar to EPC but with a slight variation in responsibility. The EPCM contractor manages the procurement and construction processes on behalf of the project owner but may not necessarily undertake the actual construction work. Instead, the owner hires subcontractors for the physical construction, and the EPCM contractor coordinates all the activities.	• The project owner retains more responsibility for procurement and construction but is assisted in managing the project. • The EPCM contractor provides management, coordination, and supervision services, ensuring everything adheres to the project schedule and quality standards.
Turnkey Solution Model	Commercial, industrial, and utility customers	A Turnkey Solution in the solar industry refers to a model where a single company is responsible for delivering a fully functional solar PV system, ready for immediate use. The contractor (often an EPC contractor) designs, builds, and installs the system, handing over a fully operational solution at the end of the project, requiring no additional work from the customer.	• The contractor delivers the system as a complete package – from design and engineering to installation and commissioning. • The system is pre-tested and designed to be ready for operation immediately upon handover.
Power Purchase Agreement (PPA)	Large-scale commercial, industrial, and utility customers.	A PPA involves a third-party developer who finances, installs, and maintains a solar PV system. The customer agrees to buy the generated electricity at a pre-agreed rate for a set period (typically 10-25 years). The PPA model can be	• No upfront investment for the customer; the third party handles installation, financing, and maintenance. • The customer buys the electricity

Name	Customer Type	Description	Key Features
		combined with EPC for complete project execution and long-term operation.	generated at a fixed or escalated rate.
Net Metering & Feed-In Tariffs (FiT)	Residential, commercial, and industrial customers	This model is based on a regulatory framework where customers with their own solar PV systems are allowed to sell the excess power generated back to the grid (net metering). In some regions, feed-in tariffs (FiT) are used to encourage **renewable energy adoption**, where customers receive fixed payments for the energy sold to the grid.	• Customers own the system but benefit from the financial compensation for the electricity fed back into the grid. • Net metering allows for electricity bill reduction by offsetting consumption with self-generated power.

- **CAPEX Model**

The CAPEX (capital expenditure) model is the most typical business model for rooftop solar development. The roof owner is the owner of the rooftop solar system in this model, and he or she is responsible for the entire project's capital expenditure. These expenses include funds used to set up, maintain, and operate the project. The roof owner benefits from tariff savings as well.

The capex model has been losing ground in recent years since it is unviable for residential users and small businesses, who are typically cash-strapped and unable to afford the high upfront expenses. Furthermore, many businesses are unable to obtain bank financing.

- **OPEX MODEL**

In the OPEX Model (operating expenses model) the developer owns the solar project and the consumer has to pay for only the energy generated. There are 2 models under OPEX, namely RESCO and SPAAS. The major benefit of OPEX model is that opting for solar without large upfront investment since OPEX prefers medium to large sixed projects.

RESCO-Alternatives to the capex model include the renewable energy service company (RESCO). The developer is responsible for the project's capital expenditures under this arrangement. The developer is also in charge of the rooftop solar system's installation, operation, and maintenance. In exchange for providing the developer access to his rooftop, the developer and the roof owner engage into an agreement in which the roof owner may either use the electricity generated or earn suitable monthly rent from the developer for the life of the project.

SPAAS- Solar-power-as-a-service (SPAAS) is a new business model for commercial and industrial solar customers. SPAAS is a monthly payment solar subscription service that makes solar electricity more viable for businesses and organizations.

4.8 Government schemes and projects

- **Jawaharlal Nehru National Solar Mission**

The Jawaharlal Nehru National Solar Mission (JNNSM) is one of the primary missions under India's National Action Plan on Climate Change. JNNSM is a major initiative by the Indian government to encourage environmentally sustainable growth while addressing India's energy security issues. To achieve this goal, the Indian Government has implemented a number of policies, including the Solar Park Scheme, Pradhan Mantri Kisan Urja Suraksha evam Utthan Mahabhian (PM KUSUM), Central Public Sector Undertaking (CPSU), Grid Connected Solar Rooftop Schemes, Domestic modules production, REC, RPO, waiver of ISTS charges, etc.

- **International Solar Alliance**

The International Solar Alliance (ISA) is a treaty-based inter-governmental organization working to create a global market system to tap the benefits of solar power and create clean energy applications. The aim of ISA is to pave the way for future solar generation, storage and technologies for the member countries by mobilizing over USD 1000 billion by 2030. The achievement of ISA’s objective will help the member countries fulfil the Nationally Determined Contributions (NSC) commitments.

- **Pradhan Mantri Kisan Urja Suraksha Evam Utthan Mahabhiyan (PM KUSUM):**

  The PM-KUSUM programme is to supply renewable energy to over 3.5 million farmers by solarizing their agriculture pumps. The PM-KUSUM programme intends to build grid-connected ground-mounted solar power plants (up to 2 MW) totalling 10 GW under Component A, and 2 million freestanding solar pumps under Component B, and solarize 1.5 million grid-connected agricultural pumps under Component C. All components combined would support installation of additional solar capacity of 30.80 GW.

  As of September 2024, 298.83 MW capacity solar power plants were installed under the scheme's Component-A, about 4,99,319 stand-alone solar pumps were installed under Component-B and 4,759 pumps were reported solarised under individual pump solarisation variant of Component-C.

- **Roof Top Solar (RTS) Programme:**

  Rooftop solar power (RTS) is a rooftop solar system that generates electricity for Kenyan households and public buildings. Rooftop Phase I of this initiative began on December 30, 2015, with incentives and subsidies offered for the residential, institutional, and social sectors. Achievement-based incentives were also offered for the government sector. Rooftop Phase II began in February 2019 with the goal of reaching a total capacity of 40,000 MW by 2022. RTS has built approximately 3.7 GW of capacity so far, with another 2.6 GW under construction in the residential market. Central Financial Assistance is given at 40% for RTS systems up to 3 kW capacity and 20% for systems with capacities more than 3 kW.

  Phase II of the Rooftop Solar Programme timelines have been extended up to 31.03.2026. As on March 2024, capacity installed under Phase-II stands at 3.045 GW.

- **PM-Surya Ghar: Muft Bijli Yojana**

  The Government launched the scheme PM-Surya Ghar: Muft Bijli Yojana in February, 2024 with a total outlay of Rs. 750.21 Bn. This scheme aims to install rooftop solar and provide up to 300 units of free electricity every month for one crore households.

  The scheme includes:

  Central Financial Assistance (CFA) for Residential Rooftop Solar

  - The scheme offers a CFA of 60% of the system cost for 2 kW systems and 40% of the additional system cost for systems between 2 to 3 kW capacity. The CFA is capped at 3 kW. At current benchmark prices, this translates to a Rs 30,000 subsidy for a 1 kW system, Rs 60,000 for 2 kW systems, and Rs 78,000 for 3 kW systems or higher.

  - Households can apply for the subsidy through the National Portal and select a suitable vendor for installing rooftop solar. The National Portal will provide relevant information such as appropriate system sizes, a benefits calculator, vendor ratings, etc., to assist households in their decision-making process.

  - Households can access collateral-free low-interest loan products at around 7% for installing residential RTS systems up to 3 kW.

- **Solar Cities:**

  Under this scheme, at least one city in each state of India is being developed as a solar city. In these cities, all electricity needs will be met through renewable energy (RE) sources, primarily solar energy. All houses will be equipped with rooftop solar energy systems, along with solar street lights and waste-to-energy plants.The aim of the programme is to enable and empower urban local governments to address energy challenges at the city level and provide a framework and support for preparing a master plan. This includes an assessment of the current energy situation, future demand, and action plans.

  There is no separate fund allocation for solar city programme; instead, the funds available under various existing schemes can be utilized for the development of solar cities. So far, 27 states/UTs have identified solar cities in their respective regions.

- **Public Sector Undertaking (CPSU) Scheme:**

  The Cabinet Committee on Economic Affairs ("CCEA") has approved the MNRE's proposal for the implementation of the CPSU Scheme Phase-II for setting up 12,000 MW grid-connected solar PV power projects with VGF support of Rs. 858 million for self-use or use by government or government entities, of both central and state governments. The scheme mandates the use of both solar PV cells and modules manufactured domestically as per specifications and testing requirements fixed by the MNRE.

Under this scheme, around 8.2 GW of projects have been awarded, as of 31.03.2024. Out of which, around 1.66 GW has been commissioned as of 31.03.2024 and the remaining is under implementation.

4.9 Market opportunities in the sector

Rising Demand for Decentralized Solar Solutions

- Decentralized solar systems, particularly rooftop installations, are becoming increasingly popular as households, commercial buildings, and industries prioritize energy self-sufficiency.
- This decentralized approach allows consumers to generate and consume electricity locally, reducing grid dependency and transmission losses, making it a vital growth driver for the solar industry in India. Government subsidies and incentives for rooftop solar under initiatives like the Grid-Connected Rooftop Solar Program are fueling this growth.
- Companies such as JSW Energy and Adani Power are capitalizing on this trend by expanding their portfolios to include residential and industrial solar installations

Corporate Renewable Power Purchase Agreements (PPAs)

- Corporate PPAs have emerged as a significant growth driver for the solar energy market
- With industries under pressure to meet sustainability targets and reduce carbon emissions, companies are increasingly entering into long-term PPAs with solar energy producers
- Organizations like Torrent Power and Reliance Power are seeing robust demand from corporations across sectors like IT, manufacturing, and FMCG
- These PPAs allow companies to hedge against fluctuating energy costs, reduce their carbon footprint, and meet their environmental, social, and governance (ESG) goals
- Moreover, the rising demand for green energy solutions from businesses positions solar PPAs as a lucrative market opportunity

Electric Vehicle (EV) Integration

- With the expansion of India's electric vehicle (EV) ecosystem, solar energy is becoming integral to powering EV charging infrastructure
- As EV adoption accelerates, solar powered charging stations offer a sustainable, costeffective solution to meet the increasing demand for clean energy in transportation
- Tata Power and JSW Energy are leading the charge by establishing solar-based EV charging networks in urban centers. This integration of solar energy with the EV market offers dual benefits — lowering EV operational costs and promoting green energy
- The synergy between EVs and solar energy is expected to accelerate solar adoption in both residential and commercial spaces

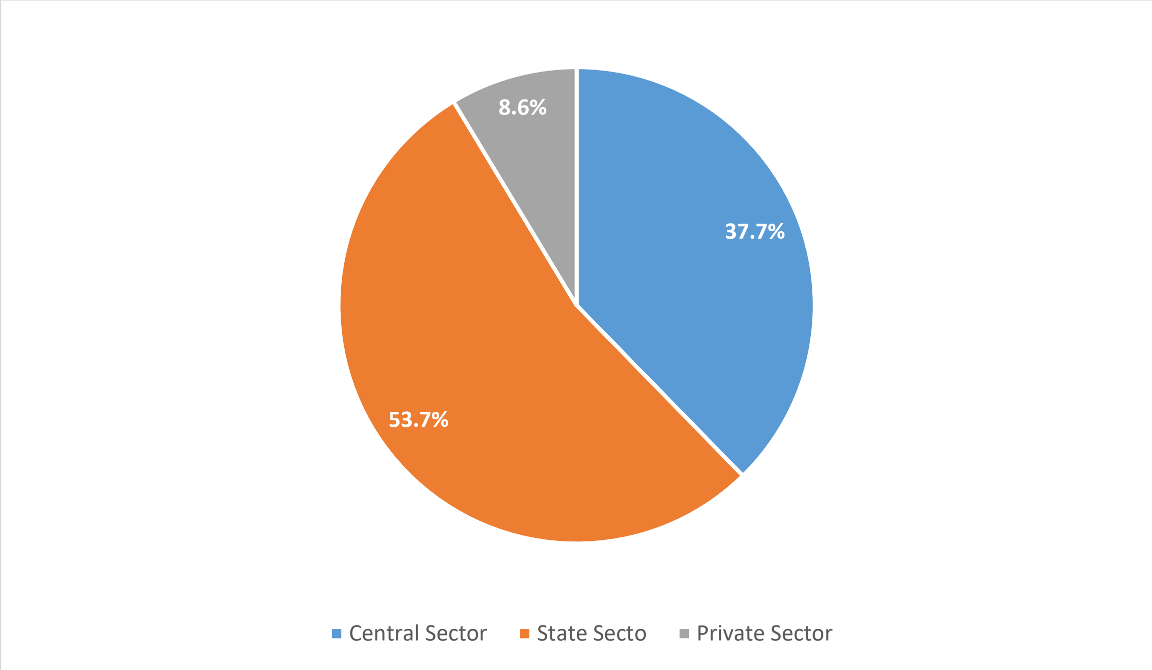
Declining costs of solar energy	Rising adoption of floating solar power plants	Development of smart cities
•Solar capacity in India has increased from 28.2 GW in 2019 to more than 50 GW by 2024. Solar power is becoming more cost-competitive with fossil fuels, strengthening investor confidence and assisting India's shift to sustainable energy while improving energy security and lowering carbon emissions •As India is a potential market for solar power, it could import solar panels from China at significantly low prices, which would spur the demand for solar power among renewables and increase the sales of solar power systems in India. Therefore, the declining costs of solar energy will drive the growth of the solar power market in India during the forecast period	•A floating solar power plant is one of the technologies that is at a nascent stage across the globe. Floating solar power plants provide the regions that have limited space on land to capture solar energy on water •They can be installed in human-made or natural water bodies such as dam reservoirs, lakes, municipality water storage ponds, and water treatment plants •One of the major reasons for the rising acceptance of floating solar power plants globally is that they are not reliant on large areas of land for constructing the power plant. The other benefits of floating solar power plants include longer module life and higher efficiency of solar panels due to the cooling effect •India is one of the rapidly growing markets for renewable energy across the world. Such factors will significantly drive the growth of the market in focus during the forecast period	•A reliable power supply is essential to create multiple ICT and Internet of Things (IoT) solutions that help in optimizing and managing the infrastructure in smart cities •Integration of renewable energy sources such assolar power with energy storage will enable a reliable power supply to the buildings •Integration of solar power is quickly becoming an essential component of smart city planning •Hence, such initiatives will increase the sales of solar PV systems, which will thus drive the growth of the solar power market in India during the forecast period

5. Electricity Transmission and Distribution Sector in India

5.1 Structure of Electricity Transmission Sector in India

Power transmission is a crucial link in the power sector value chain. It facilitates the evacuation of power from generating units across the country to various distribution entities, which, in turn, supply power to end consumers. The power transmission system typically includes transmission lines, substations, switching stations, transformers, and distribution lines. India follows a three-tier structure for power transmission and distribution, comprising state grids (owned and maintained by state transmission and distribution companies), and inter-state and inter-regional grids, primarily operated by the Power Grid Corporation of India Limited (PGCIL). Initially, India had five regional grids—Northern, Southern, Eastern, Western, and North Eastern. Over time, these grids were interconnected, and by December 2013, India achieved the status of "One Nation-One Grid-One Frequency". A robust power transmission infrastructure is essential, especially with the increasing renewable energy capacity in the country (which is intermittent and requires significant inter-state/region power transfer), the deepening of the short-term power market, and growing cross-border power exchange. Transmission capacity has steadily increased over the years, with the length of transmission lines rising from 275,530 circuit kilometres (ckm) as of August 31, 2012, to 488,852 ckm as of September 2024. The transformation capacity stood at 1,276,770 Mega Volt Ampere (MVA) as of September 2024.

Chart 41: Sector-Wise Growth of Transmission Lines (in ckm)



Source: Central Electricity Authority, CareEdge Research

The Government of India has been promoting private sector participation in power transmission space with a view to rapidly enhance the power transmission capacity. Most of the projects are awarded through tariff-based competitive bidding (TBCB) route, with the exception only made for implementation of certain strategic and high technology projects awarded to PGCIL on nomination basis

The billing, collection and disbursement function for inter-state transmission licensee under Point of Connection (POC) mechanism is being undertaken by Central Transmission Utility of India Limited (CTUIL), a 100% subsidiary of PGCIL

Regulatory Bodies

- **The Central Electricity Regulatory Commission (CERC):**
    - CERC is a statutory body established by the Government of India under the Electricity Regulatory Commissions Act, 1998. It operates under the Ministry of Power, Government of India, and its primary role is to regulate the electricity sector at the national level, ensure the efficient operation of the power sector, and protect the interests of consumers, generating companies, and other stakeholders
    - The Commission regulates the functioning of power exchanges (such as IEX and PXIL) and oversees trading in electricity, thereby contributing to the development of competitive electricity markets
    - The Commission works to promote competition within the electricity industry by reducing monopolistic practices and encouraging new market players in generation, transmission, and distribution sectors
- **State Electricity Regulatory Commissions (SERCs):**
    - SERC are independent statutory bodies established by state governments in India to regulate the electricity sector at the state level. They are a crucial component of the electricity regulatory framework in India, complementing the role of the Central Electricity Regulatory Commission (CERC) at the national level.
    - SERCs are responsible for regulating the generation, transmission, and distribution of electricity within their respective states, ensuring fair practices, protecting consumer interests, and promoting the development of the power sector
    - They play a key role in implementing national policies such as the National Electricity Policy and Tariff Policy, but tailor these policies to the specific needs of their state

- They also implement schemes for rural electrification, energy efficiency, and renewable energy development at the state level, working in coordination with the Central Government and State Governments

- **Central Electricity Authority (CEA):**

  - The Central Electricity Authority (CEA) is the apex technical body in the Indian power sector, responsible for planning, coordinating, and overseeing the development of the electricity industry in India. It operates under the Ministry of Power (MoP) and plays a key role in ensuring the reliable and efficient generation, transmission, and distribution of electricity across the country.

  - The CEA was established in 1951 under the Electricity (Supply) Act, 1948, and continues to function as the primary technical advisor to the government and a central authority for the electricity sector in India. Over time, its role has evolved, and it has been entrusted with additional responsibilities under the Electricity Act, 2003, which serves as the cornerstone of India's power sector reforms.

  - The CEA is responsible for formulating the National Electricity Plan (NEP), the National Tariff Policy, and other national-level guidelines and policies related to the power sector. These policies set the direction for the development and modernization of the electricity sector in India.

Some of the key regulations/acts/policies are:

- **The Electricity Act, 2003**: Foundation of the Sector: The Electricity Act, 2003 is the foundational legislation that revolutionized India's power sector, including transmission. It redefined the power landscape by promoting competition, protecting consumer interests, and improving the efficiency of electricity services. The Act mandated the unbundling of State Electricity Boards (SEBs) into separate entities for generation, transmission, and distribution to improve sectoral transparency and efficiency. It requires transmission licensees to be granted by the Central Electricity Regulatory Commission (CERC) for interstate transmission and by State Electricity Regulatory Commissions (SERCs) for intrastate transmission. A key provision of the Act is "open access," which allows third-party access to the transmission network. This has helped boost competition by enabling independent power producers (IPPs) and others to use the transmission grid to supply electricity directly to consumers. The Act directs the government to formulate a National Electricity Policy (NEP) to promote the optimal utilization of resources and the development of the electricity sector.

- **The National Electricity Policy (NEP), 2005**: The National Electricity Policy (NEP) was framed in accordance with the Electricity Act, 2003, to provide an overarching policy framework for the growth of the power sector. The policy emphasizes the need for a robust transmission system that can handle increasing generation capacities, especially renewable energy sources. NEP advocates the coordinated development of a strong national transmission grid, ensuring that power can be transmitted efficiently across regions to meet demand. The policy seeks to ensure that the transmission network is developed to provide reliable electricity access to all consumers, including those in rural and underserved areas. NEP also encourages the use of advanced technology to improve grid reliability and reduce transmission losses, while promoting private sector investments in the transmission sector.

- **The Tariff Policy, 2016**: The Tariff Policy, 2016 complements the Electricity Act by providing guidelines on how tariffs should be set across the power sector, including transmission. Tariffs for transmission services are set based on performance benchmarks. Transmission companies are incentivized to improve efficiency and reduce losses through better operational practices and modern technologies. Tariff-setting mechanisms are designed to ensure that transmission charges reflect the actual cost of service provision, which includes maintenance, capital recovery, and reasonable returns for investors. The policy also promotes the development of transmission infrastructure to support the integration of renewable energy into the grid, ensuring a seamless transition to a greener energy mix

- **The National Tariff Policy (NTP), 2021 (Draft)**: The National Tariff Policy, 2021, which is still in draft form, builds on earlier policies to address the evolving needs of the sector. It proposes new measures to further strengthen transmission infrastructure, ensure cost-reflective tariffs, and encourage investments. The draft NTP calls for further rationalization of transmission tariffs, including measures to reduce cross-subsidies and ensure greater transparency in tariff setting. It emphasizes efficiency and the use of advanced technologies such as smart grids and digital monitoring tools in transmission networks. The draft policy highlights the need for investments in transmission infrastructure capable of handling intermittent and decentralized renewable energy sources, ensuring their smooth integration into the grid.

- **General Network Access (GNA) Regulations, 2022**: The General Network Access (GNA) regulations were introduced by the Central Electricity Regulatory Commission (CERC) to streamline access to the national transmission grid, enabling efficient and non-discriminatory use of transmission infrastructure. GNA regulations allow power generators and distributors to easily access the transmission network based on their general network access rights, improving the ease of transmission capacity allocation. The GNA framework is aimed at better management of congestion on transmission lines, ensuring that power can be transmitted more smoothly across regions.

- **The National Grid Plan**: The National Grid Plan is a long-term strategy that outlines the development and expansion of India's transmission infrastructure to ensure reliable electricity delivery from generation points to consumption centres across states and regions. It focuses on improving inter-regional transmission capacity to ensure that surplus power from one region can be efficiently transferred to deficit regions. The plan also emphasizes building redundancy in the transmission network to handle contingencies and ensure grid reliability

- **Green Energy Corridors (GEC)**: The Green Energy Corridors (GEC) project was launched by the Indian government to ensure the seamless transmission of renewable energy from generation hubs (such as solar and wind farms) to demand centres. The corridors are aimed at building transmission infrastructure specifically for renewable energy projects, ensuring that renewable energy is efficiently integrated into the national grid. The GEC project is partially funded by international agencies like the World Bank and KfW, ensuring timely execution and financial backing for the transmission of renewable energy.

- **The National Infrastructure Pipeline (NIP)**: The National Infrastructure Pipeline (NIP) is a government initiative that lists large-scale infrastructure projects, including power transmission projects, aimed at improving India's infrastructure over the long term. The NIP outlines significant investments in the transmission sector, focusing on the development of inter-state and intra-state transmission networks to ensure capacity meets the growing electricity demand. The pipeline promotes public-private partnerships (PPP) in the development of transmission projects to harness private capital and expertise.

5.2 Transmission Network in India

The transmission network in India operates at different voltages to cater to diverse needs in the industry. The different voltage levels include Extra High Voltage (EHV), high voltage, medium voltage, and low voltage.

The following table shows the distribution of the voltage lines:

Table 45:Distribution of Voltage Lines

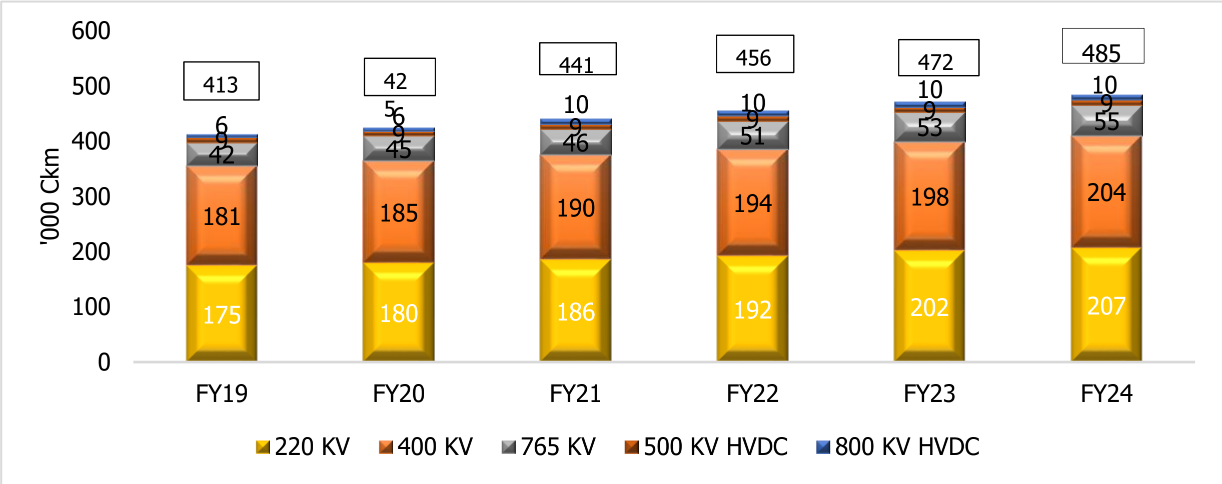
Extra High Voltage	765 kV, 400 kV and 220 kV
High Voltage	132 kV and 66 kV
Medium Voltage	33 kV, 11 kV, 6.6 kV and 3.3 kV
Low Voltage	1.1kV, 220 kV and below

Further, India's power transmission system has expanded at a significant pace driven by growing demand, the government's focus on providing electricity in rural areas, and the need for connecting the generation stations including integration of RE sources from the RE-rich states. In addition, with the implementation of two Central Sector Schemes namely, the North Eastern Regional Power System Improvement Project (NERPSIP) and Comprehensive Scheme of Transmission & Distribution System in Arunachal Pradesh & Sikkim, the transmission and distribution infrastructure of North Eastern states are being strengthened.

5.3 Transmission Line by Voltage

The transmission line network grew at a CAGR of approximately 3% to 4,85,544 CKms as of March 2024 from 4,13,407 ckm as of March 2019. During FY24, 14,203 ckms of transmission lines were added to the total network. The transmission line network stood at 4,87,587 ckm as of July 2024. Whereas the transformation line capacity is at 12,65,700 MVA as of July 2024.

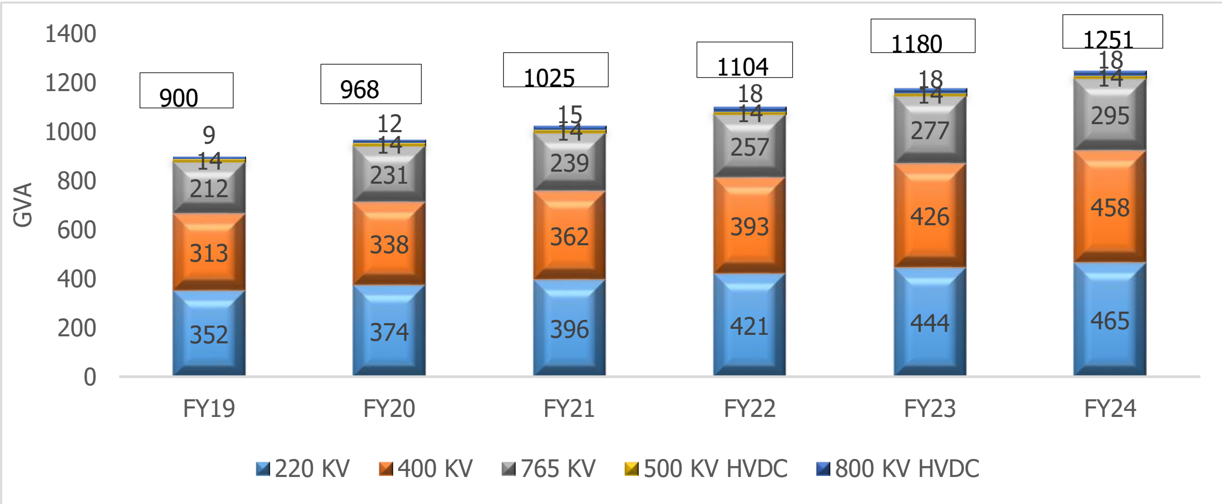
Chart 42:Transmission Line Network (220 kV & Above)



Source: Central Electricity Authority, CareEdge Research

5.4 Transformation Capacity by Voltage

Chart 43: Transformation Capacity (220 kV & Above)



Source: Central Electricity Authority, CareEdge Research

India aims to achieve 500 GW of renewable energy capacity by 2030. As of July 2024, there are 54 transmission projects constructed and 53 projects are under construction. These include various projects of transmission systems associated with renewable projects and conventional projects in Rajasthan, Karnataka, Maharashtra, etc. These projects are being executed mainly by PGCIL along with private players like Sterlite Power Transmission Limited, Adani Transmission Limited, ReNew Transmission Ventures Private Limited, etc.

Furthermore, the substation line network grew at a CAGR of approximately 7% to 1.25 million MVA as of March 2024 from 0.8 million MVA as of March 2019.

5.5 Benefits of Transmission Business in terms of best risk-return profile

The transmission business, particularly in the power and energy sector, often provides one of the best risk-return profiles in the infrastructure space. In India, the benefits of the transmission business align closely with the general global framework but have specific relevance due to the country's unique regulatory, economic, and infrastructural environment.

- **Stable and Predictable Revenue in India**: in India, the power transmission business is regulated under long-term agreements, such as the Tariff-Based Competitive Bidding (TBCB) and Cost-Plus Regulated Return Mechanism by the Central Electricity Regulatory Commission (CERC) and State Electricity Regulatory Commissions (SERCs). These agreements guarantee a steady revenue stream over the duration of the project

- Tariff-based Competitive Bidding (TBCB) is a procurement process used in the power sector in India for selecting developers to build, own, and operate power generation or transmission projects. The key feature of TBCB is that the bidder offering the lowest tariff (price per unit of electricity) wins the contract. This process is designed to promote transparency, competition, and cost-effectiveness in the procurement of electricity, ensuring that consumers receive power at the most affordable rates

- Cost-plus Regulated Return Mechanism is a traditional tariff determination method used by the Central Electricity Regulatory Commission (CERC) and State Electricity Regulatory Commissions (SERCs). Under this mechanism, power companies can recover their costs and earn a fixed return on their capital investments

- The Central Electricity Regulatory Commission (CERC) and the State Electricity Regulatory Commissions (SERCs) are the two key regulatory bodies in India that oversee the electricity sector at the central and state levels, respectively. Both institutions are responsible for regulating the generation, transmission, and distribution of electricity, but they operate at different levels of jurisdiction and have distinct roles and responsibilities

- **Regulated Returns in India**: In India, transmission projects typically provide regulated returns or even higher under certain incentive structures. These returns are pre-approved by the CERC and are adjusted periodically based on inflation and input costs. Indian transmission companies are ensured a fixed rate of return as approved by regulators, safeguarding investments even amidst market uncertainties. Tariffs often include inflation-indexed adjustments, protecting companies from rising costs

- **Low Operating Costs in India**: Once transmission lines and infrastructure are in place, maintenance costs are relatively low. In Infrastructure space, especially power sector, O&M expenses are relatively lower resulting in higher EBITDA margin for companies. Indian transmission companies have benefitted from technological upgrades and reduced operational costs post-infrastructure setup. Indian transmission businesses can maintain high margins as operational costs remain low compared to initial capital expenditure. With initiatives such as smart grid technology, Indian companies are improving the efficiency of the transmission network, further reducing costs

- **Inflation Protection in India**: Regulators, such as CERC, include inflation-linked pricing adjustments in the tariff structure. The Multi-Year Tariff (MYT) framework in India ensures that transmission companies can adjust tariffs periodically to account for inflation and changing costs. With inflation-adjusted tariffs, transmission businesses in India can preserve their profit margins despite rising operational costs. Regular reviews allow companies to pass on increases in costs, such as higher wages or material prices, to consumers

Essential Service Provider Status in India: Electricity is critical to India’s growth, and transmission companies form the backbone of the energy distribution network. As India continues to grow its power generation capacity, transmission is a vital component of ensuring reliable delivery of energy to all parts of the country. Even during downturns, transmission companies face limited risk, as power remains an essential service. The Indian government often steps in to support the transmission sector, such as through schemes like Ujwal DISCOM Assurance Yojana (UDAY) aimed at reforming and revitalizing DISCOMs, which, in turn, supports the transmission category Diversified Risk Profile in India: India’s geographic diversity allows for transmission companies to spread their operational risks across different regions. Companies like Adani Transmission and Sterlite Power operate across multiple states, reducing their exposure to risks like regulatory changes or local disruptions. By operating across states with different regulatory environments and economic conditions, Indian companies are better protected from regional disruptions. The government has promoted inter-state transmission through projects like the Green Energy Corridors, creating opportunities for companies to diversify and expand

5.6 Key drivers for growth in transmission sector

India's transmission sector is poised for significant growth due to a combination of factors, driven by the country's ambitious energy goals, technological advancements, and evolving regulatory frameworks. The following key drivers are propelling the growth of India's transmission sector:

1. Renewable Energy Expansion

- **Rising Renewable Energy Capacity**: India has set an ambitious target to achieve 500 GW of non-fossil fuel-based energy capacity by 2030. With a significant portion of this coming from solar, wind, and hydroelectric power, there is an urgent need for expanded transmission infrastructure to integrate these intermittent and geographically dispersed energy sources into the national grid.

- **Renewable Energy Zones (REZs)**: The government has identified several renewable energy zones (such as in Rajasthan and Gujarat for solar, and Tamil Nadu and Andhra Pradesh for wind) that require dedicated transmission corridors to connect these remote locations to load centres and ensure reliable power delivery.

2. Electricity Demand Growth

- **Rising Power Consumption**: As India's population and urbanization continue to grow, so does the demand for electricity. The shift towards a more electrified economy, including increased household electricity access, industrialization, and the growth of the electric vehicle (EV) market, necessitates expanded transmission capacity.

- **Electrification of Transport**: India's push for electric vehicles, as part of its efforts to reduce carbon emissions, requires new transmission infrastructure to support the charging network. With the rise of electric mobility, particularly in urban areas, electricity demand will increase, further stressing the need for an expanded and modernized transmission grid.

3. Smart Grid and Technological Advancements

- **Smart Grid Initiatives**: The Government of India is actively promoting smart grid development to improve grid efficiency, enhance reliability, and reduce transmission losses. The implementation of advanced technologies such as SCADA (Supervisory Control and Data Acquisition), real-time monitoring, and predictive maintenance will optimize transmission operations and foster more resilient grids.

- **High Voltage Direct Current (HVDC) Technology**: HVDC systems are increasingly being used for long-distance power transmission, especially for connecting regions with large distances between generation plants and consumption centres. This technology helps reduce transmission losses and enhances the capacity of the grid, making it a key enabler of future transmission growth in India.

4. Government Policies and Regulatory Support

- **National Electricity Policy and Tariff Policy**: India's National Electricity Policy (NEP) and Tariff Policy set the roadmap for energy sector development, emphasizing the need for expanding and modernizing transmission infrastructure. These policies provide incentives for building new transmission lines, improving system reliability, and integrating renewable energy sources.

- **National Grid Expansion Plan**: The government has formulated ambitious plans, such as the **National Transmission Grid** to link the regional grids and ensure seamless power flow across the country. The goal is to strengthen the transmission infrastructure and promote the creation of a unified national grid that will provide reliable power across all regions.

- **Power Grid Corporation of India (PGCIL)**: As the principal entity for building and operating the transmission infrastructure, PGCIL has been undertaking several initiatives to develop the transmission network, improve grid connectivity, and facilitate power trading among states.

5. Cross-Border Power Trading and Regional Integration

- **Power Grid Interconnections with Neighbouring Countries**: India is expanding its transmission network to facilitate cross-border electricity trade with neighbouring countries like Nepal, Bhutan, Bangladesh, and Sri Lanka. These interconnections help ensure power availability during peak demand periods and enhance energy security.

- **South Asia Power Pool (SAPP)**: India's efforts to integrate with the broader South Asian electricity market through the South Asia Power Pool will drive the need for additional transmission capacity, enabling the sharing of power across borders and improving grid stability.

The transmission sector in India is undergoing rapid transformation, fuelled by increasing energy demand, renewable energy growth, technological innovation, and strategic policy initiatives. The government's ambitious targets for renewable energy capacity, grid modernization, and cross-border electricity trade, combined with investments in smart grid technologies and private sector participation, are expected to drive continued growth and strengthen the country's transmission infrastructure. These developments will not only ensure energy security but also pave the way for a more sustainable and reliable electricity grid in India.

5.7 Challenges posted by RE on the transmission systems

The integration of renewable energy (RE) sources like wind, solar, and others into power grids presents significant challenges to the transmission systems, which is why governments are increasingly focusing on Hybrid and Flexible Distributed Renewable Energy (FDRE) projects. These challenges and the corresponding solutions in the form of Hybrid and FDRE projects can be summarized as follows:

Grid Stability and Voltage Control

The variable nature of RE sources can cause frequency and voltage instability in the transmission system. Traditional power plants can control these parameters, but RE sources, especially solar and wind, have less ability to do so. This can result in voltage fluctuations, overloading of transmission lines, and even blackouts in extreme cases. Flexible Distributed Renewable Energy (FDRE) projects help address these issues by utilizing advanced grid technologies like smart inverters, energy storage systems, and flexible AC transmission systems (FACTS). These technologies can help stabilize voltage and frequency, improving the overall resilience of the grid

Investment and Infrastructure Costs

Upgrading transmission infrastructure to accommodate large-scale renewable energy projects requires significant investment. Expanding or building new transmission lines to connect remote renewable energy sites with demand centres is expensive and time-consuming. Hybrid and FDRE projects can optimize the use of existing infrastructure by reducing the need for long-distance transmission. With local energy storage and more efficient distribution, the pressure on transmission networks can be eased, reducing the need for extensive upgrades. Additionally, hybrid systems can improve the financial viability of RE projects by maximizing energy output and reducing wastage

Intermittency and Variability

RE sources, particularly wind and solar, are intermittent and variable. They generate power only when weather conditions are favourable, leading to fluctuations in the availability of electricity. This makes it difficult to maintain a stable supply, which is critical for transmission systems that require consistent power generation to balance supply and demand. Hybrid projects, which combine multiple RE sources (e.g., solar and wind), can help mitigate this issue. For example, wind and solar generation patterns often complement each other (e.g., wind power might peak when solar power is low and vice versa). This hybrid approach can smooth out fluctuations and provide more consistent power.

5.8 Overview of Green Transmission

India has a target of 500 GW of non-fossil fuel capacity by 2030, and hence, significant investments have commenced toward increasing and upgrading the transmission infrastructure. Additionally, the integration of renewable energy into the national grid is driving an urgent need for a more robust transmission network. A significant portion of this demand is anticipated to come from HVDC projects. 1,000 MW of HVDC bi-pole capacity is planned to be added during 2022-27, which is essential for transmitting large volumes of power over long distances with minimal losses. This is particularly important for integrating renewable energy, as HVDC systems can efficiently transport electricity from solar- and wind-rich regions to other parts of the country.

The transmission system has been planned for the following RE capacity to be commissioned by 2030:

Table 46: Transmission System Planned for Renewable Energy

Sr. No.	Category	Capacity (GW)
1.	66.5 GW RE capacity to be integrated into Inter-State Transmission System (ISTS) network (8.861 GW already commissioned)	53
2.	Additional RE capacity totalling 236.58 GW is to be integrated into the ISTS network	225
	Total (RE)	**278**

Source: CEA Report- Transmission System Integration of over 500GW RE Capacity by 2030, CAREEDGE Research

For the integration of additional wind and solar capacity by 2030, the estimated length of the transmission line and sub-station capacity planned is around 50,890 ckms and 4,33,575 MVA, respectively. The investment required for the green transmission is estimated to be around Rs. 2,440 billion as per the Ministry of Power. Out of this, Rs. 281 billion will be required for the integration of offshore wind capacities while Rs. 2,160 billion will be required for new solar and wind (onshore) plants.

Table 47: Power exchange with neighbouring countries considered for the year 2031-32

Country	Type	MW
Nepal and Bhutan	Import	7,500
Bangladesh	Export	3,600
Myanmar	Export	500
Sri Lanka	Export	500

Source: CEA Report

5.9 Details of Projects in Transmission Sector in India – FY24

The estimated cost of Inter State Transmission System is Rs. 3,91,624 Crores and the estimated cost of intra-State transmission system is Rs. 99,296 Crores.

Table 48: Nascent Transmission Projects in India

Project Name	Project Type	Ownership	State	Product	Capacity (Ckm)	Promoter Name
Transmission Line (Chhattisgarh-Haryana) Project	New Unit	Central Government	Haryana , Chhattisgarh	Transmission line	1,365.0	Power Grid Corpn. of India Ltd.
Transmission Line (Pitampur) Project	New Unit	State Government	Madhya Pradesh	Transmission line	25.0	Madhya Pradesh State Indl. Devp. Corpn. Ltd.
Noormehal DC Transmission Line Project	New Unit	State Government	Punjab	Transmission Line	25.0	Punjab State Transmission Corporation Ltd.
Transmission Line (Pithampur) Project	New Unit	State Government	Madhya Pradesh	Transmission line	25.0	Madhya Pradesh State Indl. Devp. Corpn. Ltd.
Transmission Line (Patiala-Bhadson) Project	New Unit	State Government	Punjab	Transmission line	16.0	Punjab State Transmission Corporation Ltd.
Transmission Line (Pakhowal-Mehalkalian) Project	New Unit	State Government	Punjab	Transmission line	9.0	Punjab State Transmission Corporation Ltd.
Transmission Line (Amloh) Project	New Unit	State Government	Punjab	Transmission line	6.0	Punjab State Transmission Corporation Ltd.
Transmission Line (Mansa-Behman) Project	New Unit	State Government	Punjab	Transmission line	6.0	Punjab State Transmission Corporation Ltd.
Transmission Line (Wazirabad Substation-Sanathan Polycot) Project	New Unit	State Government	Punjab	Transmission line	1.0	Punjab State Transmission Corporation Ltd.

Source: Projects Today

The nascent transmission projects across various states in India aim to strengthen the electricity grid and improve power distribution. These projects are primarily focused on enhancing regional transmission infrastructure to support growing demand and improve reliability. The initiatives, mostly driven by state governments with some under central ownership, will boost energy access and efficiency in key areas like Punjab, Madhya Pradesh, Haryana, and

Chhattisgarh

Table 49: Mature Transmission Projects in India

Project Name	Project Type	Ownership	State	Product	Capacity (Ckm)	Promoter Name
Western Region Grid Strengthening Scheme II	New Unit	Central Government	Maharashtra , Madhya Pradesh , Gujarat , Chhattisgarh , Goa , Dadra & Nagar Haveli , Daman & Diu	Transmission line	7,100	Power Grid Corpn. of India Ltd.
Mundra Ultra Mega Power Transmission Project	New Unit	Central Government	Gujarat	Transmission line	3,604	Power Grid Corpn. of India Ltd.
Kudankulam Transmission Line	New Unit	Central Government	Tamil Nadu , Andhra Pradesh , Kerala	Transmission line	1,003	Power Grid Corpn. of India Ltd.
Intra-State Transmission Line (Madhya Pradesh) Project [Package-II]	New Unit	Adani Group	Madhya Pradesh	Intra-state transmission Line	850	MP Power Transmission Package-II Ltd.
Transmission Lines (Buxar Thermal Power Plant-Naubatpur) Project	New Unit	State Government	Bihar	Transmission lines	333	Bihar State Power Transmission Co. Ltd.
Transmission Line (Khavda) Project	New Unit	Adani Group	Gujarat	Transmission line	220	Khavda-Bhuj Transmission Ltd.
Transmission Line (Bhogat-Kalawad) Project	New Unit	State Government	Gujarat	Transmission line	130.3	Gujarat Energy Transmission Corpn. Ltd.
Transmission Line (Kayathar-Virudhunagar) Project	New Unit	State Government	Tamil Nadu	Transmission line	72	Tamil Nadu Transmission Corpn. Ltd.
Transmission Line (RIL Jamnagar Refinery-Jam Khambaliya ISTS PS) Project	New Unit	Central Government	Gujarat	Transmission line	60	Power Grid Corpn. of India Ltd.
Inter State Transmission System - Northern Region XXXV	New Unit	Private (Indian)	Rajasthan	Transmission lines	55	C & C Constructions Ltd.
Transmission Line (Madakeri) Project	New Unit	State Government	Karnataka	Transmission line	40	Karnataka Power Transmission Corpn. Ltd.
Transmission Line (Naitwar Mori) Project	New Unit	Central Government	Uttarakhand	Transmission line	37	SJVN Ltd.
Transmission System (Karur/Tiruppur & Lakadia) Project	New Unit	Adani Group	Gujarat , Tamil Nadu	Transmission system	10	Karur Transmission Ltd.
Transmission Line (Koradi-II-Uppalwadi) Project	New Unit	State Government	Maharashtra	Transmission line	7.5	Maharashtra State Electricity Transmission

Project Name	Project Type	Ownership	State	Product	Capacity (Ckm)	Promoter Name
						Co. Ltd.
Transmission Line (Kurnool) Project	New Unit	State Government	Andhra Pradesh	Transmission Line	6.8	Transmission Corpn. of Andhra Pradesh Ltd.
Transmission Line (Mandagere) Project	New Unit	State Government	Karnataka	Transmission line	2.8	Karnataka Power Transmission Corpn. Ltd.
Power Transmission (Bisilahalli) Project	New Unit	State Government	Karnataka	Power transmission	1.9	Karnataka Power Transmission Corpn. Ltd.
Transmission Line (Ramagiri) Project	New Unit	State Government	Karnataka	Transmission line	1.6	Karnataka Power Transmission Corpn. Ltd.

Source: Projects Today

Mature assets are distributed across four key product categories: Transmission Lines (12,672.9 ckm), Intra-state Transmission Lines (850.0 ckm), Transmission Systems (10.0 ckm), and Power Transmission (1.9 ckm) making a total of 13,534.8 ckm

Table 50: Under construction Projects in India

Project Name	Project Type	Ownership	State	Product	Capacity (Ckm)	Promoter Name
Intra-State Transmission System (Karnataka) [Green Energy Corridor-II]	New Unit	State Government	Karnataka	Intra-state transmission system	938.0	Karnataka Power Transmission Corpn. Ltd.
Intra-State Transmission System (Tamil Nadu) [Green Energy Corridor-II]	New Unit	State Government	Tamil Nadu	Intra-state transmission system	624.0	Tamil Nadu Transmission Corpn. Ltd.
Transmission Lines (Uttar Pradesh) Project [Package-1 & 2]	New Unit	State Government	Uttar Pradesh	Transmission lines	622.0	Uttar Pradesh Power Transmission Corpn. Ltd.
Transmission System (Raigarh) Project	New Unit	Sterlite Group	Chhattisgarh	Transmission system	478.0	Goa Tamnar Transmission Project Ltd.
Transmission Lines (Patna) Project	New Unit	State Government	Bihar	Transmission lines	341.0	Bihar State Power Transmission Co. Ltd.
Transmission Lines (Farrukhabad-Maheba) Project [Package-9]	New Unit	State Government	Uttar Pradesh	Transmission lines	279.3	Uttar Pradesh Power Transmission Corpn. Ltd.
Transmission Lines (PGCIL-Raigarh) Project [Package-2]	New Unit	Central Government	Chhattisgarh	Transmission lines	266.3	Rail Vikas Nigam Ltd.

Project Name	Project Type	Ownership	State	Product	Capacity (Ckm)	Promoter Name
Transmission Lines (PGCIL-Kumhari) Project [Package-1]	New Unit	Central Government	Chhattisgarh	Transmission lines	250.7	Rail Vikas Nigam Ltd.
Transmission Lines (Patratu-Chandil-Chaibasa) Project	New Unit	State Government	Jharkhand	Transmission line	235.0	Jharkhand Urja Sancharan Nigam Ltd.
Transmission Line (Orai PG-Orai) Project [Package-IV]	New Unit	State Government	Uttar Pradesh	Transmission line	232.0	Uttar Pradesh Power Transmission Corpn. Ltd.
Intra-State Transmission System (Kerala) [Green Energy Corridor-II]	New Unit	State Government	Kerala	Intra-state transmission system	224.0	Kerala State Electricity Board
Inter-State Transmission System (Jaisalmer/Bikaner Complex) [Phase IV]	New Unit	Private (Indian)	Rajasthan	Inter-state transmission system	184.6	Rajasthan IV A Power Transmission Ltd.
Transmission Lines (Bhatapara-Bhatapara TSS) Project [Package-I]	New Unit	Central Government	Chhattisgarh	Transmission lines	178.0	Rail Vikas Nigam Ltd.
LILO Transmission Lines (Bihar) Project	New Unit	State Government	Bihar	LILO Transmission Lines	165.0	Bihar State Power Transmission Co. Ltd.
Transmission Lines (Sikri) Project	New Unit	State Government	Rajasthan	Transmission lines	152.5	Rajasthan Rajya Vidyut Prasaran Nigam Ltd.
Transmission Lines (Kumhari-Bhilai TSS) Project [Package-III]	New Unit	Central Government	Chhattisgarh	Transmission lines	152.0	Rail Vikas Nigam Ltd.
Transmission System (Bhadla-III & Bikaner-III Complex) Project	New Unit	Central Government	Rajasthan	Transmission system	150.0	Bhadla III & Bikaner-III Transmission Ltd.
Transmission Lines (Kalawad-Saurashtra) Project [Package-I & II]	New Unit	State Government	Gujarat	Transmission lines	148.7	Gujarat Energy Transmission Corpn. Ltd.
Transmission Lines (Agra-Lalitpur) Project [Package-3]	New Unit	State Government	Uttar Pradesh	Transmission lines	148.5	Uttar Pradesh Power Transmission Corpn. Ltd.
Transmission Lines (Kanch) Project	New Unit	State Government	Assam	Transmission lines	136.0	Assam Power Distribution Co. Ltd.

Source: Projects Today

Under construction assets are distributed across four key product categories: Transmission Lines (3,142.0 ckm), Intra-state Transmission Lines (1,786.0 ckm), Transmission Systems (628.0 ckm), Inter-state transmission system (184.6 ckm) and LILO Transmission line (165.0 ckm) making a total of 5,905.6 ckm.

In India, the transmission of electricity has traditionally been dominated by government-owned entities, with the majority of transmission lines managed by state-run companies such as Power Grid Corporation of India Ltd. (PGCIL) and various State Electricity Boards (SEBs). These entities control a significant portion of the transmission infrastructure, with oversight from regulatory bodies like the Central Electricity Regulatory Commission (CERC) and State Electricity Regulatory Commissions (SERCs).

However, in recent years, private sector participation in the transmission sector has increased, particularly through public-private partnerships and competitive bidding processes. This has allowed private companies like Adani Transmission and Tata Power to invest in and manage transmission infrastructure in certain regions. Private players have also been awarded projects in the Interstate Transmission System (ISTS) through competitive bidding, allowing them to build, operate, and maintain transmission lines for a specified period.

Private sector involvement brings several benefits, including greater operational efficiency, faster project delivery, and the infusion of much-needed capital into the sector. Through models like Build-Operate-Transfer (BOT), private companies construct and operate transmission networks before transferring ownership to the government after a specified period. This participation has led to more competitive pricing and has helped modernize and expand the transmission infrastructure, particularly in underserved areas.

Despite these advancements, there are challenges, such as regulatory hurdles and the long-term risks of investment in transmission assets. Under Perpetual ownership, Transmission assets are developed under the BOOM model, ensuring the trust retains ownership and can generate long-term income from both the assets and the transmission infrastructure. The sector remains heavily regulated, which can lead to uncertainties regarding tariffs and revenue generation. Nonetheless, the increasing role of private players is contributing to a more integrated and efficient power grid in India, helping to meet the growing electricity demand and modernize the national transmission network

5.10 Projected additions in the transmission installed capacity

Table 51: Likely growth in transmission system till 2026-27

Transmission System Type / Voltage Class	Unit	As of March, 2024	Likely addition from 2025 - 2027	Likely at the end of 2026-27	Likely at the end of 2031-32
Transmission lines					
a) HVDC (± 320 kV/ 500 kV/800 kV Bipole)	ckm	19,375	80	19,455	34,887
b) 765 kV	ckm	54,797	32,784	87,581	1,14,719
c) 400 kV	ckm	2,03,838	24,758	2,28,596	2,49,585
d) 230/220 kV	ckm	2,07,534	28,237	2,35,771	2,48,999
Total–Transmission Lines	**ckm**	**4,85,544**	**85,859**	**5,71,403**	**6,48,190**
Sub-stations					
a) HVDC (± 320 kV/ 500 kV/800 kV Bipole)	MVA	33,500	0	33,500	66,750
b) 765 kV	MVA	2,94,700	3,06,000	6,00,700	9,20,200
c) 400 kV	MVA	4,57,933	2,20,150	6,78,083	8,13,828
d) 230/220 kV	MVA	4,64,947	1,03,550	5,68,497	6,11,107
Total – Substations	**MVA**	**12,51,080**	**6,29,700**	**18,80,780**	**24,11,885**

Source: CEA Report- Transmission Reports, National Electricity Plan, CAREEDGE Research

Based on the planned generation capacity addition and projected electricity demand, about 85,859 ckm of transmission lines and 6,29,700 MVA of transformation capacity in the substations at 220 kV and above voltage levels are planned to be added during the period 2025-27.

For long distance transmission of power, generated power is stepped up to 220 kV and further to 400 kV and 765 kV depending on the quantum of power and associated distance. Thereafter at load centres, it is again stepped down from 765 kV to 400 kV and further to 220 kV and lower voltages. Transmission of power at high voltage helps in optimizing right of way and minimize losses

5.11 Plans of Privatization of Transmission Assets by Government

The Indian government has been exploring various strategies for the privatization of transmission assets to improve efficiency, attract investment, and modernize the power grid. While transmission infrastructure has traditionally been dominated by public sector companies, there has been a clear shift toward privatization and increased private sector participation in recent years. Below are the key plans and steps taken by the government to privatize transmission assets

- The government has been encouraging the privatization of state-owned transmission companies. For instance, in 2020, the Delhi state government privatized its power distribution companies (DISCOMs) for the first time in India, which could potentially serve as a model for the privatization of transmission assets at the state level

- As part of the National Monetization Pipeline (NMP), the Indian government plans to unlock the value of public sector assets by offering them for privatization or long-term lease. Transmission assets, including some interstate transmission lines, are being included in this plan for privatization

- The Electricity (Amendment) Bill, 2022, which is under discussion, proposes further steps to open up transmission and distribution categories to greater private participation. This bill is expected to streamline the process and provide greater flexibility to private players, ensuring increased competition and investment in the sector

- The Indian government has opened up the transmission sector to foreign investors by allowing 100% Foreign Direct Investment (FDI) under the automatic route. This policy aims to attract international capital, expertise, and technology to help modernize and expand the transmission grid. The liberalization of FDI in the transmission sector encourages foreign companies to invest in India's power transmission infrastructure, increasing competition and ensuring efficient service delivery

5.12 Assessment of Projects Awarded through TBCB Route

The Tariff-Based Competitive Bidding (TBCB) mechanism was introduced under the Electricity Act of 2003 to foster competition in India’s electricity transmission sector, which had traditionally been dominated by public entities like Power Grid Corporation of India Limited (PGCIL). By enabling private sector participation and encouraging market-driven tariffs, TBCB aims to enhance efficiency, reduce costs, and attract investments needed for large-scale infrastructure development. The Indian government sees TBCB as essential for meeting the country’s growing energy demand, integrating renewable sources, and achieving the ambitious target of 500 GW renewable capacity by 2030, positioning TBCB as a critical component in building a resilient and expansive grid network.

Under the TBCB model, transmission projects are awarded through a competitive bidding process, prioritizing the lowest bid for lifecycle transmission charges and ensuring fairness and transparency. The model typically uses a two-stage bidding process (technical and financial) to balance capability and cost efficiency. TBCB projects benefit from a fixed tariff for a license period of 25-35 years, offering price stability for consumers and reliable revenue for developers. The Power Finance Corporation (PFC) and REC Limited serve as nodal agencies, overseeing project scope, feasibility, and the bidding process to streamline development.

Impact of TBCB on Cost and Efficiency

The TBCB model has significantly reduced project costs by 15-40% compared to the regulated tariff mechanism, as competitive bidding drives developers to minimize inefficiencies. It has also enhanced price discovery in the transmission sector, establishing benchmarks for costs per kilometre, per MW of capacity, and terrain type. These savings benefit consumers through lower electricity tariffs. However, aggressive bidding can pose risks, as firms submitting low bids may face financial strain if unexpected costs arise, potentially impacting project profitability and stability.

Enhanced Private Sector Participation

The TBCB model has also drawn foreign direct investment (FDI), improving capital availability for large-scale projects. Private firms bring innovation in design, monitoring, and maintenance, which boosts grid efficiency and lowers operational costs. By standardizing bidding criteria and emphasizing cost-effectiveness, TBCB has levelled the playing field, democratizing India's transmission sector

Boosting Project Execution and Timeliness

The TBCB model enforces strict project completion deadlines, motivating developers to adhere to timelines and implement efficient project management practices, with penalties for delays. Timely completion is essential for delivering power from remote, renewable-rich areas to urban demand centres. Despite this, challenges such as land acquisition, environmental clearances, and coordination with local authorities can cause delays. However, data indicates that TBCB projects typically meet deadlines more consistently than public-sector projects, due to the efficient management and reduced bureaucracy of private firms.

Improved Service Quality and Operational Efficiency

Private players in TBCB projects bring international standards and best practices, improving transmission infrastructure quality, reducing maintenance needs, and extending asset lifespan. The integration of advanced digital technologies, such as smart grids and IoT monitoring, enables real-time assessments and rapid responses to technical issues. This results in a more resilient and reliable transmission network capable of handling power surges, weather disruptions, and supporting renewable energy integration. Additionally, efficient operation and maintenance (O&M) practices help reduce costs, optimizing the overall project lifecycle expenses.

Policy and Regulatory Support

The Central Electricity Regulatory Commission (CERC) and State Electricity Regulatory Commissions (SERCs) have been instrumental in establishing guidelines for TBCB projects, ensuring transparency and reliability. Government support has facilitated quicker clearances and improved coordination between central and state authorities, streamlining project timelines. Additionally, TBCB projects are often prioritized in regions with high renewable energy capacity, aligning with the government's decarbonization objectives.

Challenges in the TBCB Model

Land acquisition for transmission corridors poses significant challenges, often leading to delays and cost overruns, especially in densely populated or ecologically sensitive areas. Successful project execution also relies on smooth coordination with local governments, which can be inconsistent and cause delays. Additionally, aggressive bidding may strain bidders' financial health, as narrow margins can struggle to cover unforeseen costs. The competitive bidding process itself is complex, requiring substantial resources and expertise, which can be difficult for smaller companies to manage effectively.

Future Outlook of TBCB in India

TBCB will play a crucial role in connecting renewable energy projects to the grid, helping India achieve its goal of 500 GW of non-fossil fuel capacity by 2030. It will also aid in modernizing India's aging transmission infrastructure, ensuring more efficient and reliable energy distribution. Additionally, TBCB could support cross-border electricity trade with neighbouring countries like Nepal and Bangladesh, contributing to an integrated South Asian energy grid. Furthermore, TBCB is expected to encourage private investment in emerging technologies such as HVDC systems and grid-scale storage, enhancing grid stability.

Comparative Benefits of TBCB over Regulated Tariff Mechanisms

The TBCB model drives efficiency gains by promoting operational optimization and resource efficiency, leading to long-term cost benefits compared to regulated tariffs. It offers developers predictable revenue streams due to fixed tariffs, making it an attractive investment opportunity. Additionally, TBCB is scalable, enabling adaptation to changing demands, making it ideal for large-scale projects that align with India's energy goals.

The TBCB model has transformed India’s transmission sector, by driving down costs, improving timelines, and raising service quality. While it faces challenges like land acquisition and aggressive bidding risks, TBCB’s benefits, including cost efficiency, increased private sector participation, and support for renewable energy integration, make it essential for India’s energy infrastructure development. Moving forward, enhancing regulatory frameworks and addressing logistical bottlenecks will help unlock TBCB’s full potential, ensuring it remains a key mechanism for meeting India’s ambitious energy and environmental targets. Unification of Regional grid into National grid

The unification of regional grids into a national grid is a significant step towards enhancing the reliability, efficiency, and sustainability of a country's power supply. Here are some key points about this process:

- **Improved Reliability:** By connecting regional grids, the national grid can balance supply and demand more effectively. If one region experiences a power shortage, it can draw electricity from another region with surplus power, reducing the risk of blackouts.

- **Economic Benefits:** A unified grid can lower electricity costs by allowing the most cost-effective power plants to supply electricity across the entire network. This competition can drive down prices and improve overall efficiency.

- **Integration of Renewable Energy:** A national grid can better integrate renewable energy sources like wind and solar, which are often located far from major consumption areas. This helps in utilizing renewable energy more efficiently and reducing carbon emissions.

- **Technological Upgrades:** The process often involves upgrading existing infrastructure and implementing advanced technologies like high-voltage direct current (HVDC) transmission, which reduces energy losses over long distances.

- **Challenges:** Despite the benefits, there are challenges such as the excessive cost of infrastructure development, regulatory hurdles, and the need for coordinated planning and investment across regions.

At the beginning, state grids were interconnected to form a regional grid and India was demarcated into 5 regions namely Northern, Eastern, Western, North Eastern and Southern regions. With time each grid was connected to the other, to allow greater availability and transfer of power. It all came together when the Southern Region was connected to the Central Grid, with commissioning of 765 kV Raichur-Solapur Transmission Line, thereby achieving 'ONE NATION-ONE GRID-ONE FREQUENCY'. In January 2019, the 220kV Srinagar-Leh Transmission System was commissioned which connected the remote Leh region to the Nation Grid.

Overall, the unification of regional grids into a national grid is a complex but crucial step towards a more resilient and sustainable energy future.

5.13 Distribution Reforms and Commentary on DISCOM Health

5.13.1 Reforms on DISCOM

The health of Distribution Companies (DISCOMs) in India has been a significant concern due to their financial and operational challenges. To address these issues, the Indian government has introduced the Revamped Distribution Sector Scheme improving the efficiency and sustainability of DISCOMs. Following are some of the key points for the same

- Revamped Distribution Sector Scheme - a Reforms-based and Results-linked Scheme with an outlay of Rs.3,03,758 crore over a period of five years from FY 2021-22 to FY 2025-26 with the objective to improve the quality, reliability and affordability of power supply to consumers through a financially sustainable and operationally efficient distribution sector.

- The Scheme aims to reduce the AT& C losses to pan-India levels of 12-15% and Average Cost of Supply – Average Revenue Realized gap to zero by 2024-25 by improving the operational efficiencies and financial sustainability of all DISCOMs/ Power Departments excluding Private Sector DISCOMs

- The financial assistance for Distribution infrastructure works under the Scheme would be subject to meeting pre-qualifying criteria as well as upon achievement of basic minimum benchmarks by the DISCOM and evaluated on the basis of Action plans.

- The Scheme provides for annual appraisal of the DISCOM performance against predefined and agreed upon performance trajectories including AT&C losses, ACS-ARR gaps, infrastructure upgrade performance, consumer services, hours of supply, corporate governance, etc.

- DISCOMs have to score a minimum of 60% of marks and clear a minimum bar in respect to certain parameters to be able to be eligible for funding against the Scheme in that year.

- The Scheme has a major focus on improving electricity supply for the farmers through separation of agriculture feeders and for providing daytime electricity to them by convergence with Pradhan Mantri KisanUrja Suraksha Evem Utthan Mahabhiyan (PM-KUSUM) Scheme for solarization of agriculture feeders.

- All North-Eastern States including Sikkim and States/Union Territories of Jammu & Kashmir, Ladakh, Himachal Pradesh, Uttarakhand, Andaman & Nicobar Islands, and Lakshadweep will be treated as Special Category States.

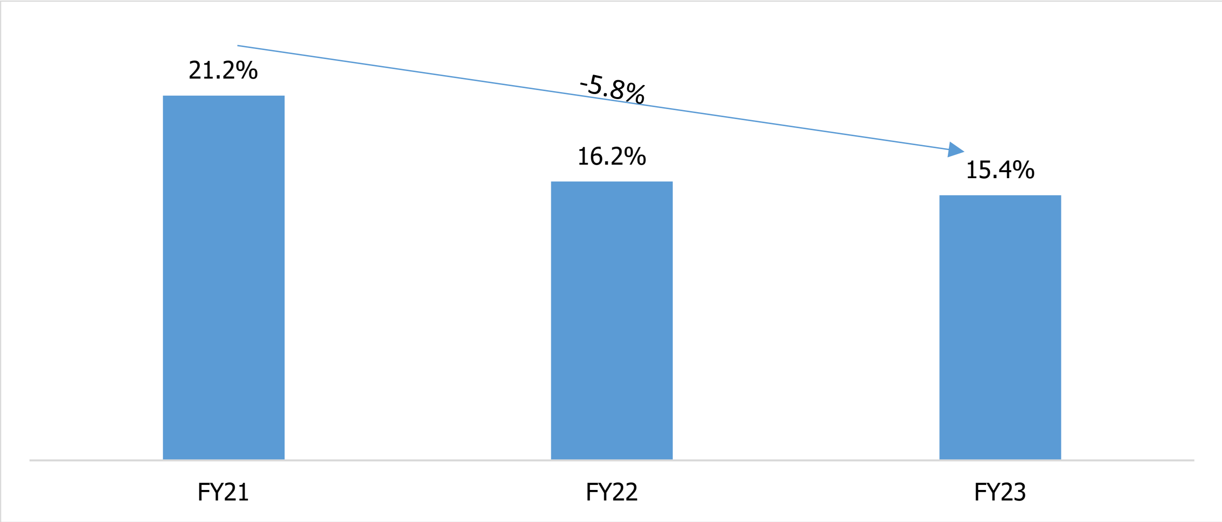
Other reforms include the automatic pass-through of fuel and power purchase costs to address delays in regulatory true ups. State governments are allowed an additional 0.50% of GDP lending, contingent on power sector reforms. New Prudential Lending norms link loan disbursement to improvements in utility performance. Additional measures, such as the privatization of DISCOMs in union territories and amendments to the Electricity Act to give consumers a choice of supplier, are expected to positively impact the sector in the long run.,

Additional measures, such as privatization of DISCOMs in union territories; and amendment to Electricity Act to give consumer a choice of supplier, when implemented effectively, are likely to positively impact the sector in the long run

5.13.2 Health in DISCOM industry

The financial health of electricity DISCOMs is an area of key concern threatening the very viability of the power sector. DISCOMs are the weakest link in the electricity supply chain and have been suffering on account of operational inefficiencies; inadequate investments in distribution network as well as lack of timely and adequate tariff revisions to help recover costs.

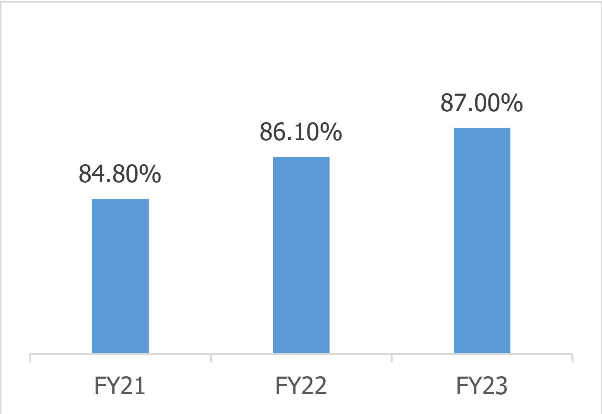
Chart 44: Trends in AT&C losses for FY21 to FY23

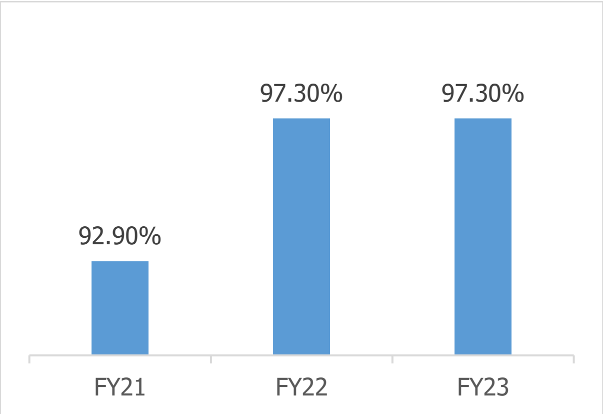


Source: 13th Annual Integrated Rating & Ranking: Power Distribution Utilities, CareEdge Research

The government's efforts to turn around the discoms over recent years bore fruit in FY23. The distribution sector saw significant improvement during the year. AT&C losses improved to 15.4% in FY23 from 21.2% in FY21. 43 out of 67 utilities saw an improvement in their AT&C losses, with 13 utilities recording a greater than 5 percent improvement. These utilities were Ladakh PD, MSPDCL, PuVVNL, MVVNL, TPCODL, TPWODL, Mizoram PD, TCED, TPNODL, SBPDCL, DVVNL, NBPDCL and APSPDCL

Chart 45: Trends in Billing efficiency and Collection efficiency for FY21 to FY23

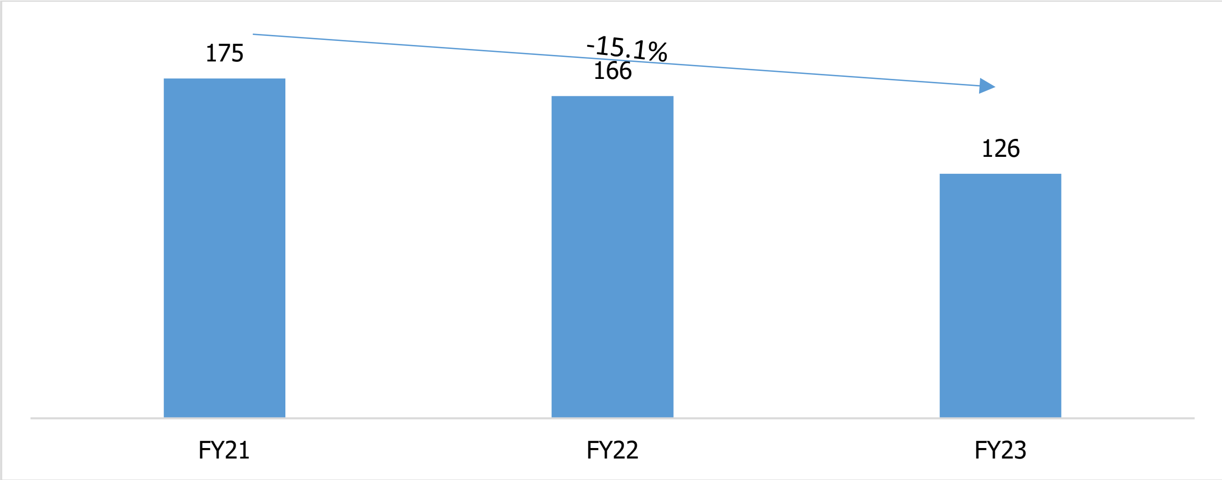




Source: 13th Annual Integrated Rating & Ranking: Power Distribution Utilities, CareEdge Research

Billing efficiency and collection efficiency improved to 87.0% and 97.3% in FY23 respectively, up from 84.8% and 92.9% in FY21, respectively. The improvement in billing efficiency was primarily driven by the replacement of defective meters, enhanced vigilance in preventing theft, and the segregation of agriculture feeders. Better consumer collections, along with the provisioning of aged receivables in some states, helped reduce days receivable from 138 in FY22 to 119 in FY23.

Chart 46: Trends in Days Payable for FY21 to FY23



Source: 13th Annual Integrated Rating & Ranking: Power Distribution Utilities, CareEdge Research

The discoms liquidated Rs 48,000 crore in FY23, which helped to bring down days payable (to generation companies & transmission companies) from 166 in FY22 to 126 in FY23. 16 Discoms reduced their Days Payable by more than 50 days.

The debt in the sector has been steadily increasing over the years, primarily to meet requirements of CAPEX, funding financial losses and addressing working capital shortage. However, the sector's Debt Service Coverage Ratio (DSCR), which turned positive in FY22 and remained so in FY23, declined from 0.44 in FY22 to 0.26 in FY23.

In FY23 the overall revenue booked increased by Rs 46 paise per unit, as opposed to Rs 71 paise increase in power procurement cost. Despite being inadequate, the revenue increase was still substantial in absolute terms – driven by improvements in billing efficiency, issuance of overdue tariff orders for some major states, and pass through of increased costs by some utilities.

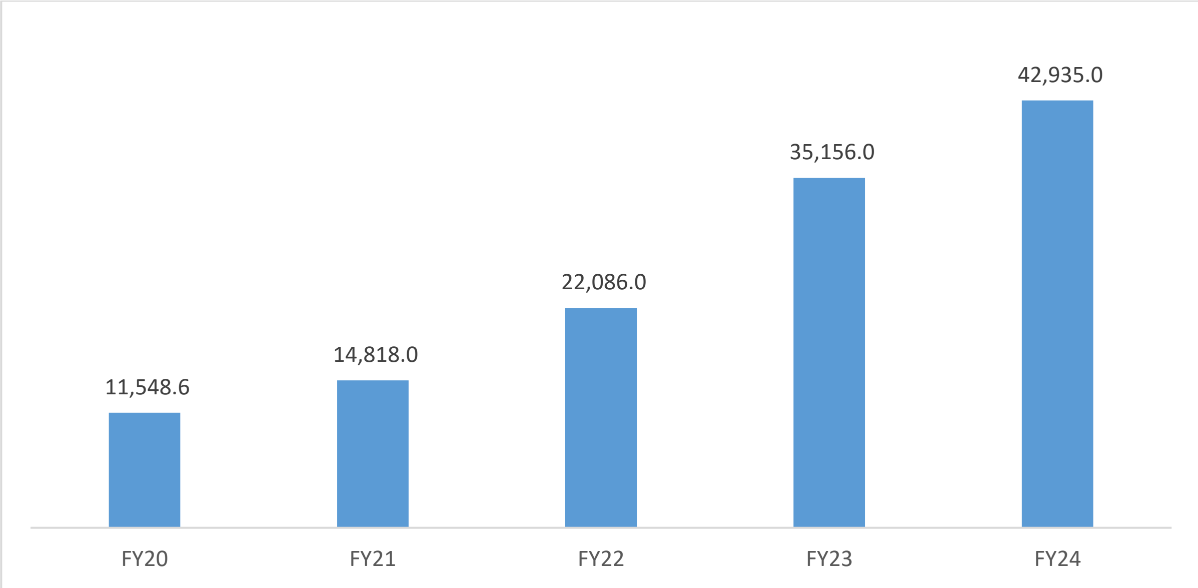
A major positive from FY23 was disbursement of loss takeover grants by state governments. It refers to financial support provided by states to financially struggling discoms, either under prominent schemes such as UDAY or through other mechanisms. During FY22, various states booked Rs 32,000 crore of grants and disbursed the same, except for Telangana. During FY23, various states booked Rs 33,000 crore of grants and disbursed the same. Telangana booked grants worth Rs 8,925 crore in FY22, but the disbursal was made in FY23 only. Overall, this resulted in disbursal shortfall of Rs 7 paise per unit in FY22, and conversely a Rs 7 paise per unit surplus in FY23 on the national level.

5.14 Assessment of key off takers

5.14.1 Solar Energy Corporation of India (SECI):

Solar Energy Corporation of India (SECI) Ltd is the leading CPSU dedicated to the development and expansion of Renewable Energy (RE) capacity in India. SECI serves as an implementing agency for the development of Solar, Wind and Hybrid Projects as part of fulfilling the country's Nationally Determined Contributions (NDCs). To achieve this, SECI releases tenders for selection of Renewable Energy (RE) developers for establishment of Projects on a Pan-India or State-specific basis. The selection process for successful bidders is conducted through a tariff-based competitive e-bidding procedure. Once selected, SECI enters into a 25-year Power Purchase Agreement (PPA) with the chosen bidders for the procurement of power from these projects. Further, SECI establishes back-to-back 25-year Power Sale Agreements (PSA) with DISCOMs/buying entities for sale of the procured power

Chart 47: Power Trading (MU)



Source: 12th Annual Integrated Rating & Ranking: Power Distribution Utilities, CareEdge Research

SECI is a Category-I (highest) Power Trading Licensee for trading power on Pan-India basis. It is the intermediary power procurer for projects being set up through SECI tenders. It procures power from successful developers under its tenders and sells to Buying Entities (i.e. DISCOMs) though long term PPAs and PSAs respectively. SECI is a premier trader of RE power in the country

5.14.2 NTPC Vidyut Vyapar Nigam Ltd. (NVVN):

NTPC Vidyut Vyapar Nigam Ltd. (NVVN) was formed by NTPC Ltd in the year 2002, as its wholly owned subsidiary to tap the potential of power trading in the country. It offers power trading, renewable energy projects, waste-to-energy initiatives, and e-mobility solutions, including electric vehicle leasing and charging infrastructure

The company helps the generation companies to decide the business strategy according to their generation schedule. They also provide solution for the uncontracted power Trading, URS of Genco's, IPP's, Captive power plant through bilateral, exchange based and banking agreements.

NVVN also helps the distribution companies/utilities to chalk out their power purchase portfolio according to their demand variations which consist of attractive combination long term PPA's, bilateral agreements and exchange-based power.

The company is the second-largest power trader in terms of volume traded with a market share of around 19%. NVVN is the nodal agency for Jawaharlal Nehru National Solar Mission Phase-1, wherein the company bundles solar power with cheaper and untied thermal capacity of NTPC which is sold to distribution companies with a margin. The company is also the nodal agency for cross border power trading, allowing the company to tap in growing power demand of neighbouring countries such as Bangladesh, Bhutan, and Nepal. Gross energy traded for the company has grown with a compounded annual growth rate (CAGR) of around 12% in FY19-FY24, considering growth in power exchange portfolio and bilateral agreements.

The company's financial risk profile is comfortable considering stable and sustained margins and moderate long-term debt as on March 31, 2024. The company's overall gearing and total outside liabilities to tangible net worth (TOL/TNW) stood at 1.42x and 4.42x, respectively, as on March 31, 2024. However, the company is envisaged to incur debt-funded capex of around Rs 5,000 crore over the next 4-5 years, which is expected to moderate its leverage metrics. CARE Ratings will continue to monitor timely implementation of WTE and renewable energy projects

The company had cash and cash equivalent of around Rs 437 crore as on March 31, 2024. Although the company does not have long-term debt apart from Rs 110 crore drawn for WTE project, the capital structure is expected to become moderately leveraged over the near to medium term considering debt-funded capex for small-scale renewable projects and WTE projects

5.14.3 SJVN Limited

SJVN Ltd is engaged in the business of generation and sale of power. In 2022 the company has ventured into power trading business as part of its business expansion and diversification plan and has obtained Category-I license from CERC for interstate trading of electricity in whole of India.

The company is implementing power projects in Himachal Pradesh, Uttarakhand, Bihar, Gujarat, Rajasthan and Arunachal Pradesh in India besides neighbouring countries, which include Nepal and Bhutan. It operates in business in projects including the generation of thermal power, wind power, solar power, and power transmission

In FY24 the company had traded energy of 78.8 Mu with turnover of Rs 40.21 crore. A total of 8,489 MU of Power was generated by their operational plants which includes 8,131 MU of Hydro Power, 207 MU of Solar Power and 151 MU of Wind Power.

Table 52: Grading of State and Power Utilities

Rank	Name of Utility	State	Ownership	Grade
1	Adani Electricity Mumbai Limited (AEML)	Maharashtra	Private	A+
2	Torrent Power Surat (Torrent Power Surat)	Gujarat	Private	A+
3	Torrent Power Ahmedabad (Torrent Power Ahmedabad)	Gujarat	Private	A+
4	Dakshin Gujarat Vij Company Limited (DGVCL)	Gujarat	State	A+
4	Uttar Gujarat Vij Company Limited (UGVCL)	Gujarat	State	A+
6	Madhya Gujarat Vij Company Limited (MGVCL)	Gujarat	State	A+
7	Noida Power Company Limited (NPCL)	Uttar Pradesh	Private	A+
8	Paschim Gujarat Vij Company Limited (PGVCL)	Gujarat	State	A+
9	TP Central Odisha Distribution Limited (TPCODL)	Odisha	Private	A+
10	TP Western Odisha Distribution Limited (TPWODL)	Odisha	Private	A+
11	Uttar Haryana Bijli Vitran Nigam Limited (UHBVNL)	Haryana	State	A+
12	Dakshin Haryana Bijli Vitran Nigam Limited (DHBVNL)	Haryana	State	A+
13	Mangalore Electricity Supply Company Limited (MESCOM)	Karnataka	State	A
14	Tata Power Delhi Distribution Limited (TPDDL)	Delhi	Private	A
15	Madhya Pradesh Paschim Kshetra Vidyut Vitaran Company Limited (MPPaKVVCL)	Madhya Pradesh	State	A
16	Eastern Power Distribution Company of Andhra Pradesh Limited (APEPDCL)	Andhra Pradesh	State	A
17	Ajmer Vidyut Vitran Nigam Limited (AVVNL)	Rajasthan	State	B
18	Chamundeshwari Electricity Supply Corporation Limited (CHESCOM)	Karnataka	State	B
19	TP Southern Odisha Distribution Limited (TPSODL)	Odisha	Private	B
20	Punjab State Power Corporation Limited (PSPCL)	Punjab	State	B
21	Paschimanchal Vidyut Vitran Nigam Limited (PVVNL)	Uttar Pradesh	State	B
22	Madhya Pradesh Madhya Kshetra Vidyut Vitaran Company Limited (MPMKVVCL)	Madhya Pradesh	State	B
23	Jaipur Vidyut Vitran Nigam Limited (JVVNL)	Rajasthan	State	B
24	BSES Rajdhani Power Limited (BRPL)	Delhi	Private	B-
25	BSES Yamuna Power Limited (BYPL)	Delhi	Private	B-
26	India Power Corporation Limited (IPCL)	West Bengal	Private	B-
27	Assam Power Distribution Company Limited (APDCL)	Assam	State	B-
28	Southern Power Distribution Company of Andhra Pradesh Limited (APSPDCL)	Andhra Pradesh	State	B-
29	West Bengal State Electricity Distribution Company Limited (WBSEDCL)	West Bengal	State	B-
30	Uttarakhand Power Corporation Limited (UPCL)	Uttarakhand	State	B-
31	Andhra Pradesh Central Power Distribution Company Limited (APCPDCL)	Andhra Pradesh	State	B-
32	Kerala State Electricity Board Limited (KSEBL)	Kerala	State	B-
33	Chhattisgarh State Power Distribution Company Limited (CSPDCL)	Chhatisgarh	State	B-
34	Kanpur Electricity Supply Company Limited (KESCO)	Uttar Pradesh	State	B-
35	Jodhpur Vidyut Vitran Nigam Limited (JDVVNL)	Rajasthan	State	B-
36	Madhya Pradesh Poorv Kshetra Vidyut Vitaran Company Limited (MPPoKVVCL)	Madhya Pradesh	State	B-
37	North Bihar Power Distribution Company Ltd (NBPDCL)	Bihar	State	C
38	South Bihar Power Distribution Company Limited (SBPDCL)	Bihar	State	C
39	Tripura State Electricity Corporation Limited (TSECL)	Tripura	State	C
40	Gulbarga Electricity Supply Company Limited (GESCOM)	Karnataka	State	C
41	Himachal Pradesh State Electricity Board Limited (HPSEBL)	Himachal Pradesh	State	C
42	Manipur State Power Distribution Company Limited (MSPDCL)	Manipur	State	C
43	Bangalore Electricity Supply Company Limited (BESCOM)	Karnataka	State	C
44	Southern Power Distribution Company of Telangana Limited (TSSPDCL)	Telegana	State	C
45	Hubli Electricity Supply Company Limited (HESCOM)	Karnataka	State	C

Rank	Name of Utility	State	Ownership	Grade
46	Northern Power Distribution Company of Telangana Limited (TSNPDCL)	Telegana	State	C
47	Maharashtra State Electricity Distribution Company Limited (MSEDCL)	Maharashtra	State	C
48	Dakshinanchal Vidyut Vitran Nigam Limited (DVVNL)	Uttar Pradesh	State	C-
49	Purvanchal Vidyut Vitran Nigam Limited (PuVVNL)	Uttar Pradesh	State	C-
50	Tamil Nadu Generation and Distribution Corporation Limited (TANGEDCO)	Tamil Nadu	State	C-
51	Madhyanchal Vidyut Vitran Nigam Limited (MVVNL)	Uttar Pradesh	State	C-
52	Jharkhand Bijli Vitran Nigam Limited (JBVNL)	Jharkhand	State	C-
53	Meghalaya Power Distribution Corporation Limited (MePDCL)	Meghalaya	State	C-

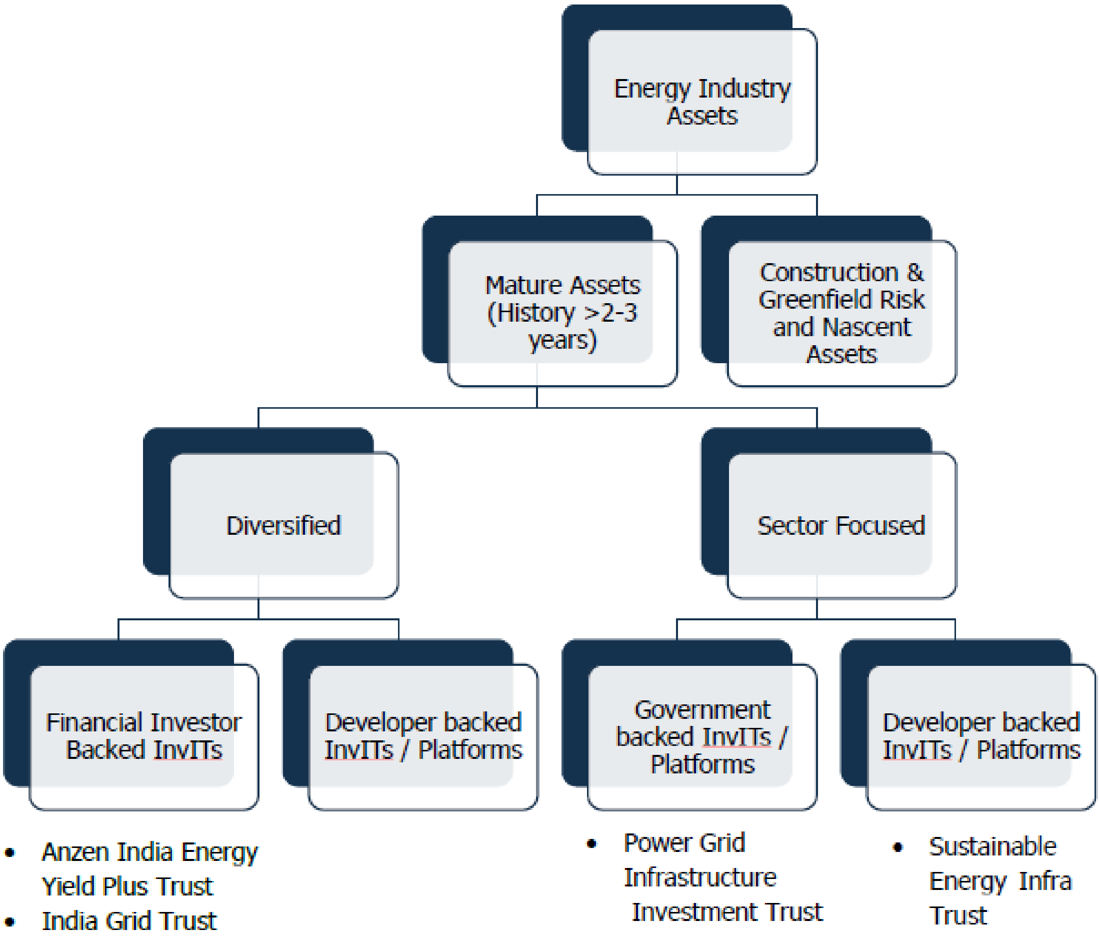
Source: 12th Annual Integrated Rating & Ranking: Power Distribution Utilities

Table 53: Long Term credit Rating of Power Companies

Name of the Company	Rating Agency	Rating	Outlook	Date
Solar Energy Corporation of India Limited (SECI)	ICRA	AAA	Stable	8th May 2024
Power Grid Corporation of India Limited	CARE	AAA	Stable	9th October 2024
	CRISIL	AAA	Stable	27th December 2024
	ICRA	AAA	Stable	18th October 2024
National Thermal Power Corporation Limited (NTPC)	CARE	AAA	Stable	28th June 2024
	CRISIL	AAA	Stable	27th March 2024
	ICRA	AAA	Stable	27th March 2024
	India Ratings	AAA	Stable	5th April 2024
NTPC Vidyut Vyapar Nigam Limited	CARE	AAA	Stable	22nd July 2024

Source: CareEdge Research

6. PEER PROFILING



6.1 India Grid Trust (IndiGrid)

IndiGrid was established on October 21, 2016, as an irrevocable trust under the provisions of the Indian Trusts Act, 1882 and was registered with SEBI as an Infrastructure Investment Trust (InvIT) on November 28, 2016, and got listed on June 6, 2017. KKR is a global investment leader with over 45 years of experience, managing assets exceeding USD 500 billion as of December 2022. KKR's interests span multiple asset classes, including private equity, energy, infrastructure, real estate, and credit, in addition to strategic hedge fund partnerships. All strategic decisions regarding acquisitions, divestitures, or asset enhancements for IndiGrid are made by its investment manager, IndiGrid Investment Managers Ltd, which is wholly owned by KKR.

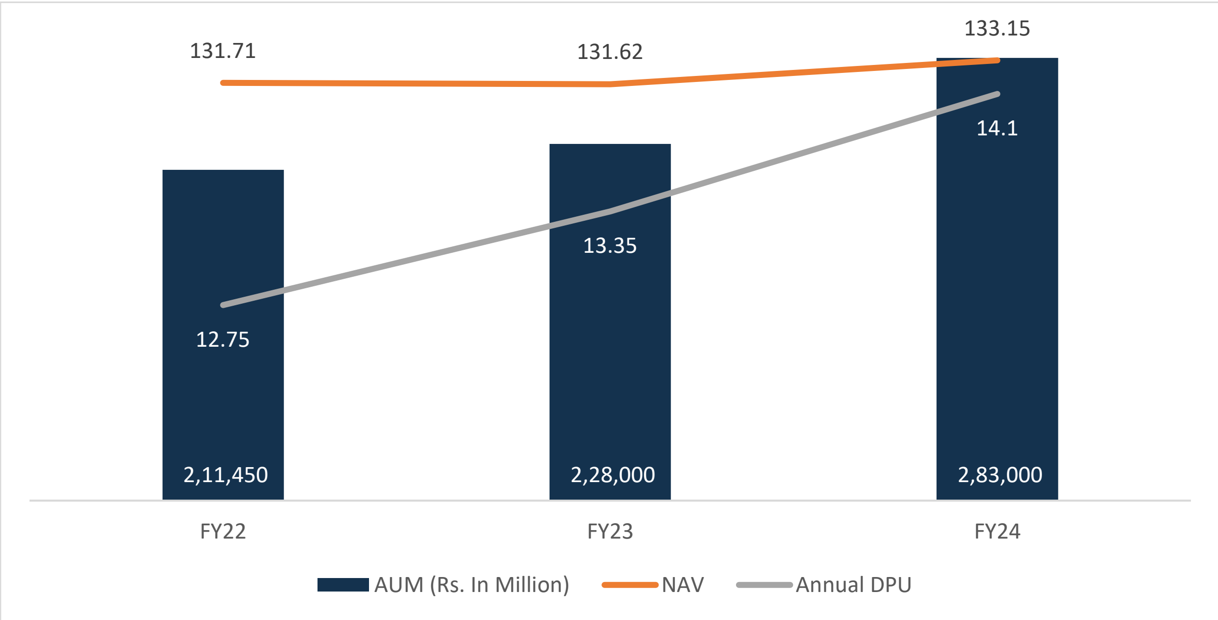
Table 54: Financial and Operational metrics (Consolidated)

(Rs. In Million)

Indigrid	FY18 (10 months of operation)	FY19	FY20	FY21	FY22	FY23	FY24
AUM	51,986	93,830**	1,20,210	2,05,460	2,11,450	2,28,000	2,83,000
NAV	101.87	96.5	102.3	146.3	131.7	131.6	133.2
Annual DPU	11.47*	12	12.0	12.2	12.8	13.4	14.1
Net Debt to AUM	45%	47%	50%	59%	56%	60%	62%
Market Price (MP)	94.4	81.96	89.67	138.09	147.21	134.78	132.78

Source: Company Reports
Note: Yield = Annual DPU/MP
* *Annualized DPU taken from the annual reports of the company*
** *AUM as of March 31, 2019, INR 52.20 Billion. On June 4, 2019, NTL asset was added to the IndiGrid portfolio valued at INR 41.63 Billion.*

Chart 48: Comparison of Key metrics (Year on Year)



Source: Company Reports, CareEdge Research

6.2 Power Grid Infrastructure Investment Trust (PGInvIT)

PGInvIT is an irrevocable trust established under the provisions of the Indian Trusts Act, 1882 and was registered with SEBI as an Infrastructure Investment Trust (InvIT) on January 7, 2021. The trust is sponsored by Power Grid Corporation of India Limited (PGCIL). POWERGRID Unchahar Transmission Limited has been appointed as the Investment Manager to the Trust while Power Grid Corporation of India Limited has been appointed as the Project Manager in respect of the Trust.

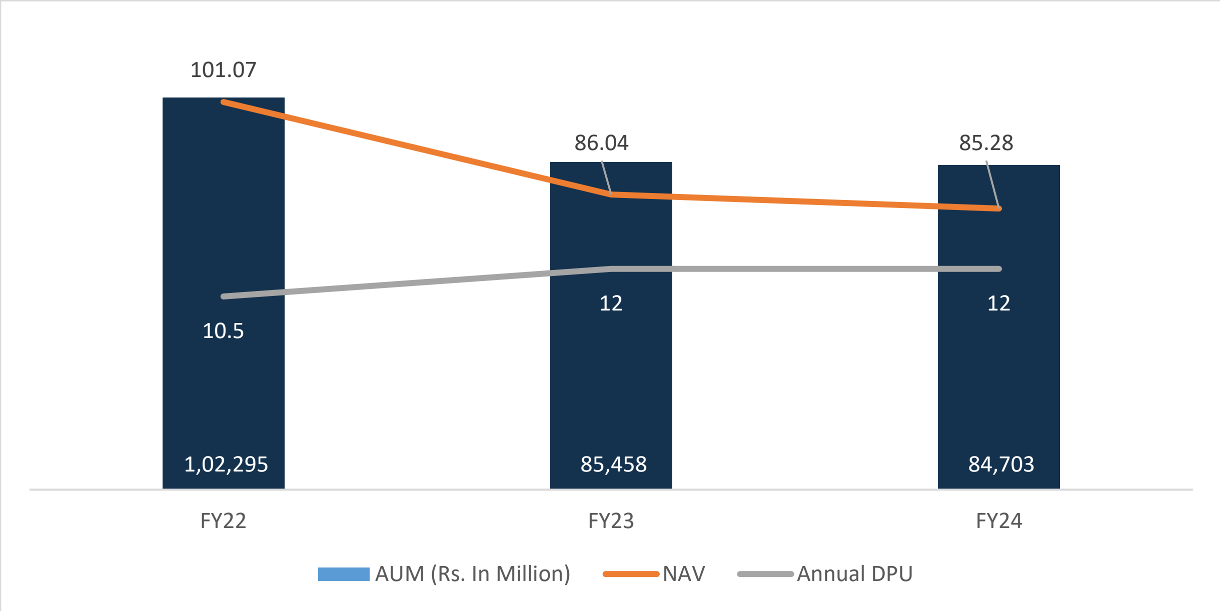
Table 55: Financial and Operational metrics (Consolidated) (Rs. In Million)

PG InvIT	FY22	FY23	FY24
AUM	1,02,295.30	85,457.92	84,703.44
NAV	101.07	86.04	85.28
Annual DPU	12.00*	12.00	12.00
Net Debt to AUM	0.47%	0.91%	0.26%
Market Price (MP)	133.90	122.52	94.71

Source: Company Reports

Note: Yield = Annual DPU/MP
**Annualized DPU*

Chart 49: Comparison of Key metrics (Year on Year)



Source: Company Reports, CareEdge Research

6.3 Sustainable Energy Infra Trust (SEIT)

SEIT is a renewable energy-focused Infrastructure Investment Trust (InvIT) sponsored by Mahindra Susten and Ontario limited. Its investment management is handled by Sustainable Energy Infra Investment Managers Pvt Ltd. The InvIT was granted its registration certificate by the Securities and Exchange Board of India (SEBI) on August 11, 2023, and its units were listed on January 15, 2024.

Table 56: Financial and Operational metrics (Consolidated) (Rs. In Million)

SEIT	FY24
AUM	67,053
NAV	115.60
Annual DPU	4.93
Net Debt to AUM	44.47%
Market Price (MP)	106.50

Source: Company Reports
Note: Yield = Annual DPU/MP

About the Company

Anzen India Energy Yield Plus Trust's (Anzen Trust)

Anzen Trust was established as an irrevocable trust under the provisions of the Indian Trusts Act, 1882 and was registered with SEBI as an Infrastructure Investment Trust (InvIT) on January 18, 2022. They are Sponsored by SEPL Energy Pvt Ltd, a wholly owned subsidiary of Edelweiss Infrastructure Yield Plus (EIYP), Anzen InvIT is managed by EAAA Real Assets Managers Ltd, a subsidiary of EAAA India Alternatives Ltd. Anzen's units were listed in November 2022. As of now, SEPL holds a 15% stake, EIYP owns approximately 56%, and other unitholders hold the remaining ~29%.

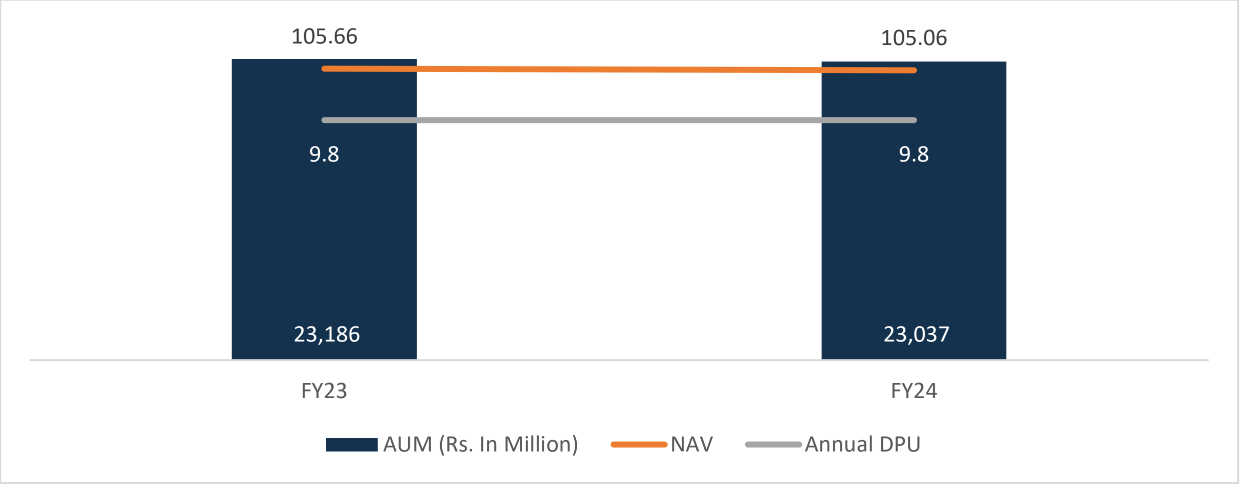
Table 57: Financial and Operational metrics (Consolidated) (Rs. In Million)

Anzen	FY23	FY24
AUM	23,186.00	23,037.00
NAV	105.66	105.06
Annual DPU	9.80*	9.80
Net Debt to AUM	~28%	~28%
Market Price	102.40	100.00

Source: Company Reports

*Note - *DPU for FY23 is annualized*

Chart 50: Comparison of Key metrics (Year on Year)



Source: Company Reports, CareEdge Research

Annexure

Major Government Owned Mature Assets:-

Project Name	Cost (Rs.Crore)	Industry	Ownership	State	Product1	Capacity	Units	Promoter Name
Mundra Ultra Mega Power Transmission Project	5072	Power Distribution	Central Government	Gujarat	Transmission line	3604	kms	Power Grid Corpn. of India Ltd.
Solar Photovoltaic Power (Bhadla) Project - Phase III	5000	Solar based Power	Central Government	Rajasthan	Solar based power unit	500	MWp	Solar Energy Corporation of India Ltd.
Solar Park (Jalaun, Allahabad, Mirzapur & Kanpur)	4800	Solar based Power	Central Government	Uttar Pradesh	Solar based power unit	600	MW	Lucknow Solar Power Devp. Corpn. Ltd.
Western Region Grid Strengthening Scheme II	4800	Power Distribution	Central Government	Maharashtra, Madhya Pradesh, Gujarat, Chhattisgarh, Goa, Dadra & Nagar Haveli, Daman & Diu	Transmission line	7100	CKM	Power Grid Corpn. of India Ltd.
Solar Park (Agar)	4000	Solar based Power	State Govern ment	Madhya Pradesh	Solar based power unit	200	MW	Rewa Ultra Mega Solar Ltd.
Solar Photovoltaic Power (Shajapur) Project	3600	Solar based Power	State Govern ment	Madhya Pradesh	Solar based power unit	450	MWp	Rewa Ultra Mega Solar Ltd.
Kudankulam Transmission Line	2187	Power Distributio n	Central Govern ment	Tamil Nadu , Andhra Pradesh , Kerala	Transmission line	1003	kms	Power Grid Corpn. of India Ltd.
Solar Park (Kasargod)	1600	Solar based Power	State Govern ment	Kerala	Solar Park	500	acres	Renewable Power Corpn. of Kerala Ltd.
Inter-State Power Transmission System (Tamil Nadu) Project	1593	Power Distribution	State Govern ment	Tamil Nadu	Inter-state power transmission system	0		Tamil Nadu Transmission Corpn. Ltd.
Solar Photovoltaic Power (Nokhra) Project	1500	Solar based Power	Central Govern ment	Rajasthan	Solar photovoltaic power	300	MW	NTPC Green Energy Ltd.
Inter State Transmission System - Northern Region II	1479	Power Distributio n	Central Govern ment	Rajasthan	Transmission lines & substations	0		Power Grid Corpn. of India Ltd.
Naitwar-Mori Hydel Power Project	1272	Hydel Based Power	Central Govern ment	Uttarakhand	Hydel power unit	60	MW	SJVN Ltd.
Solar Photovoltaic Power (Gujarat) Project	1200	Solar based Power	State Govern ment	Gujarat	Solar based power unit	150	MWp	HPCL Renewables & Green Energy Ltd.
Solar Photovoltaic Power (Devikot) Project	1200	Solar based Power	Central Govern ment	Rajasthan	Solar photovoltaic power unit	240	MW	NTPC Ltd.
Solar Photovoltaic Power (Ettayapuram) Project	1150	Solar based Power	Central Govern ment	Tamil Nadu	Solar power	230	MW	NTPC Ltd.
Solar Photovoltaic Power (Anta) Project	1064	Solar based Power	Central Govern ment	Rajasthan	Solar based power unit	90	MWp	NTPC Ltd.
Transmission System (Meerut & Simbhavali)	1049	Power Distribution	Central Government	Uttar Pradesh	Transmission system	0		POWERGRID Meerut Simbhavali

Project Name	Cost (Rs.Crore)	Industry	Ownership	State	Product1	Capacity	Units	Promoter Name
Project								Transmission Ltd.
Solar Photovoltaic Power (Rajnandgaon) Project	945	Solar based Power	Central Govern ment	Chhattisgarh	Solar photovoltaic power	100	MW	Solar Energy Corporation of India Ltd.
Transmission System (Neemuch SEZ) Project	864	Power Distributio n	Central Govern ment	Madhya Pradesh	Transmission system	0		Powergrid Neemuch Transmission System Ltd.
Floating Solar Photovoltaic Power (Omkareshwar) Project [Phase-I]	630	Solar based Power	Central Govern ment	Madhya Pradesh	Solar based power unit	90	MWp	SJVN Green Energy Ltd.
Floating Solar Photovoltaic Power (Omkareshwar) Project - [Phase-I]	616	Solar based Power	Central & State Govern ments	Madhya Pradesh	Floating solar photovoltaic power	88	MWp	NHDC Ltd.
Transmission Line (Neyveli) Project	612	Power Distribution	Central Government	Tamil Nadu	Transmission line	0		Power Grid Corpn. of India Ltd.
Floating Solar Power (Omkareshwar Reservoir) Project [Phase-II]	610	Solar based Power	Central Govern ment	Madhya Pradesh	Solar based power unit	90	MW	SJVN Green Energy Ltd.
Ganol Hydel Power Project	560	Hydel Based Power	State Govern ment	Meghalaya	Hydel power unit 1	7.5	MW	Meghalaya Energy Corpn. Ltd.
Transmission Line (Kayathar- Virudhunagar) Project	543	Power Distributio n	State Govern ment	Tamil Nadu	Transmission line	72	kms	Tamil Nadu Transmission Corpn. Ltd.
Transmission Lines (Buxar ThermalPower Plant- Naubatpur) Project	532	Power Distribution	State Govern ment	Bihar	Transmission lines	333	kms	Bihar State Power Transmission Co. Ltd.
Solar Photovoltaic Power (Gurhah) Project	467	Solar based Power	Central Government	Uttar Pradesh	Solar photovoltaic power	75	MW	SJVN Ltd.
Solar Photovoltaic Power (Parasan) Project	338	Solar based Power	Central Government	Uttar Pradesh	Solar based power unit	65	MW	Bundelkhand Saur Urja Ltd.
Transmission Lines (Gopalganj- Mashrakh) Project - Reconductoring	333	Power Distribution	State Govern ent	Bihar	Transmission lines	0		Bihar State Power Transmission Co. Ltd.
Transmission Line (RIL Jamnagar Refinery-Jam Khambaliya ISTS PS) Project	328	Power Distributio n	Central Govern ment	Gujarat	Transmission line	60	kms	Power Grid Corpn. of India Ltd.
Transmission Line (Jam Nagar Oil Refinery-Jam Khambhaliya ISTS PS) Project	328	Power Distributio n	Central Govern ment	Gujarat	Transmission line	0		Power Grid Corpn. of India Ltd.
Pallivasal Hydel Power Project - Extension	285	Hydel Based Power	State Government	Kerala	Hydel power unit	60	MW	Kerala State Electricity Board
Solar Power (Gujrai) Project	280	Solar based Power	Central Govern ment	Uttar Pradesh	Solar based power unit	50	MW	SJVN Ltd.
Kopili Hydel Power	254	Hydel Based	Central	Assam	Hydel based	275	MW	North Eastern Electric Power

Project Name	Cost (Rs.Crore)	Industry	Ownership	State	Product1	Capacity	Units	Promoter Name
Project - Renovation		Power	Government		power unit			Corpn. Ltd.
Solar Photovoltaic Power (Gandhar) Project	210	Solar based Power	Central Government	Gujarat	Solar based power unit	20	MWp	NTPC Ltd.
Thottiyar Hydel Power Project	207	Hydel Based Power	State Govern ment	Kerala	Hydel power unit 1	30	MW	Kerala State Electricity Board
Transmission System (Madhya Pradesh) Project	186	Power Distributio n	State Govern ment	Madhya Pradesh , Madhya Pradesh, Madhya Pradesh	Transmission system	0		Rewa Ultra Mega Solar Ltd.
Transmission Line (Koradi-II- Uppalwadi) Project	183	Power Distributio n	State Govern ment	Maharashtra	Transmission line	7.5	kms	Maharashtra State Electricity Transmission Co. Ltd.
Solar Photovoltaic Power (Pandhro) Project	175	Solar based Power	State Government	Gujarat	Solar power plant	35	MW	Gujarat State Electricity Corpn. Ltd.
Biogas Power (Gorakhpur) Project	165	Biogas Based Power	Central Government	Uttar Pradesh	Biogass based power unit	200	tpd	Indian Oil Corpn. Ltd.
Transmission Line (Buxar-GSS Dumraon) Project	165	Power Distribution	State Government	Bihar	Transmission line	220	kV	Bihar State Power Transmission Co. Ltd.
Solar Photovoltaic Power (Bhojudih) Project	163	Solar based Power	Central Government	West Bengal	Solar based power unit	25	MWp	Bharat Coking Coal Ltd.
Solar Power (Pekhubella) Project	160	Solar based Power	State Govern ment	Himachal Pradesh	Solar power	32	MW	Himachal Pradesh Power Corporation Ltd.
Transmission Line (Bhogat-Kalawad) Project	160	Power Distributio n	State Govern ment	Gujarat	Transmission line	130.29	kms	Gujarat Energy Transmission Corpn. Ltd.
Solar Photovoltaic Power (Lunsar) Project	150	Solar based Power	State Govern ment	Gujarat	Solar based power unit	30	MWp	Gujarat State Electricity Corpn. Ltd.
Solar Photovoltaic Power (Piparwar) Project	143	Solar based Power	Central Government	Jharkhand	Solar based power unit	20	MW	Central Coalfields Ltd.
Transmission System Strengthening (Kolhapur) Project	129	Power Distributio n	Central Govern ment	Maharashtra	Transmission system strengthenin g	400	kV	Power Grid Corpn. of India Ltd.
Transmission System (Tirunelveli & Tuticorin Wind Energy Zone) Project	126	Power Distributio n	State Govern ment	Tamil Nadu, Tamil Nadu	Transmission system	0		Transmission Corpn. of Telangana Ltd.
Solar Photovoltaic Power (Hyderabad) Project	100	Solar based Power	State Govern ment	Telangana	Solar photovoltaic power	13	MWp	Hyderabad Growth Corridor Ltd.

Major Private Owned Mature Assets:-

Project Name	Cost (Rs.Crore)	Industry	Ownership	State	Product1	Capacity	Units	Promoter Name
Transmission System (Koppal Wind Energy Zone) Project	NA	Power Distribution	Private (Indian)	Karnataka	Transmission system	2500	MVA	Koppal-Narendra Transmission Ltd.

Project Name	Cost (Rs.Crore)	Industry	Ownership	State	Product1	Capacity	Units	Promoter Name
Solar-Wind Hybrid Power (Navi Mumbai) Project	NA	Solar based Power	Private (Indian)	Maharashtra	Solar-Wind Hybrid Power	1200	MW	Welspun New Energy Ltd.
Solar PV Module (Rangareddy) Project	NA	Solar based Power	Private (Indian)	Telangana	Solar PV Module	1000	MWp	Premier Energies Global Environment Pvt. Ltd.
Intra-State Transmission Line (Madhya Pradesh) Project [Package-II]	1200	Power Distribution	Adani Group	Madhya Pradesh	Intra-state transmission Line	850	CKM	MP Power Transmission Package-II Ltd.
Wind Power (Fatehgarh) Project	3311	Wind Based Power	Adani Group	Rajasthan	Wind based power unit	473	MW	Ampin Energy Transition Pvt. Ltd.
Solar Photovoltic Power (Bhainsara) Project	2880	Solar based Power	Private (Indian)	Rajasthan	Solar based power unit	300	MWp	Renew Solar Energy Pvt. Ltd.
Wind Power (Gadhsisa) Project	1500	Wind Based Power	Private (Indian)	Gujarat	Wind based power unit	300	MW	K P Energy Ltd.
Solar Photovoltaic Power (Rajasthan) Project	1750	Solar based Power	Private (Indian)	Rajasthan	Solar based power unit	300	MWp	Vikram Solar Ltd.
Wind Power (Dayapar) Project [SECI-IV]	1500	Wind Based Power	Adani Group	Gujarat	Wind based power unit	300	MW	Oyster Renewables Pvt. Ltd.
Wind Power (Kachchh) Project	1425	Wind Based Power	Private (Indian)	Gujarat	Wind based power unit	285	MW	Avikiran Solar India Pvt. Ltd.
Wind Power (Khavda) Project	1750	Wind Based Power	Private (Indian)	Gujarat	Wind based power unit	250	MW	Adani Renewable Energy Forty One Ltd.
Solar Photovltaic Power (Anantapur) Project	2000	Solar based Power	Private (Indian)	Andhra Pradesh	Solar based power unit	250	MWp	Ayana Ananthapuramu Solar Pvt. Ltd.
Solar Photovoltic Power (Badisid) Project	2000	Solar based Power	Private (Indian)	Rajasthan	Solar based power unit	250	MWp	Acme Chittorgarh Solar Energy Pvt. Ltd.
Transmission Line (Khavda) Project	1200	Power Distribution	Adani Group	Gujarat	Transmission line	220	kms	Khavda-Bhuj Transmission Ltd.
Solar Photovoltaic Power (Agar) Project	1000	Solar based Power	Private (Indian)	Madhya Pradesh	Solar based power unit	200	MWp	Avaada Sunrise Energy Pvt. Ltd.
Wind Hybrid Power (Mahuva-III/IV/V) Project	1200	Wind Based Power	Private (Indian)	Gujarat	Wind based power unit	200	MW	K P Energy Ltd.
Solar Power (Bikaner) Project	1000	Solar based Power	Tata Group	Rajasthan	Solar based power unit	200	MW	ACME Cleantech Solutions Pvt. Ltd.
Solar Power (Devikot) Project	900	Solar based Power	Adani Group	Rajasthan	Solar based Power Unit	180	MW	Adani Solar Energy RJ Two Pvt. Ltd.
Wind Power (Kachchh) Project	910	Wind Based Power	Adani Group	Gujarat	Wind based power unit	130	MW	Avikiran Solar India Pvt. Ltd.
Wind Power (Dwarka) Project	805	Wind Based Power	Torrent Group	Gujarat	Wind based power unit	115	MW	Juniper Green Energy Pvt. Ltd.
Solar Power (Bikaner) Project	550	Solar based Power	Tata Group	Rajasthan	Solar based power unit	110	MW	ACME Cleantech Solutions Pvt. Ltd.

BUSINESS

Some of the information in this section, including information with respect to our plans, strengths, and strategies, contain forward-looking statements that involve risks and uncertainties. You should read "Forward-Looking Statements" on page 20 for a discussion on the risks and uncertainties related to those statements and also "Risk Factors" and "Discussion and Analysis by the Directors of the Investment Manager of the Financial Condition, Results of Operations and Cash Flows of the Portfolio Assets of the Anzen Trust" on pages 116 and 345 respectively, for a discussion of certain factors that may affect our business, financial condition, or results of operations. Our actual results may differ materially from those expressed in or implied by these forward-looking statements.

Our fiscal year ends on March 31 of each year, and references to a particular Fiscal are to the twelve months ended March 31 of that year.

Unless the context requires otherwise, the financial information in this Preliminary Placement Document is derived from the Audited Consolidated Financial Statements for the financial year 2024, Audited Special Purpose Combined Financial Statements for the financial years 2023 and 2022 and Unaudited Interim Consolidated Financial Results for the nine months ended December 31, 2024. Since, Audited Consolidated Financial Statements are not comparable with the Audited Special Purpose Combined Financial Statements and accordingly, the comparison has not been provided for the same in this Preliminary Placement Document. Further, information for the nine months ended December 31, 2023 is derived from comparative amounts presented in unaudited interim consolidated financial results for nine months ended December 31, 2024. For further details, see the annexure entitled "Financial Statements". Unless otherwise stated or the context requires otherwise, references in this section to "we", "our", or "us" are to the Anzen Trust along with the Portfolio Assets. However, for the purpose of the Audited Special Purpose Combined Financial Statements, references to "we", "us", and "our" refers to the Portfolio Assets. We have included various operational and financial performance indicators in this section, some of which may not have been derived from our Audited Special Purpose Combined Financial Statements, Audited Consolidated Financial Statements and Unaudited Interim Consolidated Financial Results. The manner in which such operational and financial indicators are calculated and presented, and the assumptions and estimates used in such calculations, may vary from that used by other entities in the business similar to ours. Investors are accordingly cautioned against placing undue reliance on such information in making an investment decision and must evaluate such information in the context of the Audited Special Purpose Combined Financial Statements. Since, Audited Consolidated Financial Statements are not comparable with the Audited Special Purpose Combined Financial Statements and accordingly, the comparison has not been provided for the same in this Preliminary Placement Document. For further details, please see the section entitled "Risk Factors - Our financial information for different fiscals is not comparable" on page 126.

Industry and market data used in this section have been extracted from the CARE Report. For further details and risks in relation to commissioned reports, see "Risk Factors – Industry information included in this Preliminary Placement Document has been derived from an industry report commissioned and paid for by us exclusively in connection with the Issue" on page 134.

Overview

We are an infrastructure investment trust ("**InvIT**") established to own power transmission and renewable energy assets in India as permissible under the InvIT Regulations. Anzen India Energy Yield Plus Trust (the "**Anzen Trust**") was established on November 1, 2021, by our Sponsor, SEPL Energy Private Limited, and were registered with SEBI on January 18, 2022, pursuant to the InvIT Regulations. We are backed by a multidisciplinary board and a team with years of experience. Further, we are also backed by our unitholders which are institutional investors like large corporates, endowment fund, pension fund etc. Our Sponsor has experience in designing and engineering, operations and maintenance and managing power transmission and renewable energy projects across India, and is the project manager of two power transmission assets and twelve renewable energy assets in India.

Given our financial position, support of and experience from our Sponsor and the robust regulatory framework for power transmission and renewable energy generation in India, we believe that we are well-positioned to take advantage of the growth potential of India's energy sector. For further details on India's energy sector, please see the section entitled "*Industry Overview"* on page 198. Anzen Trust owns a 100.00% equity shareholding and certain debt securities (along with 100.00% economic interest) in each of DMTCL and NRSS, the two inter-state power transmission projects, with a total network of 427.4 kms power transmission lines of 854.9 ckm, comprising of 1,168 towers and two EHV substations, having 1,400 MVA and 760 MVAR of transformation capacity across three states in India (the "**Portfolio Assets**"), pursuant to acquisition of Portfolio Assets by way of securities purchase agreement dated November 1, 2022. Edelweiss Infrastructure Yield Plus ("**EIYP**") Fund, of which our Sponsor is a 100.00% owned entity, owns a 74.00% equity shareholding and certain debt securities (along with 74.00% economic interest) in 11 renewable energy assets with a cumulative generation capacity of 623.2 MWp. Our Sponsor, directly and through its affiliate entities, owns a 74.00% equity shareholding and certain debt securities (along with 74.00% economic interest) in one other renewable energy asset with a generation capacity of 190 MWp. The 12 renewable energy projects together have an aggregate generation capacity of 813.2 MWp (the "**ROFO 1 Assets**"). IYP II, IYP IIA and IIYP II hold 100.00% equity shareholding and debt securities in a power transmission project with power transmission lines of 980 ckm ((the "**ROFO 2 Asset**"), collectively with ROFO 1 Assets (the "**ROFO Assets**")). Pursuant to the 'right of first offer agreement' entered into between the Trustee (acting on behalf of the Anzen Trust), the Investment Manager, the Sponsor, and EIYP (the "**ROFO Agreement 1**") and the 'right of first offer agreement' entered into between the Trustee (acting on behalf of the Anzen Trust), the Investment Manager, IYP II, IYP IIA and IIYP II (the "**ROFO Agreement 2**"), the Anzen Trust has a 'right of first offer' to acquire: (i) 74.00% equity shareholding and debt securities as specified in the ROFO Agreement 1 (along with 74.00% economic interest) in 11 renewable energy projects from EIYP, (ii) 74.00% equity shareholding and debt securities as specified in the ROFO Agreement 1 (along with 74.00% economic interest) in one renewable energy project from the Sponsor or its affiliates, and (iii) 100.00% equity shareholding and debt securities as specified in the ROFO Agreement 2 in one power transmission project from IYP II, IYP IIA and IIYP II. For further details on the ROFO Agreements, see "*Related Party Transactions"* on page 376.

Pursuant to the Issue, the Anzen Trust, acting through the Trustee, proposes to acquire from the ReNew Private Limited (the "**Seller**"), and ReNew Private Limited proposes to transfer to the Anzen Trust, 100% equity shareholding in ReNew Sun Waves Private Limited (the "**Target Asset**"), by way of a share purchase agreement dated December 19, 2024, entered into amongst the Trust, the Seller and the Target Asset. Currently, 99.99% of shares are held by the Seller whereas 0.01% of the shares are held by Ostro Energy Private Limited, a nominee of the Seller. Anzen Trust is acquiring the Target Asset at an enterprise value of ₹ 14,960 million subject to adjustments on account of net current assets and other adjustments not exceeding ₹ 15,540 million.

The two Portfolio Assets were initially awarded under the 'tariff based competitive bidding' mechanism ("**TBCB**") on a 'build-own-operate-maintain' ("**BOOM**") basis. The power transmission projects earn revenue pursuant to long-term transmission service agreements ("**TSAs**"). These projects receive availability-based tariffs under the TSAs, irrespective of the quantum of power transmitted through the line. The tariff for inter-state power transmission projects in India, including the Portfolio Assets, is predetermined and contracted for the period of the TSA, which is 35 years from the commercial operation date ("**COD**") of the asset. The actual CODs for DMTCL and NRSS were August 10, 2017 and March 27, 2017 respectively, and as provided in various orders issued by CERC (i.e. see "*Legal and Other Information*" on page 398), the Scheduled CODs shall stand extended till the actual CODs.

Transmission charges under the TSAs are billed and collected pursuant to the 'point of connection' ("**PoC**") mechanism, a regulatory payment pooling system offered to Inter State Transmission Systems ("**ISTS**"), such as the systems operated by the Portfolio Assets. Under the PoC mechanism, payments are made to a central payment pool and the proceeds are distributed proportionately to all transmission services providers, such as the Portfolio Assets. The availability-based tariffs and PoC payment mechanism enable a stable and certain cash flow stream and minimize receivables risk (for further details, see "*Industry Overview*" on page 198). Tariffs for our ROFO 1 Assets are predetermined for a period of 25 years from their respective scheduled COD at a per unit rate, as set out in "*Business - ROFO Assets*" on page 317. Additionally, tariff for our ROFO 2 Asset is predetermined, fixed and contracted for the period of the TSA, which is 35 years from the commercial operation date ("**COD**") of the asset. Further, tariffs for the Target Asset are predetermined for a period of 25 years from their respective scheduled COD at fixed tariff rate of ₹ 2.55 per kWh, as set out in "*Business – The Target Asset*" on page 322.

We are focused on providing stable and sustainable distributions to our Unitholders. In accordance with the InvIT Regulations, each financial year we are required to distribute at least 90% of our net cash available for distribution to our Unitholders at least once every financial year. For further details in relation to distribution, see "*Distribution*" on page 342. Following the utilization of the Issue Proceeds of this Issue, our aggregate consolidated borrowings and deferred payments net of cash and cash equivalents will be below 70% of the total value of Anzen Trust's assets, as prescribed under the InvIT Regulations.

As on March 31, 2024, AUM of the Anzen Trust was ₹ 23,037 million, weighted average cost of debt was 8.14%, Net Debt to AUM was approximately 27.59%. The Trust made a distribution per unit of approximately ₹ 9.8 in the Fiscal 2024. Further, our Portfolio Assets have been in operation for approximately 7 years and have a residual contractual period of approximately 28 years in the Fiscal 2024. Further, Net Debt to AUM of the Anzen Trust was 27.41% as on September 30, 2024 (calculated basis the AUM as on March 31, 2024).

Our total income for the Fiscal 2024 was ₹ 2,521.10 million, of which revenue from contract with customers was ₹ 2,426.41 million. This majorly comprised of income from transmission charges amounting to ₹ 2,410.29 million. The loss before tax was ₹ 282.19 million for the Fiscal 2024. Furthermore, the total Assets as at March 31, 2024 were ₹ 20,930.45 million.

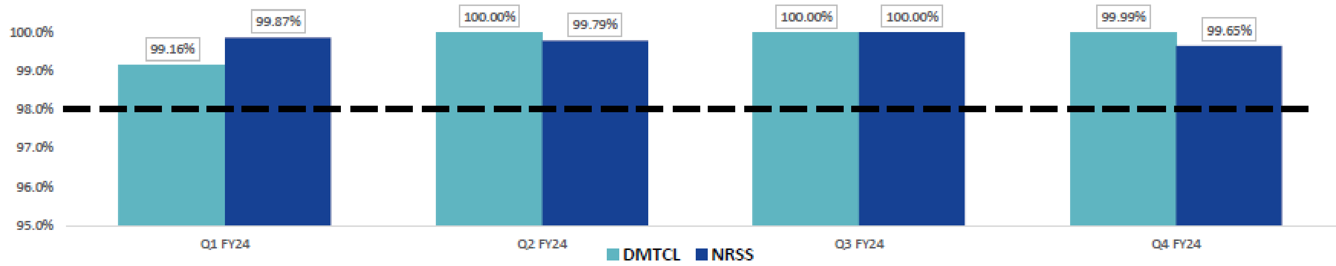
Competitive Strengths

Stable cash flows from InvIT Assets with minimal counterparty and operational risks

We derive our revenue for electricity transmission from contracted charges under long-term TSAs, creating stable, predictable and low-risk revenue and cash flows for our power transmission business. The transmission charges for each Portfolio Asset are contracted for the period of the TSA, which is 35 years from its respective COD. The transmission charges consist of 'non-escalable' yearly transmission charges for a period of 35 years, exposing us to minimal price risk from transmission charge resetting, thereby providing long-term revenue visibility. In addition, the Portfolio Assets are contracted to generate a fixed revenue, as tariffs under the TSAs are fixed for the entire duration of the term of the TSA, i.e. 35 years from the date of the COD. The applicable existing annual tariff is Rs. 1,347.30 million for DMTCL and Rs. 980.90 million for NRSS.

Further, we will also derive revenue from sale of electricity generated from the solar project under the Target Asset PPA creating stable cash flows. The Target Asset has an operating history of approximately 3 years. As the asset has minimal construction risk, it is not subject to any major capital expenditure. The Target Asset has generated 197.8 MU, 735.6 MU, 746.4 MU and 345.8 MU during the three-month period ended June 30, 2024, and the Fiscals 2024, 2023 and 2022. The Target Asset has earned a revenue of ₹ 518 million, ₹ 1,899 million, ₹ 1,921 million and ₹ 989 million during the three-month period ended June 30, 2024, and the Fiscals 2024, 2023 and 2022. The Target Asset has total debt (including group loans) of ₹ 10,857 million, ₹ 10,935 million, ₹ 10,912 million and ₹ 11,242 million during the three-month period ended June 30, 2024, and the Fiscals 2024, 2023 and 2022. Further, the Target Asset has entered into a long-term power purchase agreement ("**PPA**") with SECI with the residual term of the PPA of approximately 22 years. Such association with SECI, a central government agency, benefits the Target Asset in terms of stability in cash flows by virtue of a long-term agreement with a stable off-taker. In accordance with the terms of the PPA, the project has a pre-determined tariff structure with a fixed tariff of ₹ 2.55 per kWh. The long-term nature of the PPA and the pre-determined tariff structure result in stable revenue generation and predictable cash flows. For details related to PPA, please see the section entitled "*Summary of Power Purchase Agreement*" on page 322.

Inter-state power transmission projects receive transmission charges based on their system availability, (including in case of outages due to a *force majeure* event), subject to requisite approvals and irrespective of the quantum of power transmitted through the system. Maintaining annual availability in excess of 98% also gives us the right to claim incentives under the terms of the respective TSAs, and the amount of incentive revenue earned increases as the availability levels increase, with the incentive capped at an maximum annual availability of 99.75%. From the respective CODs until March 31, 2024, each of the Portfolio Assets has been certified to have achieved an annual average availability of more than 99.75%, for which the Portfolio Assets have earned incentive revenue in accordance with the respective TSAs. In Fiscal 2024, DMTCL has been certified to have achieved an annual average availability of 99.79% and NRSS has been certified to have achieved an annual average availability of 99.83%. In Fiscal 2024, the aggregate annual incentive revenue from the Portfolio Assets amounted to ₹ 81.71 million. DMTCL has achieved provisional availability of 99.97% in the nine months ended December 31, 2024 and NRSS has achieved provisional availability of 99.87% in the nine months ended December 31, 2024. The graph below features information in relation to average availability of our Portfolio Assets in the Fiscal 2024:



Average Availability for FY2024 - DMTCL: 99.79%, NRSS: 99.83%

Tariffs under the TSAs are billed, collected, and disbursed pursuant to the PoC mechanism, in accordance with the Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2020 ("**CERC Sharing Regulations**"). Under the PoC mechanism, payments are made to a central payment pool being the central transmission utility ("**CTU**") and the proceeds are distributed proportionately to all transmission services providers, such as the Portfolio Assets, ensuring limited counterparty risk. Any shortfall in collection of transmission charges by the CTU is shared on a pro rata basis by all transmission service providers. This mechanism diversifies counter party risk, ensures a stable cash flow independent of asset utilization and provides payment security. Timely realization of revenue leads to stability in cash flows given contracts with Tier-I counterparties.

Power transmission projects are strategic and critical assets since they play a vital role in the power supply value chain. These projects are characterized by low levels of operational risk as once commissioned, expenditure for operations and maintenance ("**O&M**") is relatively low, thereby giving us the benefit of owning the Portfolio Assets without incurring significant additional operational costs. In Infrastructure space, especially power sector, O&M expenses are relatively lower resulting in higher EBITDA for companies (*Source: CARE Report*). In particular, by carrying out preventive and predictive maintenance works, and following prudent O&M practices, the useful life of our transmission lines can be extended beyond 50 years, according to the Technical Report. Each Portfolio Asset has also entered into a Project Implementation and Management Agreement with our Sponsor in the capacity as Project Manager pursuant to which our Sponsor/Project Manager is responsible for operations, maintenance, and upkeep required for the Portfolio Assets. Our O&M functions are managed by an experienced team comprising senior professionals and industry veterans with significant cross-functional and techno-commercial work experience with reputed domestic and multinational utilities, consultants, and OEMs, see "*Parties to the Anzen Trust – The Project Manager*" on page 181. The scope proposed under the Project Implementation and Management Agreement includes routine O&M and preventive maintenance and breakdown rectification work. Under the proposed Project Implementation and Management Agreement, consideration for O&M services is contemplated to be a fixed amount that will be payable monthly.

The Project Manager may deploy manpower and staff as may be required for performance of services where required and engage sub-contractors for this purpose. The Project Manager shall employ sub-contractors who are competent to undertake the services and are adequately trained including on compliance with any health, safety, and environment-related policies and anti-bribery and corruption related policies. For further information on our O&M capabilities, see "- *Operation and Maintenance Services*" on page 323. We believe that in addition to the Project Manager's experience and expertise, this arrangement will provide us with necessary expertise for the O&M of such assets, visibility of maintenance costs and, therefore, steady and predictable cash flows.

Strong financial position, strategic assets with long residual life

We believe our financial position will help us fund our future expansion plans. The Anzen Trust has been given a rating of (i) "CRISIL AAA/Stable", for non-convertible debentures aggregating to ₹7,500 million by CRISIL Ratings Limited, the rationale for which is available at the website: https://www.crisilratings.com/mnt/winshare/Ratings/RatingList/RatingDocs/AnzenIndiaEnergyYieldPlusTrust_January%2002_%202025_RR_359915.html; and (ii) "IND AAA/Stable", for non-convertible debentures aggregating to ₹7,500 million by India Ratings and Research, the rationale for which is available at the website: https://www.indiaratings.co.in/pressrelease/73735. Further, the Anzen Trust has also been assigned a rating of (i) "CRISIL AAA/Stable" for non-convertible debentures aggregating to ₹7,000 million and total bank loan facilities aggregating to ₹6,200 million, by CRISIL Ratings Limited, the rationale for which is available at the website: https://www.crisilratings.com/mnt/winshare/Ratings/RatingList/RatingDocs/AnzenIndiaEnergyYieldPlusTrust_January%2028_%202025_RR_361528.html; and (ii) "IND AAA/Stable" for proposed non-convertible debentures aggregating to ₹7,000 million and proposed term loan aggregating to ₹6,200 million, by India Ratings and Research, the rationale for which is available at the website: https://www.indiaratings.co.in/pressrelease/74511. Our revenue from contract with customers for Fiscals 2022, 2023 and 2024, was ₹ 2,218.01 million, ₹ 3,619.37 million, and ₹ 2,426.41 million, respectively. Our revenue from contract with customers for the nine months ended December 31, 2024, was ₹ 1,828.02 million. Our EBITDA for Fiscal 2022, 2023 and 2024, was ₹ 2,060.03 million, ₹ 3,384.58 million, and ₹ 2,228.18 million, respectively. Our EBITDA for the nine months ended December 31, 2024, was ₹ 1,687.45 million. In addition, the security of payments for the transmission service by the Portfolio Assets, as ensured under the terms of the TSAs and the CERC Sharing Regulations, results in declining receivable days, ensures timely payment and increases our financial strength.

For the Financial year ended on March 31, 2024, our total income was ₹ 2,521.10 million, EBITDA was ₹ 2,228.18 million, Net Debt was ₹ 6,356.49 million and distribution declared was ₹ 1,548.40 million.

Revenue generated by the Target Asset from contract with customers for Fiscals 2022, 2023 and 2024, was ₹ 954 million, ₹ 1,848 million, and ₹ 1,827 million, respectively. The revenue from contract with customers for the three months ended June 30, 2024, was ₹ 493 million. EBITDA of the Target Asset for Fiscal 2022, 2023 and 2024, and for the three months ended June 30, 2024, was ₹ 863 million, ₹ 1,693 million, ₹ 1,702 million, and ₹ 462 million, respectively. In addition, the security of payments for the service by the Target Asset, as ensured under the terms of the PPA results in declining receivable days, ensures timely payment and increases our financial strength.

Power transmission projects and solar projects are strategic and critical assets since they operate as vital links in the power supply value chain and power generation respectively. The Portfolio Assets comprise grid assets and assets linked with inter-state power transmission covering both demand and supply centric regions of Northern India and Eastern India whereas the Target Asset comprises of a solar asset. The average remaining term of the TSAs entered into by the Portfolio Assets is approximately 28 years whereas the remaining term of the PPA entered into by the Target Asset is approximately 22 years as at December 31, 2024. The long residual life of more than 50 years of the transmission assets and more than 25 years of the solar assets provides long and stable visibility of cash flows (*Source: CARE Report*).

Use of technology and global practices to improve efficiencies

Technology has emerged as a key business enabler and plays an important role in improving efficiencies. The Project Manager envisaged the need to build efficiencies into all aspects of our operations and have developed and rolled out a technology roadmap for our assets. Some of the key initiatives include:

- Establishing remote connectivity between our substations and our central control and analytics center ("**CAC**") at the Project Manager's office in Mumbai (Maharashtra), that we use to monitor and supervise key O&M functions;
- Automating our maintenance management system through a software application linked to our CAC;
- Installing wind speed and direction sensors at certain regions to continuously measure and monitor wind speeds;
- Initiating a pilot project to train drones to augment physical inspections with drone based inspections;
- Using drones to conduct pre- and post-monsoon topographical contour surveys to map the change in river course for proactive maintenance in the rivers region;

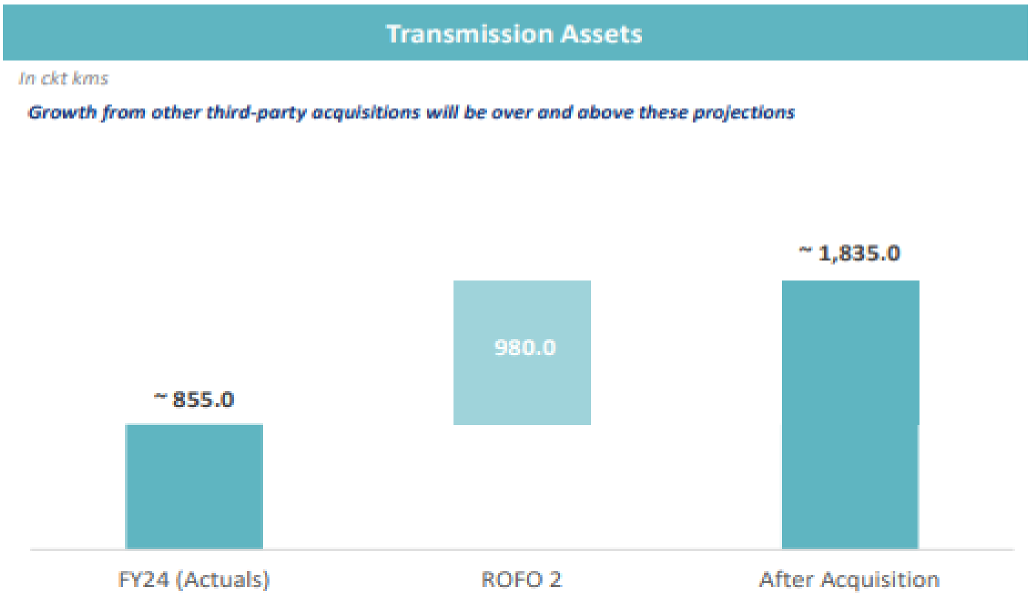
- Using software applications across various aspects and processes including: to record SHE related incidents, near-hits, track/report status of closure and ESG parameters; enable teams to mandatorily participate in evaluation sessions on SOPs, policies; update, report, and track statutory and contractual compliances; process purchase orders/work orders and payments; for treasury management and invoice processing; payroll processing, recruitments, leave management, appraisals, and other HR related matters; consolidated document repository through document management system on SharePoint, etc.;
- Deploying hand-held laser range finder to assess safe clearance of trees from the transmission lines;
- Deploying instrument calibration tools for in-house calibration of instruments (pressure gauges, pressure switches);
- Deploying power line fault locators and signature analysis systems at sites to reduce delays in identifying faults and to measure the fitness level of transmission lines as necessary;
- Using thermo vision cameras with infrared and spectral imagery at substations and transmission lines to identify hot spots for prompt action;
- Installing Supervisory Control and Data Acquisition room physical access control for three of the largest plants (SPUPL, ESPL & SSUPL);
- Implementing drycleaning (semi-automatic pick and place dry cleaners) of solar panels across 6 plants enabling annual water savings of ~57 million litres;
- Deploying guard tour monitoring system in 7 plants to improve efficacy of security surveillance at plant level;
- Usage of inflatable rubber boats for line patrolling in inundated areas; and
- Usage of noncontact voltage detectors to verify residual voltages if any during shutdown of the transmission line and taking suitable measures to nullify the residual voltages.

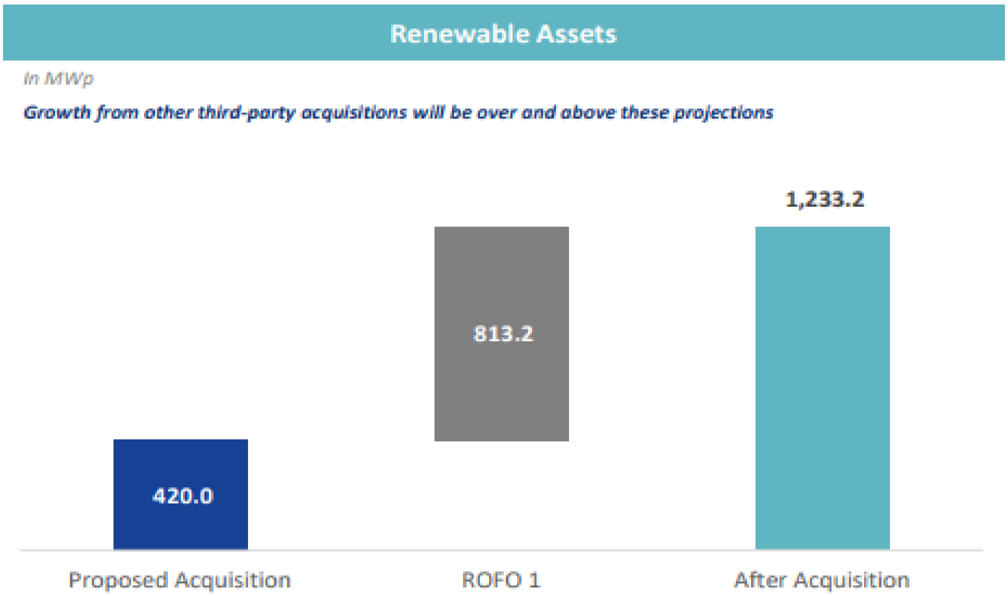
Access to a pipeline of renewable energy assets and power transmission asset

We intend to leverage the experience and expertise of our Sponsor in operating, maintaining and managing power transmission and renewable energy projects, and access EIYP's pipeline of renewable energy and power transmission projects to gain a competitive advantage within the renewable energy and power transmission industry in India. Pursuant to the ROFO Agreements, we have a 'right of first offer' to acquire 12 renewable energy assets, comprising 11 renewable energy assets from EIYP and one renewable energy asset from the Sponsor or its affiliates, with an aggregate generation capacity of 813.2 MWp. Furthermore, we also have a 'right of first offer' to acquire a power transmission asset from IYP II, IYP IIA and IIYP II, with power transmission lines of 980 ckm. EIYP, of which our Sponsor is a 100.00% owned entity, is engaged in investment activities primarily with an objective of generating stable returns and earning long-term capital appreciation. EIYP's portfolio includes 11 solar assets across five states of Rajasthan, Punjab, Telangana, Uttar Pradesh and Andhra Pradesh, generating 623.2 MW of DC power, and the Sponsor's portfolio includes one renewable energy asset located in Rajasthan generating 190 MW of DC power. These are long-term utility scale renewable energy assets with an operational track record of approximately 7 years based on weighted average of revenue as on September 30, 2024, that are contracted for the period of their power purchase agreements ("**PPAs**"), being 25 years from their respective scheduled COD with an average residual term of such PPAs being approximately 18 years based on remaining contracted tenure of ROFO 1 Assets. IYP II, IYP IIA and IIYP II's portfolio include one power transmission asset in Karnataka with power transmission lines of 980 ckm a which is a long-term power transmission asset with an operational track record of approximately 8 years, contracted for a term of 35 years with a residual term being approximately 27 years. Leveraging our Sponsor's experience and EIYP's pipeline also provides us access to their long-term industry relationships with stakeholders to gain cost efficient access to funds. We believe our affiliation with our Sponsor along with its affiliates will allow us to pursue marquee and high-quality renewable assets beyond the ROFO Assets and the Target Asset and engage effectively with regulators and central and state off-takers.

Further, the Anzen Trust (represented by its Trustee) has entered into a share purchase agreement dated December 19, 2024 with the Seller and the Target Asset for the purposes of the acquisition of the Target Asset from the Seller. For details in relation to the share purchase agreement, please see the section entitled "*Use of Proceeds*" on page 329.

The following graphs illustrate the growth of the Anzen Trust upon acquisition of ROFO Assets and the Target Asset:





Managed by an experienced team with expertise in managing infrastructure assets with strong support from the Sponsor

We are managed by qualified personnel of EAAA Real Assets Managers Limited ("**ERAML**"), our Investment Manager, that is led by a professional team having extensive experience in the infrastructure sector, including the power sector, project finance and asset management with the key personnel having a combined experience of more than 30 years in fund management and advisory services. ERAML is a wholly-owned subsidiary EAAA India Alternatives Limited ("**EAAA**"). EAAA is one of the leading alternatives platforms in India, in terms of assets under management ("**AUM**") with more than 15 years of experience and, managing an AUM of approximately ₹5,72,617.93 million from global and Indian limited partners, as of September 30, 2024. EAAA operate a diversified, multi-strategy platform, in large, under-tapped and fast-growing alternative asset classes, focusing on providing income and yield solutions to our clients. Its key business strategies include: (i) real assets ("**Real Assets**") and (ii) private credit ("**Private Credit**"). EAAA is an experienced player, catering to a diverse client base of global and domestic institutional clients and manage India focused funds across its business strategies. EAAA is also a signatory to United Nations supported principles for responsible investments (UNPRI). As on September 30, 2024, (i) EAAA investment team included 79 experienced professionals, responsible for sourcing transactions across strategies; (ii) portfolio operating and management team, operated through Sekura India Management Limited ("**Sekura**"), included 44 members, focusing on portfolio management, value enhancement, technology and process development, sales and cash flow monitoring, asset optimization, and turnaround of our investee companies, led by Sekura's management team with extensive industry experience. EAAA's clients include global institutional investors such as pension funds, insurance companies, large family offices and ultra-high net worth individuals. Accordingly, we expect to benefit from the industry and management expertise of our

Investment Manager, by receiving strategic guidance from them and access to capital markets and value accretive acquisition opportunities. Our Investment Manager's board comprises Sunil Mitra, Shiva Kumar, Nupur Garg and Bala Deshpande as independent directors, reinforcing its strong corporate governance framework and draw on the knowledge of our board of directors, who bring us expertise in the areas of corporate governance, business strategy, and operational and financial capabilities, among others.

We are also supported by the experience and expertise of SEPL Energy Private Limited, our Sponsor, which provides us with a significant competitive advantage within the Indian power transmission and renewable energy industry. Our Sponsor is engaged in identifying, designing, developing, constructing, integrating, assembling and arranging finance for owning and operating the power plants in the field of solar energy by applying technologies and other businesses in connection with it. Our Sponsor has proven project management capability whereby it manages transmission assets of approximately 855 ckt km and solar assets of approximately 813 MWp.

Our Sponsor also benefits from experienced directors on its board, with each of its directors possessing several years of industry and management experience and professional qualifications. Our Sponsor's management team has a strong understanding of the transmission and renewable energy business and runs an independent platform. The experienced team is well-positioned in asset development, technical operations, commercial construction and asset management across the renewable energy and conventional energy sectors and has acquired and operates high quality energy assets. Drawing on this depth of experience and the experience of its subsidiary i.e. Solaire Surya Urja Private Limited ("**SSUPL**"), our Sponsor has established a strong track record of operating and maintaining projects and power plants in the field of solar energy with an emphasis on investing in quality assets. We seek to benefit from the Sponsor's experience and expertise across all stages of project operations and acquisitions within India's complex regulatory framework (including, among others, strategic acquisition, O&M, refinancing and receivables management).

Strong corporate governance and risk management

The InvIT Regulations set out the statutory requirements for, among other things, the board composition of an investment manager. We believe that Unitholders will benefit from the strong corporate governance requirements of the InvIT Regulations. For further details, see "*Corporate Governance*" on page 191. Key features of our corporate governance structure are as follows:

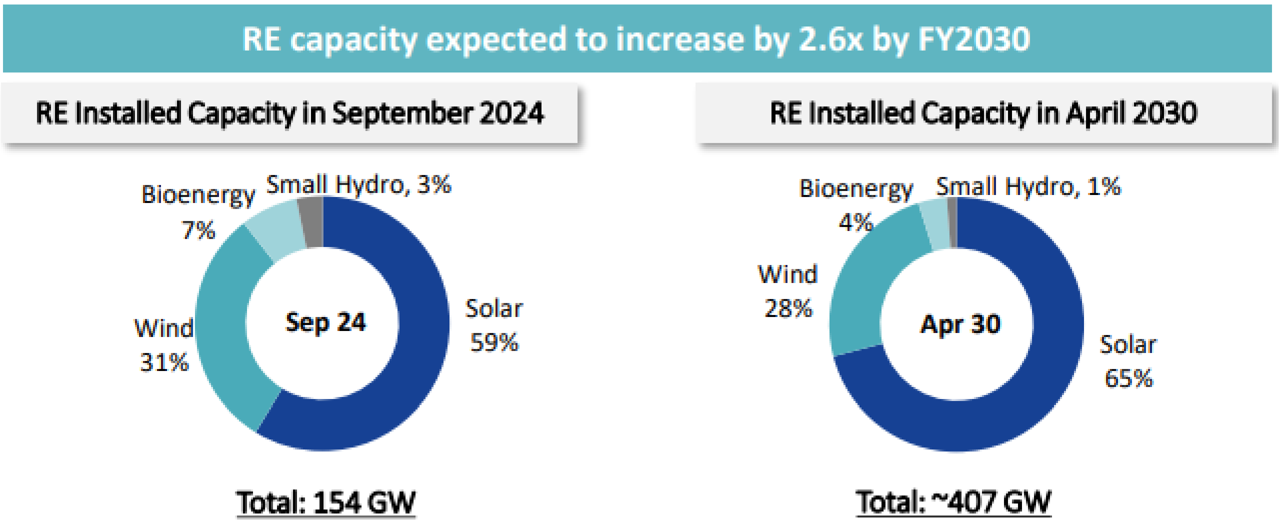
- Four members of the board of our Investment Manager are independent directors, namely, Bala C Deshpande, Nupur Garg, Sunil Mitra and Shiva Kumar, who have extensive experience in the investments, asset management, banking & finance, infrastructure sector including the power sector. Bala C Deshpande has over 18 years of experience in the investment sector and has been associated with asset management and funds management companies, Nupur Garg has experience in the investment and finance sector, Sunil Mitra has over 37 years of experience in the public sector, where he headed important policy initiatives in public finance at the national level, and Shiva Kumar has over 42 years of experience across both public and private sector banking, financial services and the insurance industry. For further details, see "*Parties to the Anzen Trust – The Investment Manager – EAAA Real Assets Managers Limited*" on page 168.
- The Investment Manager has constituted crucial committees of the board, including, the stakeholders' relationship committee, audit committee, risk management committee, investment committee and the nomination and remuneration committee.
- All related party transactions with the Sponsor are to be approved by the audit committee of the Investment Manager.
- All acquisitions made by the Anzen Trust must be approved by our Unitholders, in accordance with the InvIT Regulations.

Business Strategy

Value accretive growth through acquisitions

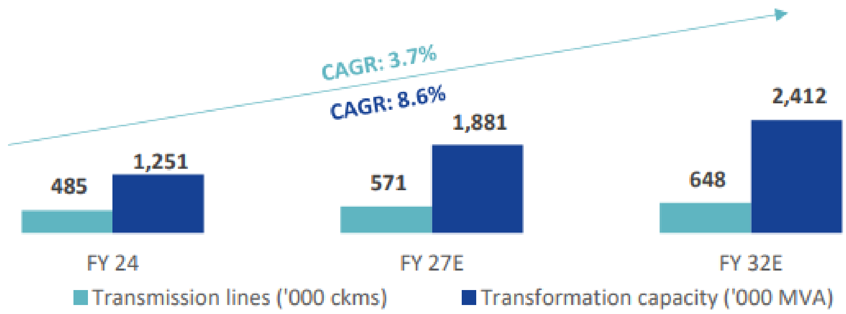
The renewable power sector in India has witnessed remarkable growth in recent years, positioning the country as a global leader in sustainable energy. Government initiatives, such as the National Solar Mission and various incentives for private investment, have catalysed the sector's expansion. Moreover, the country's abundant sunlight and vast coastline provide significant potential for solar and wind energy generation. As investments continue to flow and technological advancements enhance efficiency, the renewable power sector is poised to play a pivotal role in India's economic growth and environmental sustainability. Trends in renewable energy generation in India are evolving rapidly, driven by technological advancements, policy support, and increasing investment. Solar energy has emerged as a frontrunner, with significant growth in solar parks and rooftop installations, fuelled by the government's ambitious targets and declining costs of photovoltaic technology. Wind energy is also gaining momentum, particularly in states like Tamil Nadu and Gujarat, where favourable conditions support large-scale projects. Furthermore, policy frameworks are increasingly focusing on integration with the national grid and encouraging hybrid systems that combine solar and wind energy. Overall, these trends reflect India's commitment to transitioning towards a cleaner and more sustainable energy landscape, aiming for energy security and environmental sustainability (*Source: CARE Report*).

The pie-charts below indicate the increase in capacity of renewable energy in April, 20230 vis-à-vis September, 2024:

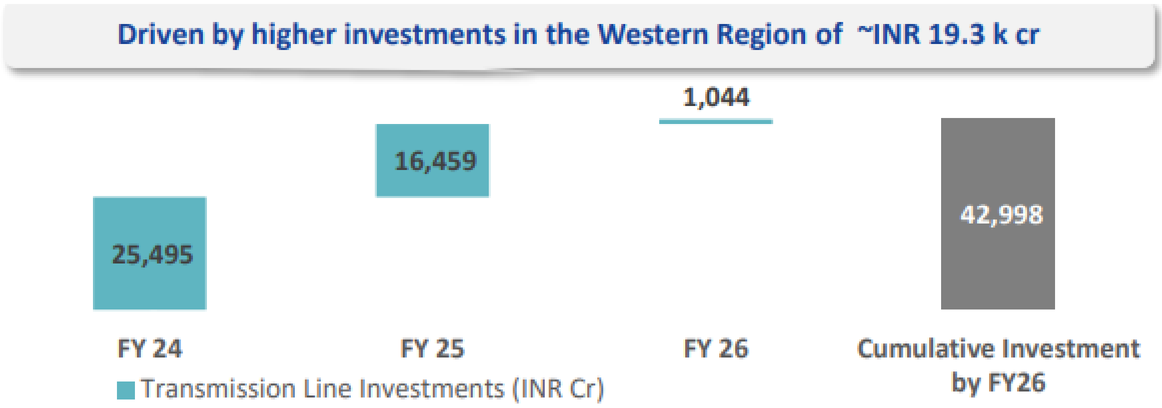


The Indian government has opened up the transmission sector to foreign investors by allowing 100% Foreign Direct Investment (FDI) under the automatic route. This policy aims to attract international capital, expertise, and technology to help modernize and expand the transmission grid. The liberalization of FDI in the transmission sector encourages foreign companies to invest in India's power transmission infrastructure, increasing competition and ensuring efficient service delivery. India has also set an ambitious target to achieve 500 GW of non-fossil fuel-based energy capacity by 2030. With a significant portion of this coming from solar, wind, and hydroelectric power, there is an urgent need for expanded transmission infrastructure to integrate these intermittent and geographically dispersed energy sources into the national grid. Under Perpetual ownership, Transmission assets are developed under the BOOM model, ensuring the trust retains ownership and can generate long-term income from both the assets and the transmission infrastructure while for the solar assets, a significant portion of the generation capacity remains sustained after the expiration of the tariff contract period (*Source: CARE Report*).

The Government of India has been promoting private sector participation in power transmission space with a view to rapidly enhance the power transmission capacity. Most of the projects are awarded through tariff-based competitive bidding (TBCB) route, with the exception only made for implementation of certain strategic and high technology projects awarded to Power Grid Corporation of India Limited on nomination basis (*Source: CARE Report*). The graph below shows the growth expected in the power transmission sector in upcoming years:



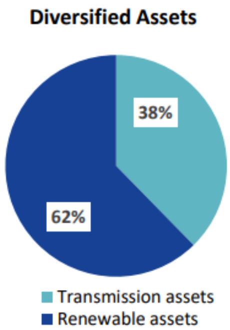
A total of Rs. 4,29,980 million by the end of Fiscal 2028 is aimed to be invested in Indian electricity transmission sector with highest investments in the Western Region of approximately Rs.1,93,000 million. The graph below reflects information with respect to projected investment in the Indian electricity transmission sector:

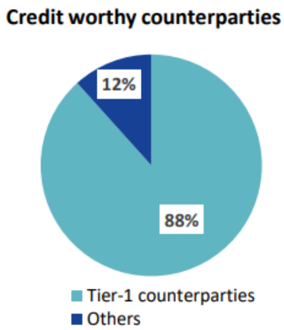


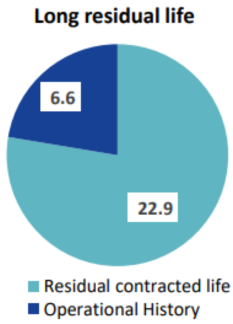
We intend to leverage these sectoral tailwinds to grow our operations by capitalizing on our Investment Manager's value accretive acquisition strategy. We aim to focus on acquiring power transmission and renewable energy projects and such other assets in the energy space with similar risk profiles (including, among others, energy storage assets) which provide long-term, regular, and predictable cash flows, demonstrate potential to maintain or enhance returns to Unitholders and the potential for long-term capital growth in accordance with our investment objectives. In addition to potentially acquiring the ROFO Assets from EIYP, our Sponsor, IYP II, IYP IIA and IIYP II, we may also acquire power transmission, solar projects and other renewable projects from other third parties. We believe that our experienced operational and management teams will lead us to identify, structure, execute, and integrate acquisitions effectively based on our demonstrated ability to successfully acquire energy projects (*Source: CARE Report*).

Focus on diversification along with synergies

We are focused on the Indian market, where we believe there is a significant opportunity for growth. Our Portfolio Assets comprise long-term TSAs with the CTU. The ROFO 1 Assets comprise long-term PPAs with five off-takers including central off-takers, NTPC, SECI, and NVVN, and state off-takers, TSSPDCL and PSPCL whereas the ROFO 2 Asset comprises a long-term TSA with PGCIL, providing us revenue visibility and stability. The Target Asset comprises a long-term PPA with SECI. Apart from state off-takers, we intend to diversify and further our growth with a focus on retaining a healthy mix of credit worthy off-takers including central off-takers. We have the above-mentioned agreements executed with counterparties with credit rating of A+ and above ("**Tier-1 Counterparties**"). For instance, the relevant agreements of our InvIT Assets and the ROFO 2 Asset comprise 100% of Tier-1 Counterparties whereas agreements of ROFO 1 Assets comprise approximately 74.84% of Tier-1 Counterparties.

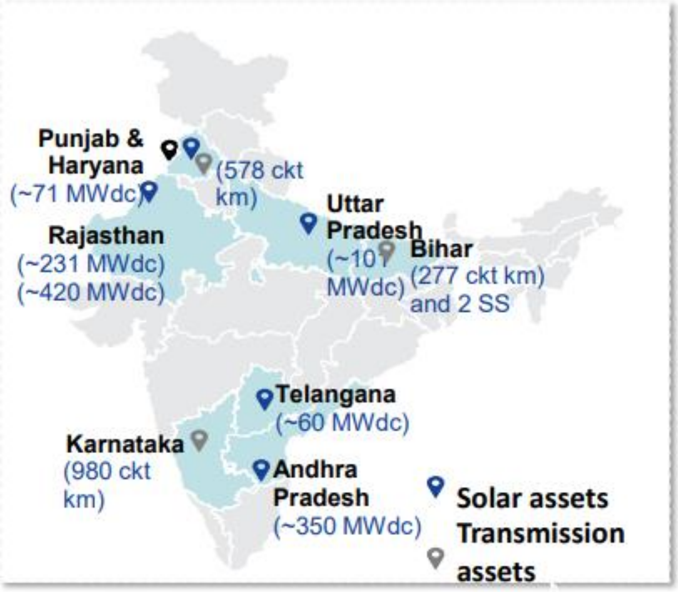






We intend to pursue diversified growth and expand our portfolio to other sources of renewable energy such as wind energy, storage projects, hybrid and round-the-clock projects. Our target is to expand our portfolio by acquiring projects such that we are able to derive synergies with our existing projects by increasing our economies of scale. We propose to leverage a diversified asset base to negotiate favorable terms with equipment manufacturers, O&M service providers, and sub-contractors, and optimize our use of resources in terms of personnel, equipment maintenance, and asset monitoring technologies.

The Portfolio Assets currently comprise power transmission projects spread across states of Bihar, Punjab and Haryana, and the ROFO Assets comprise solar projects spread across Rajasthan, Andhra Pradesh, Uttar Pradesh, Telangana, and Punjab and a power transmission project in Karnataka. The map below indicates presence of our InvIT Assets and ROFO Assets across different locations:



We intend to improve this mix by further adding diversification of geography and off-takers going forward as well and consider states in India which can provide suitable stable cash flows, weather conditions, and sustainable tariffs. We believe we can leverage our Portfolio Assets and our experience in the power transmission industry to optimize the performance of our renewable energy projects through active intervention in the maintenance of evacuation infrastructure connected to our assets. Our overall objective is to ensure that there is substantial balance life remaining in the portfolio, so as to ensure long term predictable and stable cash flows. We will evaluate opportunities based on our targeted returns, operational scale, and diversification criteria.

Pursue value addition strategies to improve risk adjusted returns

We have appointed the Sponsor, in its capacity as Project Manager, to undertake operations and management of the InvIT Assets. We have also adopted comprehensive procedures for asset management, operations and maintenance, ESG management, financial management including experienced internal team and external advisors for undertaking technical assessments, treasury management; human resource management, and safety, health environment, and quality management with an objective of incorporating industry best practices. Our aim is to employ both preventive and corrective measures in order to optimize the long-term performance of each InvIT Asset and any assets we may acquire in the future and ensure timely and effective management focus and attention, to improve overall operational efficiency. For instance, DMTCL's annual availability had been consistently in excess of the prescribed availability of 98% by 1.99% in Fiscal 2021, to 1.79%, 1.96%, and 1.97% in Fiscals 2024, 2023, and 2022, respectively (post-acquisition by our Sponsor) indicating the performance of our portfolio asset, which is significantly above the prescribed requirement. Our Portfolio Assets showcase active intervention in maintaining power evacuation infrastructure.

Anzen Trust has invested in the energy projects which yield long term revenue and being an independent platform, it is open to acquire third-party assets to strength the portfolio. Our Portfolio Assets have a target availability of 98%. Maintaining annual availability in excess of 98% gives us the right to claim incentives under the terms of the respective TSAs, and the amount of incentive revenue earned increases as the availability levels increase. As a result of exceeding the target availability, DMTCL earned an incentive revenue of ₹41.66 million, ₹46.93 million, ₹47.38 million and ₹ 35.53 million in Fiscals 2022, 2023, 2024 and for the nine months ended on December 31, 2024, respectively, whereas NRSS earned an incentive revenue of ₹31.63 million, ₹36.18 million, ₹34.33 million and ₹ 25.87 million in Fiscals 2022, 2023, 2024 and for the nine months ended on December 31, 2024, respectively.

All our O&M practices including our technical, safety, health and environment, and risk management protocols are aligned to industry practices and validated through independent ISO audits and accreditations under ISO 14001 (Environment Management System), ISO 45001 (Occupational Health & Safety Management System), ISO 27001 (International Standard for Information Security), and ISO 55001 (International Standard for Asset Management). Our standard operating procedures (SOPs) have all been developed in-house based on collective team experience and reviewed by experts including senior executives of India's central transmission licensee and ISO auditors. In addition, sustainability of our approach and practices are periodically monitored by an internal team of trained and certified ISO 55001, ISO 45001 and ISO 14001 lead ISO auditors (certified by Bureau Veritas (India) Private Limited/ Lloyds Register).

We propose to leverage these initiatives together with the use of technology in monitoring our assets through the central control and analytics center, software application-based maintenance management system, drone-based inspections, cell phone-based applications, compliance management, invoicing management, and other software-based applications to further improve risk adjusted returns for our operations. For instance, we have installed robotic module cleaning system to avoid generation loss due to soiling and reduce the O&M costs, which in turn enhances our revenue. We believe that having established procedures in place helps reduce the overall operational costs and increase efficiencies, which will in turn improve our financial performance. We intend to regularly review maintenance methodologies and system performance and examine for optimization of resource deployment through the infrastructure.

Further, we intend to monetize any opportunities that may be available for generating additional revenue from non-transmission or non-renewable business operations that leverage our transmission/renewable energy infrastructure or assets. We believe that such opportunities may be available in relation to, amongst others, optical ground wire leasing, leasing of transmission towers to telecommunication companies, and energy storage systems.

Focus on ESG

We have increasingly focused on environmental, social, and governance ("**ESG**") aspects to remain relevant and operate a business that is viable in the long-term. As businesses are exposed to the anticipated risk of climate change, apart from traditional risks associated with the business, we continue to orient our operations as an ESG-focused enterprise.

Furthermore, in keeping with our Sponsor's vision, mission, and values, we have also adopted and implemented a Safety, Health, Environment, and Quality Policy (the "**SHEQ Policy**") which sets out our commitment towards safety, health, environment, and quality. The SHEQ Policy aims to ensure the implementation of good industry practices, procedures and processes across our sites and corporate offices, as well as in the operation of our subsidiaries to ensure safe and sustainable operations and the maintenance and performance of our assets across technical, ESG and financial parameters.

To achieve the objectives set out in the SHEQ Policy, we have issued various standard operating procedures in line with good industry practices and implemented, among others, procedures such as lock-out and tag-out; arc flash protection; chemical safety; fall protection; safety signages; marking of dangerous zones; spill control; waste management and insulation rescue sticks. Performance statistics are also tracked on a regular basis to ensure accountability. Various training programmes have been conducted across our corporate office and at operating sites to educate and train our employees on the use of these procedures. Such training programmes also build a culture of understanding, appreciating and valuing the importance of matters pertaining to safety, health and environment. The system and policies implemented by us for managing occupational, safety and health hazards is geared to ensure a safe environment for our business with zero fatal accidents. We maintain a safe environment by closure of unsafe conditions at the location of our projects. Further, we also ensure safe environment working conditions which are typically resolved due to the near hits reporting.

The management systems of the Sponsor and its subsidiaries, DMTCL and NRSS, have also been approved by LRQA, to standards such as ISO14001:2015 (Environment Management System), ISO45001:2018 (Occupational Health and Safety), ISO27001:2013 (Information Security), and ISO55001:2014 (Asset Management).

We will continue to focus on our ESG goals, by reinforcing our commitment to renewable energy, maximizing energy efficiency, reducing our carbon footprint, and enhancing sustainability. Under the backdrop of supportive regulatory and industry trends in India's renewable energy sector, we intend to continue to strengthen our position in our renewable energy businesses, develop a diversified portfolio of renewable energy projects and focus on new geographical clusters to increase our economies of scale. We intend to leverage our experience in executing large renewable energy projects to further win bids for firm power energy solutions. We will continue to evaluate accretive acquisition opportunities based on our targeted returns, available synergies, and off-taker criteria.

We also place significant emphasis on social and economic development by maximizing value retention in the local economy generating local employment and local content opportunities, including through training and developing human resources, seeking to maximize local procurement, protecting and contributing to environmental sustainability, and ensuring the health and safety of our workforce in the communities where we operate.

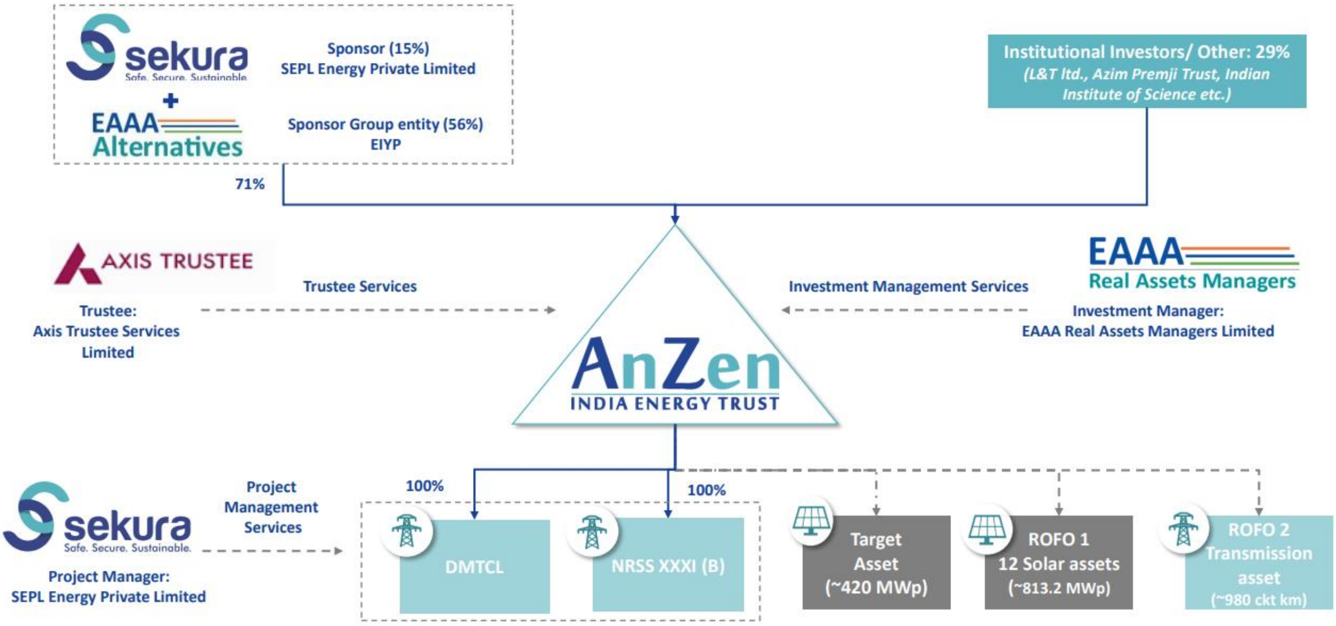
Maintain an optimal capital structure to maximize distributions

We seek to achieve an optimal capital structure for our projects and will source funds from multiple sources, including from domestic and international markets. Immediately on completion of the Issue, our aggregate consolidated borrowings and deferred payments net of cash and cash equivalents will be below 70% of the total value of the Anzen Trust's assets, as prescribed under the InvIT Regulations. As of March 31, 2024, AUM of the Anzen trust is ₹ 23,037 million, cost of debt of the Anzen Trust is 8.01% Series A NCD per annum payable quarterly and 8.34% Series B NCD per annum payable quarterly, weighted average cost of debt of the Anzen Trust is 8.14%per annum payable quarterly and Net Debt to AUM of the Anzen Trust is approximately 27.59%. We also intend to optimize our leverage to retain enough flexibility to provide sustainable and predictable cash flows while evaluating potential acquisition opportunities in the future.

We have and we believe that we will continue to have sufficient equity capital and ability to add additional debt to support acquisition of additional assets while maintaining an optimum capital structure. We seek to employ appropriate financing policies and also diversify our funding sources with an objective of minimizing our overall cost of capital. We seek to optimize our debt and equity mix in such a manner that the aggregate consolidated borrowings and deferred payments of the Anzen Trust, net of cash and cash equivalents, be in accordance with the SEBI InvIT Regulations. Further, any additional debt beyond 25% of the value of the InvIT Assets will be raised only upon compliance with the conditions set out in the SEBI InvIT Regulations. If it is in the interests of the Unitholders, the Investment Manager may also pursue growth opportunities that require raising additional capital through the issuance of new Units subject to approval from the Unitholders.

The Anzen Trust

Anzen Trust, an infrastructure investment trust, was established on November 1, 2021, by our Sponsor, SEPL Energy Private Limited, and was registered with SEBI on January 18, 2022 pursuant to the InvIT Regulations. The following chart illustrates our relationships and alignment with the Sponsor and its affiliates pursuant to the completion of the Issue:



** As of December 31, 2024*

Our Sponsor

The Sponsor is an infrastructure company in India that is engaged in identifying, designing, developing, constructing, integrating, assembling and financing power plants in the field of solar energy by applying technologies and other businesses in connection with it. In accordance with the eligibility criteria specified under InvIT Regulations, the Sponsor is relying on the experience of its subsidiary i.e. Solaire Surya Urja Private Limited ("**SSUPL**"). See "*Parties to the Anzen Trust*" on page 155 for further details.

The Anzen Trust owns 100.00% equity shareholding and certain debt securities (along with 100.00% economic interest) in the two Portfolio Assets. EIYP owns 74.00% equity shareholding and certain debt securities (along with 74.00% economic interest) in 11 renewable energy assets with a cumulative generation capacity of 623.2 MWp. Our Sponsor, directly and through its affiliates, owns 74.00% equity shareholding and certain debt securities (along with 74.00% economic interest) in one renewable energy asset with a power generation capacity of 190 MWp. Our Sponsor's consolidated total income in Fiscal 2024 was ₹ 1,721.93 million and consolidated total assets as at March 31, 2024 was ₹ 10,760.26 million. Pursuant to the ROFO Agreements, we have a 'right of first offer' to acquire all of EIYP's shareholding, debt and economic interest in 11 renewable energy assets, all of the shareholding, debt and economic interest held by our Sponsor, directly or through its affiliates, in one renewable energy asset and all of IYP II, IYP IIA and IIYP II's shareholding, debt and economic interest in one power transmission project.

Our Sponsor also fulfils the role of Project Manager in respect of the Anzen Trust, with responsibility for operating and maintaining the InvIT Assets.

The Project Manager

As the Project Manager under the proposed Project Implementation and Management Agreement, the Sponsor is responsible for the implementation, development, operation and management of the InvIT Assets in accordance with the InvIT Regulations. Further, upon completion of acquisition of the Target Asset, the Sponsor being the Project manager, will also be responsible for the implementation, development, operation and management of the Target Asset in accordance with the InvIT Regulations.

See "*Parties to the Anzen Trust*" on page 155 for further details.

The Investment Manager

ERAML is the Investment Manager for the Anzen Trust and takes decisions concerning the assets of the Anzen Trust for the beneficial interest of its Unitholders. The Investment Manager has overall responsibility for setting the strategic direction of the Anzen Trust and deciding on the acquisition, divestment or enhancement of assets of the Anzen Trust in accordance with its stated investment strategy. ERAML fulfils the role of Investment Manager in respect of the Anzen Trust, with the key objective of generating sustainable income with long-term growth potential and investing in power transmission and renewable energy assets to provide our Unitholders with regular distributions at a competitive rate of return, in accordance with the InvIT Regulations. See "*Parties to the Anzen Trust*" on page 155 for further details.

The Trustee

Axis Trustee Services Limited is the Trustee in respect of the Anzen Trust. On behalf of our Unitholders, the Trustee is responsible for ensuring that our business activities and investment policies comply with the provisions of the InvIT Documents and the InvIT Regulations as well as monitoring the activities of the Investment Manager under the Investment Management Agreement and the Project Manager under the Project Implementation and Management Agreement. See "*Parties to the Anzen Trust*" on page 155 for further details.

Distribution Policy

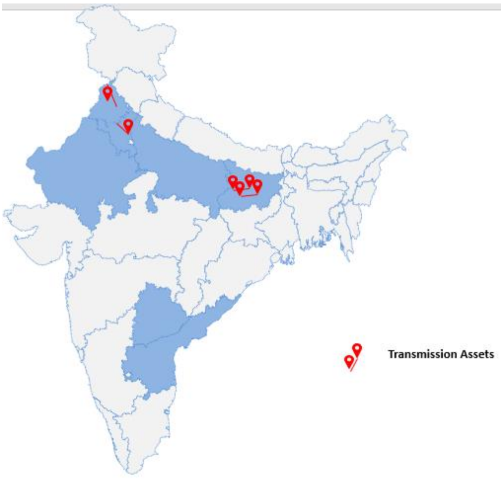
We intend to distribute at least 90% of our net cash available for distribution to Unitholders, in accordance with our distribution policy and in terms of the InvIT Regulations. See "*Distribution Policy*" on page 342 for further details. We aim to pursue additional revenues for the InvIT Assets as well as acquire additional assets, under the ROFO Agreements or otherwise, to increase the cash available for distribution and, as a result, increase our distribution per Unit. Our ability to grow the revenues from our power transmission portfolio, the Target Asset and the ROFO Assets and thereby increase the cash available for distribution and distributions per Unit, is subject to various factors and other risks described under "*Risk Factors*" on page 116.

The Portfolio Assets

The Portfolio Assets comprise two power transmission projects located across three states in India. The projects comprise four 400 kV transmission lines, with a total circuit length of 854.9 ckm, comprising of 1,168 towers and two EHV substations with 1,400 MVA and 760 MVAR. Each of the Portfolio Assets has in place a long-term TSA of 35 years from the Scheduled COD of the relevant Portfolio Asset. Upon expiry of the term of a TSA, CERC may unilaterally extend the term of such TSA with the relevant Portfolio Asset on such terms and conditions as CERC may specify. For further details, please see "*Regulations and Policies*" on page 379.

Anzen Trust owns, directly or indirectly, 100.00% shareholding and certain debt securities (along with 100.00% economic interest) in the two Portfolio Assets. The two Portfolio Assets were initially awarded to Essel Infraprojects Limited on October 17, 2013, and February 26, 2014, under the 'tariff based competitive bidding' mechanism ("**TBCB**") on a 'build-own-operate-maintain' ("**BOOM**") basis. Subsequently, the Sponsor acquired 100.00% economic interest from Essel Infraprojects Limited on May 28, 2019 and 74.00% equity shareholding in subsequent tranches in each of the Portfolio Assets, and EIYP also subscribed to optionally convertible debentures and non-convertible debentures issued by the Portfolio Assets from time to time. The Sponsor transferred its 100.00% economic interest and 74.00% equity shareholding in each of the Portfolio Assets to EIYP on June 30, 2022. Post the expiry of relevant lock-in periods under the respective TSAs and receipt of consents from LTTCs, the remaining 26.00% equity shareholding in each of the Portfolio Assets that was held by Essel Infraprojects Limited, was transferred to the Sponsor and/ or its affiliates. Pursuant to the SPAs, the Anzen Trust acquired 100.00% of the shareholding in each of the Portfolio Assets. As of March 31, 2024, our Portfolio Assets have EV of ₹ 13,180 million and ₹ 9,857 million for DMTCL and NRSS, respectively.

The following map shows the location and certain other information of the Portfolio Assets:



The following table sets forth a summary description of the Portfolio Assets:

Project Name	Transmission lines (including any stations/ substations)	Specifications	Line length (in km)	Transformation Capacity	Actual COD	Expiry of term of the TSA
DMTCL – Element 1	2 X 500 MVA, 2 X 125 MVAR, 400/220 kV Darbhanga GIS Station	—	N.A.	1000 MVA & 250 MVAR	March 31, 2017, Operational	35 years from project actual COD
	400 kV D/C Triple Snowbird Conductor Darbhanga – Muzaffarpur Transmission Line	—	62.8 Km	N.A.	March 31, 2017, Operational	35 years from project actual COD
DMTCL – Element 2	2 X 200 MVA, 2 X 125 MVAR, 2 X 80 MVAR, 2 X 50 MVAR, 400/132 kV Motihari GIS Sub-station	—	N.A.	400 MVA & 510 MVAR	August 10, 2017	35 years from project actual COD
	LILO of 400 kV D/C Quad Moose Barh – Gorakhpur Transmission Line at 400/132 kV Motihari GIS Sub-station	—	Barh-Motihari LILO section – 37.6 km Motihari-Gorakhpur LILO section – 38.2 km Total – 75.8 km.	—	August 10, 2017	35 years from project actual COD
NRSS.....	400 kV D/C Kurukshetra – Malerkotla Transmission Line	400kV D/C	139.2 km (approximately)	N.A.	January 18, 2017, Operational	35 years from project actual COD

Project Name	Transmission lines (including any stations/ substations)	Specifications	Line length (in km)	Transformation Capacity	Actual COD	Expiry of term of the TSA
	400 kV D/C Malerkotla – Amritsar Transmission Line	400kV D/C	149.7 km (approximately)	N.A.	March 27, 2017, Operational	35 years from project actual COD

The total revenue from contracts with customers of the Portfolio Assets for Fiscals 2022, 2023 and 2024, is set forth the table below:

Portfolio Asset	Fiscal 2022			Fiscal 2023			Fiscal 2024		
	Income from Trans-mission Charge	Income from operation and maintenance	Total Revenue from contracts with customers	Income from Trans-mission Charge	Income from operation and maintenance	Total Revenue from contracts with customers	Income from Trans-mission Charge	Income from operation and maintenance	Total Revenue from contracts with customers
	(₹ million)								
DMTCL.............	1,255.59	5.54	1,261.13	2,199.69	13.78	2,213.47	1,394.58	16.12	1,410.70
NRSS.................	956.88	—	956.88	1,405.90	—	1,405.90	1,015.71	—	1,015.71
Total..................	2,212.47	**5.54**	2,218.01	3,605.59	13.78	3,619.37	2,410.29	16.12	2,426.41

The total revenue from contracts with customers of the Portfolio Assets for the nine months ended December 31, 2024, is set forth in the table below:

Portfolio Asset	Nine months ended December 31, 2024		
	Income from Trans-mission Charge	Income from operation and maintenance	Total Revenue from contracts with customers
	(₹ million)		
DMTCL	1,050.63	12.52	1,063.15
NRSS	764.87	0	764.87
Total	1,815.50	12.52	1,828.02

Both the Portfolio Assets received certain additional compensation in the Fiscal 2023. Based on the CERC Orders, claims such as IDC and other costs have been allowed, providing an upside in tariff for the remaining life of assets and upfront arrears.

Each of the Portfolio Assets is also located in strategically important areas for electricity transmission connectivity.

Transmission Charges

The Portfolio Assets generate revenue from electricity transmission charges pursuant to TSAs. These projects receive availability-based transmission charges under their respective TSAs irrespective of the quantum of power transmitted through the relevant transmission line. The transmission charges for each Portfolio Asset is contracted for the period of the TSA, which is 35 years from its respective COD as per the TSA and as subsequently agreed between the parties. The actual CODs for DMTCL and NRSS were August 10, 2017 and March 27, 2017, respectively. The transmission charges comprise fixed 'non-escalable' transmission charges that are detailed in the TSA and in the CERC order for adoption of transmission charges and paid to us as part of the transmission charges. These charges are billed on a monthly basis by the CTU to the LTTCs.

The details of the Portfolio Assets are set forth below:

Darbhanga-Motihari Transmission Company Limited ("DMTCL")

DMTCL was incorporated on December 18, 2012 and entered into a transmission service agreement dated August 8, 2013 with its LTTCs (the "**DMTCL TSA**") for transmission of electricity for transmission system for Eastern Region System Strengthening Scheme – VI on a BOOM basis. The project was awarded to Essel Infraprojects Limited on October 17, 2013, through the tariff based competitive bidding ("**TBCB**") mechanism, for a period of 35 years from the COD, i.e. August 10, 2017. DMTCL was granted a transmission license by the CERC on May 30, 2014. Subsequently, DMTCL entered into a supplementary transmission service agreement dated August 4, 2016 with the CTU, inter-state transmission service customers, inter-state transmission service licensees and non-inter-state transmission service licensees whose assets have been certified as being used for inter-state transmission by the regional power committee ("**RPCs**"), and a revenue sharing agreement dated August 4, 2016 with the CTU. For further details in relation to the key terms of the TSA and RSA, see the section entitled "*Business*" on page 299.

DMTCL operates two 400 kV transmission lines of 277.2 ckm comprising one 400 kV double circuit line of 125.7 ckm from Darbhanga (Bihar) to Muzaffarpur (Bihar) and another, LILO of Barh (Bihar) – Gorakhpur (Uttar Pradesh) of 400 kV double circuit transmission line at 400/132 kV Motihari GIS substation of 151.5 ckm. The DMTCL project was fully commissioned in August 2017. As at September 30, 2024, the gross block of property, plant and equipment of DMTCL was ₹ 11,422.24 million and the net block of property, plant and equipment of DMTCL was ₹ 6,281.59 million. Further, DMTCL was awarded (i) NSCI Safety Awards 2022 – "Prashansa Patra in Service Sector" by National Safety Council of India; (ii) International Safety Award 2022 – "Merit" by British Safety Council in 2022; (iii) International Safety Award 2023 – "Distinction" and "Best in East Region" by British Safety Council in 2023; and (iv) 8th Annual HSE Excellence & ESG Global Awards 2023 – "OHSSAI Safety Award – Gold", "HSE&E Leadership Award" and "Mentor of the Year Award" by OHSSAI Foundation.

Details of DMTCL's transmission lines are set forth as follows:

Transmission Lines	**Location**	**Line length (in km)**	**Specifications**	**Actual COD**	**Contribution to total transmission charges under the TSA**
Darbhanga – Muzaffarpur	Bihar	62.8	400 kV D/C	March 31, 2017	40.74%
LILO of 400 kV D/C Quad Moose Barh – Gorakhpur Transmission Line at 400/132 kV Motihari GIS Sub-station	Bihar	75.8	400 kV D/C	August 10, 2017	59.26%

The yearly average certified availability of DMTCL since its commercial operation is set forth in the table below, compared to the target availability of 98% as specified in the DMTCL TSA:

Financial Year	**Average Availability**
	(%)
Fiscal 2020..	99.84
Fiscal 2021..	99.99
Fiscal 2022..	99.98
Fiscal 2023..	99.96
Fiscal 2024..	99.79

As a result of exceeding the target availability of 98%, DMTCL earned an incentive revenue of ₹41.66 million, ₹46.93 million, ₹47.38 million and ₹ 35.53 million in Fiscals 2022, 2023, 2024 and for the nine months ended on December 31, 2024, respectively.

Project Background: As per the request for proposal and request for qualification issued at the time of bidding, to meet the present and future load requirement, establishment of a 400/220 kV GIS substation at Darbhanga between Darbhanga and Muzaffarpur and a 400/132kV GIS substation at Motihari between Muzaffarpur and Gorakhpur, was envisaged as below:

- Darbhanga GIS substation: This substation is utilized to cater to the power demand of Darbhanga, Madhubaniand, and Samastipur districts of North Bihar. The Darbhanga substation is also connected to the existing substation at Muzaffarpur through a 400 kV high-capacity D/C line, with a conductor configuration of Triple Snowbird.

- Motihari GIS substation: This substation is utilized to cater to the power demand of Motihari, West Champaranand, and Sheohar districts of North Bihar. The Motihari substation is established through a LILO of Barh-Gorakhpur 400 kV D/C line, with a conductor configuration of Quad Moose.

NRSS XXXI (B) Transmission Limited ("NRSS")

NRSS was incorporated on July 29, 2013 and entered into a transmission service agreement dated January 2, 2014 with its LTTCs (the "**NRSS TSA**") for transmission of electricity for transmission system for Northern Region System Strengthening Scheme – XXXI(B) on a BOOM basis. The project was awarded to Essel Infraprojects Limited on February 26, 2014 through the TBCB mechanism, for a period of up to 35 years from the COD, i.e. March 27, 2017. NRSS was granted a transmission license by the CERC on August 25, 2014. Subsequently, NBTL entered into a transmission service agreement dated January 2, 2014 with the CTU, inter-state transmission service customers, inter-state transmission service licensees and non-inter-state transmission service licensees whose assets have been certified as being used for inter-state transmission by the regional power committee ("**RPCs**"), and a revenue sharing agreement dated August 4, 2016 with the CTU. For further details in relation to the key terms of the TSA and RSA, see the section entitled "*Business*" on page 299.

NRSS operates two transmission lines of 577.7 ckm comprising one 400 kV double circuit line of 278.4 ckm from Kurukshetra (Haryana) to Malerkotla (Punjab) and another 400 kV double circuit line of 299.3 ckm from Malerkotla (Punjab) to Amritsar (Punjab). The NRSS project was fully commissioned in March 2017. As at September 30, 2024, the gross block of property, plant and equipment of NRSS was ₹ 6,776.94 million and the net block of property, plant and equipment of NRSS was ₹ 3,547.73 million.

Details of NRSS's transmission lines are set forth as follows:

Transmission Lines	**Location**	**Line length (in km)**	**Specifications**	**Actual COD**	**Contribution to total transmission charges under the TSA**
Kurukshetra – Malerkotla	Haryana & Punjab	139.2	400 kV D/C	January 18, 2017	40.50%
Malerkotla – Amritsar........	Punjab	149.7	400 kV D/C	March 27, 2017	59.50%

The average availability of NRSS since its commercial operation is set forth in the table below, compared to the target availability of 98% as specified in the NRSS TSA.

Financial Year	**Average Availability**
	(%)
Fiscal 2020	99.94
Fiscal 2021	99.97
Fiscal 2022	99.94
Fiscal 2023	99.97
Fiscal 2024	99.83

As a result of exceeding the target availability of 98%, NRSS earned an incentive revenue of ₹31.63 million, ₹36.18 million, ₹34.33 million and ₹ 25.87 million in Fiscals 2022, 2023, 2024 and for the nine months ended on December 31, 2024, respectively.

Project Background: As per the request for proposal and request for qualification issued at the time of bidding, 400/220 kV substation of POWERGID at Amritsar is connected to Jallandhar through a 400 kV S/C line, and to meet the growing power demand, a 500 MVA 400/220 kV ICT line is being implemented. Connectivity of the 400 kV line to Parbati Pooling station and Makhu (PSTCL substation) is also being implemented to increase power supply at the substation in Amritsar. However, as the power supply to Amritsar which is mainly through a Jalandhar substation typically decreases in the winter due to low generation at hydro projects at Talwandi Saboo TPS, Makhu substation, power may be drawn from the substation at Amritsar. This has resulted in the need to strengthen and increase the power supply arrangement to the substation at Amritsar. A HVDC station at Kurukshetra is being established for supply of power from pit head generation station of Chhattisgarh. Accordingly, for augmenting the power supply to the substation at Amritsar 400 kV D/C Kurukshetra – Malerkotla and Malerkotla – Amritsar transmission line works have been approved under the transmission system associated with NRSS-XXXI – Part-B.

Summary of Key Agreements of the Portfolio Assets

DMTCL and NRSS, have entered into TSAs and RSAs, the key terms of which are provided below:

TSA

Our Portfolio Assets entered into TSAs with long-term transmission customers to set up projects on a BOOM basis and to provide transmission services on a long-term basis to such customers on the terms and conditions contained in the TSAs. The term of each TSA is 35 years from the commercial date of operation of the applicable project unless terminated earlier in accordance with the terms of the TSA. The TSAs provide for, among other things, details and procedures for project execution, development and construction, operation, and maintenance.

Pursuant to the Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2010 (the "**Sharing Regulations 2010**"), our Portfolio Assets also entered into TSAs with the CTU, to govern the provision of inter-state transmission services, specifically in relation to sharing of transmission charges and losses and disbursing the transmission charges collected by the CTU. The inter-state transmission service customers and inter-state transmission service licensees are required to abide by the detailed billing, collection, and disbursement procedures of the CTU and with the terms of the TSA. The CTU raises bills and also collects and disburses in accordance with the detailed billing, collection, and disbursement procedures of the CTU, as approved by CERC. Under the terms of the TSA, each inter-state transmission service customer has agreed to allow the CTU to enforce recovery of payment through a letter of credit on behalf of all the inter-state transmission service licensees in the event of default of payment. If payment by an inter-state transmission service customer against any invoice raised under the billing, collection and disbursement procedure, is outstanding beyond 30 days after the due date or in the event that the required letter of credit or any other agreed payment security mechanism is not being maintained by the inter-state transmission service customer, the CTU is empowered to undertake regulation of power supply on behalf of all the inter-state transmission service licensees so as to recover charges under the provisions of the Central Electricity Regulatory Commission (Regulation of Power Supply) Regulations, 2010 (the "**Power Supply Regulations**"). Additionally, the Sharing Regulations 2010 has been amended and replaced by the Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2020, which came into effect starting November 1, 2020.

The TSA also provides for force majeure relief to the inter-state transmission service licensees and inter-state transmission service customers (the "**Affected Parties**") affected by the occurrence of a *force majeure* event. The TSA defines a "*force majeure* event" as an event or circumstance, or a combination thereof, that wholly or partly prevents or unavoidably delays the Affected Party in the performance of its obligations under such TSAs, but only if and to the extent that such event or circumstance is not within the reasonable control, directly or indirectly of the Affected Party, and includes, among others, an act of God, act of war, radioactive contamination, industry-wide strikes, and labor disturbances having a nationwide impact in India. To the extent not prevented by a force majeure event, the Affected Party must continue to perform its obligations under the TSA and must use its efforts to mitigate the effect of such event, as soon as practicable. The Affected Party will not be in breach of its obligations under the TSA, except to the extent that the performance of its obligations was prevented, hindered, or delayed due to a *force majeure* event. Each inter-state transmission service customer or inter-state transmission service licensee is entitled to claim relief for a *force majeure* event affecting its performance in relation to its obligations under the TSA. Computation of availability under outage due to a *force majeure* event must be in accordance to the Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2009 as amended from time to time and any subsequent enactment thereof.

The TSA entered into with the CTU also defines change in law as being, among other events, (i) the enactment, coming into effect, adoption, promulgation, amendment, modification, or repeal (without re-enactment or consolidation) in India, of any law, including rules and regulations framed pursuant to such law, (ii) change in the interpretation or application of any law by the GoI having the legal power to interpret or apply such law, or any competent court of law, (iii) the imposition of a requirement for obtaining any consents, clearances, and permits which were not required earlier or a change in the terms and conditions prescribed for obtaining such consents, clearances, and permits, or (iv) any change in tax or the introduction of any tax made applicable for transmission service by the inter-state transmission service licensees, as per the terms of the TSA. Any adjustment in the monthly transmission charges due to a change in law is to be determined and effective from such date, as decided by the CERC, subject to rights of appeal provided under applicable law. Further in case of ISTS awarded through the competitive bidding process under Section 63 of the Electricity Act, the reference date for determining the implications of change in law is seven days prior to the relevant bid due date for submission of a tariff bid.

Revenue Sharing Agreements

Pursuant to the Sharing Regulations 2010, our Portfolio Assets entered into RSAs with PGCIL (acting in its capacity as a CTU). The transmission charges billed in accordance with the billing, collection and disbursement procedures set out in the TSAs with CTUs are disbursed to the inter-state transmission system licensees by the CTU, pursuant to and in accordance with the RSAs. The PoC charges for use of inter-state transmission services by the inter-state transmission services customers, and are billed and collected by the CTU on behalf of all inter-state transmission services licensees. The CTU must disburse the collected transmission charges to the respective inter-state transmission services licensees and owners of deemed inter-state transmission services whose transmission charges have been considered for the purpose of calculation of the PoC charges in accordance with the billing, collection, and disbursement procedure set out in the TSAs with the CTU. Delayed payment or partial payment by any inter-state transmission services customers results in a pro-rata reduction in the payouts to all the inter-state transmission services licensees and owners of deemed inter-state transmission services whose transmission charges have been considered for the purpose of calculation of PoC charges. The revenue sharing statements to be submitted to the CTU and the modality of disbursements by the CTU must be in accordance with the billing, collection and disbursement procedure. Each inter-state transmission licensee, under the applicable RSA, empowers the CTU to enforce recovery of payment from the inter-state transmission service customers through payment security mechanisms in the event of default or partial payment by the inter-state transmission service customer, in accordance with the billing, collection, and disbursement procedure. Each inter-state transmission licensee has further agreed and empowered the CTU to invoke the provisions of the Power Supply Regulations in accordance with the detailed billing, collection and disbursement procedure. The Portfolio Assets have agreed to indemnify PGCIL against any damages, liabilities, losses etc. incurred in connection with PGCIL's obligations of billing and collecting transmission charges on behalf of the Portfolio Assets. This indemnification obligation will survive the termination of the RSAs.

ROFO Assets

Set forth below is a brief description of the 12 ROFO 1 Assets:

S. No.	Asset SPV	Project Name	Location	Off-taker	COD	Term of the PPA (years from COD)	Residual term of the PPA as at September 30, 2024	Residual term of the PPA as at December 31, 2024	Tariff (₹ *per unit)*	Operational Capacity as at December 31, 2024 *(in MW DC/AC)*	PPA Capacity as at December 31, 2024 *(in MW)*
1	PSEPL	Pokaran Solaire Energy Private Limited	Rajasthan	NVVN	February 24, 2013	25	~13.4 years	~13.1 years	7.49	5.6/4.8	5.00
2	NSPPL	Northern Solaire Prakash Private Limited	Rajasthan	SECI	May 7, 2015	25	~15.6 years	~15.4 years	5.45	23.0/20.3	20.00
3	SSPPL	Suryauday Solaire Prakash Private Limited	Rajasthan	SECI	April 28, 2015	25	~15.6 years	~15.3 years	5.45	12.6/10.5	10.00
4	SDPIPL	Solaire Direct Projects India Private Limited	Punjab	PSPCL	March 15, 2015	25	~15.5 years	~15.2 years	7.99	21.0/15.8	20.00

S. No.	Asset SPV	Project Name	Location	Off-taker	COD	Term of the PPA (years from COD)	Residual term of the PPA as at September 30, 2024	Residual term of the PPA as at December 31, 2024	Tariff (₹ per unit)	Operational Capacity as at December 31, 2024 (in MW DC/AC)	PPA Capacity as at December 31, 2024 (in MW)
5	SPPL	Solaire Power Private Limited	Punjab	PSPCL	February 19, 2016	25	~16.4 years	~16.1 years	6.88	25.0/20.3	24.00
6	SUPL	Solaire Urja Private Limited	Punjab	PSPCL	April 9, 2016	25	~16.5 years	~16.3 years	6.88	25.0/20.3	25.00
7	NSUPL	Nirjara Solaire Urja Private Limited	Telangana	TSSPDCL	June 25, 2016	25	~16.7 years	~16.5 years	6.89	12.0/9.8	10.00
8	SSEPL	Suprasanna Solaire Energy Private Limited	Telangana	TSSPDCL	December 31, 2016	25	~17.3 years	~17.0 years	6.59	24.0/19.5	20.00
9	USUPL	Ujjvalatejas Solaire Urja Private Limited	Telangana	TSNPDCL	November 13, 2016	25	~17.1 years	~16.9 years	6.79	24.0/19.5	20.00
10	SSUPL	Solaire Surya Urja Private Limited	Rajasthan	NTPC	September 8, 2017[(1)]	25	~17.9 years	~17.7 years	4.35	190.0/140.0	140.00
11	ESPL	Enviro Solaire Private Limited	UP	SECI	April 10, 2018	25	~18.5 years	~18.3 years	4.43	101.0/75.0	75.00
12	SPUPL	Solairepro Urja Private Limited	AP	NTPC	June 02, 2019 (200 MW) March 9, 2020 (50 MW)	25	~19.8 years	~19.6 years	3.15	350.0/250.0	250.00

Note: All numbers are rounded off to one decimal point

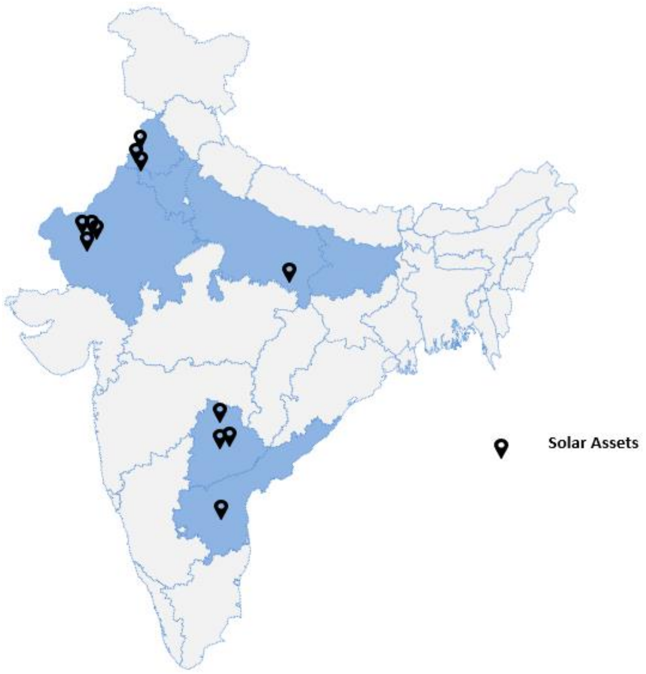
Note:

(1) *SSUPL was commissioned through two separate PPAs. Both phases had the same commissioning date of September 8, 2017.*

Set forth below is a brief description of a ROFO 2 Asset:

S. No.	Asset SPV	Project Name	Location	Type/ Counter party	COD	Type	Term of the TSA	TSA expiry date	Residual TSA tenure as at September 30, 2024(years	Residual TSA tenure as at December 31, 2024(years)	Circuit kms
1	KTL	Kudgi Transmission Limited	Karnataka	Fixed Tariff / Centre	September 2016	BOOM - Perpetual	35	September, 2051	~27	~27	~980 ckms

The following map shows the location and certain other information of the ROFO 1 Assets:



The Sponsor acquired 74.00% economic interest and 74.00% equity shareholding in each of the 12 ROFO 1 Assets from the JV Group. The Sponsor then transferred its 74.00% economic interest and 74.00% equity shareholding in 11 of the 12 ROFO 1 Assets to EIYP. The remaining 26.00% equity shareholding in each of the 12 ROFO 1 Assets is held by entities of the JV Group. The ROFO 1 Assets had an operational revenue of ₹ 5,321 million in the fiscal 2024.

Further, the Anzen Trust has received a letter of interest and invitation to offer pursuant to the ROFO Agreement 1 for acquisition of 74% equity shareholding in each of the ROFO 1 SPVs.

Pokaran Solaire Energy Private Limited (PSEPL)

Power Purchase Agreement: On January 25, 2012, NTPC Vidyut Vyapar Nigam Limited and PSEPL entered into the PPA. NTPC Vidyut Vyapar Nigam Limited agreed to procure power from PSEPL power generation facilities at pre-determined tariff of ₹7.49 per unit for the entire term of the agreement i.e. 25 years effective from February 24, 2013.

Land: PSEPL owns the land on which this project is situated.

Northern Solaire Prakash Private Limited (NSPPL)

Power Purchase Agreement: On March 28, 2014, Solar Energy Corporation of India ("**SECI**") and NSPPL entered into the PPA. SECI agreed to procure power from NSPPL power generation facilities at pre-determined tariff of ₹5.45 per unit for the entire term of the agreement i.e. 25 years effective from May 7, 2015. NSPPL is eligible for Viability Gap Funding ("**VGF**") support from SECI, has submitted applications for VGF disbursements. The sixth tranche VGF disbursement application for NSPPL was submitted to SECI in November 2021. Following review and approval of the application by SECI, NSPPL received

38% of the total VGF amount for the sixth tranche in April 2022. The balance VGF amount of 62% was received in August 2022.

Land: NSPPL owns the land on which this project is situated.

Suryauday Solaire Prakash Private Limited (SSPPL)

Power Purchase Agreement: On March 28, 2014, SECI and SSPPL entered into the PPA. SECI agreed to procure power from SSPPL power generation facilities at pre-determined tariff of ₹5.45 per unit for the entire term of the agreement i.e. 25 years effective from April 28, 2015. SSPPL is eligible for VGF support from SECI, has submitted applications for VGF disbursements. The sixth tranche VGF disbursement application for SSPPL was submitted to SECI in November 2021. Following review and approval of the application by SECI, SSPPL received 38% of the total VGF amount for the sixth tranche in April 2022. The balance VGF amount of 62% was received in August 2022.

Land: SSPPL owns the land on which this project is situated.

Solairedirect Projects India Private Limited (SDPIPL)

Power Purchase Agreement: On January 6, 2014, Punjab State Power Corporation Limited and SDPIPL entered into the PPA. Punjab State Power Corporation Limited agreed to procure power from SDPIPL power generation facilities at pre-determined tariff of ₹7.99 per unit for the entire term of the agreement i.e. 25 years effective from March 15, 2015.

Land: SDPIPL occupies the land on which the project is situated on a leasehold basis.

Solaire Power Private Limited (SPPL)

Power Purchase Agreement: On March 31, 2015, Punjab State Power Corporation Limited and SPPL entered into the PPA. Punjab State Power Corporation Limited agreed to procure power from SPPL power generation facilities at pre-determined tariff of ₹6.88 per unit for the entire term of the agreement i.e. 25 years effective from February 19, 2016.

Land: SPPL occupies the land on which the project is situated on a leasehold basis.

Solaire Urja Private Limited (SUPL)

Power Purchase Agreement: On March 31, 2015, Punjab State Power Corporation Limited and SUPL entered into the PPA wherein Punjab State Power Corporation Limited agreed to procure power from SUPL power generation facilities at pre-determined tariff of ₹6.88 per unit for the entire term of the agreement i.e. 25 years effective from April 9, 2016.

Land: SUPL occupies the land on which the project is situated on a leasehold basis.

Suprasanna Solaire Energy Private Limited (SSEPL)

Power Purchase Agreement: On March 20, 2015, Southern Power Distribution Company of Telangana Limited (TSSPDCL) and SSEPL entered into the PPA. TSSPDCL agreed to procure power from SSEPL power generation facilities at pre-determined tariff of ₹6.59 per unit for the entire term of the agreement i.e. 25 years effective from December 31, 2016.

Land: SSEPL owns the land on which this project is situated.

Awards: International Safety Award 2023 – “Distinction” by British safety council in 2023 and CII Southern Region EHS Excellence Awards 2023 – “Gold” by Confederation of Indian Industry.

Ujjvalatejas Solaire Urja Private Limited (USUPL)

Power Purchase Agreement: On March 19, 2015, Northern Power Distribution Company of Telangana Limited (TSNPDCL) and USUPL entered into the PPA. TSNPDCL agreed to procure power from USUPL power generation facilities at pre-determined tariff of ₹6.79 per unit for the entire term of the agreement i.e. 25 years effective from November 13, 2016.

Land: USUPL owns the land on which this project is situated.

Nirjara Solaire Urja Private Limited (NSUPL)

Power Purchase Agreement: On March 20, 2015, Southern Power Distribution Company of Telangana Limited (TSSPDCL) and NSUPL entered into the PPA. Southern Power Distribution Company of Telangana Limited (TSSPDCL) agreed to procure power from NSUPL power generation facilities at pre-determined tariff of ₹6.89 per unit for the entire term of the agreement i.e. 25 years effective from June 25, 2016.

Land: NSUPL owns the land on which this project is situated.

Solaire Surya Urja Private Limited-08 and Solaire Surya Urja Private Limited-10 (SSUPL)

Power Purchase Agreements: On May 2, 2016, NTPC Limited entered into a PPA with SSUPL-8, and a PPA with SSUPL-10. NTPC Limited agreed to procure power from SSUPL-08 and SSUPL-10 power generation facilities at pre-determined tariff of ₹4.35 per unit for the entire term of the agreement i.e. 25 years.

Land: SSUPL-08 and SSUPL-10 occupy the land on which the respective project is situated on a leasehold basis.

Enviro Solaire Private Limited (ESPL)

Power Purchase Agreement: On June 13, 2016, SECI and ESPL entered into the PPA. SECI agreed to procure power from ESPL power generation facilities at pre-determined tariff of ₹4.43 per unit for the entire term of the agreement i.e. 25 years effective from April 10, 2018. ESPL is eligible for VGF support from SECI, and has submitted applications for disbursements. ESPL has submitted a revised VGF application and additional required documents to SECI for the second tranche disbursement, as well as applications for third, fourth, and fifth tranches. ESPL is currently coordinating with SECI to address SECI's comments on the applications and its requests for additional documents.

Land: ESPL occupies the land on which the project is situated on a right to use basis.

Awards: International Safety Award 2024 – "Distinction" by British Safety Council and Uttar Pradesh Annual Solar Awards – "Solar Project Monitoring Technology Company of the Year" at Suryacon Lucknow in 2024.

Solairepro Urja Private Limited (SPUPL)

Power Purchase Agreement: On February 7, 2018, NTPC Limited and SPUPL entered into the PPA. NTPC Limited agreed to procure power from SPUPL power generation facilities at pre-determined tariff of ₹3.15 per unit for the entire term of the agreement i.e. 25 years.

Land: SPUPL occupies the land on which the project is situated on a leasehold basis.

The following map shows the location and certain other information of the ROFO 2 Asset:

IYP II, IYP IIA and IIYP II hold 100.00% equity shareholding and debt securities in ROFO 2 Asset. The ROFO 2 Asset had an operational revenue of ₹ 1,886 million in the fiscal 2024.

Kudgi Transmission Limited (KTL)

Transmission Service Agreement: On May 14, 2013, Northern Power Distribution Company of Andhra Pradesh Limited, Eastern Power Distribution Company of Andhra Pradesh Limited, Southern Power Distribution Company of Andhra Pradesh Limited, Central Power Distribution Company of Andhra Pradesh Limited, Bangalore Electricity Supply Company Limited, Gulbarga Electricity Supply Company Limited, Hubli Electricity Supply Company Limited, Mangalore Electricity Supply Company Limited, Chamundeshwari Electricity Supply Company Limited, Kerala State Electricity Board, Tamil Nadu Generation and Distribution Corporation Limited and KTL entered into a TSA for procurement of transmission services and transmission of electricity through tariff based competitive bidding for transmission system required for evacuation of power from Kudgi TPS of NTPC Limited for a term of 35 years at a tariff of ₹ 1,962.90 million.

Land: KTL occupies the land on which the project is situated on a right to way basis.

The Target Asset

ReNew Sun Waves Private Limited

The Target Asset was incorporated on March 14, 2019 and is a mono passivated emitter and rear cell ("**PERC**") solar asset. Anzen Trust is acquiring the Target Asset at an enterprise value of ₹ 14,960 million subject to adjustments on account of net current assets and other adjustments not exceeding ₹ 15,540 million. The Target Asset has generated 197.8 MU, 735.6 MU, 746.4 MU and 345.8 MU during the three-month period ended June 30, 2024, and the Fiscals 2024, 2023 and 2022. The Target Asset has earned a revenue of ₹ 518 million, ₹ 1,899 million, ₹ 1,921 million and ₹ 989 million during the three-month period ended June 30, 2024, and the Fiscals 2024, 2023 and 2022. The Target Asset has total debt (including group Loans) of ₹ 10,857 million, ₹ 10,935 million, ₹ 10,912 million and ₹ 11,242 million during the three-month period ended June 30, 2024, and the Fiscals 2024, 2023 and 2022. Target Asset has entered into a power purchase agreement dated August 13, 2019 with SECI ("**PPA**"). The effective date under the PPA is June 20, 2019. The scheduled commissioning date under the PPA was December 20, 2020 with a term of 25 years expiring on December 19, 2045. The Project achieved COD on October 5, 2021. The tariff under the PPA is INR 2.55/kWh, fixed for 25 years.

Renew Solar Energy (Jharkhand Four) Private Limited was selected as the successful bidder by SECI in terms of the RfS for setting up a solar photovoltaic project of capacities 300 MW (AC) and 420 MWp (DC), respectively. The Target Asset, as a special purpose vehicle of Renew Solar Energy (Jharkhand Four) Private Limited has developed a solar photo voltaic power generation project of capacities 300 MW (AC) and 420 MWp (DC), respectively, located at Villages: Bhopa, Chhodiya and Sanwata, Tehsil: Fatehgarh, District: Jaisalmer, Rajasthan ("**Project**"). The module providers for the Project are Longi (315 MWp) and Jinko (105 MWp). The land holding of the Target Asset is approximately 1,061 acres out of which approximately 319 acres is freehold land acquired through sale/ transfer deeds, approximately 694 acres is taken on lease from a private entity for 29 years and approximately 49 acres of land is taken on lease from the government/public sector entity for 30 years.

For further details in relation to the key terms of the PPA, see the section entitled "*Business – Summary of Power Purchase Agreement*" on page 322.

Summary of Power Purchase Agreement

The Target Asset has entered into a PPA dated August 13, 2019, the key terms of which are provided below:

Term: The PPA is valid for a term from the effective date, which is June 20, 2019, until the expiry date, which is a period of 25 years from the scheduled commissioning date of the Target Asset. The PPA also provides for extension of the term if such extension is mutually agreed upon by the parties to the PPA.

Tariff and Billing: The PPA prescribes a fixed tariff of Rs. 2.55/ kWh, for the entire term of the agreement, with effect from the scheduled commissioning date. From the commencement of supply of power, Solar Energy Corporation of India ("**SECI**") shall pay to the solar power developer ("**SPD**"), the monthly tariff payments in Indian Rupees. The SPD shall issue to SECI hard copy of a signed monthly bill for the immediately preceding month based on the issuance of energy accounts. SECI shall pay the amount payable under the monthly bill by the due date to the account of the SPD, as notified by the SPD. In the event of delay in payment of a monthly bill by SECI beyond 30 days of its due date, a late payment surcharge shall be payable to the SPD at the rate of 1.25% per month on the outstanding amount. Further, the PPA also typically provides for rebates payable to the SECI by the SPD for the payments made.

Evacuation System and Metering: In accordance with the PPA, the SPD shall be responsible for the evacuation of power from the Target Asset to the delivery point, as set out in the PPA. Further, the SPD is required to bear all costs pertaining to installation, testing, calibration, maintenance, renewal and repair of meters on their side of the delivery points. The SPD shall also install main & check meters at the delivery point, along with the stand–by meter(s).

Letter of Credit: The SECI is required to open unconditional, revolving and irrevocable letter of credit, through a scheduled bank, in favour of the SPD. In the event SECI fails to pay a bill within and including the due date, the SPD may draw upon such letter of credit.

Right to Contracted Capacity & Energy: In accordance with the PPA, the SPD is required to generate a minimum amount of energy from the solar projects. In the event the SPD is unable to generate such minimum offtake for any contract year, the SPD may be required to pay a compensation or penalty amount to the buying entity(ies), as provided in the respective power supply agreement.

Events of Default and Termination: The PPA contains standard events of default on account of the SPD, including, amongst others, (i) failure to commence supply of power to SECI upto the contacted capacity by the end of the specified period or failure to continue supply of contracted capacity to SECI after commercial operation date; (ii) assigns, mortgages or charges or purports to assign, mortgage or charge any assets or rights of the SPD under the PPA in violation of its terms; (iii) SPD transfers or novates any of its rights or obligations under the agreement in any manner contrary to the provisions of the agreement; (iv) if the SPD becomes voluntarily or involuntarily the subject of any bankruptcy or insolvency or winding up proceedings and such proceedings remain uncontested for a period of 30 days or any winding up or bankruptcy or insolvency order is passed against the SPD or the SPD goes into liquidation or dissolution or has a receiver or any similar officer appointed over all or substantially all of its assets or official liquidator is appointed to manage its affairs, except in specified circumstances; (v) repudiation of the PPA by the SPD without rectification of such breach within a period of 30 days from a notice from SECI in this regard; (vi) SPD is in breach of any pof its material obligations pursuant to the PPA and such breach is not rectified within 30 days; and (vii) change in controlling shareholding of the SPD before the specified time frame under the PPA. The SECI may terminate the PPA by issuing a notice of termination to the SPD in the event of occurrence of an event of default. The PPA also provides that in case of a default by the SPD, the lenders of such SPD may exercise their rights, if any, under the financing arrangements, to seek substitution of the SPD by a selectee for a residual period of the PPA, for the purpose of securing the payments of the total debt amount from the SPD and performing the obligations of the SPD.

Force Majeure: The PPA provides for standard force majeure events which include, amongst others, acts of god, radioactive contamination or ionising radiation originating from a source in India, fire, explosion, acts of war, terrorist or military action (only if it is declared/notified by the competent state/central authority/agency), and any other event of force majeure affecting delivery of powers from SPD. However, the PPA excludes the following events, amongst others, from the ambit of force majeure events: unavailability, late delivery or change in cost of plants and machinery, equipment, materials, spares parts or consumables, delay in performance of any contractor or sub-contractor or their agents, non-performance resulting from normal wear and tear typically experienced in power generation materials and equipment, strikes at the facilities of the affected party, insufficiency of finances or funds or the agreement becoming onerous to perform, and non-performance caused by or connected with the affected party's negligent or intentional acts, errors or omissions, failure to comply with an Indian law or breach of or default under the PPA. Either party may not undertake their obligations under the PPA if their ability to perform obligations under the PPA is affected by a force majeure event.

Operation and Maintenance Services

All our O&M practices including our technical, Safety, Health, and Environment (SHE), and risk management protocols are aligned to industry best practices and validated through independent ISO audits and accreditations meeting requirements of the standards prescribed under ISO14001 (Environment Management System), ISO45001 (Occupational Health & Safety Management System), ISO27001 (International Standard for Information Security), and ISO55001 (International Standard for Asset Management). Our Standard Operating Procedures ("**SOPs**") have all been developed in-house based on collective team experience and reviewed by experts including the former Chairman of PGCIL (India's central transmission licensee), ISO auditors, and our global JV partners. Compliance with SOPs by the O&M teams, and opportunities to optimize asset performance, are additionally reviewed independently by our operational excellence team that performs the role of an independent ISO audit function and advises the O&M teams on gaps and optimization opportunities. In addition, sustainability of our approach and practices are periodically monitored by a team of trained and certified ISO 55001, ISO 45001 and ISO 14001 lead ISO auditors (certified by Bureau Veritas (India) Private Limited/Lloyds Register).

In accordance with the Project Implementation and Management Agreement entered into between each of the Portfolio Assets and our Project Manager, and the O&M agreement entered into between the Project Manager and the O&M subcontractor (together, the "**Project Implementation and Management Agreements**"), the O&M of the Portfolio Assets will be undertaken by our Project Manager directly or indirectly. For further details, please see "*Parties to the Anzen Trust – The Project Manager*" on page 181.

The Project Implementation and Management Agreement sets out responsibilities of the Project Manager and O&M subcontractor for the operation, maintenance, and management activities of each of the Portfolio Assets with effect from the date of their execution. The scope of services to be provided by the Project Manager shall include all the responsibilities and activities set out in article 7 of the relevant TSA, and also includes:

- routine operational services such as maintaining operation logs and records containing monthly reports on O&M of the Portfolio Asset, updating and implementing the O&M plan based on updated manuals, and periodically submitting compliance reports;
- managing and administering warranty on an ongoing basis and supplying/replacing all required RSC to ensure maximum availability in accordance with specified performance standards; and
- coordinating with relevant stakeholders in case of any breakdown to ensure maximum availability.

In addition, the O&M subcontractor is responsible for executing repair and restoration works including those listed below. The fees and costs involved for such works may be mutually decided by the Project Manager and O&M subcontractor on a case-by-case basis:

- major breakdown of transmission lines, including conductor/earth wire snapping;
- support restoration if towers are damaged or collapse;
- strengthening of foundations in transmission lines;
- construction/strengthening of retaining walls or any civil works;
- transmission line maintenance; and
- support in substation O&M and emergency restoration systems.

To undertake its functions and obligations under the Project Implementation and Management Agreements, our Project Manager has deployed an O&M team. Our Project Manager has adopted monitoring techniques for substation equipment for better availability of transmission systems, improved business performance, reduced costs, and increase in revenue generated by the Portfolio Assets.

Employees

Our employees have contributed and will continue to contribute significantly to the business operations of the InvIT Assets. As of December 31, 2024, the Portfolio Assets, Project Manager, and Investment Manager had an aggregate of 49 employees in various departments including administration, finance, human resources, legal and compliance, operations, and technology. In addition, our Project Manager has arrangements with more than seventy O&M subcontractors for complete operation and maintenance of the Portfolio Assets. The number of personnel deployed on this basis varies from time to time based on the nature and extent of work contracted.

Our human resource department continuously focuses on employee engagement and motivation, which further helps in achieving the strategic objectives of the organization. Our human resource practices are aimed at recruiting talented individuals, ensuring continuous development and addressing their grievances, if any, in a timely manner.

Health, Safety, and Environmental Considerations

The Project Manager is required to comply with environmental regulations and standards applicable to the operations of the InvIT Assets and will ensure compliance with health, safety, and environment-related policies under the Project Implementation and Management Agreement. The Project Manager will be committed to providing a safe and healthy working environment and, in complying with its obligations under Project Implementation and Management Agreement to be executed, the Project Manager shall develop, maintain, and apply socially acceptable practices in the workplace.

IT Infrastructure

Information technology has emerged as a key business enabler and our comprehensive information technology infrastructure plays an important role in improving our relationship with our employees, contractors and external users. The primary business functions in our information technology infrastructure include operations and maintenance of solar power plants, transmission lines, and substations. The support functions performed by our IT infrastructure include human resource management, purchasing, learning and development, compliance management, enterprise resource planning, document management, and workflow and activity tracking. The IT management systems of our Portfolio Assets have been audited and accredited by Lloyds Register to ISO 27001 (Information Security Management System). This accreditation helps us comply with the stringent cyber security guidelines and norms stipulated by CERT-IN and National Critical Information Infrastructure Protection Centre (NCIIPC), and also helps benchmark our practices on an ongoing basis to identify and mitigate emerging IT security risks.

Technology and Equipment

We use advanced technology, such as drones to map river courses and for tower installations, thermo-vision cameras to identify hot spots in substations and transmission lines, instrument calibration tools, and fault analysis kits for preventive maintenance and follow prudent maintenance practices, which ensures improved business performance, reduces our costs and also increases our revenues generated by the Portfolio Assets by maintaining high transmission availability. Maintenance of high availability rates entitle our projects to receive an incentive payment under the applicable TSA and tariff regulations.

The Portfolio Assets have primarily extra high voltage, or EHV transmission lines and substations. EHV transmission lines are used to transmit power over long distances. Substations act as interconnecting points between transmission lines for step up/down of the voltages and provide monitoring as well as protection to the grid.

Transmission Lines: The major components of transmission lines are towers, conductors, insulators, hardware, and optical power ground wire or OPGW.

- Transmission towers: The Portfolio Assets use a vertical conductor tower configuration with a self-supporting, hot dip galvanized lattice type design with bolted structural members. This design was chosen for its structural strength benefits. All towers are designed to carry 400 kV transmission lines.
- Conductors: The Portfolio Assets use a combination of ACSR Twin Moose conductors in NRSS and ACSR Triple Snowbird and AAAC Moose conductors in DMTCL.
- Insulators: The Portfolio Assets use a combination of single "I", double "I", and quad tension insulators for the EVH lines to ensure better operating performance.

GIS Substations: A Gas Insulated Substation **("GIS")** is an advanced type of electrical substation that uses gas-insulated switchgear to manage and transform electrical power. Unlike traditional substations that use air-insulated switchgear, GIS technology utilizes sulphur hexafluoride (SF6) gas as the insulating medium.

Major Components:

- **Gas-Insulated Switchgear (GIS):** Compact modules containing circuit breakers, disconnectors, and other switchgear components housed in a sealed environment filled with SF6 gas.
- **Interconnecting Transformers (ICTs):** Step-up or step-down transformers that interconnect different voltage levels.
- **Bus Reactors:** Used to manage voltage levels and improve power quality by absorbing reactive power.
- **Line Reactors:** Placed on transmission lines to control voltage and reduce fault current.
- **Instrument Transformers:** Including current transformers (CTs) and voltage transformers (VTs) for measurement and protection.
- **Control and Protection Systems:** Advanced electronic systems that monitor and control the substation's operations, ensuring safety and reliability.

Significance:

- **Compact Design:** GIS requires significantly less space compared to traditional air-insulated substations, making it ideal for urban and constrained areas.
- **Enhanced Reliability:** The enclosed design protects the components from environmental factors, reducing maintenance and improving operational longevity.
- **Safety:** The sealed GIS modules reduce the risk of arc flash incidents and improve overall safety.
- **Reduced Environmental Impact:** Despite the use of SF6 gas, modern GIS technology includes measures to minimize leakage and environmental impact.
- **High Efficiency:** GIS technology offers improved efficiency in power transmission and distribution, reducing losses and ensuring a stable power supply.

These substations are critical for enhancing the electrical infrastructure in Bihar state, ensuring reliable power supply to meet the region's growing demand.

Solar Assets: We monitor the solar asset remotely through our control and analytics centre thereby enabling management of asset operations, tracking of preventive maintenance jobs across portfolio and management of key performance indicators through performance monitoring for identifying underperforming assets. We have also deployed drone technology to inspect solar PV installations for identifying faults and other issues through heat signature analysis. For dry cleaning of solar panels we have deployed semi-automatic technologies thereby reducing the water consumption footprint and enhancing the output from the solar panels.

O&M Technology: We deploy thermo-vision scanning, instrument calibration tools, and fault analysis kits for preventive maintenance. We also follow prudent maintenance practices which ensure improved business performance, reduce our costs and increases our revenues. We intend to use the drone-based asset management technology to automate identification of critical asset conditions and ensure full economic optimization of resource deployment in maintenance operations. The use of drones will increase the uptime of the grid and reduce deforestation along the corridors.

Insurance

Our business operations are subject to hazards inherent in providing operation and maintenance services, such as risk of equipment failure, work accidents, fire, earthquake, flood and other *force majeure* events. This includes hazards that may cause injury and loss of life, damage and destruction of property, equipment and environmental damage. To mitigate such risks, insurance policies covering the InvIT Assets have been obtained, as set out below.

DMTCL and NRSS have obtained insurance of the assets covering, amongst other things, risk including loss or damage from fire, flood, storm, terrorism, burglary, and any accidental and physical loss and destruction or damage to the property due to a cause, other than as excluded in the insurance policies. These insurance policies are subject to exclusions for certain circumstances including, among others, political risks, communicable diseases, loss of profit, and removal of foreign debris. Further, RSWPL has also obtained various insurance policies, *inter alia*, industrial all risk policy, terrorism and sabotage insurance policy, commercial general liability policy and signature plus management liability insurance in order to protect the asset. DMTCL is now covered under Industrial All Risk Policies for the two substations as well as transmission line. Also, the Towers situated in Gandak river are part of the IAR policy of DMTCL Transmission Line. NRSS is covered under its own Industrial All Risk Policy. DMTCL and NRSS are each also covered by an insurance policy for the transmission portfolio, against terrorism. All insurance policies are renewed annually.

Properties

Rights of way and related compensation are dealt with under Sections 67 and 68 of the Electricity Act, read with Sections 10 and 16 of the Indian Telegraph Act, 1885 (the "**Indian Telegraph Act**"), in addition to the compensation for normal crop and tree damages. Each of the Portfolio Assets after following due process has been authorized to use power conferred under Section 164 of the Electricity Act. Section 164 of the Electricity Act provides the Portfolio Assets with powers of telegraph authority as provided in the Indian Telegraph Act, which facilitates the construction and operation of transmission lines by the Portfolio Assets without the requirement to acquire land, subject to payment of compensation for 200% of the land value for tower footing and up to 30% of the land value for RoW corridor , if, and to the extent, the concerned State has adopted these MoP guidelines of June 14, 2024, for payment of compensation in regard to RoW for transmission lines. All original rights are vested with the landowner who is allowed to continue cultivation after construction. In case of resistance, the Portfolio Assets can approach local authorities to take appropriate enforcement action and to obtain resolution.

Furthermore, certain of the Portfolio Assets have acquired certain properties or rights to utilize such properties, for establishment of electric sub-stations as part of transmission system. The Investment Manager's Registered Office and Corporate Office are both located at Plot 294/3, Edelweiss house, Off CST Road, Kalina, Santacruz East, Mumbai City- 400098, Maharashtra and both offices are held by it on leasehold basis.

Intellectual Property

The application for the trademark for "Anzen" and the logo was submitted on July 29, 2022. For further details, please see, *Risk Factors* – "*We do not own the "Anzen" trademark or logo. The trademark application for "Anzen" mark and the logo, may be rejected and our ability to use the trademark and logo may be impaired*" on page 136.

Competition

Our primary competitors may include domestic and foreign operators and investors which intend to invest in the power transmission and renewable energy industry in India, who may also have access to financial, operational, marketing, personnel, and other various resources. We may compete on a number of factors, including the sourcing of power transmission and renewable energy opportunities, reputation and track record, relationship with government authorities, access to low-cost capital and control over quality, access to project land, efficiency, and reliability in project operations.

INFORMATION CONCERNING THE UNITS

Unitholding of Anzen Trust as at December 31, 2024

Category	Category of Unitholders	Number of Units held	As a percentage of total outstanding Units (%)	Number of Units mandatorily held		Number of Units pledged	
				Number of Units	As a percentage of total Units held	Number of Units	As a percentage of total Units held
(A)	**Sponsor(s)/ Investment Manager/ Project Manager(s) and their associates/related parties, and the Sponsor Group**						
(1)	**Indian**						
(a)	Individuals / HUF		0.00		0.00	0	0.00
(b)	Central/State Govt.		0.00		0.00	0	0.00
(c)	Financial Institutions/Banks		0.00		0.00	0	0.00
(d)	Any Other		0.00		0.00	0	0.00
	BODIES CORPORATES	23,800,000	15.06	23,700,000	99.58	0	0.00
	Alternate Investment Fund	88,400,000	55.95		0.00	0	0.00
	Trust		0.00		0.00	0	0.00
	Sub- Total (A) (1)	**112,200,000**	**71.01**	**23,700,000**	**21.12**	**0**	**0.00**
(2)	**Foreign**						
(a)	Individuals (Non-Resident Indians / Foreign Individuals)		0.00				
(b)	Foreign government		0.00	0	0.00	0	0.00
(c)	Institutions		0.00	0	0.00	0	0.00
(d)	Foreign Portfolio Investors		0.00	0	0.00	0	0.00
(e)	Any Other		0.00	0	0.00	0	0.00
	Sub- Total (A) (2)	-	0.00	-	0.00	0	0.00
	Total unit holding of Sponsor and Sponsor Group (A) = (A)(1)+(A)(2)	**112,200,000**	**71.01**	**23,700,000**	**21.12**	**0**	**0.00**
(B)	**Public Holding**						
(a)	Mutual Funds		0.00				
(b)	Financial Institutions/Banks		0.00				
(c)	Central/State Govt.		0.00				
(d)	Venture Capital Funds		0.00				
(e)	Insurance Companies		0.00				
(f)	Provident/pension funds		0.00				
(g)	Foreign Portfolio Investors	2,600,000	1.65				
(h)	Foreign Venture Capital Investors		0.00				
(i)	Any Other (specify)		0.00				
	BODIES CORPORATES (Foreign Body)		0.00				
	ALTERNATIVE INVESTMENT FUND		0.00				
	Sub- Total (B) (1)	**2,600,000**	**1.65**				
(2)	**Non-Institutions**						
(a)	Central Government/State Governments(s)/President of India	11,000,000	6.96				
(b)	Individuals	1,000,000	0.63				
(c)	NBFCs registered with RBI		0.00				
(d)	Any Other (specify)		0.00				
	TRUSTS	2,200,000	1.39				
	NON-RESIDENT INDIANS		0.00				
	CLEARING MEMBERS		0.00				
	BODIES CORPORATES	29,000,000	18.35				
	Sub- Total (B) (2)	**43,200,000**	**27.34**				
	Total Public Unit holding (B) = (B)(1) +(B)(2)	**45,800,000**	**28.99**				
	Total Units Outstanding (C) = (A) + (B)	**158,000,000**	**100.00**				

Details of Unit holding pre and post-Issue

Particulars	Number of Units
Units issued and outstanding prior to this Issue	15,80,00,000
Units issued and outstanding after this Issue	[●]**

***Subject to allotment of Units by the board of directors of the Investment Manager.*

Unitholders holding more than 5% of the Units of Anzen Trust as at December 31, 2024

Sr. No.	Name of Unit Holders	Pre-Issue		Post-Issue*	
		Number of Units	Percentage of holding (%)	Number of Units	Percentage of holding (%)
1.	SEPL Energy Private Limited	23,800,000	15.06	[●]	[●]
2.	Edelweiss Infrastructure Yield Plus	88,400,000	55.95	[●]	[●]
3.	Indian Institute of Science	1,10,00,000	6.96	[●]	[●]

Unitholding of the Sponsor, Sponsor Group, Investment Manager and Trustee

For details of the Units held by the Sponsor and Sponsor Group, please see the sections entitled "*Unitholding of Anzen Trust as at December 31, 2024*" and "*Unitholders holding more than 5% of the Units of Anzen Trust as at December 31, 2024*" on pages 327 and 328, respectively.

The Trustee and Investment Manager do not hold any Units and shall not acquire any Units in this Issue.

Unitholding of the directors of the Investment Manager

As on the date of this Preliminary Placement Document, none of the directors of the Investment Manager hold any Units or propose to hold any Units in the Anzen Trust.

Sponsor and Sponsor Group lock-in

As on the date of this Preliminary Placement Document, the Sponsor holds 15.06% Units of the outstanding Units, being 2,38,00,000 Units. Additionally, in accordance with the InvIT Regulations, the Sponsor and the Sponsor Group are required to lock-in our Units as follows:

From the beginning of 4th year after the date of listing pursuant to the initial offer and till the end of 5th year from the date of listing pursuant to the initial offer	5% of total Units or ₹ 500 crores, whichever is lower*
From the beginning of 6th year after the date of listing pursuant to the initial offer and till the end of 10th year from the date of listing pursuant to the initial offer	3% of total Units or ₹ 500 crores, whichever is lower*
From the beginning of 11th year after the date of listing pursuant to the initial offer and till the end of 20th year from the date of listing pursuant to the initial offer	2% of total Units or ₹ 500 crores, whichever is lower*
After completion of the 20th year from the date of listing pursuant to the initial offer	1% of total Units or ₹ 500 crores, whichever is lower*

** Provided that the maximum value of Units to be held by the Sponsor and Sponsor Group for compliance with the above shall not exceed ₹500 crores or such other value as may be decided by SEBI from time to time wherein such valuation shall be based on the latest available net asset value of the Trust.*

The above lock-in requirements shall be applicable only to the additional Units issued by Anzen Trust after the date of notification of the Securities and Exchange Board of India (Infrastructure Investment Trusts) (Second Amendment) Regulations, 2023, subject to compliance with the InvIT Regulations.

As on the date of this Preliminary Placement Document, the Sponsor has locked in approximately 15% of the Units of Anzen Trust (23,700,000 Units).

USE OF PROCEEDS

The Issue Proceeds will be up to ₹ [●] million (the "**Issue Proceeds**") and the proceeds of this Issue net of the total expenses in relation to this Issue (the "**Net Proceeds**") are proposed to be ₹ [●] million. The Net Proceeds will be utilised towards the following objects:

(i) Partial funding for acquisition of 100% of the issued, subscribed and paid-up equity share capital of the Target Asset from ReNew Private Limited; and

(ii) general purposes.

The details of the Issue Proceeds are provided in the following table:

(In ₹ million)

Particulars	Amount
Issue Proceeds*	Upto [●]
Less: Estimated Issue expenses	[●]
Net Proceeds	[●]

** Assuming full subscription and Allotment of Units. The size of the Issue shall be subject to finalisation of Allotment in the Issue. This Issue was authorised and approved by the board of directors of the Investment Manager on January 18, 2025 and by the Unitholders pursuant to resolutions dated January 17, 2025. The Unitholders in their resolution dated January 17, 2025, granted approval to raise further unit capital up to ₹ 14,000 million.*

Requirements of Funds

The total estimated cost of acquisition of the Target Asset is up to ₹ 15,470 million (subject to closing adjustments as per the Target Asset SPA). This acquisition of the Target Asset will be funded through two different sources, i.e. (i) the Net Proceeds; and (ii) the debt which is availed or proposed to be availed by the Anzen Trust (for further details please see the section entitled "*Financial Indebtedness and Deferred Payments*" on page 334).

The details regarding the requirement of funds for acquisition of 100% equity shares of the Target Asset, and the Net Proceeds proposed to be utilised, therefor and for other purposes are set out in the table below:

(In ₹ million)

Sr. No.	Particulars	Amount
1.	Total estimated cost of acquisition of 100% equity shares of the Target Asset	Up to 5,250*
2.	Net Proceeds to be utilised for partial funding of acquisition of the Target Asset	[●]
3.	Balance amount for funding the cost of acquisition through the debt proposed to be availed by the Anzen Trust	[●]

**Subject to closing adjustments as per the Target Asset SPA*

Net Proceeds to be utilised for general purposes is ₹ [●] million. Further, the fund requirements mentioned above, and the proposed deployment are based on the estimates of the Investment Manager and have not been appraised by any bank, financial institution or any other external agency. The fund requirements may vary, including due to factors beyond the Investment Manager's control, such as market conditions, competitive environment, interest rate and exchange rate fluctuations. In case of a shortfall in Net Proceeds, the Investment Manager may, in compliance with the InvIT Regulations, have the flexibility to meet such shortfall including, by utilising the Anzen Trust's internal accruals or availing facilities from lenders. The Investment Manager, in accordance with the Investment Objectives of the Anzen Trust, policies of its board of directors of the Investment Manager and the InvIT Regulations, will have flexibility in utilising any surplus amounts.

Any amount of the Net Proceeds or the portion thereof, until such amounts are deployed towards the objects of this Issue, as detailed herein, shall be invested by Anzen Trust in the manner permitted under the provisions of the InvIT Regulations.

Details of Utilisation of the Net Proceeds

The details of utilisation of the Net Proceeds are set forth herein below:

(i) Partial funding for acquisition of 100% of the issued, subscribed and paid-up equity share capital of the Target Asset from ReNew Private Limited

Anzen Trust is proposing to acquire the Target Asset at a base enterprise value of ₹ 14,960 million subject to adjustments on account of net current assets and other adjustments not exceeding ₹ 15,540 million. Additionally, ReNew Private Limited will also be entitled to a pass through for any amounts received by the Target Asset relating to a change-in-law matter pertaining to increase in basic customs duty, safeguard duty, and goods and service tax of approximately Rs. 1,430 million, which shall be paid to the Target Asset or its affiliate, upon receipt of first payment, as per the mechanism set out in the Target Asset SPA.

The Net Proceeds amounting to ₹ [●] million are proposed to be utilized to fund the partial funding of 100% of the issued, subscribed and paid-up equity share capital of the Target Asset from ReNew Private Limited. Such acquisition of 100% of the issued, subscribed and paid-up equity share capital of the Target Asset is approved by unitholders by way of resolution dated January 17, 2025.

The acquisition of the Target Asset is proposed to be made in compliance with the requirements specified in the InvIT Regulations. Additionally, for further details and information related to the proposed acquisition of the Target Asset by the Anzen, please, refer to the following:

- the valuation report for the Target Asset, please see Annexure A;
- the description of the Target Asset, please see section entitled "*Business*" on page 299;
- the financial information of the Target Asset, please see section entitled "*Financial Statements*" as Annexure C;
- the technical report for the Target Asset, please see Annexure B; and
- the summary of the Target Asset SPA, please see section entitled "- *Summary of Target Asset SPA*" on page 330.

Further, the Anzen Trust is proposing to avail certain facilities from India Infrastructure Finance Company Limited aggregating to an amount of ₹ 6,200.00 million ("**External Borrowing**"). Part of such External Borrowing will be utilised for the purpose of partial funding of acquisition of 100% of the issued, subscribed and paid-up equity share capital of the Target Asset. For details with respect to such External Borrowings, please refer to the indicative terms of such borrowings, disclosed in the section entitled "*Financial Indebtedness and Deferred Payments*" on page 334.

Summary of Target Asset SPA

Please see below a summary of the share purchase agreement entered into in this regard:

Target Asset SPA

Anzen India Energy Yield Plus Trust ("**Purchaser**") has entered into a share purchase agreement dated December 19, 2024 with ReNew Private Limited (the "**Seller**"), ReNew Sun Waves Private Limited ("**Target Asset**") and the Investment Manager to acquire Sale Securities (as defined under the Target Asset SPA) and be entitled to 100% of the economic and beneficial interest in the Target Asset together with all the rights, title and interests including the right to receive all distribution and dividends accruing on and from June 30, 2024 free from all Encumbrances. A summary of the key terms of the Target Asset SPA have been set out below:

Conditions Precedent

Pursuant to the Target Asset SPA, acquisition of the sale securities in the Target Asset will be subject to *inter alia*, the satisfaction of certain conditions precedent such as:

(a). The Target Asset shall have obtained prior written consent of the Lenders (as defined under the Target Asset SPA), in agreed form, under the Financing Documents (as defined under the Target Asset SPA) for (i) the change in shareholding and directors of the of the Target Asset, (ii) prepayment of Outstanding Debt on the Completion Date (as defined under the Target Asset SPA), as contemplated under the Target Asset SPA and (iii) and such other actions that may be needed to consummate the Transactions contemplated under the Target Asset SPA ;

(b). The Target Asset shall have delivered to the Purchaser: (i) evidence that the transactions pertaining to Related Party Payables (as defined under the Target Asset SPA) have been settled; and (ii) a no-dues certificate from each such Related Party, who are identified in **Part B** of **Schedule 17** of the Target Asset SPA; and (iii) evidence that the transactions pertaining to the Related Party Receivables (as defined under the Target Asset SPA) have been received by the Target Asset;

(c). The Target Asset shall have obtained no dues and no claims letter (in agreed form) from the EPC Contractor(s) (as defined under the Target Asset SPA);

(d). The Target Asset shall take all necessary steps to ensure the working of the dissolved gas analysis units of all the power transformers and ensure that appropriate level of gas is always maintained within the units;

(e). The unitholders of the Purchaser shall have approved the transactions contemplated under the Target Asset SPA in terms of the InvIT Regulations (as amended from time to time);

(f). The Purchaser, the Seller and the Target Asset shall undertake best efforts to obtain an unconditional release of all lender undertakings from the lenders, effective from the Completion Date; and

(g). The Seller (in its capacity as the Seller and the corporate guarantor), the Purchaser, the Target Asset and Renew Solar Energy (Jharkhand Four) Private Limited (in its capacity as the obligor) shall execute the DSM Indemnity (as defined under the Target Asset SPA) and Guarantee Agreement (as defined under the Target Asset SPA) in agreed form.

Representations and Warranties

In accordance with the Target Asset SPA, the Seller has provided certain customary representations and warranties to the Purchaser in relation to itself which includes, amongst others:

(a). the Seller and the Target Asset each have the right, power and authority and have taken all actions necessary, corporate authorisations to execute and deliver, and to exercise its rights and perform their obligations under the Target Asset SPA and the other Transaction Documents (as defined under the Target Asset SPA);

(b). each of the Seller and the Target Asset are companies duly incorporated and validly existing under the Applicable Law of the jurisdiction of their incorporation. The Target Asset has the requisite power and authority to carry on its Business (as defined under the Target Asset SPA) as is currently being conducted. The Seller is a tax resident of India as per the provisions of the Tax Act and is not a tax resident of any other country as per the applicable laws of such country;

(c). the lenders have not recalled the loans / demanded the repayment of loan amounts for any defaults or called any defaults under the Financing Agreements (as defined under the Target Asset SPA);

(d). there are no proceedings pending or threatened (in writing) against the Seller or the Target Asset that are reasonably likely to invalidate the Target Asset SPA or the other Transaction Documents (as defined under the Target Asset SPA), or otherwise adversely affect the right of the Seller or the Target Asset to enter into and perform the Target Asset SPA or the other Transaction Documents (as defined under the Target Asset SPA) or consummate the transactions set out the Target Asset SPA;

(e). The Target Asset and the Seller have not, nor has anyone on their behalf done or committed any act, deed or matter whereby the Sale Securities can be forfeited, extinguished or rendered void or voidable;

(f). Sellers sole legal and beneficial ownership of the Sale Securities and no encumbrances on the Sale Securities save as specified in the Target Asset SPA; and

(g). the Seller has not, directly or indirectly given, offered, received or agreed to any payment, gift or other advantage which: (i) would violate any Anti-Corruption Laws; (ii) was intended to, or did, influence any person to act, or reward any person for acting, in breach of an expectation of good faith, impartiality or trust; or (iii) was made to a Governmental Authority, with the intention of improperly influencing them and obtaining or retaining an advantage in the conduct of the affairs of the Target Asset.

Further, in accordance with the Target Asset SPA, the Purchaser has provided certain customary representations and warranties to the Seller in relation to itself, which include, amongst others:

(a). the Purchaser is duly organized and validly existing under the laws of India. It has the necessary corporate power, capacity and authority to enter into and perform obligations under the Target Asset SPA and the Transaction Documents, and the Target Asset SPA and the Transaction Documents constitutes or will when executed, constitute a valid and legally binding and enforceable obligation on the Purchaser in accordance with their respective terms;

(b). the Purchaser is not insolvent nor is the Purchaser unable to pay its debts (within the provisions of the Applicable Law as defined under the Target Asset SPA). To the knowledge of the Purchaser, no (i) bankruptcy or insolvency order has been made in the name of the Purchaser; or (ii) proceeding is pending against the Purchaser in relation to payment of any debt;

(c). the Purchaser shall on the Completion Date (as defined under the Target Asset SPA) have access to sufficient and immediately available funds to enable the Purchaser to consummate the Transaction (as defined under the Target Asset SPA) in the manner contemplated under the Target Asset SPA;

(d). no consent, authorisation, licence or approval of any Governmental Authority (as defined under the Target Asset SPA) is required to authorise the execution, delivery, validity or enforceability of the Target Asset SPA, the consummation of the Transaction or for the performance by the Purchaser of any of its obligations under the Target Asset SPA, in each case, other than as specifically stated in the Target Asset SPA;

(e). The Purchaser is not in violation or breach of, and the execution and delivery by the Purchaser of the Target Asset SPA and performance by the Purchaser of its obligations under the Target Asset SPA does not violate or breach any provision of: (i) the certificate of registration or by-laws or other Charter Documents (as defined under the Target Asset SPA) of the Purchaser; (ii) any agreement or other instrument to which the Purchaser is party or by which the Purchaser is bound; or (iii) any Applicable Law or any judgment, order or decree of any Governmental Authority by which the Purchaser is bound;

(f). The Purchaser has not received any written notices or written claims by any Governmental Authority claiming any actual or alleged violation by the Purchaser of Anti-Corruption Laws or Anti-Money Laundering Laws on or prior to the Completion Date; and

(g). The Purchaser has not directly or indirectly given, offered, received or agreed to any payment, gift or other advantage which: (i) would violate any Anti-Corruption Laws; (ii) was intended to, or did, influence any person to act, or reward any person for acting, in breach of an expectation of good faith, impartiality or trust; or (iii) was made to a Governmental Authority with the intention of improperly influencing them and obtaining or retaining an advantage in the conduct of its business.

Indemnity

In accordance with the Target Asset SPA, the Seller ("**Indemnifying Party**") hereby agrees to indemnify the Purchaser, the Investment Manager and the Target Asset and its directors and officers (collectively, the "**Indemnified Persons**"), from and against any Losses suffered and incurred by the Indemnified Persons, that arise out of or result from:

(a). any breach of any of Seller Warranty (as defined under the Target Asset SPA);

(b). breach or non-fulfilment of covenants, agreement or obligation to be performed by Seller and/ or its affiliate (as may be applicable) under the relevant clauses of the Target Asset SPA;

(c). any specific indemnity matters as specified under the Target Asset SPA; and

(d). any fraud or willful misconduct by the Seller (in respect of the Target Asset) or the Target Asset.

Please note that the aggregate liability of the Seller: (a) under the Target asset SPA shall not exceed an aggregate of 100% of the Indemnification Value (as defined under the Target Asset SPA), except in relation to breach of the No De-Minimis Warranties (as defined under the Target Asset SPA); and (b) for Losses pertaining to any claims arising out of or resulting from, amongst other things, claims arising out of or due to any breach or non-fulfilment of covenants, agreement or obligation to be performed by the Seller under change in law claim, as set out under the Target asset SPA which shall not exceed the CIL Pay Out (as defined under the Target Asset SPA) and any interest on such CIL Pay Out, actually received by the OCD Holder (as defined under the Target Asset SPA).

(ii) General purposes

In terms of the InvIT Regulations, the Investment Manager shall, at its discretion, deploy the balance Net Proceeds aggregating up to ₹ [●] million towards general expenses for the operation of the Anzen Trust, subject to such utilization not exceeding 10% of the Issue Proceeds, in compliance with the InvIT Regulations. The general purposes for which the Anzen Trust proposes to utilise Net Proceeds include meeting exigencies and expenses incurred in the ordinary course of business. In addition, the Anzen Trust may utilise the Net Proceeds towards other expenditure (in the ordinary course of business) considered expedient and as approved by the Investment Manager or the Trustee, as the case may be, subject to compliance with applicable law.

Issue Expenses

The total expenses of this Issue are estimated to be up to ₹ [●] million ("**Issue Expenses**"). The Issue Expenses consist of fee and commissions payable to the Lead Managers, fee payable to legal counsels, fee payable to Escrow Collection Bank and

Registrar and all other incidental and miscellaneous expenses for undertaking the Issue and for listing the Units on the Stock Exchanges. The Issue Expenses shall be borne by the Anzen Trust.

Any changes in the utilization of Issue Proceeds, shall be made by the Investment Manager in accordance with applicable law and in compliance with InvIT Regulations.

FINANCIAL INDEBTEDNESS AND DEFERRED PAYMENTS

The details of indebtedness of the Anzen Trust and the Portfolio Assets as at December 31, 2024, together with a brief description of certain material covenants of the relevant financing agreements, are provided below:

(Amounts in ₹ million)

Category of borrowing	Principal Amount outstanding as on December 31, 2024 (current and non-current borrowings) – consolidated basis	Post-Issue Principal Amount outstanding
Anzen Trust		
Particulars		
Non-convertible debentures*	7,463.48	7,463.48
Indian rupee loan from banks	Nil	Nil
Total Secured Borrowings	7,463.48	7,463.48

**Note: Secured Non-convertible debentures is net of unamortised borrowing cost*

(in ₹ million)

Category of borrowing	Principal Amount outstanding as on December 31, 2024 (current and non-current borrowings) – standalone basis
Anzen Trust	
Particulars	
Secured loans	
Non-convertible debentures*	7,463.48
Indian rupee loan from banks	Nil
DMTCL	
Unsecured loans	
Term loan from Anzen Trust	6,482.50
Non-convertible debentures	291.00
Optionally convertible debentures	877.10
NRSS	
Unsecured loans	
Term loan from Anzen Trust	4,813.50
Optionally convertible debentures	632.44
Total Borrowings	20,560.02

Note: (1) Unsecured borrowings in the books of the DMTCL and NRSS are from the Anzen Trust.
**Note :(2) Secured Non-convertible debentures is net of unamortised borrowing cost.*

Principal terms of the borrowing availed by the Trust

The Anzen Trust, pursuant to a resolution passed by the board of directors of the Investment Manager dated October 19, 2022 and a term sheet executed by the Investment Manager, availed a credit facilities aggregating to ₹ 7,500 million. The Anzen Trust's total outstanding consolidated net debt after availing of such borrowings and other borrowings as may be approved by the board of directors, is within the regulatory requirement of 49% of the value of the InvIT Assets as specified under the InvIT Regulations and the Anzen Trust has obtained the necessary credit ratings as required in accordance with the InvIT Regulations.

The key terms of the InvIT Facility are as follows:

1. *Nature of Borrowings*: The Anzen Trust has issued secured, listed, rated, redeemable, non-convertible debt securities having a face value of ₹ 10,00,000 each on a private placement basis. Such debt securities were issued, at par, as Series A debt securities (with a tenor of 36 months from the deemed date of allotment) and Series B debt securities (with a tenor of 60 months from the deemed date of allotment). The number of Series A debt securities and Series B debt securities were finalised at the time of executing the definitive documentation in relation to the issuance of debt securities by the Trust.

2. *Coupon Rate*: Coupon of 8.01% per annum, payable quarterly for Series A debt securities and coupon of 8.34% per annum, payable quarterly for Series B debt securities. The coupon rate is revised upwards by 0.25% p.a for each notch downgrade from 'AAA' by any Indian rating agency appointed by the Anzen Trust to provide credit rating for the debt securities.

3. *Purpose*: The proceeds from the issuance of the debt securities were utilised for the purposes of, amongst others, (i) advancing debt to the Project SPVs, including for the purpose of refinancing of existing loans of Project SPVs; (ii) meeting transaction expenses; and (iii) general corporate purposes.

4. Security*:* The debt securities issued by the Anzen Trust, are secured by, amongst others,

(i). a first *pari passu* charge on all current assets of the Anzen Trust, including any receivables accrued/realised from loans and advances extended by the Anzen Trust to all SPVs;

(ii). a first *pari passu* charge on the escrow account and all sub-accounts of the Anzen Trust, but excluding all interest service reserve account/debt service reserve account/distribution account;

(iii). a first exclusive charge on the debt service reserve account created for the facility;

(iv). a first *pari passu* pledge over 100% of the equity share capital / CCD / OCD / NCD / securities of the Project SPVs owned by the Anzen Trust; and

(v). a first *pari passu* pledge over unencumbered equity share capital / CCD / OCD / NCD / securities of any SPVs acquired by the Anzen Trust in the future.

5. *Covenants:* The financing arrangements in relation to debt securities issued by the Anzen Trust contains standard restrictive covenants, which prevent it from undertaking certain actions, including:

   (i). change in the general nature of its business as per guidelines issued by SEBI;

   (ii). amending the Trust Deed in any material way which would prejudicially affect the interests of the debt security holders;

   (iii). undertaking consolidation, compromise with its creditors or unitholders, except upon the fulfilment of certain conditions; and

   (iv). winding up, liquidating or dissolving the Anzen Trusts affairs or taking any actions towards the same.

   Further, these financing arrangements contain certain affirmative covenants, including:

   (i). the Anzen Trust holding 51% shareholding (direct or indirect) of the Project SPVs and not divesting its holdings below 51% without the approval from the debenture trustee; and

   (ii). the Anzen Trust to undertake not to distribute/dividend cash flows to the unit holders if there is any debt/interest service default by Anzen Trust and till such debt/ interest service default is remedied.

6. *Additional Debt Conditions*: During the tenor of the debt securities, the Anzen Trust may issue, without prior consent of the debenture trustee, any additional debt subject to the below conditions, amongst others:

   (i). there should not be any outstanding credit rating from any Indian rating agency below AaA and rating of AAA to be maintained subsequent to the additional debt funding;

   (ii). the consolidated net borrowings of the Anzen Trust shall be in line with the SEBI (Infrastructure Investment Trust) Regulations, 2014, as amended;

   (iii). no event of default or cash trap has occurred; and

   (iv). the additional debt shall not be utilised for redemption of Units.

7. *Restricted Payment Conditions*: The Anzen Trust shall not declare any dividend/interest income or any other form of cash flow on its share capital/shareholder's units/quasi equity/inter corporate deposits from the Sponsor/ the Anzen Trust's unit holders, associated companies and/or strategic investors if, amongst others:

   (i). the Anzen Trust fails to meet its obligations to pay interest/and or instalments and/or other monies due and as long as it is in such default;

   (ii). an event of default has occurred and remains uncured beyond the cure period;

   (iii). restricted payments are not permitted under applicable laws; and

   (iv). cash trap trigger event has occurred.

8. *Events of Default:* The financing arrangements entered into by the Anzen Trust contain standard events of default affecting the Anzen Trust, including, amongst others:

   (i). any payment default including default in principal, interest or any other amounts remaining unpaid beyond due date to any lender;

   (ii). misrepresentation by the Anzen Trust;

   (iii). breach of any covenants or undertakings by the Anzen Trust as stipulated for the debt securities;

   (iv). non-creation or perfection of the security;

   (v). cross-default in relation to any indebtedness of the Anzen Trust;

(vi). the Anzen Trust is declared as a wilful defaulter by any bank, financial institution or other entity within the meaning of the term as set out in the guidelines/circulars issued by the RBI from time to time in this regard; and

(vii). breach of any financial covenants set out under the financing documents.

9. *Consequences of default*: In terms of the financing arrangements entered into by the Anzen Trust, the following, amongst others, are the consequences of default:

   (i). apply all cash proceeds arising in the escrow account towards the repayment of the Anzen Trust's obligations to the debenture holders;

   (ii). acceleration of all amounts payable by the Anzen Trust in respect of the facilities;

   (iii). exercise rights with respect to the security, in accordance with the transaction documents; and

   (iv). exercise such other remedies as permitted or available under applicable law including any circulars issued by RBI.

This is an indicative list of the terms of the borrowings that are availed by the Anzen Trust and there are additional terms, conditions and requirements under the financing documentation entered into by the Anzen Trust.

This Preliminary Placement Document does not, directly or indirectly, relate to any invitation, offer or sale of any securities, instruments or loans (including listed non-convertible debentures or bonds, if any) that may be issued by the Trust after the listing of the ordinary Units. Any person or entity investing in such issue or transaction by the Trust should consult its own advisors. Neither the Lead Managers, nor their associates or affiliates have any responsibility or liability for such issue or transaction by the Trust.

Leverage

In accordance with and subject to the InvIT Regulations, the provisions of the Trust Deed, and the borrowing policy adopted by the Investment Manager, the aggregate consolidated borrowings and deferred payments (net of cash and cash equivalent) of the Anzen Trust may be up to 70% of the aggregate of the InvIT Assets. Anzen Trust or the Portfolio Assets may, from time to time, avail further borrowings or enter into re-financing arrangements and draw down funds thereunder, within the leverage limits as are approved by the Unitholders, in accordance with the InvIT Regulations.

Details of Indebtedness of the Target Asset

The details of indebtedness of the Target Asset as at June 30, 2024, is provided below:

(in ₹ million)

Category of borrowing	Amount outstanding as on June 30, 2024
RSWPL	
Secured	10,337
Unsecured	520
Total Borrowings	10,857

Post-Issue Indebtedness of the Anzen Trust

Upon full utilization of the Issue Proceeds, and drawdown of additional debt, the indebtedness and deferred payments of the Anzen Trust, net of cash and cash equivalents, on a consolidated basis, shall not exceed 49% of the aggregate value of the InvIT Assets. The Anzen Trust is proposing to avail certain facilities from India Infrastructure Finance Company Limited aggregating to an amount of ₹ 6,200.00 million. The indicative terms of such facility are provided below and may be subject to change and shall be finalised upon execution of definitive documentations.

Sr. No.	Heading	Description
1.	**Borrower**	Anzen India Energy Yield Plus Trust ("**AIEYPT**")
2.	**Sponsor**	SEPL Energy Private Limited **("SEPL")**
3.	**Investment Manager of Borrower**	EAAA Real Assets Managers Limited ("**ERAML**") The approval for any change in Investment Manager to be provided by 51 % of the

		o/s debt (existing debt & new debt lenders) and new debt lenders. No approval is required if investment manager is within the group/affiliates. The borrower shall have the right to prepay the dissenting lenders within 90 days without prepayment premium with a prior written notice of 15 days.
4.	**Common Security Trustee/Trustee**	Catalyst Trusteeship Limited. All security shall be created in favour of the common security trustee and suitable accession mechanism will be built in at the time of definitive documentation to permit for accession of security package by future lenders.
5.	**Amount**	Total Term Loan of Rs. 620 Crore **Term Loan**: Tranche 1- Upto Rs 460 Crore Tranche 2- Upto Rs 160 Crore
6.	**Purpose**	i For acquisition of Project SPVs and for refinancing of standard debt in Project SPVs /Borrower. ii For Advancing loans to Other SPVs and/or Project SPVs Note: The above uses shall be subject to compliance of directives issued by the Government of India / RBI / other regulatory agency from time to time. The proceeds of New Debt shall not be utilised for capital market activities, real estate activities, illegal activities and/or any other purpose for which bank finance is prohibited by Reserve Bank of India, as on the date of disbursement.
7.	**Tenor**	Term Loan Door to Door of 25 years from the date of disbursement of each tranche, with structured quarterly instalment
8.	**Credit Rating**	The Borrower should obtain Final/provisional two credit rating of AAA for the proposed facility from any credit rating agency approved by RBI prior to disbursement of the Facility.
9.	**Security**	The Term Loan, is secured by, amongst others, (i). a first *pari passu* charge on all current assets of the Anzen Trust, including any receivables accrued/realised from loans and advances extended by the Anzen Trust to all SPVs; (ii). a first *pari passu* charge on the escrow account and all sub-accounts of the Anzen Trust, but excluding all interest service reserve account/debt service reserve account/distribution account; (iii). a first exclusive charge on the debt service reserve account created for the facility; (iv). a first *pari passu* pledge over 100% of the equity share capital / CCD / OCD / NCD / securities of the Project SPVs owned by the Anzen Trust; and (v). a first *pari passu* pledge over unencumbered equity share capital / CCD / OCD / NCD / securities of any SPVs acquired by the Anzen Trust in the future.
10.	**Additional Debt Conditions**	During the tenor of the debt securities, the Anzen Trust may issue, without prior consent of the debenture trustee/lenders, any additional debt subject to the below conditions, amongst others: (i). there should not be any outstanding credit rating from any Indian rating agency below AAA and rating of AAA to be maintained subsequent to the additional debt funding; (ii). the consolidated net borrowings of the Anzen Trust shall be in line with the SEBI (Infrastructure Investment Trust) Regulations, 2014, as

		amended; (iii). no event of default or cash trap has occurred; and (iv). the additional debt shall not be utilised for redemption of Units.
11.	**Restricted Payment Conditions**	The Anzen Trust shall not declare any dividend/interest income or any other form of cash flow on its share capital/shareholder's units/quasi equity/inter corporate deposits from the Sponsor/ the Anzen Trust's unit holders, associated companies and/or strategic investors if, amongst others: (i). the Anzen Trust fails to meet its obligations to pay interest/and or instalments and/or other monies due and as long as it is in such default; (ii). an event of default has occurred and remains uncured beyond the cure period; (iii). No Cash Trap Trigeer event has occured (iv). restricted payments are not permitted under applicable laws; and (v). Required DSRA has not been maintained
12.	**Covenants**	The following; amongst others; are the standard restrictive covenants, which prevent it from undertaking certain actions, including: (i). change in the general nature of its business as per guidelines issued by SEBI; (ii). amending the Trust Deed in any material way which would prejudicially affect the interests of the debt security holders; (iii). undertaking consolidation, compromise with its creditors or unitholders, except upon the fulfilment of certain conditions; and (iv). winding up, liquidating or dissolving the Anzen Trusts affairs or taking any actions towards the same.
13.	**Events of Default**	The standard events of default affecting the Anzen Trust, including, amongst others: (i). any payment default including default in principal, interest or any other amounts remaining unpaid beyond due date to any lender; (ii). misrepresentation by the Anzen Trust; (iii). breach of any covenants or undertakings by the Anzen Trust as stipulated for the debt securities; (iv). non-creation or perfection of the security; (v). cross-default in relation to any indebtedness of the Anzen Trust; (vi). the Anzen Trust is declared as a wilful defaulter by any bank, financial institution or other entity within the meaning of the term as set out in the guidelines/circulars issued by the RBI from time to time in this regard; and (vii). breach of any financial covenants set out under the financing documents.
14.	**Consequences of an Event of Default**	The following, amongst others, are the consequences of default: (i). apply all cash proceeds arising in the escrow account towards the repayment of the Anzen Trust's obligations to the debenture holders; (ii). acceleration of all amounts payable by the Anzen Trust in respect of the facilities; (iii). exercise rights with respect to the security, in accordance with the transaction documents; and (iv). exercise such other remedies as permitted or available under applicable law including any circulars issued by RBI.

Additionally, the Anzen Trust has proposed to issue non-convertible debentures aggregating to an amount of upto Rs. 7,000 million (“**NCDs**”).

The key terms of the NCDs issued by the Anzen Trust are as follows:

Sr. No.	Heading	Description
1.	**Issuer**	Anzen India Energy Yield Plus Trust (“AIEYPT”)
2.	**Sponsor**	SEPL Energy Private Limited **(“SEPL”)**
3.	**Coupon Rate**	Indicative coupon of 7.60%-7.90% per annum, payable quarterly for Series C debt securities. The coupon rate shall be revised upwards by 0.25% p.a for each notch downgrade from ‘AAA’ by any Indian rating agency appointed by the Anzen Trust to provide credit rating for the debt securities.
4.	**Investment Manager of Issuer**	EAAA Real Assets Managers Limited (“**ERAML**”)
5.	**Trustee**	Catalyst Trusteeship Limited
6.	**Issue Amount / Issue Size**	Upto 70,000 Debt Securities each having a face value of INR 1,00,000 (Indian Rupees One Lakh) each, aggregating up to INR 700,00,00,000.00 (Indian rupees seven hundred crores) (“Series C Debt Securities) Debt Securities shall be issued at par. Series C Debt Securities shall be referred to as “Debt Securities”.
7.	**Purpose**	i For acquisition of SPVs and for refinancing of standard debt in Project SPVs /Issuer. ii. Advancing loans to Other SPVs and/or Project SPVs iii. General corporate purpose. iv. Creation of debt service reserve or any other reserves required under any Financing document of the Issuer/ SPV v. Meeting transaction expenses In case of participation by any bank in the issuance, end use of the bank proceeds shall be within the guidelines as issued by RBI from time to time.
8.	**Tenor**	Series C Debt Securities: 3 years from Deemed Date of Allotment
9.	**Rating of the Instrument**	The Issuer should obtain final/ provisional two credit rating of AAA for the proposed facility from any credit rating agency approved by RBI prior to from the deemed date of allotment of the Facility
10.	**Security**	The NCD, is secured by, amongst others, (i). a first *pari passu* charge on all current assets of the Anzen Trust, including any receivables accrued/realised from loans and advances extended by the Anzen Trust to all SPVs; (ii). a first *pari passu* charge on the escrow account and all sub-accounts of the Anzen Trust, but excluding all interest service reserve account/debt service reserve account/distribution account; (iii). a first exclusive charge on the debt service reserve account

		created for the facility; (iv). a first *pari passu* pledge over 100% of the equity share capital / CCD / OCD / NCD / securities of the Project SPVs owned by the Anzen Trust; and (v). a first *pari passu* pledge over unencumbered equity share capital / CCD / OCD / NCD / securities of any SPVs acquired by the Anzen Trust in the future.
11.	**Additional Debt Conditions**	During the tenor of the debt securities, the Anzen Trust may issue, without prior consent of the debenture trustee/lenders, any additional debt subject to the below conditions, amongst others: (i). there should not be any outstanding credit rating from any Indian rating agency below AAA and rating of AAA to be maintained subsequent to the additional debt funding; (ii). the consolidated net borrowings of the Anzen Trust shall be in line with the SEBI (Infrastructure Investment Trust) Regulations, 2014, as amended; (iii). no event of default or cash trap has occurred; and (iv). the additional debt shall not be utilised for redemption of Units.
12.	**Restricted Payment Conditions**	The Anzen Trust shall not declare any dividend/interest income or any other form of cash flow on its share capital/shareholder's units/quasi equity/inter corporate deposits from the Sponsor/ the Anzen Trust's unit holders, associated companies and/or strategic investors if, amongst others: (i). the Anzen Trust fails to meet its obligations to pay interest/and or instalments and/or other monies due and as long as it is in such default; (ii). an event of default has occurred and remains uncured beyond the cure period; (iii). No Cash Trap Trigeer event has occured (iv). restricted payments are not permitted under applicable laws; and (v). Required DSRA has not been maintained .
13.	**Covenants**	The following; amongst others; are the standard restrictive covenants, which prevent it from undertaking certain actions, including: (i). change in the general nature of its business as per guidelines issued by SEBI; (ii). amending the Trust Deed in any material way which would prejudicially affect the interests of the debt security holders; (iii). undertaking consolidation, compromise with its creditors or unitholders, except upon the fulfilment of certain conditions; and (iv). winding up, liquidating or dissolving the Anzen Trusts affairs or taking any actions towards the same.
14.	**Events of Default**	The standard events of default affecting the Anzen Trust, including, amongst others:

		(i). any payment default including default in principal, interest or any other amounts remaining unpaid beyond due date to any lender; (ii). misrepresentation by the Anzen Trust; (iii). breach of any covenants or undertakings by the Anzen Trust as stipulated for the debt securities; (iv). non-creation or perfection of the security; (v). cross-default in relation to any indebtedness of the Anzen Trust; (vi). the Anzen Trust is declared as a wilful defaulter by any bank, financial institution or other entity within the meaning of the term as set out in the guidelines/circulars issued by the RBI from time to time in this regard; and (vii). breach of any financial covenants set out under the financing documents.
15.	**Consequences of an Event of Default**	The following, amongst others, are the consequences of default: (i). apply all cash proceeds arising in the escrow account towards the repayment of the Anzen Trust's obligations to the debenture holders; (ii). acceleration of all amounts payable by the Anzen Trust in respect of the facilities; (iii). exercise rights with respect to the security, in accordance with the transaction documents; and (iv). exercise such other remedies as permitted or available under applicable law including any circulars issued by RBI.

Status of lender consents

The Target Asset has availed debt from certain third-parties and consents from the respective lenders of the Target Asset are required for and in connection with the Issue. As on the date of this Preliminary Placement Document, the Target Asset has received consents from the relevant lenders in relation to the Issue. For further details, please see the section entitled "*Risk Factors*" on page 116.

Borrowing Policy

The Investment Manager shall ensure that all funds borrowed in relation to the Anzen Trust are in compliance with the InvIT Regulations. Accordingly, the Investment Manager has formulated a borrowing policy to outline the process for borrowing monies in relation to the Anzen Trust. For further details, please see the section entitled "*Corporate Governance–Investment Manager–Policies of the Board of Directors of the Investment Manager in relation to the Anzen Trust–Borrowing Policy*" on page 196.

DISTRIBUTION

Statements contained in this section entitled "Distribution" that are not historical facts are forward-looking statements. Such statements are subject to certain risks and uncertainties that could cause actual results to differ materially from those that may be projected. Under no circumstances should the inclusion of such information herein be regarded as a representation, warranty or prediction with respect to the accuracy of the underlying assumptions by the Trustee, the Sponsor, the Investment Manager, the Lead Managers or any other person. Bidders are cautioned not to place undue reliance on these forward-looking statements that are stated only as at the date of this Preliminary Placement Document. For details in relation to such forward-looking statements, please see the section entitled "Forward-Looking Statements" on page 20.

The net distributable cash flows of the Anzen Trust (the "**Distributable Income**") are based on the cash flows generated from the underlying operations undertaken by the InvIT Assets, in this case being the Portfolio Assets. For details of the business and operations presently undertaken by the InvIT Assets, please see the section entitled "*Business*" on page 299. Presently, cash flows receivable by the Anzen Trust may be in the form of dividend, interest income or principal repayment received from the InvIT Assets in relation to any debt sanctioned by the Anzen Trust, or a combination of both.

In terms of the InvIT Regulations, not less than 90% of the net distributable cash flows of the Portfolio Assets, shall be distributed to the Anzen Trust in proportion of its holding in such Portfolio Assets, subject to applicable provisions in the Companies Act, 2013, as amended, and not less than 90% of the net distributable cash flows of the Anzen Trust shall be distributed to the Unitholders.

The Anzen Trust shall declare and distribute at least 90% of the Distributable Income to the Unitholders, at least once in every financial year. However, if any infrastructure asset is sold by the Anzen Trust or the Portfolio Assets, or if the equity shares or interest in the Portfolio Assets are sold by the Anzen Trust; if the Anzen Trust proposes to re-invest the sale proceeds into another infrastructure asset within one year, it shall not be required to distribute any sales proceeds to the Anzen Trust or to the Unitholders. Further, if the Anzen Trust proposes not to invest the sale proceeds into any other infrastructure asset within one year, it shall be required to distribute the same in the manner specified above. In accordance with the InvIT Regulations, distributions by the Anzen Trust shall be made within five working days from the record date where the record date shall be two working days from the date of the declaration of distribution, excluding the date of declaration and the record date. The distribution, when made, shall be made in Indian Rupees. For details on the risks relating to distribution, please see the section entitled "*Risk Factors*" on page 116.

Distribution Policy

Method of calculation of Distributable Income

The Distributable Income of Anzen Trust shall be calculated in accordance with the InvIT Regulations and any circular, notification or guidance issued thereunder. Presently, Anzen Trust proposes to calculate distributable income in the manner provided below:

I. Calculation of net distributable cash flows at each SPV level:

Description
Cash flow from operating activities as per Cash Flow Statement of HoldCo/ SPV
Add: Cash Flows received from SPV's which represent distributions of NDCF computed as per relevant framework (refer note 1 and 9 below) (relevant in case of Hold Cos)
Add: Treasury income / income from investing activities (interest income received from FD, tax refund, any other income in the nature of interest, profit on sale of Mutual funds, investments, assets etc., dividend income etc., excluding any Ind AS adjustments. Further clarified that these amounts will be considered on a cash receipt basis)
Add: Proceeds from sale of infrastructure investments, infrastructure assets or shares of SPVs or Investment Entity adjusted for the following: • Applicable capital gains and other taxes; • related debts settled or due to be settled from sale proceeds; • directly attributable transaction costs; • proceeds reinvested or planned to be reinvested as per Regulation 18(7) of the InvIT Regulations or any other relevant provisions of the InvIT Regulations.
Add: Proceeds from sale of infrastructure investments, infrastructure assets or sale of shares of SPVs or Investment Entity not distributed pursuant to an earlier plan to re-invest as per Regulation 18(7) of InvIT Regulations or any other relevant provisions of the InvIT Regulations, if such proceeds are not intended to be invested subsequently.
Less: Finance cost on Borrowings, excluding amortisation of any transaction costs as per Profit and Loss Account and any shareholder debt / loan from Trust
Less: Debt repayment (to include principal repayments as per scheduled EMI's except if refinanced through new debt including overdraft facilities and to exclude any debt repayments / debt refinanced through new debt, in any form or equity raise as well as repayment of any shareholder debt / loan from Trust)

Less: any reserve required to be created under the terms of, or pursuant to the obligations arising in accordance with, any: (i). loan agreement entered with banks / financial Institution from whom the Trust or any of its SPVs/ HoldCos have availed debt, or (ii). terms and conditions, covenants or any other stipulations applicable to debt securities issued by the Trust or any of its SPVs/ HoldCos, or (iii). terms and conditions, covenants or any other stipulations applicable to external commercial borrowings availed by the Trust or any of its SPVs/ HoldCos, (iv). agreement pursuant to which the SPV/ HoldCo operates or owns the infrastructure asset, or generates revenue or cashflows from such asset (such as, concession agreement, transmission services agreement, power purchase agreement, lease agreement, and any other agreement of a like nature, by whatever name called); or (v). statutory, judicial, regulatory, or governmental stipulations; or – (refer note 2)
Less: any capital expenditure on existing assets owned / leased by the SPV or Holdco, to the extent not funded by debt / equity or from reserves created in the earlier years (refer note 10)
NDCF for HoldCo/ SPV's

Note: Distribution of up to 90% of the above NDCF as per the InvIT Regulations is subject to compliance of Companies Act.

II. *Calculation of net distributable cash flows at the consolidated InvIT level:*

Description
Cashflows from operating activities of the Trust
Add: Cash flows received from SPV's / Investment entities which represent distributions of NDCF computed as per relevant framework (refer note 1 and 9 below)
Add: Treasury income / income from investing activities of the Trust (interest income received from FD, any investment entities as defined in Regulation 18(5), tax refund, any other income in the nature of interest, profit on sale of Mutual funds, investments, assets etc., dividend income etc., excluding any Ind AS adjustments. Further clarified that these amounts will be considered on a cash receipt basis)
Add: Proceeds from sale of infrastructure investments, infrastructure assets or shares of SPVs/Holdcos or Investment Entity adjusted for the following: • applicable capital gains and other taxes; • related debts settled or due to be settled from sale proceeds; • directly attributable transaction costs; • proceeds reinvested or planned to be reinvested as per Regulation 18(7) of the InvIT Regulations or any other relevant provisions of the InvIT Regulations
Add: Proceeds from sale of infrastructure investments, infrastructure assets or sale of shares of SPVs/ Hold cos or Investment Entity not distributed pursuant to an earlier plan to re-invest as per Regulation 18(7) of InvIT Regulations or any other relevant provisions of the InvIT Regulations, if such proceeds are not intended to be invested subsequently.
Less: Finance cost on Borrowings, excluding amortisation of any transaction costs as per Profit and Loss account of the Trust
Less: Debt repayment at Trust level (to include principal repayments as per scheduled EMI's except if refinanced through new debt including overdraft facilities and to exclude any debt repayments / debt refinanced through new debt in any form or funds raised through issuance of units)
Less: any reserve required to be created under the terms of, or pursuant to the obligations arising in accordance with, any: (i). loan agreement entered with financial institution, or (ii). terms and conditions, covenants or any other stipulations applicable to debt securities issued by the Trust or any of its SPVs/ HoldCos, or (iii). terms and conditions, covenants or any other stipulations applicable to external commercial borrowings availed by the Trust or any of its SPVs/ HoldCos, or (iv). agreement pursuant to which the Trust operates or owns the infrastructure asset, or generates revenue or cashflows from such asset (such as, concession agreement, transmission services agreement, power purchase agreement, lease agreement, and any other agreement of a like nature, by whatever name called); or (v). statutory, judicial, regulatory, or governmental stipulations; - (refer note 2)
Less: any capital expenditure on existing assets owned / leased by the InvIT, to the extent not funded by debt / equity or from contractual reserves created in the earlier years (refer note 10)
NDCF at Trust Level

Notes/ Other Rules:

1. *NDCF computed at SPV level for a particular period to be added under this line item, even if the actual cashflows from SPV to InvIT has taken place post that particular period, but before finalization and adoption of accounts of the InvIT.*

2. *The specified agreements could be for either PPP or non-PPP projects. The Trust retains the option to distribute any surplus amounts, unless such surplus is required to create reserves for any subsequent period.*

3. *The option to retain 10% distribution under Regulation 18(6) needs to be computed by taking together the retention done at SPV level and Trust level.*

4. *Further, Trust along with its SPVs needs to ensure that minimum 90% distribution of NDCF be met for a given financial year on a cumulative periodic basis as specified for mandatory distributions in the InvIT regulations (subject to provisions of Note 1 above)*

5. *Surplus cash available in SPVs due to:*

    a. *10% of NDCF withheld in line with the Regulations in any earlier year or half year or*

    b. *Such surplus being available in a new SPV on acquisition of such SPV by InvIT*

c. *Any other reason, excluding if such surplus cash is available due to any debt raise could be considered for distribution by the SPV to the InvIT, or by the Trust to its Unitholders in part or in full, but needs to be disclosed separately in the NDCF computation and Distribution.*

6. *Similarly, any restricted cash (disclosed as such) should not be considered for NDCF computation by the SPV or InvIT (e.g. unspent CSR balance for any year deposited in a separate account as per Companies Act which will be utilized in subsequent years, DSRA reserve, major maintenance reserve etc).*

7. *Further, it is expressly provided that no Trust or SPVs can distribute any cashflows by obtaining external debt, except to the extent clarified in note 2 above (this will exclude any working capital / OD facilities obtained by Trust/ SPVs as part of Treasury management / working capital purposes as long as they are squared off within the quarter).*

8. *Further, it is also clarified that Proceeds from sale of infrastructure investments, infrastructure assets or shares of SPVs or Investment Entity adjusted for transaction costs or repayment of debt taken for such assets or other items as mentioned above which is intended to be reinvested or planned to be reinvested as per Regulation 18(7) of InvIT Regulations, could be temporarily parked in Overdraft accounts or used to repay any additional/ unrelated debt. Further if such proceeds are not intended to be reinvested as per the timeline provided in the Regulations and such net proceeds are to be distributed back to Unitholders, then redrawing such temporarily parked funds to distribute such net proceeds will not be considered as a contravention of note 7 above.*

9. *Cash flows received from SPV's / Investment entities which represent distributions of NDCF computed as per relevant framework at the Trust level for further distribution to Unitholders shall exclude any such cash flows used by the Trust for onward lending to any other SPVs / Investment entities to meet operational / interest expenses or debt servicing of such other SPVs / Investment entities.*

10. *Capital expenditure include amounts incurred and paid towards asset enhancement and are capitalized to asset value in the financial statements including lease payments. It is further clarified that Existing Assets as referred to in this line item includes any new structure / building / other infrastructure constructed on an existing infrastructure as set which is already a part of the InvIT.*

In terms of the InvIT Regulations, if the distribution is not made within timelines as specified in the InvIT Regulations, then the Investment Manager shall be liable to pay interest to the Unitholders at the rate of 15% per annum or such other rate as may be specified under applicable law, whichever is lower, until the distribution is made. Such interest shall not be recovered in the form of fees or any other form payable to the Investment Manager by the Anzen Trust. For risks in relation to distribution, please see the section entitled "*Risk Factors*" on page 116.

Distributions by Anzen Trust

The Anzen Trust has made consistent distributions for nine consecutive quarters aggregating to approximately ₹ 3,288 million. The details of distribution declared by Anzen Trust are provided below:

Sr. No.	Record Date	Distribution Date	Number of Units (in million)	Other Income per Unit (in ₹)	Repayment of debt per Unit (in ₹)	Interest per Unit (in ₹)	Distribution per Unit (in ₹)	Amount of Distribution paid on Units including tax on distribution (in ₹ million)
1.	February 21, 2023	February 27, 2023	158	0.08	0.44	0.72	1.24*	195.92
2.	June 2, 2023	June 7, 2023	158	0.03	0.04	2.35	2.42	382.36
3.	August 22, 2023	August 25, 2023	158	0.01	-	2.44	2.45	387.10
4.	November 10, 2023	November 15, 2023	158	0.08	-	2.37	2.45	387.10
5.	February 17, 2024	February 21, 2024	158	0.04	-	2.41	2.45	387.10
6.	June 1, 2024	June 5, 2024	158	0.03	0.02	2.40	2.45	387.10
7.	August 14, 2024	August 20, 2024	158	0.04	-	2.41	2.45	387.10
8.	October 30, 2024	November 5, 2024	158	0.03	0.11	2.31	2.45	387.10
9.	January 22, 2025	January 27, 2025	158	0.03	0.02	2.40	2.45	387.10
	Total		1,422	0.37	0.63	19.81	20.81	3,287.98

** For the period from November 2022 to December 2022*

DISCUSSION AND ANALYSIS BY THE DIRECTORS OF THE INVESTMENT MANAGER OF THE FINANCIAL CONDITION, RESULTS OF OPERATIONS AND CASH FLOWS OF THE PORTFOLIO ASSETS OF THE ANZEN TRUST

You should read the following discussion and analysis of our financial condition, results of operations and cash flows in conjunction with the section entitled "Financial Statements" enclosed at Annexure C. This discussion contains forward-looking statements and involves numerous risks and uncertainties, including, but not limited to, those described in the section entitled "Risk Factors" on page 116. Actual results could differ materially from those contained in any forward-looking statements and for further details regarding forward-looking statements, please see the section entitled "Forward-Looking Statements" on page 20.

The Consolidated Financial Statements have been presented for the Financial Years 2024 and the unaudited interim consolidated financial results for the nine months ended December 31, 2024. Unless stated otherwise or unless context requires otherwise, information given for the Financial Years 2024 have been derived from the audited financial statements for the fiscal prepared in accordance with Ind AS and InvIT regulations. Information given for the nine months ended December 31, 2024 is derived from unaudited interim consolidated financial results for nine months ended December 31, 2024 prepared in accordance with Regulation 23 of the InvIT Regulations, as amended, read with the SEBI Circulars and information for the nine months ended December 31, 2023 is derived from comparative amounts presented in unaudited interim consolidated financial results for nine months ended December 31, 2024. For the periods ended March 31, 2022 and March 31, 2023, Audited Special Purpose Combined Financial Statements have been discussed. While for the period ended March 31, 2024, and the nine months ended December 31, 2024, Audited Consolidated Financial Statements and unaudited interim consolidated financial results, respectively, have been discussed. Since, Audited Consolidated Financial Statements are not comparable with the Audited Special Purpose Combined Financial Statements and accordingly, the comparison has not been provided. Please note that Anzen Trust commenced its operations from November 11, 2022 and hence, the consolidated financial information is presented for the period from November 11, 2022 to March 31, 2023.

Unless stated otherwise or the context otherwise requires, industry and market data used in this section has been obtained or derived from the CRISIL Report, publicly available information as well as industry publications and sources, including from various government publications and websites.

Overview

We are an infrastructure investment trust ("**InvIT**") established to own power transmission and renewable energy assets in India as permissible under the InvIT Regulations. Anzen India Energy Yield Plus Trust (the "**Anzen Trust**") was established on November 1, 2021, by our Sponsor, SEPL Energy Private Limited, and were registered with SEBI on January 18, 2022, pursuant to the InvIT Regulations. We are backed by a multidisciplinary board and a team with years of experience. Further, we are also backed by our unitholders which are institutional investors like large corporates, endowment fund, pension fund etc. Our Sponsor has experience in designing and engineering, operations and maintenance and managing power transmission and renewable energy projects across India, and is the project manager of two power transmission assets and twelve renewable energy assets in India.

Given our financial position, support of and experience from our Sponsor and the robust regulatory framework for power transmission and renewable energy generation in India, we believe that we are well-positioned to take advantage of the growth potential of India's energy sector. For further details on India's energy sector, please see the section entitled "*Industry Overview*" on page 198. Anzen Trust owns a 100.00% equity shareholding and certain debt securities (along with 100.00% economic interest) in each of DMTCL and NRSS, the two inter-state power transmission projects, with a total network of 427.4 kms power transmission lines of 854.9 ckm, comprising of 1,168 towers and two EHV substations, having 1,400 MVA and 760 MVAR of transformation capacity across three states in India (the "**Portfolio Assets**"), pursuant to acquisition of Portfolio Assets by way of securities purchase agreement dated November 1, 2022. Edelweiss Infrastructure Yield Plus ("**EIYP**") Fund, of which our Sponsor is a 100.00% owned entity, owns a 74.00% equity shareholding and certain debt securities (along with 74.00% economic interest) in 11 renewable energy assets with a cumulative generation capacity of 623.2 MWp. Our Sponsor, directly and through its affiliate entities, owns a 74.00% equity shareholding and certain debt securities (along with 74.00% economic interest) in one other renewable energy asset with a generation capacity of 190 MWp. The 12 renewable energy projects together have an aggregate generation capacity of 813.2 MWp (the "**ROFO 1 Assets**"). IYP II, IYP IIA and IIYP II hold 100.00% equity shareholding and debt securities in a power transmission project with power transmission lines of 980 ckm ((the "**ROFO 2 Asset**"), collectively with ROFO 1 Assets (the "**ROFO Assets**")). Pursuant to the 'right of first offer agreement' entered into between the Trustee (acting on behalf of the Anzen Trust), the Investment Manager, the Sponsor, and EIYP (the "**ROFO Agreement 1**") and the 'right of first offer agreement' entered into between the Trustee (acting on behalf of the Anzen Trust), the Investment Manager, IYP II, IYP IIA and IIYP II (the "**ROFO Agreement 2**"), the Anzen Trust has a 'right of first offer' to acquire: (i) 74.00% equity shareholding and debt securities as specified in the ROFO Agreement 1 (along with 74.00% economic interest) in 11 renewable energy projects from EIYP, (ii) 74.00% equity shareholding and debt securities as specified in the ROFO Agreement 1 (along with 74.00% economic interest) in one renewable energy project from the Sponsor or its affiliates, and (iii) 100.00% equity shareholding and debt securities as specified in the ROFO Agreement 2 in one power transmission project from IYP II, IYP IIA and IIYP II. For further details on the ROFO Agreements, see "*Related Party Transactions"* on page 376.

Pursuant to the Issue, the Anzen Trust, acting through the Trustee, proposes to acquire from the ReNew Private Limited (the "**Seller**"), and ReNew Private Limited proposes to transfer to the Anzen Trust, 100% equity shareholding in ReNew Sun Waves Private Limited (the "**Target Asset**"), by way of a share purchase agreement dated December 19, 2024, entered into amongst the Trust, the Seller and the Target Asset. Currently, 99.99% of shares are held by the Seller whereas 0.01% of the shares are held by Ostro Energy Private Limited, a nominee of the Seller. Anzen Trust is acquiring the Target Asset at an enterprise value of ₹ 14,960 million subject to adjustments on account of net current assets and other adjustments not exceeding ₹ 15,540 million.

The two Portfolio Assets were initially awarded under the 'tariff based competitive bidding' mechanism ("**TBCB**") on a 'build-own-operate-maintain' ("**BOOM**") basis. The power transmission projects earn revenue pursuant to long-term transmission service agreements ("**TSAs**"). These projects receive availability-based tariffs under the TSAs, irrespective of the quantum of power transmitted through the line. The tariff for inter-state power transmission projects in India, including the Portfolio Assets, is predetermined and contracted for the period of the TSA, which is 35 years from the commercial operation date ("**COD**") of the asset. The actual CODs for DMTCL and NRSS were August 10, 2017 and March 27, 2017 respectively, and as provided in various orders issued by CERC (i.e. see "*Legal and Other Information*" on page 398), the Scheduled CODs shall stand extended till the actual CODs.

Transmission charges under the TSAs are billed and collected pursuant to the 'point of connection' ("**PoC**") mechanism, a regulatory payment pooling system offered to Inter State Transmission Systems ("**ISTS**"), such as the systems operated by the Portfolio Assets. Under the PoC mechanism, payments are made to a central payment pool and the proceeds are distributed proportionately to all transmission services providers, such as the Portfolio Assets. The availability-based tariffs and PoC payment mechanism enable a stable and certain cash flow stream and minimize receivables risk (for further details, see "*Industry Overview*" on page 198). Tariffs for our ROFO 1 Assets are predetermined for a period of 25 years from their respective scheduled COD at a per unit rate, as set out in "*ROFO Assets*" on page 317. Additionally, tariff for our ROFO 2 Asset is predetermined, fixed and contracted for the period of the TSA, which is 35 years from the commercial operation date ("**COD**") of the asset. Further, tariffs for the Target Asset are predetermined for a period of 25 years from their respective scheduled COD at fixed tariff rate of ₹ 2.55 per kWh, as set out in "*Business – The Target Asset*" on page 322.

We are focused on providing stable and sustainable distributions to our Unitholders. In accordance with the InvIT Regulations, each financial year we are required to distribute at least 90% of our net cash available for distribution to our Unitholders at least once every financial year. For further details in relation to distribution, see "*Distribution*" on page 342. Following the utilization of the Issue Proceeds of this Issue, our aggregate consolidated borrowings and deferred payments net of cash and cash equivalents will be below 70% of the total value of Anzen Trust's assets, as prescribed under the InvIT Regulations.

As on March 31, 2024, AUM of the Anzen Trust was ₹ 23,037 million, weighted average cost of debt was 8.14%, Net Debt to AUM was approximately 27.59%. The Trust made a distribution per unit of approximately ₹ 9.8 in the Fiscal 2024. Further, our Portfolio Assets have been in operation for approximately 7 years and have a residual contractual period of approximately 28 years in the Fiscal 2024. Further, Net Debt to AUM of the Anzen Trust was 27.41% as on September 30, 2024 (calculated basis the AUM as on March 31, 2024).

Our total income for the Fiscal 2024 was ₹ 2,521.10 million, of which revenue from contract with customers was ₹ 2,426.41 million. This majorly comprised of income from transmission charges amounting to ₹ 2,410.29 million. The loss before tax was ₹ 282.19 million for the Fiscal 2024. Furthermore, the total Assets as at March 31, 2024 were ₹ 20,930.45 million.

Factors Affecting Our Results of Operation

The Anzen Trust's and the Project SPVs' business, prospects, results of operations, cash flows and financial condition are affected by a number of factors, including the following key factors:

Transmission Charges

Each of the Portfolio Assets was awarded to Essel Infraprojects Limited (which are now acquired by the Anzen Trust) under the tariff based competitive bidding ("**TBCB**") mechanism. Under the TBCB, technically-qualified developers bid for an inter-state power transmission project on a build-own-operate-and-maintain, or BOOM, basis, which is awarded to the developer quoting the lowest levelized tariff. Majority economic interest in the Portfolio Assets were subsequently transferred to our Anzen Trust. For further information, see "*Business*" on page 299.

The Portfolio Assets earn revenue, i.e., availability-based transmission charges, pursuant to the transmission service agreements ("**TSAs**"), from the LTTCs under such TSAs irrespective of the quantum of power transmitted through the transmission line. The transmission charges for power transmission projects acquired through the TBCB mechanism, including the Portfolio Assets, is contracted for the period of the relevant TSAs, which is 35 years from the Scheduled COD of the relevant power transmission project, and is subject to renewal in accordance with the relevant TSA and the CERC.

Electricity transmission tariffs comprise a majority of our revenue from contracts with customers, which includes incentives we receive from customers for high availability, net of rebates we offer to customers for timely payment. The electricity transmission tariff is collected and paid to us in the form of transmission charges by the CTU. The transmission charges consist of fixed 'non-escalable' transmission charges, and incentives for actual availability beyond the target availability of 98% for the Portfolio Assets, which is capped at an availability of 99.75%. In accordance with the CERC Sharing Regulations, a transmission licensee is entitled to recover its transmission charges from ISTS charges collected by the CTU, on behalf of the transmission licensee, from the LTTCs. If there is any failure or delay on the part of LTTCs to make the requisite payments to the CTU, beyond the due date, which affects the capability of the CTU to make corresponding payments to a transmission licensee, the transmission licensee is entitled to a delayed payment surcharge from the LTTCs at a rate of 1.5% per month on the unpaid amount under the CERC Sharing Regulations. The CERC Sharing Regulations and the TSAs also provide for a rebate mechanism as an incentive for timely payment by the LTTCs. The ability of the LTTCs to pay the CTU on time directly impacts our cash flows. Furthermore, any shortfall in the collection of transmission charges by the CTU is shared on a *pro rata* basis by all transmission licensees, thereby affecting cash flows.

Non-escalable charges are fixed charges, detailed in the TSAs and Tariff Order and paid to us as part of the transmission charges. These charges are billed on monthly basis by the CTU to the LTTCs. For further information on such non-escalable transmission charges, see "*Business*" on page 299.

Availability determined incentive payments and penalties

We operate our power transmission projects under an availability-based tariff regime, which incentivizes transmission system operators like us to provide the highest possible system reliability. System reliability is measured as "availability", which is defined as the hours during a given period for which the transmission system is capable of transmitting electricity at its rated voltage and transmission capacity, expressed as a percentage of total hours in the period. The CERC Tariff Regulations provide specific guidance on the calculation of availability and take into account the elements in the transmission system (including transmission lines, transformers and substations) as well as the reason for any outages, with force majeure outages being excluded from the calculation. We are required to maintain system availability of 98.00% for our systems to receive 100.00% of the transmission charge. We receive incentive payments under the TSAs of the Portfolio Assets if our availability exceeds 98%. If our annual average availability rate falls below 95.00%, we may be subject to penalties under the TSAs, which shall be apportioned in the ratio of the transmission charges paid or actually payable by our Long Term Transmission Customers ("**LTTCs**") existing at the end of the relevant contract year, subject to force majeure. In the event we fail to maintain our target availability of 98.00% for six consecutive months or within a non-consecutive period of six months within any continuous aggregate period of 18 months (except where the availability is affected by force majeure events), the LTTC's may exercise their right of termination under the TSAs.

In accordance with the CERC Sharing Regulations, a transmission licensee such as us is entitled to recover its tariff from ISTS charges collected by CTU. If there is any failure or delay on the part of LTTCs to make the requisite payments to the CTU, which affects the capability of the CTU to make corresponding payments to us as a transmission licensee, we are entitled to a delayed payment charge from the LTTCs at a rate of 1.5% per month under CERC Sharing Regulations.

Commissioning of power transmission projects and acquiring additional projects

Under the terms of the TSAs, our electricity transmission tariff commences upon commissioning of the project or element of the project. Commissioning dates have been a major factor affecting the results of operations and cash flows of the Portfolio Assets. DMTCL's and NRSS's construction and development of the transmission lines were completed and commissioned in Fiscals 2017 and 2018, respectively. During the monsoon months of 2019 and due to a sudden change in course of the Gandak river, four towers of the Line-In-Line-Out ("**LILO**") section of 400kV Barh- Motihari -Gorakhpur line collapsed and in the long-term interest of the assets, the management decided to strengthen the lines in the impacted section of the assets by strengthening and/or replacing twelve towers during the monsoon season which was completed in March 2021. During Fiscal 2022, the Gandak river changed its course again which made four towers highly vulnerable. As a precautionary measure, DMTCL has installed two taller towers with pile foundation at its location to improve and strengthen the LILO line asset.

Once all the elements are commissioned for a power transmission project, the transmission charges for each Initial Portfolio Asset are contracted for the period of the TSAs, which is 35 years from its respective COD. The transmission charges consist of fixed 'non-escalable' transmission charges for a period of 35 years, exposing us to minimal price risk from transmission charge resetting, providing long-term revenue visibility. In addition, the Initial Portfolio Assets are contracted to generate a fixed revenue, as tariffs under the TSAs are fixed for the entire duration of the term of the TSAs, i.e. 35 years from the date of the Scheduled COD.

Claims by the Initial Portfolio Assets on account of "interest during construction" or IDC and other cost overruns were allowed by the Appellate Tribunal for Electricity ("**APTEL**") in December 2021, with the final order to be passed by the Central Electricity Regulatory Commission ("**CERC**"). The CERC in its final order dated May 11, 2022 (with respect to NRSS) and May 13, 2022 (with respect to DMTCL) (collectively, the "**CERC Orders**") allowed incremental tariff in respect of IDC and other cost overruns of ₹237.50 million per annum as per TSA. Consequently, the Portfolio Assets were entitled to accrued revenues from COD to June 30, 2022 of ₹1,247.88 million and one-time reimbursement of ₹8.23 million. For further information, see "*Legal and Other Information*" on page 398.

The acquisition of additional commissioned transmission projects directly results in higher revenue and impacts other results of operations and cash flows. Key factors which affect our ability to acquire additional projects, including the ROFO Assets, include the limited availability of inter-state transmission projects, our ability to finance such acquisitions within the debt to equity ratio prescribed by the InvIT Regulations and our ability to compete with third parties for such acquisitions. Any future project acquisitions, including the ROFO Assets, will directly affect our revenue.

Weather conditions, seasonal fluctuations and natural calamities

The revenues generated by the Target Asset may be proportional to the amount of electricity generated, which in turn is dependent upon prevailing weather conditions and the profitability of our operations depend not only on observed weather conditions at the project site but also on the consistency of those weather conditions.

Limited flexibility in negotiating tariffs with the counter-parties to the Target Asset's Power Purchase Agreement

The Target Asset have acquired the rights to develop and generate power from new projects through a competitive bidding process, in which we may compete for project awards based on, among other things, pricing, technical and engineering expertise, financial conditions, including specified minimum net worth criteria, financing capabilities and track record. The Target Asset PPA executed by the Target Asset have a pre-determined tariff structure, with escalations specifically set out in the Target Asset PPA only in some instances and we may have a limited ability to negotiate the terms of such Target Asset PPA. For further details, please see the section entitled "*Business*" on page 299.

Reliance on certain off-takers

The Target Asset has entered into Target Asset PPA with SECI. We expect that the Target Asset will continue to be reliant on certain off-takers such as SECI for the renewable energy projects for the foreseeable future. Accordingly, any failure to maintain our relationship with these off-takers or expiry or termination of the Target Asset PPA and/or negotiate and execute renewed Target Asset PPA on terms that are commercially viable, with the off-takers, could have an impact on our financial condition and our growth prospects.

Basis of preparation and presentation of audited consolidated financial statements

The consolidated financial statements comprise of the Consolidated Balance Sheet as at March 31, 2024, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Unit Holders' Equity for the year then ended and the Consolidated Statement of Net Assets at fair value as at March 31, 2024 and the Consolidated Statement of Total Returns at fair value and the Statement of Net Distributable Cash Flows ("**NDCFs"**) of the Trust, the underlying holding company ("**HoldCo**") and each of its subsidiaries for the year then ended and a summary of material accounting policies and other explanatory notes prepared in accordance with Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended), prescribed under Section 133 of the Companies Act, 2013 ("**Ind AS**") read with SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended and Master Circular No. SEBI/HO/DDHS-PoD-2/P/CIR/2023/115 dated 06 July 2023 issued thereunder ("**InvIT Regulations**"). The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments
- Certain financial assets measured at fair value (e.g. Liquid mutual funds)

The consolidated financial statements are presented in Indian Rupees Million, except when otherwise indicated.

As per regulation 20 of InvIT Regulations 2014, the InvIT and its SPVs are eligible for a total debt (net of cash and cash equivalents) of 70% to AUM. As at December 31, 2024, the total debt (net of cash and cash equivalents) to AUM is within the prescribed limits.

These financial statements for the year ended March 31, 2024 have been prepared in accordance with Ind AS, except classification of unit capital which is made in accordance with the InvIT Regulations as more fully described in Notes to the financial statements.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Trust and its subsidiaries as at March 31, 2024. Control is achieved when the InvIT and its SPVs are exposed, or have rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the InvIT and its SPVs control an investee if and only if the InvIT and its SPVs have:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the InvIT and its SPVs have less than a majority of the voting or similar rights of an investee, the InvIT and its SPVs have all relevant facts and circumstances in assessing whether they have power over an investee, including:

- The contractual arrangement with the other vote holders of the investee;
- Rights arising from other contractual arrangements;
- The InvIT and its SPVs' voting rights and potential voting rights;
- The size of the InvIT and its SPVs' holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders.

The InvIT and its SPVs re-assess whether or not they control an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the InvIT and its SPVs obtain control over the subsidiary and ceases when the InvIT and its SPVs lose control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the InvIT and its SPVs gain control until the date the InvIT and its SPVs cease to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent, i.e., period ended on March 31.

Consolidation procedure:

(a). Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b). Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

(c). Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full).

Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the unit holders of the Trust and to the non controlling interests (if any), even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary;
- Derecognises the carrying amount of any non-controlling interests;
- Derecognises the cumulative translation differences recorded in equity;
- Recognises the fair value of the consideration received;
- Recognises the fair value of any investment retained;
- Recognises any surplus or deficit in profit or loss; and
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

Basis of preparation and presentation of audited special purpose combined financial statements

Following is the accounting policy used in the preparation of audited special purpose combined financial statements for the year ended March 31, 2023.

Basis of preparation of financial statements

The Special Purpose Combined Financial Statements of NRSS XXXI (B) Transmission Limited ("**NRSS**") and Darbhanga-Motihari Transmission Company Limited ("**DMTCL**") (individually referred to as "SPVs" and together referred to as the "SPV Group") comprise the Combined Balance Sheet as at March 31, 2023, the Combined Statement of Profit and Loss (including Other Comprehensive Income), the Combined Cash Flow Statement, the Combined Statement of Changes in Equity for the year ended March 31, 2023, the Combined Statement of Net Assets at Fair Value as at March 31, 2023, the Combined Statement of Total Returns at Fair Value for the year ended March 31, 2023 and a Summary of Significant Accounting Policies and Other Explanatory Information (collectively, the "**Special Purpose Combined Financial Statements**" or the "**combined financial statements**").

The Special Purpose Combined Financial Statements were approved for issue in accordance with resolution passed by the Board of Directors of the Investment manager on February 22, 2025. The Investment Manager had earlier prepared special purpose combined financial statements of the SPV Group for the three months ended June 30, 2022, and for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 which were approved for issuance on October 19, 2022 (the "**IPO Combined Financial Statements**") by the Board of Directors of the Investment Manager in connection with the proposed transfer of DMTCL and NRSS to Anzen India Energy Yield Plus Trust (the "**Trust**" or the "**InvIT**").

The SPV's were acquired by the Trust on November 11, 2022. Accordingly, the Trust prepared consolidated financial statements from the date of acquisition. The Trust is currently proposing to raise funds through the Institutional Placement. In connection with the institutional placement, the combined financial statements of the SPV Group for the year ended March 31, 2023 are required in the Placement Document, in addition to the IPO Combined Financial Statements of the SPV Group and the consolidated financial statements of the Trust for the year ended March 31, 2024. Accordingly, the Investment Manager of the Trust based on the InvIT regulations read together with SEBI circular no. CIR/IMD/DF/114/2016 dated October 20, 2016 has prepared special purpose combined financial statements of the SPV Group for the year ended March 31, 2023.

The Special Purpose Combined Financial Statements have been prepared in accordance with Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) prescribed under Section 133 of the Companies Act, 2013 ("**Ind AS**") except for Ind AS 33: Earning Per Share read with SEBI (Infrastructure Investment Trusts) Regulations, 2014 and the circulars issued thereunder ("**InvIT Regulations**") and the Guidance Note on Combined and Carve-Out Financial Statements issued by the Institute of Chartered Accountants of India ("**Guidance Note**"). The Special Purpose Combined Financial Statements are special purpose financial statements and have been prepared by the Investment manager to meet the requirements of the InvIT Regulations, as explained above, for the purpose of inclusion in the Preliminary Placement Document and Placement Document prepared by the Investment Manager in connection with the proposed institutional placement of units by the InvIT. As a result, the Special Purpose Combined Financial Statements may not be suitable for another purpose. Further, the requirements of Schedule III notified under the Companies Act, 2013 are not applicable to InvITs and hence these financial statements are not prepared in accordance with those requirements.

The Special Purpose Combined Financial Statements are presented in Indian Rupees which is also the functional currency of the SPVs. All values are rounded to the nearest millions, unless otherwise indicated. These Special Purpose Combined Financial

Statements have been prepared on a historical cost convention and on an accrual basis except for certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

Basis of Combination

a. These Special Purpose Combined Financial Statements are prepared to present the combined financial position and performance of the SPV Group based on the line-by-line addition of the SPVs' separate financial statements for the respective financial years.

b. The Special Purpose Combined Financial Statements have been prepared using the principles of consolidation as per Ind AS 110 – Consolidated Financial Statements, to the extent applicable/ relevant for the combined financial statements.

c. Further, as required by Para 16 of the Guidance Note, in case the combining entities or any one of the combining entities are under common control, the carrying amounts pertaining to a subsidiary, as reflected in the consolidated financial statements of the parent, should be used for the purpose of preparing combined financial statements. Accordingly, for the purpose of Special Purpose Combined Financial Statements, the carrying amounts of SPVs have been considered as reflected in the consolidated financial statements of SEPL Energy Private Limited (*formerly known as Sekura Energy Private Limited*) (the "**erstwhile Parent entity**") from the respective dates of acquisition of such SPVs by the erstwhile Parent entity. The difference between the carrying amounts of such SPVs reflected in the consolidated financial statements of the erstwhile Parent entity and the separate financial statements of such SPVs has been credited to "Adjustment on combination of SPVs" which is disclosed under "Other Equity" in the Special Purpose Combined Financial Statements. Consequently, the depreciation charge for the respective years is also based on the carrying amounts of Property, plant and equipment pertaining to such SPVs as reflected in the consolidated financial statements of the erstwhile Parent entity. Related party relationships and transactions are also identified as per Ind AS 24 for SPV Group with respect to erstwhile Parent entity. The Special Purpose Combined Financial Statements do not take into account the accounting adjustments, changes in accounting policies, wherever necessary that have arisen on acquisition of NRSS and DMTCL by the InvIT with the accounting policy of the InvIT. Accordingly, these Special Purpose Combined Financial Statements are not indicative in any manner of the consolidated financial position, consolidated financial performance, consolidated cash flows and consolidated changes in equity of the InvIT and are not comparable with the consolidated financial statements of the InvIT post the issue of units and acquisition of NRSS and DMTCL. Further, these Special Purpose Combined Financial Statements may not necessarily be indicative of the financial performance, financial position, cash flows and changes in equity of the SPV Group that would have occurred if it had operated as a separate standalone group of entities during the periods presented or of the SPV Group's future performance.

Summary of significant accounting policies

The following is the summary of significant accounting policies applied by the SPV Group in preparing its combined financial statements:

a) Current versus non-current classification

The SPV Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification. The SPV Group classifies all other liabilities as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The SPV Group has identified twelve months as its operating cycle.

b) Foreign currencies

The SPV Group's combined financial statements are presented in INR, which is its functional currency. The SPV Group does not have any foreign operation and has assessed the functional currency of the SPVs to be INR.

Transactions and balances

Transactions in foreign currencies are initially recorded by the SPV Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

c) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

In the principal market for the asset or liability, or

In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the SPV Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The SPV Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
Level 3 -Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognised in the financial statements on a recurring basis, the SPV Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At each reporting date, the management of each SPV analyses the movement of assets and liabilities which are required to be remeasured or reassessed as per the SPV's accounting policies. For this analysis, the management of each SPV verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management of each SPV also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

For the purpose of fair value disclosures, the SPV Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures of Statement of Net Assets at fair value and Statement of Total Returns at fair value
- Quantitative disclosures of fair value measurement hierarchy
- Investment in quoted mutual fund
- Financial instruments (including those carried at amortised cost)

d) Revenue from contracts with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the SPV Group expects to be entitled in exchange for those goods or services. The SPV Group has concluded that it is the principal in its revenue arrangements because it typically controls the services before transferring them to the customer.

Power transmission services

Revenue from contracts with customers comprises of revenue from power transmission services rendered in India to Long Term Transmission Customers (LTTCs) pursuant to the respective Transmission Services Agreements (TSAs) executed by the SPV Group with LTTCs for periods of 35 years. The SPV Group is required to ensure that the transmission assets meet the minimum availability criteria under the respective TSAs. The Company's performance obligation vide the TSAs is to provide power transmission services. The performance obligation is satisfied over time as the customers receive and consume the benefits provided by the SPV Group's performance as the SPV Group performs. Accordingly, the revenue from power transmission services is recognised over time based on the transmission asset availabilities and the tariff charges approved under the respective CERC tariff orders and includes unbilled revenues accrued up to the end of the accounting period. The payment is generally due within 60 days.

Operation and maintenance service

Revenue from operation and maintenance contracts are recognised pro-rata over the period of the contract as and when services are rendered.

Contract balances

Contract assets

A receivable represents the SPV Group's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due). Amounts which have been billed to the customers are disclosed as trade receivables and amounts which are to be billed to the customers (and not conditional on the SPV group's future performance) are disclosed under “Other financial assets”. Refer accounting policies for financial assets in Financial instruments - initial recognition and subsequent measurement.

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the SPV Group transfers the related goods or services. Contract liabilities are recognised as revenue when the SPV Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend

Income from dividend on investments is accrued in the year in which generally it is approved by the shareholders, whereby the SPV Group’s right to receive is established.

e) Taxes

Tax expense comprises current tax expense and deferred tax

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside statement of profit or loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilized;
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside statement of profit or loss is recognised outside statement of profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable SPV Group and the same taxation authority. Sales/value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/value added taxes paid, except:

- When the tax incurred on a purchase of assets or services is not recoverable from the tax authority, in which case, the

tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
- When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the tax authority is included as part of receivables or payables in the balance sheet.

f) Property, plant and equipment

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the SPV Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. No decommissioning liabilities are expected or be incurred on the assets of plant and equipment. Depreciation is calculated on pro-rata basis on a written down value. Freehold land is not depreciated. The SPV Group is providing depreciation at the following useful life:

Asset class	**Useful lives**
Plant and equipment	5 - 35 years
Office equipments	5 - 7 years
Furniture and fixtures	10 years
Computers	3 years

The SPV Group, based on technical assessment made by technical expert and management estimate, depreciates certain items of plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

g) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the SPV Group incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

h) Impairment of non-financial assets

The SPV Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the SPV Group estimates the asset’s recoverable amount. An asset’s recoverable amount is the higher of an asset’s or cash-generating unit’s (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The SPV Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These forecasts, especially for the transmission lines are based on the transmission services agreements (TSA) signed by the individual SPV's for their respective assets. Accordingly, a substantial part of the revenue considered for impairment calculations is based on the transmission services agreement. Rest of the items of these budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the SPV Group extrapolates cash flow projections (after factoring revenue as per TSA) in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products/industries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations are recognised in the statement of profit and loss.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the SPV Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU to which the goodwill relates. When the recoverable amount of the CGU is less than it's carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

i) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the SPV Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the SPV Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed for, (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Company, or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised in the financial statements.

j) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The SPV Group has no obligation, other than the contribution payable to the provident fund. The SPV group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the year in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The SPV Group recognises the following changes in the net defined benefit obligation as an expense in the combined statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The SPV Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The SPV Group recognizes expected cost of short-term employee benefit as an expense, when an employee renders the related service.

The SPV Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

The SPV group operates defined benefit gratuity plan in India.

k) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the SPV Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

i. Debt instruments at amortised cost
ii. Debt instruments at fair value through other comprehensive income (FVTOCI)
iii. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
iv. Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Financial assets at amortised cost (debt instruments)

A ‘financial asset’ is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and;
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss.

Financial assets at fair value through OCI (FVTOCI) (debt instruments)

A ‘financial asset’ is classified as the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the SPV Group recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit or loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit or loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the SPV Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the SPV Group's combined balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The SPV Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the SPV Group has transferred substantially all the risks and rewards of the asset, or (b) the SPV Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the SPV Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the SPV Group continues to recognise the transferred asset to the extent of the SPV Group's continuing involvement. In that case, the SPV Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the SPV Group has retained.

Impairment of financial assets

Majority of the financial assets of the SPV Group pertain to Trade and other receivables. Considering the nature of business, the SPV Group does not foresee any credit risk on its trade and other receivables which may cause an impairment. As per the TSA, the receivables are covered by clause of payment security mechanism which ensures receipt of all trade receivables. Also, the SPV Group does not have any past history of impairment of Trade and other receivables.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The SPV Group's financial liabilities include borrowings and related costs, trade and other payables, and derivative financial instruments.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

- Financial liabilities at fair value through profit or loss
- Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the SPV Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities at amortised cost (Loans and borrowings)

This is the category most relevant to the SPV Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.
This category generally applies to borrowings. For more information refer Note 10.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Reclassification of financial assets

The SPV Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The SPV Group's senior management determines change in the business model as a result of external or internal changes which are significant to the SPV Group's operations. Such changes are evident to external parties. A change in the business model occurs when the SPV Group either begins or ceases to perform an activity that is significant to its operations. If the SPV Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The SPV Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

Original classification	**Revised classification**	**Accounting treatment**
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in profit or loss.

FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss the reclassification date.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the combined balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

l) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of the combined statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the SPV Group's cash management.

m) Recent accounting pronouncements

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2022 having material impact on these financial statements. There is no impact of standard or amendment that has been issued but is not yet effective.

Principal Components of Consolidated Statement of Profit and Loss

Income

Our total income consists of revenue from contract with customers, income from investments in mutual fund, interest income on investment in fixed deposits and other income.

Revenue from contract with customers

Revenue from contract with customers primarily comprises income from transmission charges and income from operation and maintenance.

- ***Income from transmission charges***: Income from transmission charges primarily consist of the revenue from power transmission services rendered to long term transmission customers ("**LTTCs**") pursuant to the respective transmission services agreements ("**TSAs**") executed by the respective Project SPVs.

- ***Income from operation and maintenance***: Income from operation and maintenance charges primarily consist of the revenue from routine operation and maintenance of inter connecting transformer ("**ICT**") and bay equipments rendered to Powergrid Mithlilanchal Transmission Limited (PMTL) executed by DMTCL.

Income from investments in mutual fund

Income from investments in mutual fund primarily comprises fair value gain on financial instrument at fair value through profit and loss and net gain on sale of investments in mutual funds.

Interest income on investment in fixed deposits

Interest income on investment in fixed deposits primarily comprises interest accrued on fixed deposits on time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Other income

Other income primarily consists of income from insurance claims, liabilities no longer required written-back, interest income on income-tax refund and miscellaneous income .

Expenses

Our expenses primarily consists of operation and maintenance expense, depreciation expense and finance costs.

- ***Operation and maintenance expense***: Operation and maintenance expense include operation and maintenance cost of tower and substations, other direct cost related to maintenance of tower and substation.

- ***Depreciation expenses***: Depreciation expense include depreciation on property, plant and equipment.

- ***Finance costs***: Finance costs include interest paid on secured non-convertible debentures and interest on late payment of tax.

Principal Components of Combined Statement of Profit and Loss

Income

Our total income consists of revenue from contract with customers, other income and finance income.

Revenue from contract with customers

Revenue from contract with customers primarily comprises income from transmission charges and income from operation and maintenance.

- ***Income from transmission charges***: Income from transmission charges primarily consist of the revenue from power transmission services rendered to LTTCs pursuant to the respective TSAs executed by the respective Project SPVs.

- ***Income from operation and maintenance***: Income from operation and maintenance primarily consist of revenue from routine operation and maintenance of ICT and bay equipments rendered to Powergrid Mithlilanchal Transmission Limited (PMTL) executed by DMTCL. Revenue from operation and maintenance contracts are recognised pro-rata over the year of the contract as and when services are rendered.

Other income

Other income primarily consists of net gain on sale of investment in mutual funds and fair value gain on financial instrument at fair value through profit or loss and miscellaneous income.

Finance income

Finance income primarily consist of interest income on fixed deposits and income tax refund.

Expenses

Our expenses primarily consists of operation and maintenance expense, depreciation expense, finance costs and other expenses.

- ***Operation and maintenance expense***: Operation and maintenance expense include operation and maintenance cost of tower and substations, other direct cost related to maintenance of tower and substation.

- ***Depreciation expenses***: Depreciation expense include depreciation on property, plant and equipment.

- ***Finance costs***: Finance costs include interest paid on non-convertible debentures, term loan, optionally convertible debentures and late payment of tax.

- ***Other expenses:*** Other expenses include cost of insurance and legal and professional fees.

Result of Operations

The following table sets forth certain information with respect to the results of operations of the Anzen Trust and the Project SPVs, on a consolidated basis, for the nine months ended December 31, 2024 and for the nine months ended December 31, 2023:

Particulars	For the nine months ended December 31, 2024 (in ₹ million, unless otherwise stated)	Percentage of Total Income (%)	For the nine months ended December 31, 2023 (in ₹ million, unless otherwise stated)	Percentage of Total Income (%)
INCOME				
Revenue from contracts with customers	1,828.02	95.75%	1,823.25	96.06%
Income from investment in mutual funds	51.63	2.70%	51.52	2.71%
Interest income on investment in fixed deposits	10.59	0.56%	9.37	0.50%
Other income	18.88	0.99%	13.93	0.73%
Total income	**1,909.12**	**100.00**%	**1,898.07**	**100.00**%
EXPENSES				
Operation and maintenance expense	49.09	2.57%	54.47	2.87%
Employee benefits expense	13.69	0.72%	13.89	0.73%
Finance costs	480.62	25.17%	479.18	25.25%
Depreciation expense	1,284.29	67.27%	1,406.73	74.11%
Investment management fees	48.90	2.56%	48.76	2.57%
Project management fees	13.64	0.71%	15.34	0.81%
Insurance expenses	26.33	1.38%	28.58	1.51%
Legal and professional fees	45.66	2.40%	27.25	1.44%
Annual listing fees	1.67	0.09%	1.56	0.08%
Rating fees	3.67	0.19%	1.40	0.07%
Trustee fees	1.38	0.07%	1.38	0.07%
Payment to auditors				
- Audit fees	2.05	0.11%	2.07	0.11%
- Other services (including certification)	0.18	0.01%	0.28	0.01%
Other expenses	15.41	0.81%	13.64	0.72%
Total expenses	**1,986.58**	**104.06%**	**2,094.53**	**110.35%**
Loss before tax	**(77.46)**	**(4.06)%**	**(196.46)**	**(10.35)%**
Tax expense:				
Current tax	9.26	0.49%	11.94	0.63%

Particulars	For the nine months ended December 31, 2024 (in ₹ million, unless otherwise stated)	Percentage of Total Income (%)	For the nine months ended December 31, 2023 (in ₹ million, unless otherwise stated)	Percentage of Total Income (%)
Adjustment of tax relating to earlier periods	(0.25)	(0.02)%	-	-
Net loss for the period after tax	**(86.47)**	**(4.53)**%	**(208.40)**	**(10.98)%**
Other Comprehensive Income				
Items that will not be reclassified to profit or loss in subsequent periods	(0.06)	(0.00)%	0.04	0.00%
Total comprehensive income for the period	**(86.53)**	**(4.53)**%	**(208.36)**	**(10.98)%**
Loss for the period				
Attributable to:				
Unitholders	(86.47)	(4.53)%	(208.40)	(10.98)%
Non-controlling interest	-	-	-	-
Total comprehensive income for the period:				
Attributable to:				
Unitholders	(86.53)	(4.53)%	(208.36)	(10.98)%
Non-controlling interest	-	-	-	-
Earnings per unit (not annualized) (Rs. per unit)				
Basic	(0.55)	(0.03)%	(1.32)	(0.07)%
Diluted	(0.55)	(0.03)%	(1.32)	(0.07)%

The following table sets forth certain information with respect to the results of operations of the Anzen Trust and the Project SPVs, on a consolidated basis, for the year ended March 31, 2024:

Particulars	For the year ended March 31, 2024 (in ₹ million, unless otherwise stated)	Percentage of Total Income (%)
INCOME		
Revenue from contract with customers	2,426.41	96.24%
Income from investment in mutual fund	67.21	2.67%
Interest income on investment in fixed deposits	13.04	0.52%
Other income	14.44	0.57%
Total income	**2,521.10**	**100.00%**
EXPENSES		
Operation and maintenance expense	78.07	3.10%

Particulars	For the year ended March 31, 2024 (in ₹ million, unless otherwise stated)	Percentage of Total Income (%)
Employee benefit expense	19.40	0.77%
Depreciation expense	1,872.50	74.27%
Finance costs	637.87	25.30%
Investment management fees	64.90	2.57%
Project management fees	20.66	0.82%
Insurance expenses	38.27	1.52%
Legal and professional fees	39.10	1.55%
Annual listing fee	2.08	0.08%
Rating fee	2.61	0.10%
Valuation expenses	0.85	0.03%
Trustee fee	1.83	0.07%
Payment to auditors		
- Statutory audit fees (including limited review)	5.94	0.24%
- Other services (including certifications)	0.34	0.01%
Other expenses	18.87	0.76%
Total expenses	**2,803.29**	**111.19%**
Loss before tax	**(282.19)**	**(11.19)%**
Tax expense:		
Current tax	15.13	0.60%
Adjustment of tax relating to earlier periods	(0.05)	0.00%
Loss for the year [A]	**(297.27)**	**(11.79)%**
Other Comprehensive Income		
Items that will not be reclassified to profit or loss in subsequent periods	(0.08)	0.00%
Items that will be reclassified to profit or loss in subsequent periods	-	-
Total other comprehensive income for the year, net of tax [B]	**(0.08)**	**0.00**%
Total comprehensive income for the year, net of tax [A+B]	**(297.35)**	**(11.79)%**
Loss for the year		
Attributable to:		
- Unit holders	(297.27)	(11.79)%
- Non-controlling interest	-	-

Particulars	For the year ended March 31, 2024 (in ₹ million, unless otherwise stated)	Percentage of Total Income (%)
Total comprehensive income for the year:		
Attributable to:		
- Unit holders	(297.35)	(11.79)%
- Non-Controlling interest	-	-
Earnings per unit (Rs. per unit)		
Basic and diluted	**(1.88)**	(0.07)%

The following table sets forth certain information with respect to the results of operations of the Project SPVs, on a combined basis, for the years indicated:

Particulars	For the year ended March 31, 2023 (in ₹ million)	Percentage of Total Income (%)	For the year ended March 31, 2022 (in ₹ million)	Percentage of Total Income (%)
INCOME				
Revenue from contract with customers	3,619.37	97.99%	2,218.01	96.29%
Other income	39.22	1.06%	25.07	1.09%
Finance income	35.03	0.95%	60.30	2.62%
Total	**3,693.62**	**100.00**%	**2,303.38**	**100.00**%
EXPENSES				
Operation and maintenance expense	71.22	1.93%	65.62	2.85%
Employee benefit expense	16.75	0.45%	14.95	0.65%
Depreciation expense	998.50	27.03%	1,073.75	46.62%
Finance costs	1,808.48	48.96%	1,498.53	65.06%
Other expenses	221.07	5.99%	162.78	7.06%
Total	**3,116.02**	**84.36**%	**2,815.63**	**122.24**%
Profit / (Loss) before tax	**577.60**	**15.64**%	**(512.25)**	**(22.24)** %
Tax expense:				
Current tax	68.02	1.84%	-	-
Profit/(Loss) for the year [A]	**509.58**	**13.80**%	**(512.25)**	**(22.24)** %
Other Comprehensive Income				
Other comprehensive income not be reclassified to profit or loss in subsequent period				

Particulars	**For the year ended March 31, 2023** **(in ₹ million)**	**Percentage of Total Income (%)**	**For the year ended March 31, 2022** **(in ₹ million)**	**Percentage of Total Income (%)**
Re-measurement of defined benefit plans (net of tax INR Nil)	0.05	0.00%	0.10	0.01%
Total other comprehensive income for the year, net of tax [B]	**0.05**	**0.00**%	**0.10**	**0.01**%
Total comprehensive income/(loss) for the year, net of tax [A+B]	**509.63**	**13.80**%	**(512.15)**	**(22.23)**%
Profit / (Loss) for the year				
Attributable to:				
- Unit holders	509.63	13.80%	(512.15)	**(22.23)**%
Earnings per unit	-	-	-	-

Nine months ended December 31, 2024 compared to nine months ended December 31, 2023 (on a consolidated basis)

Total Income

Total income increased by 0.58% from ₹ 1,898.07 million for the period ended December 31, 2023 to ₹ 1,909.12 million for the nine months ended December 31, 2024.

Revenue from contract with customers

Revenue from operations increased by 0.26% from ₹ 1,823.25 million for the period ended December 31, 2023 to ₹ 1,828.02 million for the nine months ended December 31, 2024.

Income from investments in mutual fund

Income from investments in mutual fund increased by 0.21% from ₹ 51.52 million for the period ended December 31, 2023 to ₹ 51.63 million for the nine months ended December 31, 2024.

Interest income on investment in fixed deposits

Interest income on investment in fixed deposits increased by 13.02% from ₹ 9.37 million for the period ended December 31, 2023 to ₹ 10.59 million for the nine months ended December 31, 2024.

Other income

Other income increased by 35.53% from ₹ 13.93 million for the period ended December 31, 2023 to ₹ 18.88 million for the nine months ended December 31, 2024.

Total expenses

Total expenses decreased by 5.15% from ₹ 2,094.53 million for the period ended December 31, 2023 to ₹ 1,986.58 million for the nine months ended December 31, 2024.

Operation and maintenance expense

Operation and maintenance expense decreased by 9.88% from ₹ 54.47 million for the period ended December 31, 2023 to ₹ 49.09 million for the nine months ended December 31, 2024.

Depreciation expenses

Depreciation expense decreased by 8.70% from ₹ 1,406.73 million for the period ended December 31, 2023 to ₹ 1,284.29 million for the nine months ended December 31, 2024.

Other expenses

Other expenses increased by 12.98% from ₹ 13.64 million for the period ended December 31, 2023 to ₹ 15.41 million for the nine months ended December 31, 2024.

Loss before tax

As a result of the factors outlined above, our loss before tax was decreased by 60.57% from ₹ (196.46) million for the period ended December 31, 2023 to ₹ (77.46) million for the nine months ended December 31, 2024.

Net Loss for the period after tax

As a result of the factors outlined above, our net loss after tax was decreased by 58.51% from ₹ (208.40) million for the period ended December 31, 2023 to ₹ (86.47) million for the nine months ended December 31, 2024.

Total comprehensive income

As a result of the factors outlined above, our total comprehensive income was decreased by 58.47% from ₹ (208.36) million for the period ended December 31, 2023, to ₹ (86.53) million for the nine months ended December 31, 2024.

Financial Year ended March 31, 2024 (on a consolidated basis)

Total Income

Total income was ₹ 2,521.10 million for the financial year ended March 31, 2024, which principally comprised, revenue from contract with customers of ₹ 2,426.41 million, income from investments in mutual fund of ₹ 67.21 million, interest income on investment in fixed deposits of ₹ 13.04 million and other income of ₹ 14.44 million.

Revenue from contract with customers

Revenue from contract with customers was ₹ 2,426.41 million for the financial year ended March 31, 2024, attributable to income from transmission charges and income from operation and maintenance. Our revenue from operations was 96.24% of the total income for the financial year ended March 31, 2024.

Income from transmission charges

Income from transmission charges was ₹ 2,410.29 million for the financial year ended March 31, 2024, which was 95.60% of our total income for the financial year ended March 31, 2024.

Income from operation and maintenance

The income from operation and maintenance was ₹ 16.12 million for the financial year ended March 31, 2024, which was 0.64% of our total income for the financial year ended March 31, 2024.

Income from investments in mutual fund

Income from investments in mutual fund for the financial year ended March 31, 2024 was ₹ 67.21 million which was primarily attributable to net gain on sale of investment in mutual funds and fair value gain on financial instrument at fair value through profit or loss. Income from investments in mutual fund represented 2.67 % of our total income for the financial year ended March 31, 2024.

Interest income on investment in fixed deposits

Interest income on investment in fixed deposits for the financial year ended March 31, 2024 was ₹ 13.04 million represented 0.52% of our total income for the financial year ended March 31, 2024.

Other income

Other income was ₹ 14.44 million for the financial year ended March 31, 2024, primarily consists of income from insurance claims, income from escrow services and miscellaneous income. Other income represented 0.57% of our total income for the financial year ended March 31, 2024.

Total expenses

The total expenses were ₹ 2,803.29 million for the financial year ended March 31, 2024, primarily on account of expenses related to the operation and maintenance expense, depreciation expenses and finance costs. Total expenses represented 111.19% of our total income for the financial year ended March 31, 2024.

Operation and maintenance expense

The operation and maintenance expense was ₹ 78.07 million for the financial year ended March 31, 2024, which was on account of operation & maintenance expenses and other direct cost. The operation and maintenance expense represented 3.10% of our total income for the financial year ended March 31, 2024.

Depreciation expenses

The depreciation expenses was ₹ 1,872.50 million for the financial year ended March 31, 2024 on account of depreciation on property, plant and equipment. The depreciation expenses represented 74.27% of our total income for the financial year ended March 31, 2024.

Finance costs

The finance costs were ₹ 637.87 million for the financial year ended March 31, 2024 and were primarily attributable to interest paid on secured non-convertible debentures. The finance costs represented 25.30% of our total income for the financial year ended March 31, 2024.

Loss before tax

As a result of the factors outlined above, our loss before tax was ₹ (282.19) million for the financial year ended March 31, 2024.

Loss after tax expenses

As a result of the factors outlined above and total tax expense of ₹ 15.08 million, our loss after tax was ₹ (297.27) million for the financial year ended March 31, 2024.

Total comprehensive income

As a result of the factors outlined above, our total comprehensive income was ₹ (297.35) million for the financial year ended March 31, 2024.

Financial Year ended March 31, 2023 compared to financial year ended March 31, 2022 (on a combined basis)

Total Income

Total income increased by 60.36% from ₹ 2,303.38 million in Fiscal 2022 to ₹ 3,693.62 million in Fiscal 2023, primarily due to an increase in income arising out of revenue from contract with customers.

Revenue from contract with customers

Revenue from operations increased by 63.18% from ₹ 2,218.01 million for Fiscal 2022 to ₹ 3,619.37 million for Fiscal 2023, principally attributable to the income from transmission charges.

Income from transmission charges

Income from transmission charges increased by 62.97% from ₹ 2,212.47 million for Fiscal 2022 to ₹ 3,605.59 million in Fiscal 2023.

Income from operation and maintenance

Income from operation and maintenance increased by 148.74% from ₹ 5.54 million for Fiscal 2022 to ₹ 13.78 million in Fiscal 2023.

Other income

Other income increased by 56.44% from ₹ 25.07 million for Fiscal 2022 to ₹ 39.22 million for Fiscal 2023, primarily due to net gain on sale of investment in mutual funds and fair value gain on financial instrument at fair value through profit or loss.

Finance income

Finance income decreased by 41.91% from ₹ 60.30 million for Fiscal 2022 to ₹ 35.03 million for Fiscal 2023, primarily due to interest income on fixed deposits.

Total expenses

Total expenses increased by 10.67% from ₹ 2,815.63 million for Fiscal 2022 to ₹ 3,116.02 million for Fiscal 2023, primarily on account of expenses related to the operation and maintenance expense, finance costs and other expenses.

Operation and maintenance expense

Operation and maintenance expense increased by 8.53% from ₹ 65.62 million for Fiscal 2022 to ₹ 71.22 million for Fiscal 2023, primarily due to escalation on operation & maintenance expenses, pre-emptive works, license fees and other direct cost related to maintenance of tower and substation.

Depreciation expenses

Depreciation expense decreased by 7.01% from ₹ 1,073.75 million for Fiscal 2022 to ₹ 998.50 million for Fiscal 2023, primarily due to application of the written down value method of depreciation accounting.

Finance costs

Finance costs increased by 20.68% from ₹ 1,498.53 million for Fiscal 2022 to ₹ 1,808.48 million for Fiscal 2023, primarily due to increase of interest on term loan which was availed in Fiscal 2023.

Other expenses

Other expenses increased by 35.81% from ₹ 162.78 million for Fiscal 2022 to ₹ 221.07 million for Fiscal 2023, primarily due to legal and professional fees.

Profit before tax

As a result of the factors outlined above, our profit before tax was increased by 212.76 % from ₹ (512.25) million for the Fiscal 2022 to ₹ 577.60 million for the Fiscal 2023.

Profit after tax

As a result of the factors outlined above and total tax expense of ₹ 68.02 million, our profit after tax was increased by 199.48% from ₹ (512.25) million for the Fiscal 2022 to ₹ 509.58 million for the Fiscal 2023.

Total comprehensive income

As a result of the factors outlined above, our total comprehensive income was increased by 199.51% from ₹ (512.15) million for the Fiscal 2022 to ₹ 509.63 million for the Fiscal 2023.

Cash Flows

On a Consolidated Basis

The following table sets forth certain information relating to the cash flows of the Anzen Trust and the Project SPVs on a consolidated basis for the year indicated:

(*In ₹ million*)

Particulars	Financial Year ended March 31, 2024
Net cash flow from operating activities	1,630.51
Net cash flow from investing activities	688.50
Net cash flow (used in) financing activities	(2,155.96)

Net cash flow from operating activities

Net cash flow from operating activities for Fiscal 2024 was ₹ 1,630.51 million, primarily arising out of operations.

Net cash flow from investing activities

Net cash flow from investing activities for Fiscal 2024 was ₹ 688.50 million, primarily due to proceeds from sale of investment in mutual funds.

Net cash flow (used in) financing activities

Net cash flow from financing activities for Fiscal 2024 was ₹ (2,155.96) million, primarily due to payment of interest on NCD and payment of distributions to unitholders.

On a Combined Basis

The following table sets forth certain information relating to the cash flows of the Project SPVs on a combined basis for the financial years ended March 31, 2023 and March 31, 2022:

(*In ₹ million*)

Particulars	Financial Year ended March 31, 2023	Financial Year ended March 31, 2022
Net cash generated from operating activities	2,591.14	1,876.44
Net cash flow from investing activities	738.99	4.71
Net cash flow used in financing activities	(3,312.41)	(1,918.74)

Net cash generated from operating activities

Net cash from operating activities for Fiscal 2022 was ₹ 1,876.44 million, primarily arising out of operations.

Net cash from operating activities for Fiscal 2023 was ₹ 2,591.14 million, primarily arising out of operations.

Net cash flow from investing activities

Net cash flow from investing activities for Fiscal 2022 was ₹ 4.71 million, primarily due to proceeds from sale of investments in mutual funds.

Net cash flow from investing activities for Fiscal 2023 was ₹ 738.99 million, primarily due to proceeds from maturity of fixed deposits with banks having maturity more than 3 months.

Net cash flow used in financing activities

Net cash flow used in financing activities for Fiscal 2022 was ₹ (1,918.74) million, primarily due to payment of interest on term loan, NCD and OCD.

Net cash flow used in financing activities for Fiscal 2023 was ₹ (3,312.41) million, primarily due to repayment of non convertible debentures and payment of interest on NCD and OCD.

Capital Expenditure (Additions)

In the Fiscal 2024, the consolidated capital expenditure of the Anzen Trust was as follows:

(*In ₹ million*)

Particulars	For the year ended March 31, 2024
Intangible Assets	Nil
Additions during the year in Property, Plant and Equipment	16.93
Capital work in progress	Nil

In the Fiscal 2023 and 2022, the combined capital expenditure of the Anzen Trust was as follows:

(*In ₹ million*)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Intangible Assets	Nil	Nil
Additions during the year in Property, Plant and Equipment	57.84	124.89
Capital work in progress	Nil	Nil

Indebtedness

The following table provides the types and amounts of the Project SPVs outstanding indebtedness on a consolidated basis for Fiscal 2024:

(*In ₹ million*)

Particulars	For the year ended March 31, 2024
Non-Current	
Secured	
8.01% of Series A non convertible debentures (A)	4,467.52
8.34% Series B non convertible debentures (B)	2,974.29
Total Non-Current Borrowings (C=A+B)	**7,441.81**
Current	
Total Current Borrowings (D)	**-**
Total Borrowings (C+D)	**7,441.81**

The following table provides the types and amounts of the Anzen Trusts' outstanding indebtedness on a combined basis for the Fiscal 2023 and Fiscal 2022:

(*In ₹ million*)

Particulars	As at March 31, 2023	As at March 31, 2022
Non-Current		
Secured		
Non convertible debentures (A)	-	12,382.69
Less: Current maturities of debentures (B)	-	466.00
Total secured non-current borrowings (C=A+B)	-	11,916.69
Unsecured		
Non convertible debentures (D)	291.00	331.00
Optionally convertible debentures (E)	1,509.54	1,509.54
Term loan (F)	11,314.00	-
Total unsecured non-current borrowings (G=D+E+F)	13,114.54	1,840.54

Particulars	As at March 31, 2023	As at March 31, 2022
Total Non-Current Borrowings (H=C+G)	**13,114.54**	**13,757.23**
Current		
Current Maturities of Debentures	**-**	**466.00**
Total Current Borrowings (I)	**-**	**466.00**
Total Borrowings (H+I)	**13,114.54**	**14,223.23**

As at March 31, 2024, the Anzen Trust's total of current and non-current borrowings, on a consolidated basis was ₹ 7,441.81 million.

Reconciliation from Profit/(Loss) for the year / period to EBITDA

The following table provides the reconciliation from profit / (loss) for the year / period to EBITDA on a consolidated basis for the nine months ended December 31, 2024 and Fiscal 2024:

	₹ in million	
Particulars	**For nine months ended December 31, 2024**	**For year ended March 31, 2024**
Profit/(loss) for the period/year (A)	(86.47)	(297.27)
Add : Tax expenses (B)	9.01	15.08
Add : Depreciation expense (C)	1,284.29	1,872.50
Add : Finance Costs (D)	480.62	637.87
EBITDA (A+B+C+D)	**1,687.45**	**2,228.18**

The following table provides the reconciliation from Profit / (Loss) for the year to EBITDA on a combined basis for Fiscal 2023 and Fiscal 2022:

	₹ in million	
Particulars	**For year ended March 31, 2023**	**For year ended March 31, 2022**
Profit/(loss) for the year (A)	509.58	(512.25)
Add : Tax expenses (B)	68.02	-
Add : Depreciation expense (C)	998.50	1,073.75
Add : Finance Costs (D)	1,808.48	1,498.53
EBITDA (A+B+C+D)	**3,384.58**	**2,060.03**

Historical and planned capital expenditure

All of our capital expenditure is incurred in connection with the construction and development of the transmission lines and towers of DMTCL and NRSS that were commissioned in Fiscal 2017. Certain capital expenditure was incurred in DMTCL post commissioning of the project for strengthening of towers. Other than as disclosed in this Preliminary Placement Document we do not anticipate any further capital expenditures for the Project SPVs. However, in NRSS KM line, following the CERC Order, the NRSS board has approved capital expenditure up to Rs. 110 million towards replacement of existing earth wire on one circuit with 24 fibre OPGW.

Sufficiency of Working Capital

The Anzen Trust will raise funds through appropriate manner to meet its working capital requirements. The Investment Manager has confirmed that the Trust has the ability to meets its working capital requirements for at least 12 months from the date of allotment of the Units through such fund raise.

Related Party Transactions

We have in the past engaged, and in the future may engage, in related party transactions. For a description of our related party transactions, see the section entitled "*Related Party Transactions*" on page 376.

Seasonality

Our financial results are not affected by seasonality.

Unusual or Infrequent Events or Transactions

Except as described in this Preliminary Placement Document, there have been no events or transactions to our knowledge which may be described as "unusual" or "infrequent".

Total Turnover of each Major Industry Segment in which we operate

We have one primary business segment, namely the transmission sector. For further information, please see the section entitled "*Industry Overview*" and "*Business*" on pages 198 and 299, respectively.

Known Trends or Uncertainties

Other than as described in the sections "*Risk Factors*" and this "*Discussion and Analysis by the Directors of the Investment Manager of the Financial Condition, Results of Operations and Cash Flows of the Anzen Trust*" on pages 116 and 345, respectively, to our knowledge there are no known trends or uncertainties that have or had or are expected to have a material adverse impact on our revenue or income from continuing operations.

Quantitative and Qualitative Disclosure about Market Risks

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk. Financial instruments affected by market risk include borrowings, bank deposits and Investments in short-term mutual funds. Financial instruments affected by market risk include loans and borrowings, deposits. However, we did not have currency risk as at December 31, 2024, March 31, 2024, March 31, 2023 and March 31, 2022.

Interest rate risk

Our exposure to the risk of changes in market interest rate primarily relates to our long-term debt obligations with fixed/ floating interest rates.

The development and construction of the Project SPVs were funded to a large extent by debt and increase in interest expenses could have adverse effect on our cash flows, results of operations and financial condition. Although from time to time we may engage in interest rate hedging transactions or exercise any rights available to us under these financing arrangements to terminate the existing debt financing arrangement and enter into new financing arrangements, there can be no assurance that we will be able to do so on commercially reasonable terms, that our counterparties will perform their obligations, or that these agreements, if entered into, will protect us adequately against interest rate risks.

Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. We are exposed to credit risk from our operating activities (primarily trade receivables) and from our financing activities, including deposits with banks and other financial instruments.

Trade Receivables

DMTCL and NRSS are engaged in transmission infrastructure development business under BOOM (Build, Own, Operate and Maintain) and currently derive its revenue primarily from BOOM contracts with LTTC. DMTCL and NRSS being transmission licensees receive payments as per the pooling arrangements specified under the Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2010 ("**Pooling Regulations**"). In the PoC method, the transmission charges to be recovered from the entire system are allocated between users based on their location in the grid. Under the PoC mechanism, all the charges collected by the Central Transmission Utility ("**CTU**") from LTTC's are disbursed pro-rata to all Transmission Service Providers ("**TSPs**") from the pool in proportion of the respective billed amount. Due to this, the TSPs are shielded against any potential default by a particular customer. If a particular customer delays or defaults, the delay or shortfall is prorated amongst all the TSPs. Based on past history of payments, payments due have always been paid and there have been no write-offs for due amounts. Due to the payment mechanism explained above as well as due to no history of any write-offs of payments which were due, the Group has not considered any expected credit loss on the financial assets in the nature of trade receivables. During the various periods presented, there has been no change in the credit risk of trade receivables.

Other Financial Assets

Credit risk from balances deposited/invested with banks as well as investments made in mutual funds, is managed by the Group's senior management in accordance with the Project SPV's treasury policy approved by the Board of Directors. Investments of surplus funds are made only with approved counterparties and within limits assigned to each counterparty. Counterparty limits are reviewed by the top management on an annual basis and may be updated throughout the year subject to approval of the Board of Directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments. Based on this policy, the group does not foresee any risk on account of credit losses, either in the scheduled commercial bank deposits which are made with AA+ rated banks and also in regard to mutual funds which is primarily debt-oriented funds. No loss allowances have been provided for any trade receivables, or other receivables from financing activities like cash and bank deposits, mutual funds and other similar deposits. Also, there have been no modifications in contractual cash flows on financial assets.

The Group's maximum exposure to credit risk for the components of the balance sheet as at December 31, 2024, March 31, 2024, March 31, 2023 and March 31, 2022 is the carrying amounts of investments, trade receivables, cash and cash equivalents and other assets as disclosed in the relevant notes to the Combined Financial Statements and Consolidated Financial Statements. However, the credit risk is low due to reasons mentioned above.

Financial Risk Management Objectives and Policies

The Group's principal financial liabilities, comprise borrowings, trade and other payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include investments, loans, trade and other receivables, cash and short-term deposits and other financial assets that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's senior management oversees the management of these risks. The Group reviews and agrees policies for managing each of these risks, which are summarised below.

The risk management policies of the Group are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

Management has overall responsibility for the establishment and oversight of the Group's risk management framework. In performing its operating, investing and financing activities, the Group is exposed to the credit risk, liquidity risk and market risk.

New Services or Business

Other than as described in the section "*Business*" on page 299, there are no new services or business in which we operate.

Significant Developments after December 31, 2024

Other than as disclosed in this Preliminary Placement Document, there is no subsequent development after the date of the Consolidated Financial Statements which materially and adversely affects, or is likely to affect, our operations or profitability, or the value of our assets, or our ability to pay our material liabilities within the next 12 months.

Capitalisation Statement

Statement on Capitalisation of Anzen Trust and individual Portfolio Assets as on September 30, 2024:

I. For the Anzen Trust on a consolidated basis:

Particulars	**As at September 30, 2024**
	Pre-Issue* (in ₹ millions)
Current Borrowings	-
Non-current borrowings**	7,456.07
Interest accrued but not due on borrowings	1.67
Total debt (A)	**7,457.74**
Unit capital^	15,624.79
Other equity	(3,185.02)
Total equity (B)	**12,439.77**

Particulars	As at September 30, 2024
	Pre-Issue* (in ₹ millions)
Debt to equity ratio (A)/(B)	**0.60:1**

^Represents unit capital net off issue expenses
** Post issue numbers shall be determined upon finalisation of Placement Document*
*** Non-current borrowings are net of unamortized borrowing cost*

II. For the Project SPVs on a standalone basis:

Particulars	As at September 30, 2024	
	Pre-Issue* (in ₹millions)	
	NRSS XXXI (B) Transmission Limited	**Darbhanga-Motihari Transmission Company Limited**
Current Borrowings	-	-
Non-current borrowings	5,363.94	7,750.60
Interest accrued but not due on borrowings	-	-
Total debt (A)	**5,363.94**	**7,750.60**
Equity share capital	98.32	162.97
Other equity	(1,388.31)	(1,095.50)
Non-controlling interest	-	-
Total equity (B)	**(1,289.99)**	**(932.53)**
Debt to equity ratio (A)/(B)	**(4.16):1**	**(8.31):1**

** Post issue numbers shall be determined upon finalisation of Placement Document*

Monthly Revenue of Project SPVs

Please see below details with respect to month wise revenue from the date of the latest financial statements included in this Preliminary Placement Document until the completed month before the filing of this Preliminary Placement Document:

(in ₹ millions)

Project SPVs	Month ended January 31, 2025
DMTCL	118.44
NRSS	86.22

RELATED PARTY TRANSACTIONS

In terms of Regulation 2(1)(zv) of the InvIT Regulations, related party shall be as defined as under the Companies Act, 2013 or under the applicable accounting standards and shall also include: (i) Parties to the Anzen Trust; and (ii) promoters, directors, and partners of the Parties to the Anzen Trust. Further, related parties also include such persons and entities as defined in terms of the applicable accounting standards, being Ind AS 24 on "*Related Party Disclosures*" ("**Related Parties**") in relation to related party transactions for the nine months ended December 31, 2024 and the financial years ended March 31, 2024, 2023 and 2022 as per Ind AS 24. The Parties to the Anzen Trust, may, from time to time, enter into related party transactions, in accordance with applicable law.

Procedure for dealing with Related Party Transactions

To ensure proper approval, supervision and reporting of the transactions between the Anzen Trust and its Related Parties, the board of directors of the Investment Manager ("**Board**") has adopted the policy in relation to related party transactions and conflict of interests ("**RPT Policy**"), pursuant to its resolution dated July 8, 2022, to regulate the transactions between the Anzen Trust and its Related Par Anzen Trust at: https://www.anzenenergy.in/wp-content/uploads/2023/02/Policy-on-RPTs.pdf.

Related Party Transactions

Present and On-going Related Party Transactions

Acquisition of the future assets by the Anzen Trust

ROFO Agreement 1

The Sponsor has entered into a ROFO agreement (the "**ROFO Agreement 1**") with the Trustee (acting in its capacity as the trustee of Anzen Trust), the Investment Manager and EIYP. The salient features of the ROFO Agreement 1 are set out below:

<u>Right of First Offer</u>:

(i). In accordance with the ROFO Agreement 1, the Anzen Trust will have a right of first offer over the securities of the special purpose vehicles holding the ROFO 1 Assets ("**ROFO 1 SPVs**"), subject to the lock-in periods specified in the project agreements executed in relation to renewable energy assets held by the ROFO 1 SPVs.

(ii). During the period between the date which is 6 months from the listing of the Units to December 31, 2027, the Anzen Trust may communicate to the seller entities (being, the Sponsor, EIYP and/or its affiliate) and/or the seller entities may communicate to the Anzen Trust or the Anzen Trust and the seller entities may mutually decide, its interest in acquiring all or some of a particular ROFO 1 SPV, along with any pre-conditions for such acquisition ("**Letter of Interest**").

(iii). Upon receipt of the Letter of Interest and in the event the Sponsor and/ or the Seller Entity proposes to sell all its ROFO 1 Securities to the Anzen Trust, the relevant seller entity shall be required to intimate the JV Partner (as defined in the ROFO Agreement 1) in terms of the JV Agreement (as defined in the ROFO Agreement 1) of its intention of selling its holding in the ROFO 1 SPVs to the Anzen Trust ("**JV Intimation**"). In the event the JV Intimation is provided to the JV Group (as defined in the ROFO Agreement 1) prior to December 31, 2025, the seller entity shall procure that, within 45 days of the JV Intimation, and in the event the JV Group proposes to sell its securities in the ROFO 1 SPVs to the Anzen Trust, the JV Group shall sign the deed of adherence as set out in the ROFO Agreement 1 and be considered a "**Seller Entity**" in terms of the ROFO Agreement 1. In the event the JV Group does not propose to sell its securities to the Anzen Trust or does not respond to JV Intimation within 30 days, the seller entities shall accordingly be required to follow the process as prescribed under the ROFO Agreement 1 subject to the JV Group signing the shareholders' agreement as set out in the ROFO Agreement 1. In the event the Letter of Interest, is issued by the Anzen Trust to any of the JV Group and the Seller Entity on or after December 31, 2025, the Anzen Trust shall purchase the ROFO 1 SPVs in accordance with the terms specified under the JV Agreement.

(i). Subsequently, the relevant seller entity shall make (or procure that the relevant affiliate of the seller entity makes) an irrevocable invitation to offer to the Anzen Trust, through the Trustee or the Investment Manager, for the acquisition of the securities of the ROFO 1 SPV (the "**ROFO 1 Securities**") (the "**Invitation to Offer**").

(ii). In the event the Anzen Trust is interested in the acquisition of the ROFO 1 Securities, the Anzen Trust shall communicate such interest in writing within a period of 30 days from the date of receipt of the Invitation to Offer, which shall be accompanied with a due diligence questionnaire that is customary for transactions of such nature (the "**Notice of Interest**"). The Seller Entity shall provide information as requested by the Anzen Trust through the due diligence questionnaire ("**Information**") by within 45 days of receipt of the Notice of Interest.

(iii). Within a period of 60 days from the date of receipt of the information or such other time period as may be mutually agreed, and subject to the provisions of the ROFO Agreement 1, the Anzen Trust shall have the right, but not the obligation to make an irrevocable offer to acquire all (and not less than all) of the ROFO 1 Securities at a value determined in accordance with the ROFO Agreement 1 (the "**ROFO 1 SPV Offer Price and Terms**") by delivering an irrevocable offer letter (the "**ROFO 1 SPV Offer Letter**") to the relevant Seller Entity.

Acceptance of the ROFO 1 SPV Offer Price and Terms by the Seller Entity*:*

(i). The Seller Entity may accept the ROFO 1 SPV Offer Price and Terms, by delivering a notice of acceptance to the Anzen Trust within a period of 30 days (the "**ROFO 1 Acceptance Period**") from the date of receipt of the ROFO 1 SPV Offer Letter by the Seller Entity (the "**ROFO 1 Acceptance Notice**").

(ii). If the ROFO 1 Acceptance Notice is received by the Anzen Trust during the ROFO 1 Acceptance Period, the sale of the ROFO 1 Securities shall be completed in accordance with the ROFO 1 SPV Offer Price and Terms within 60 days from receipt of the ROFO 1 Acceptance Notice by the Anzen Trust or any other such period as may be mutually agreed between the parties.

(iii). The ROFO 1 Securities sold, shall be free and clear of any encumbrances, except encumbrances in favour of any lender from whom consent for the sale of ROFO 1 Securities has been obtained.

Non-Acceptance of the ROFO 1 SPV Offer Price and Terms by the Seller Entity**:**

(i). In the event that no ROFO 1 Acceptance Notice from the Seller Entity is received by the Anzen Trust during the ROFO 1 Acceptance Period or the Seller Entity declines to accept the offer set out in the ROFO 1 SPV Offer Letter, the Seller Entity shall be entitled to sell all ROFO 1 Securities to any person within 12 months from the expiry of the ROFO 1 Acceptance Period at an amount higher than the value (as specified in the ROFO Agreement 1) offered by the Anzen Trust. The Seller Entity shall deliver a notice to the Anzen Trust of its intent to sell the ROFO 1 Securities to any person within 7 days of acceptance by such third person to purchase the ROFO 1 Securities, setting out the price and the terms upon which the ROFO 1 Securities are proposed to be sold to such third person.

(ii). In the event the Seller Entity does not consummate the sale of ROFO 1 Securities to a third person, the Seller Entity will be required to follow the process as set out in the ROFO Agreement 1 if it subsequently desires to sell the ROFO 1 Securities to the Anzen Trust, upon receipt of the ROFO 1 SPV Offer Letter from the Anzen Trust.

ROFO Agreement 2

IYP II, IYP IIA and IIYP II have entered into a ROFO agreement (the "**ROFO Agreement 2**") with the Trustee (acting in its capacity as the trustee of Anzen Trust) and the Investment Manager. The salient features of the ROFO Agreement 2 are set out below:

Right of First Offer:

(i). In accordance with the ROFO Agreement 2, the Anzen Trust will have a right of first offer over the securities of the special purpose vehicle holding the ROFO 2 Asset ("**ROFO 2 SPV**"), subject to the lock-in period specified in the project agreements executed in relation to the ROFO 2 Asset held by the ROFO 2 SPV, and provided that the seller entities holding 100% of the securities of the ROFO 2 SPV (collectively), provide an Invitation to Offer (*as defined below*) to the Anzen Trust within the ROFO 2 Period (*as defined below*).

(ii). During the period between the date which is 12 months from the date of the ROFO Agreement 2 i.e. December 19, 2025 to May 31, 2027 ("**ROFO 2 Period**"), the relevant seller entities (being IYP II, IYP IIA and IIYP II and/or their Affiliate(s) holding the securities of the ROFO 2 SPV ("**ROFO 2 Securities**") may (collectively) communicate to the Anzen Trust, their interest in selling all (and not less than all) of the ROFO 2 Securities, along with any pre-conditions for such acquisition or sale and make an invitation to offer to the Anzen Trust, through the Trustee or the Investment Manager, for the acquisition of the ROFO 2 Securities in relation to ROFO 2 SPV (the "**Invitation to Offer**").

(iii). In the event the Anzen Trust is interested in the acquisition of the ROFO 2 Securities, the Anzen Trust shall communicate such interest in writing within a period of 30 days from the date of receipt by the Anzen Trust of the Invitation to Offer, which shall be accompanied with a due diligence questionnaire that is customary for transactions of such nature and which shall also include queries and clarifications in relation to the lock-in periods, transfer restrictions or negative covenants applicable to the transfer of the ROFO 2 SPV to the Anzen Trust (the "**Notice of**

Interest"). The relevant seller entity shall provide information as requested by the Anzen Trust through the due diligence questionnaire ("**Information**") within 45 days of receipt of the Notice of Interest.

(iv). Within a period of 60 days from the date of receipt of the Information, or such other time as may be mutually agreed, and subject to the provisions of the ROFO Agreement 2, the Anzen Trust shall have the right but not the obligation to make an irrevocable offer to acquire all of the ROFO 2 Securities (the "**ROFO SPV Offer Price and Terms**") by delivering an irrevocable offer letter (the "**ROFO 2 SPV Offer Letter**") to the relevant seller entities holding the ROFO 2 Securities along with the detailed terms and conditions backing up such offer (the "**Terms**").

Acceptance of the ROFO 2 Securities:

(i). The relevant seller entities holding the ROFO 2 Securities may accept the ROFO 2 SPV Offer Price and Terms, by collectively delivering a notice of acceptance to the Anzen Trust within a period of 30 days (the "**ROFO 2 Acceptance Period**") from the date of receipt of the ROFO 2 SPV Offer Letter by the seller entities (the "**ROFO 2 Acceptance Notice**").

(ii). If the ROFO 2 Acceptance Notice is received by the Anzen Trust during the ROFO 2 Acceptance Period, the sale of the ROFO 2 Securities shall be completed in accordance with the ROFO 2 SPV Offer Price and Terms within 60 days from receipt of the ROFO 2 Acceptance Notice by the Anzen Trust, or any other such period mutually decided by the parties, subject to receipt of all the consents as provided in the ROFO Agreement 2.

(iii). The ROFO 2 Securities sold pursuant to the ROFO Agreement 2 shall be free and clear of any encumbrances, except encumbrances in favour of any lender from whom consent for the sale of ROFO 2 Securities has been obtained.

Non-Acceptance of the ROFO 2 SPV Offer Price and Terms by the Seller Entity**:**

(i). In the event that no ROFO 2 Acceptance Notice from the relevant seller entities holding the ROFO 2 Securities is received by the Anzen Trust during the ROFO 2 Acceptance Period or the relevant seller entities decline to accept the offer set out in the ROFO 2 SPV Offer Letter made by the Anzen Trust, the seller entities shall be entitled to sell all the ROFO 2 Securities to any person within 12 months from the expiry of the ROFO 2 Acceptance Period at an amount higher than the value (as specified in the ROFO Agreement 2) and/or at more favourable terms attributable to such ROFO 2 Securities.

(ii). In the event the seller entity does not consummate the sale of ROFO 2 Securities to a third person, the seller entity will be required to follow the process as set out in the ROFO Agreement 2 if it subsequently desires to sell the ROFO 2 Securities to the Anzen Trust, upon receipt of the ROFO 2 SPV Offer Letter from the Anzen Trust.

Absence of offer by the Anzen Trust

(i). In the event that the Anzen Trust (a) does not provide the seller entity with the Notice of Interest within the stipulated time, (b) does not make an offer to purchase the ROFO 2 Securities within the time period for making such offer, or (c) notifies the seller entity of its decision to not purchase the ROFO 2 Securities (the "**ROFO 2 Non-Acceptance Notice**"), then without prejudice to the other rights of the seller entity, the seller entity shall have the right (but not the obligation) to sell all of the ROFO 2 Securities to any person on any terms specified by the seller entity.

Disclosure of Related Party Transactions

For details of the related party transactions as per Ind AS 24 entered into by the Anzen Trust as of and for the last three Fiscals, and as of and for the nine months ended December 31, 2024, see "*Financial Statements*" enclosed at **Annexure C**.

REGULATIONS AND POLICIES

Given below is an indicative summary of certain relevant laws, policies and regulations applicable to us. The information in this section has been obtained from publications available in the public domain. The description of the applicable regulations as given below has been provided in a manner to provide general information to the investors and may not be exhaustive and is neither designed nor intended to be a substitute for professional legal advice. The indicative summary is based on the current provisions of applicable law, which are subject to change or modification or amended by subsequent legislative, regulatory, administrative or judicial decisions.

Regulatory framework for the Power Sector

"Electricity" is an entry in the Concurrent List of the Seventh Schedule to the Constitution of India. Therefore, both Centre and State legislatures have jurisdiction to legislate in the power sector, provided that the State enactment does not conflict with any Central enactment in this sector.

The Electricity Act, 2003 ("Electricity Act")

The Electricity Act was enacted by the GoI, repealing the Indian Electricity Act, 1910 (which governed transmission, supply and use of electricity), the Electricity (Supply) Act, 1948 and the Electricity Regulatory Commissions Act, 1998.

The Central Electricity Authority ("**CEA**") consists of chairperson and members appointed by the GoI. Among other functions, the CEA specifies technical standards for construction of electrical plants and electric lines, technical standards for connectivity to the grid, grid standards for operation and maintenance of transmission lines, safety requirements for construction, operation and maintenance of electrical plants and electric lines, measures relating to safety and electric supply, installation and operation of meters, technical standards for communication systems in power system operation etc., as well as advising the GoI on matters relating to the national electricity policy and formulation of the national electricity plan. The Electricity Act also provides for the constitution of a Central Electricity Regulatory Commission ("**CERC**") and State Electricity Regulatory Commission" ("**SERCs**"), or a Joint Commission by agreement between two or more State governments or, in respect of one or more union territories and one or more Government of States, between the GoI and one or more State governments.

In this regard, the Electricity Act designated the central electricity regulatory commission established under the Electricity Regulatory Commissions Act, 1998 as the CERC for purposes of the Electricity Act. CERC's responsibilities include grant of licenses to persons to function as transmission licensees and to regulate inter-State transmission of electricity, determination of tariff for generation and inter-State transmission of electricity and adoption of tariff discovered under competitive bidding process, specifying and enforcing standards with respect to quality, continuity and reliability of service by transmission licensees and specifying regulations, amongst others, for grant of open access and payment of transmission charges.

Tariff Determination

Under the Electricity Act, tariffs are broadly determined in the following manner:

(i) In terms of Section 62(1) of the Electricity Act, the Appropriate Commission is empowered to determine the tariff for the supply of electricity by a generating company to a distribution licensee, and for transmission, wheeling and retail sale of electricity. The Appropriate Commission is guided by certain principles while determining the tariff applicable to power generating companies which include, among other things, principles and methodologies specified by the CERC for tariff determination, safeguarding consumer interest and other multiyear tariff principles and the National Electricity Policy (the "**NEP**") and the applicable Tariff Policy; and

(ii) Alternatively, tariff may be determined through the transparent process of bidding in accordance with the guidelines issued by Government of India and in terms of Section 63 of the Electricity Act, the Appropriate Commission shall adopt such tariff.

The Electricity Act vests SERCs with the responsibility to facilitate and promote transmission, wheeling and inter-connection arrangements within their territorial jurisdiction for the transmission and supply of electricity by economical and efficient utilisation of the electricity. In addition, the Electricity Act constitutes an Appellate Tribunal for Electricity ("**APTEL**") to hear appeals against orders of an adjudicating officer or the appropriate commission under the Electricity Act.

The Electricity Act requires a person undertaking transmission, distribution or trading in electricity in any area in the territory of India to obtain a prior license for such activity from the appropriate commission (the "**Appropriate Commission**"). The Electricity Act also provides that the Central Transmission Utility ("**CTU**") and the State Transmission Utility ("**STU**") is a deemed transmission licensee. The GoI may notify any Government company as a CTU. POWERGRID was notified as the CTU in 1998. Subsequently in 2021, Central Transmission Utility of India Limited, a public sector undertaking, was notified as the CTU. A person intending to act as a transmission licensee is required to approach Appropriate Commission through an application with a copy of the application forwarded to the CTU or STU, as the case may be, which sends its recommendations to the CERC or the relevant SERC, as the case may be.

The Appropriate Commission may specify any general or specific conditions that may apply to a particular licensee or a class of licensees and can alter the terms of the license or revoke the license, in public interest. Prior approval of the Appropriate Commission is required when a licensee assigns or transfers its utility or any part thereof, by sale, lease, exchange or otherwise without the prior approval of the Appropriate Commission, or from undertaking any transaction to acquire the utility of any other licensee or merging its utility with the utility of any other licensee.The duties of the CTU include undertaking transmission of electricity through Inter State Transmission System ("**ISTS**"), discharging all functions of planning and coordination relating to ISTS, ensuring development of an efficient, coordinated and economical system of ISTS for smooth flow of electricity and to provide non-discriminatory open access to the ISTS on payment of transmission charges.

The Electricity Act requires every transmission licensee to comply with the technical standards of operation and maintenance of transmission lines, in accordance with grid standards specified by the CEA. The Electricity Act provides for the establishment of the National Load Despatch Centre ("**NLDC**") and the Regional Load Despatch Centre ("**RLDC**") by the GoI. The NLDC and RLDCs are prohibited from trading in electricity and RLDCs are also prohibited from engaging in the business of generation of electricity. The RLDC and NLDC will be operated by a Government company or any authority or corporation constituted under a Central enactment, as may be notified by the GoI. The concerned State Government is required to establish a State Load Despatch Centre ("**SLDC**") as an apex body to ensure integrated operation of the power system in a State, through supervision and control over the intra-State transmission system. The SLDC is required to comply with the directions of the RLDCs. The CTU is prohibited from engaging in the business of generation of electricity or trading in electricity. Transmission Licensees are prohibited from entering into contracts in relation to, or otherwise engaging in the business of trading in electricity.

Section 68 of the Electricity Act permits installation of overhead lines with prior approval of the Appropriate Government. Section 164 of the Electricity Act also provides that the Appropriate Government as defined under the Electricity Act, may confer upon any public officer, a licensee or any other person, the powers of a telegraph authority, as provided under the Indian Telegraph Act, 1885, with respect to the placement of electrical lines for the proper coordination of the project. The Electricity Act provides certain principles in accordance with which the Appropriate Commission will specify terms and conditions for determination of tariff. A transmission licensee may engage in any business for optimum utilization of its assets as per CERC Sharing of Revenue Derived from Utilization of Transmission Assets for Other Business Regulations, 2020.

The Electricity Rules, 2005 ("Electricity Rules")

Additionally, Electricity Rules, 2005 (the "**Electricity Rules**") also prescribe a regulatory framework for developing captive generating plants. Pursuant to the Electricity Rules, a power plant shall qualify as a captive power plant only if not less than 26% of ownership is held by captive users and not less than 51% of the aggregate electricity generated in such plant, determined on an annual basis, is consumed for captive use. In case of a generating station owned by a company formed as a special purpose vehicle, the electricity required to be consumed by the captive users are to be determined with reference to such unit or units identified for captive use and not with reference to the generating station as a whole, and the equity shares of such special purpose vehicle required to be held by the captive users must not be less than 26% of the proportionate equity interest of the company related to the generating unit or units identified as the captive generating plant. Further, pursuant to amendments to the Electricity Rules, the license period for deemed licensees which do not have a fixed license period has been fixed as 25 years from the date of coming into force of the Electricity Act.

The Draft Electricity (Amendment) Bill, 2020 is sought to be enacted to amend certain provisions of the Electricity Act. In addition, the Electricity (Amendment) Bill, 2021 which is proposed to be introduced to the Lok Sabha seeks to de-license the distribution business, bring in competition, appoint member from law background in every commission, strengthen APTEL, and prescribe rights and duties of consumers. The Electricity (Amendment) Bill, 2022 provides for multiple discoms in the same area, power procurement and tariff, cross-subsidy balancing fun, and license for distribution in multiple states.

Regulations

a. Central Electricity Regulatory Commission (Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-State Transmission and related matters) Regulations, 2009

The CERC notified the Central Electricity Regulatory Commission (Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-State Transmission and related matters) Regulations, 2009 ("**Connectivity Regulations**") on August 7, 2009. The Connectivity Regulations provide for the procedures and other requirements for obtaining connectivity, availing medium-term open access and long term access in respect of ISTS. Applications for the grant of connectivity or long-term access or medium-term open access shall be made to the CTU, the nodal agency. Under the Connectivity Regulations, connectivity to ISTS can be sought by any generating plant having an installed capacity of at least 250 MW and any bulk consumer having at least a load of 100 MW.

Further, medium term open access is available for any period exceeding three months but not exceeding three years and it shall be granted if the resultant power flow can be accommodated in the existing transmission system or the transmission system under execution expected to be commissioned within the next six calendar months as per the status reported to the CEA. An entity who has been granted medium term open access can exit (relinquish their right) after giving a prior notice of at least 30 days and by paying transmission charges for the period of relinquishment or a period of 30 days, whichever is lesser to the CTU.

Long term access can be availed for a period exceeding 12 years but not exceeding 25 years. An exit option is available from the long-term access without any financial liability if the access has been availed for at least 12 years and an advance notice is given at least one year before such exit. An exit option can be exercised even before the period of 12 years subject to payment of relinquishment charges provided an application to the CTU is submitted at least one year prior to such exit. If the notice in either case is less than one year period, relinquishment charges for the period falling short of the notice period of one year is also to be paid.

The latest amendment to the CERC (Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-State Transmission and related matters) Regulations was notified on January 9, 2019. This is the seventh amendment to the Connectivity Regulations, and it introduces Regulation 5A which states that all applications must be made online. Further, where there has been a material change in the location or in the quantum of power to be interchanged with the inter-state transmission system, by more than 100 MW or 40% of the installed capacity, whichever is less, a fresh application is required to be made.

b. Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Transmission Licence and other related matters) Regulations, 2024

The CERC notified the Central Electricity Regulatory Commission (Procedure, Terms and Conditions for grant of Transmission Licence and other related matters) Regulations, 2024, as amended ("**Transmission License Regulations**") on May 23, 2024.

As per these Regulations, no person shall be eligible for the grant of license for inter-State transmission of electricity unless it is (a) selected through the process under the competitive bidding guidelines issued under section 63 of the Electricity Act, 2003; or (b) an entity selected by the Central Government or its authorized agency to implement a project under the regulated tariff mechanism. The Regulations lay out the procedure for grant of license which includes, among other requirements, incorporating the recommendations of the Central Transmission Utility of India Limited (CTUIL). The Licensee is obligated to maintain sufficient insurance, during the validity of the licence. The transmission licence shall continue to be in force for a period of 25 years, from the date of issue. Further, on completion of twenty-five (25) years from the date of issue of licence, the transmission licence stands automatically renewed for another period of twenty-five (25) years, unless revoked earlier.

In case the licensee has been selected for implementation of the project in accordance with the competitive bidding guidelines, the transmission tariff in terms of the Transmission Service Agreement shall be adopted by the Commission under Section 63 of the Act. In all other cases, the transmission tariff shall be determined under Section 62 of the Act, in accordance with the applicable tariff regulations notified by the Commission. Where the tariff of the transmission assets has been determined by the Commission under Section 62 of the Act, the tariff of such assets beyond the initial period of licence of 25 years, shall continue to be determined in accordance with the applicable tariff regulations for the extended period of licence.

Presently, once the transmission scheme is discussed and ratified in National Committee of Transmission (NCT), Ministry of Power, GOI notifies the implementation modalities /route (TBCB or RTM). The Transmission License Regulations, 2009 provide the procedure for application for Transmission License upon selection of a project developer to develop the project as specified in the Bidding Guidelines.

Under these regulations, a licensee is required to maintain insurance with regard to the transmission assets as may be necessary; build the project in a time-bound, efficient, coordinated and economical manner; establish, operate and maintain the project in accordance with the prudent utility practices and the agreements; comply with such directions of the NLDC or the RLDC under the Electricity Act; provide non-discriminatory open access to its transmission system for use by a transmission licensee, a distribution licensee, an electricity trader, a generating company, a bulk consumer or any other person in accordance with the GNA Regulations; pay the license fee in accordance with the Central Electricity Regulatory Commission (Payment of Fee) Regulations, 2012 or such other regulations as may be in force from time to time; make an appropriate application before the CERC for obtaining any prior approval whenever required; and comply with all other regulations specified by the Commission from time to time.

c. Central Electricity Regulatory Commission (Terms and Conditions for Tariff Determination from Renewable Energy Sources) Regulations, 2024

The CERC has notified the Central Electricity Regulatory Commission (Terms and Conditions for Tariff Determination from Renewable Energy Sources) Regulations, 2024 (the "**CERC Tariff Regulations**") on June 12, 2024 which supersede the regulations issued in 2020. The Tariff Regulations govern the determination of tariff, for a grid connected generating station or a unit thereof commissioned during the 'control period' (being a period from July 1, 2024 to March 31, 2027 (the "**Control Period**").

The CERC Tariff Regulations apply to cases where tariff for a grid connected generating station or a unit thereof commissioned during the Control Period and based on renewable energy sources, is to be determined by the CERC in accordance with Section 62 read with Section 79 of the Electricity Act. The CERC Tariff Regulations further lay down the eligibility criteria for various projects, which among other projects includes, wind power projects, solar PV power projects, floating solar projects, and solar thermal power projects. The generic tariff is determined by the Commission on an annual basis whereas the project specific tariff is determined on a case to case basis.

d. Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2024

The CERC notified Central Electricity Regulatory Commission (Terms and Conditions of Tariff) Regulations, 2019, as amended, which came into force on April 1, 2024 and are valid for a period of five years ("**CERC Tariff Regulations**"). The CERC Tariff Regulations apply in all cases where tariff for a generating station or a unit thereof and a transmission system or an element thereof is required to be determined by the CERC in accordance with the provisions of Section 62 read with Section 79 of the Electricity Act. These regulations also apply in all cases where a generating company has the arrangement for the supply of coal or lignite from the integrated mine(s) allocated to it, for one or more of its specified end use generating stations, whose tariff is required to be determined by the Commission under section 62 read with section 79 of the Electricity Act.

However, the CERC Tariff Regulations shall not be applicable to generating stations or transmission systems whose tariff has been discovered through tariff based competitive bidding in accordance with the guidelines issued by the Central Government and adopted by the Commission under section 63 of the Electricity Act.

As per the CERC Tariff Regulations, tariff in respect of a generating station and emission control system, wherever applicable, may be determined for the whole of the generating station or unit thereof. Further, tariff in respect of a transmission system may be determined for the whole of the transmission system or element thereof or associated communication system.

e. Central Electricity Regulatory Commission (Sharing of Inter-State Transmission Charges and Losses) Regulations, 2020

The CERC notified the Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2020 ("**CERC Sharing Regulations**") on May 4, 2020. These regulations came into force with effect from November 1, 2020, superseding the Central Electricity Regulatory Commission (Sharing of inter-state transmission charges and losses) Regulations, 2010.

These regulations provide that the yearly transmission charges ("**YTC**") as determined or adopted by CERC for transmission elements related to ISTS shall be shared amongst the users of such transmission systems on monthly basis such that the YTC and any adjustment thereof are fully recovered. The users, termed as DICs, include generating stations, state transmission utilities, distribution licensee including state electricity boards or their successor companies, electricity departments of States and any other entity directly connected to the ISTS and intra-State entity or a trading licensee that has obtained medium term open access or long term access to ISTS ("**DICs**").

On October 26, 2023 the CERC notified the CERC (Sharing of Inter-State Transmission Charges and Losses) (Third Amendment) Regulations, 2023 which, among other amendments, provides for the calculation of Yearly Transmission Charges where an inter-regional HVDC transmission system planned to supply power to a particular region is operated to carry power in the reverse direction due to system requirements.

f. Central Electricity Regulatory Commission (Grant of Regulatory Approval for Execution of Inter-State Transmission Scheme to Central Transmission Utility) Regulations, 2010

The CERC notified the Central Electricity Regulatory Commission (Grant of Regulatory Approval for Execution of Inter-State Transmission Scheme to Central Transmission Utility) Regulations, 2010 on May 31, 2010. These regulations apply to any scheme proposed by a CTU for the development of ISTS in consonance with the National Electricity Plan. The CTU may file an application before the CERC for regulatory approval of identified ISTS scheme, with a project inception report. The CTU will within 7 days of making such an application, post the complete application on its website and publish a notice of the application in 2 leading national newspapers inviting objections and / or suggestions within a period of 1 month from the date of publication. The ISTS schemes will be evaluated on the basis of: (i) need for the transmission scheme, i.e., technical justification, urgency and prudence of the investment; (ii) cost assessment and possible phasing of implementation; and (iii) a cost-benefit analysis to the users of the proposed ISTS scheme. The CERC may either approve the ISTS scheme with such modifications, if required or reject the application or require the CTU to submit a fresh application with required particulars. The CTU will implement the transmission elements out of the approved ISTS scheme in accordance with the Connectivity Regulations. The tariff of the ISTS scheme will be borne by the users of the scheme and the transmission charges will be shared among the users based on the sharing methodology specified by the CERC from time to time.

g. Central Electricity Regulatory Commission (Standards of Performance of inter-State transmission licensees) Regulations, 2012

The CERC notified the Central Electricity Regulatory Commission (Standards of Performance of inter-State transmission licensees) Regulations, 2012 on September 17, 2012. These regulations provide that the transmission system availability must be calculated element-wise on a monthly basis, in the same manner as provided in the Tariff Regulations. Further, these regulations lay down the maximum restoration periods for different types of failures of transmission lines and failures of inter-connecting transformers. Any failure by the inter-state transmission licensee to maintain the standards of performance specified in the regulations will be liable to payment of compensation to an affected person.

h. Central Electricity Regulatory Commission (Procedures for Calculating the Expected Revenue from Tariffs and Charges) Regulations, 2010

The CERC notified the Central Electricity Regulatory Commission (Procedures for Calculating the Expected Revenue from Tariffs and Charges) Regulations, 2010 on April 12, 2010. These regulations apply in all cases where tariff other than those based on non-conventional energy sources is determined by the CERC. Every generating company or transmission licensee which has made an application for determination of tariff will submit information in the formats with respect to expected revenue from tariffs and charges determined by the CERC from time to time.

i. CERC (Sharing of Revenue Derived from Utilization of Transmission Assets for Other Business) Regulations, 2020

The CERC notified the CERC (Sharing of Revenue Derived from Utilization of Transmission Assets for Other Business) Regulations, 2020 ("**CERC Regulations**") on February 17, 2020. These regulations apply to all interstate transmission licensees whose transmission charges are determined by the CERC under Section 62 of the Electricity Act or adopted by the CERC under Section 63 of the Electricity Act and who are proposing to undertake certain other business. In accordance with these regulations, the transmission licensees are required to intimate the CERC as to the other business they are proposing to undertake and in the event the other business is not a telecommunication business, the transmission licensees are required to seek prior approval of the CERC by filing a petition, in relation to sharing of revenues derived from such other business. CERC Regulations also provide for, amongst other things, the manner of sharing of revenue by transmission licensees.

j. Electricity (Transmission System Planning, Development and Recovery of Inter-State Transmission Charges) Rules 2021

The MoP notified the Electricity (Transmission System Planning, Development and Recovery of Inter-State Transmission Charges) Rules 2021 on October 1, 2021. These rules provide for a system of transmission access known as General Network Access which allows non-discriminatory access to user of any element of the ISTS including States and generating stations and allows flexibility for the States and generating stations to acquire, hold and transfer transmission capacity as per their requirements. The rules also, amongst other things (i) empower state power distribution and transmission companies to determine their transmission requirements and build them; (ii) provide for States to be able to purchase electricity from short term and medium term contracts; and (iii) specify the roles of various agencies involved in the transmission planning process.

k. Electricity (Late Payment Surcharge and Related Matters) Rules, 2022

The MoP has notified the Electricity (Late Payment Surcharge and Related Matters) Rules, 2022 on June 3, 2022 in supersession of the Electricity (Late Payment Surcharge) Rules, 2021. These rules prescribe that, amongst other things, late payment surcharge shall be payable on the payment outstanding after the due date at the base rate of the late payment surcharge applicable for the period for the 1st month of default. The rate of late payment surcharge for the successive months of default shall increase by 0.5% for every month of delay provided that the late payment surcharge shall not be more than 3% higher than the base rate at any time. Further, all payments by a distribution licensee to a generating company or a trading licensee for power procured from it or by a user of a transmission system to a transmission licensee shall be first adjusted towards late payment surcharge and thereafter, towards monthly charges, starting from the longest overdue bill.

l. **Central Electricity Regulatory Commission (Fees and Charges of Regional Load Despatch Centre and other related matters) Regulations, 2024**

The CERC notified the Central Electricity Regulatory Commission (Fees and Charges of Regional Load Despatch Centre and other related matters) Regulations, 2019 (the "**CERC RLDC Regulations**") on July 12, 2024 and shall be applicable during the control period from April 1, 2024 to March 31, 2029 for determination of fees and charges to be collected by RLDCs from the generating companies, distribution licensees, inter-state transmission licensees, buyers, sellers and inter-state trading licensees and any other users. The CERC RLDC Regulations also sets out the registration process and functions for RLDCs or NLDCs, application process for determination of fees and charges, computation of capital cost, additional capitalization and decapitalization, debt – equity ratio, fees and charges structure, computation and recovery of fees and charges and performance linked incentives.

m. **Central Electricity Regulatory Commission (Indian Electricity Grid Code) Regulations, 2023 ("Grid Code, 2023")**

On May 29, 2023, the CERC notified the CERC (Indian Electricity Grid Code) Regulations, 2023 ("**Grid Code, 2023**"). The Grid Code, 2023 lays down a single set of technical and commercial rules, encompassing all the utilities connected to/or using the interstate transmission system. The Grid Code ,2023 also lays down the rules, guidelines and standards to be followed for planning, developing, maintaining and operating the power systems, in the most secure, reliable, economic and efficient manner. The Grid Code, 2023 require the wind and solar power generators to forecast and schedule their power generation on a day ahead basis. Further, the Grid Code, 2023, read along with Electricity (Promotion of Generation of Electricity from Must-Run Power Plant) Rules, 2021, provides a 'must-run' status to all solar and wind power plants and exempts such power plants from 'merit order dispatch' principles.

Apart from the provisions relating to the roles of various statutory bodies, the Grid Code, 2023, contains provisions pertaining to the reliability and adequacy of resources, technical and design criteria for connectivity to the grid, integration of renewable energy sources and cyber security considerations.

n. ***Central Electricity Regulatory Commission (Open Access in Inter-State Transmission) Regulations, 2008 (the "CERC Open Access Regulations")***

The CERC Open Access Regulations for inter-state transmission provide for a framework which not only facilitates traditional bilateral transaction (negotiated directly or through electricity traders), but also cater to collective transactions discovered in a power exchange through anonymous, simultaneous competitive bidding by sellers and buyers. Applicable to short term open access transactions up to one month as a time, the emphasis of the CERC Open Access Regulations is on scheduling rather than reservation to ensure that the request of an open access customer is included in the despatch schedules released by RLDCs. Further, certain types of transmission services by payment of transmission charges (to be levied in rupees per MWH) shall be available to open access customers based on the type of transactions, i.e. bilateral or collective. In addition to transmission charges, certain operating charges shall also be levied. The CERC Open Access Regulations enable entities connected to inter-state transmission as well as intra-state transmission and distribution system to purchase power from a source other than the incumbent distribution licensee situated outside the relevant State.

On December 12, 2019, CERC notified the CERC (Open Access in Inter-State Transmission) (Sixth Amendment) Regulations, 2019. By way of this amendment, certain changes to provisions relating to intra-day transaction or contingency transaction, real time transactions, procedure for scheduling of transaction in real-time market were introduced.

On April 1, 2022, CERC approved the procedure for short term open access in inter-state transmission system through national open access registry as set out in CERC (Open Access in Inter-State Transmission) (Fifth Amendment) Regulations, 2018 dated January 2, 2019 and the same shall be effective from the date of this amendment.

o. **Central Electricity Regulatory Commission (Connectivity and General Network Access to the inter-State Transmission System) Regulations, 2022 ("GNA Regulations")**

The CERC notified the GNA Regulations on June 7, 2022, in order to provide for a regulatory framework to facilitate non-discriminatory open access to licensees, generating companies and consumers for the use of the inter-state transmission system through general network access along with a consolidation of prior regulations. The GNA Regulations repealed the CERC (Grant of Connectivity, Long-Term Access and Medium-Term Open Access in Inter-

State Transmission and related matters) Regulations, 2009 along with the detailed procedures of central transmission utility under clause (1) of Regulation 27 of the CERC (Grant of Connectivity, Long-term Access and Medium-term Open Access in inter-state Transmission and related matters) Regulations, 2009.

These regulations set out the application procedure for grant of connectivity with or grant of access to the inter-State transmission system where designated nodal agencies are responsible for the grant. Along with the Electricity (Promoting Renewable Energy Through Green Open Access) Rules, 2022 these regulations create an application process for general network access for renewable energy generators and consumers.

On April 1, 2023 the CERC notified the CERC (Connectivity and General Network Access to the Inter-State Transmission System) (First Amendment) Regulations, 2023, which among other changes, introduces Regulation 11A introducing conditions to be fulfilled by a connectivity grantee after the grant of connectivity and general network access. Further, on June 19, 2024 CERC notified the CERC (Connectivity and General Network Access to the inter-State Transmission System) (Second Amendment) Regulations, 2024.

p. **The Central Electricity Regulatory Commission (Terms and Conditions for Renewable Energy Certificates for Renewable Energy Generation) Regulations, 2022 (the "REC Regulations")**

The CERC notified the REC Regulations on May 9, 2022. The REC Regulations aim at the development of market for power from renewable energy sources by issuance of transferable and saleable credit certificates (renewable energy certificates or RECs). Under the REC Regulations, renewable energy generating stations, captive generating stations, open access consumers and distribution licensees can issue RECs and the certificates remain valid till they are redeemed for an indefinite period. One REC is equivalent to 1 megawatt-hour energy generated from renewable energy generator and injected into the grid.

The CERC has nominated the National Load Despatch Centre as the central agency to perform the functions, including, amongst other things, registration of eligible entities, issuance of certificates, maintaining and settling accounts in respect of certificates, acting as repository of transactions in certificates and such other functions incidental to the implementation of REC mechanism as may be assigned by the CERC.

q. **Guidelines for Tariff Based Competitive Bidding Process for Procurement of Power from Grid Connected Wind Solar Hybrid Projects ("Hybrid Project Competitive Bidding Guidelines")**

The Ministry of Power has issued the Hybrid Project Competitive Bidding Guidelines on August 21, 2023. These guidelines supersede the previous competitive bidding guidelines issued by the MoP in 2017 and 2020 in this regard. The Hybrid Project Competitive Bidding Guidelines aim to, *inter-alia*, promote competitive procurement of electricity from grid connected wind solar hybrid projects by distribution licensees, facilitate renewable capacity addition, transparency and fairness in the procurement process and provide a risk-sharing framework among stakeholders. Bidders are required to submit bids within a range of two to five percent of the lowest tariff bid (the L1 bid). According to the guidelines, the procurer can purchase excess energy generated beyond the maximum capacity utilization factor (CUF) at the PPA tariff price. Projects with up to 1,000 MW capacities are now required to commence power supply within 24 months of signing the PPA, while projects exceeding the 1,000 MW threshold have been granted a timeline of 30 months from execution of PPA. Further, the standard tenure of a PPA has been fixed at 20 years. The revised guidelines have also incorporated penalties for project delays. In cases where the project is delayed by more than six months from the scheduled commissioning date, the contracted capacity may be reduced. The Hybrid Project Competitive Bidding Guidelines extend to all forthcoming wind, solar and hybrid power projects.

r. **Central Electricity Regulatory Commission (Deviation Settlement Mechanism and Related Matters) Regulations, 2024.**

The CERC notified the CERC (Deviation Settlement Mechanism and Related Matters) Regulations, 2024 on August 05, 2024. These regulations provide for a regulatory mechanism for the treatment and settlement of deviation from the schedule of drawal or injection of electricity in the interest of reliability, security, and stability of the grid. These regulations apply to all grid connected regional entities and other entities engaged in inter-State purchase and sale of electricity. These regulations provide for the computation of deviation, the normal rate of charges for deviations, and the payment of charges for deviation.

s. **Central Electricity Regulatory Commission (Cross Border Trade of Electricity) Regulations, 2019.**

The CERC notified the CERC (Cross Border Trade of Electricity) Regulations, 2019 on March 8, 2019. These regulations are applicable to the Participating Entities in India and the neighbouring countries which are engaged in cross border trade of electricity with India. Cross border trade of electricity between India and the neighbouring country(ies) shall be allowed through mutual agreements between Indian entity(ies) and entity(ies) of the neighbouring country(ies) under the overall framework of agreements signed between India and the neighbouring country(ies) consistent with the provisions of the prevailing laws in the respective country(ies), including:

(i) through bilateral agreement between two countries;
(ii) through bidding route; or
(iii) through mutual agreements between entities.

In case of tripartite agreements, the cross-border trade of electricity across India shall be allowed under the overall framework of bilateral agreements signed between Government of India and the Governments of the respective neighbouring countries of the Participating Entities. The guidelines state that the Designated Authority appointed by the Ministry of Power, Government of India shall be responsible for facilitating the approval and laying down the procedure for import and export of electricity. Further, the Transmission Planning Agency is responsible for planning of transmission system for the purpose of facilitating cross border trade of electricity and may coordinate with the Transmission Planning Agency of the concerned neighbouring country, wherever necessary.

The CERC (Cross Border Trade of Electricity) (First Amendment) Regulations were notified on December 15, 2023 which states that the Settlement Nodal Agency may recover from participating entities located in the neighbouring countries SNA charge of 0.50 paisa (Half paisa)/kWh on the energy scheduled, and shall formulate a suitable payment security mechanism for the charges to be collected by it.

t. **Central Electricity Regulatory Commission (Conduct of Business) Regulations, 2023**

The CERC notified the CERC (Conduct of Business) Regulations, 2023 on October 19, 2023. The regulations govern the conduct of business of the Central Electricity Regulatory Commission in the discharge of its functions under the Electricity Act, 2003. These regulations include executive powers of the commission, officers of the commission, classification of petitions to be filed before the commission, and presentation of pleadings and other documents.

National Electricity Policy, 2005

The GoI notified the National Electricity Policy ("**NEP"**) on February 12, 2005, under Section 3 of the Electricity Act. The key objectives of the NEP are, amongst other things, (i) stipulating guidelines for accelerated development of the power sector, and (ii) providing supply of electricity to all areas and protecting interests of consumers and other stakeholders. The NEP vests the CTU and the STUs with the responsibility for transmission system planning and development on the national and regional and the intra-State levels, respectively, and requires the CTU to coordinate with the STUs for eliminating transmission constraints in a cost-effective manner. The NEP provides that the network expansion be planned and implemented keeping in view anticipated transmission needs that would be incident on the system in the open access regime. The NEP encourages private investment in the transmission sector, and states that prior agreement with Beneficiaries would not be a pre-condition for network expansion and the CTU and STUs should undertake network expansion after identifying requirements in consultation with stakeholders and obtaining due regulatory approvals.

National Electricity Policy, 2021

The MoP has also issued the draft National Electricity Policy, 2021 ("**Draft NEP**") on April 27, 2021. The key objectives of the Draft NEP are, amongst other things, (i) promoting clean and sustainable generation of electricity, (ii) development of adequate and efficient transmission system, (ii) promoting manufacturing of goods and services in India in the generation, transmission and distribution segments of the power sector under the 'Make in India initiative' and 'Aatmanirbhar Bharat Abhiyan' and (iii) providing supply of reliable and quality power of specified standards in an efficient manner. The Draft NEP stipulates that the CEA, while formulating the perspective plan under section 73 of the Electricity Act, shall consult with all the relevant stakeholders such as the CTU, STU, system operators, generating and distribution companies, industry associations and the state governments. Additionally, the Draft NEP highlights the need to streamline the process of approval of transmission projects, before any investment is made in creating these infrastructures.

National Electricity Plan

India is now amongst the fastest developing countries in the world in terms of GDP as well as the electricity consumption. The challenge is to meet the energy needs of high economic growth and electricity consumption of about 1.30 billion people. The development of an efficient, coordinated, economical and robust electricity system is essential for smooth flow of electricity from generating station to load centers (as per Electricity Act, 2003) and for optimum utilization of resources in the country, in order to provide reliable, affordable, un-interruptible 24x7 and quality power for all. Transmission system establishes the link between source of generation on one side and distribution system, which is connected to load / ultimate consumer, on the other side. Transmission planning is a continuous process of identification of transmission system addition requirements, their timing and need. The transmission requirements may arise from, amongst others:

a. new generation additions in the system;
b. increase in demand; and
c. system strengthening that may become necessary to achieve reliability as per the planning criteria under change load-generation scenario.

These transmission system requirements are identified, studied and firmed through the co-ordinated planning process i.e. through Regional Power Committees on Transmission Planning (erstwhile Standing Committee(s) on Power System Planning for the Region) and operational feedback from POSOCO and other stakeholders. Development of adequate intra state transmission system is equally important in order to ensure delivery of power to the load centres and effective utilization of ISTS. The progress of ISTS as well as intra-State transmission systems is regularly monitored by CEA. ISTS transmission schemes after approval by the GoI, are being implemented either through the TBCB process or under cost-plus mechanism with RTM. As per Section 3 of the Electricity Act, CEA has been entrusted with the responsibility of preparing the National Electricity Plan in accordance with the NEP and to notify such plan once in five years.

National Electricity Plan, for the period 2022 -32 ("NEP")

The National Electricity Plan (Volume I: Generation), for the period of 2022-32, was notified by the CEA in May 2023 ("**NEP**"). The key highlights include, among other things, the following:

(i) the estimated installed capacity for the year 2026-27 is 609,591 MW (comprising of 336,553 MW renewable energy based capacity and 273,038 MW of conventional capacity);.

(ii) The target installed capacity for the year 2031-32 is estimated to be 900,422 MW (comprising of 304,147 MW of conventional capacity and 596,275 MW of renewable based capacity); and

(iii) The estimated total capacity addition is in line with the target of the country to achieve a non-fossil based installed capacity of around 500 GW by the year 2029-30.

The National Electricity Plan (Volume II) ("**NEP Volume II**") on Transmission Planning was prepared after the finalisation of the generation plan. In the NEP Volume II, the review of development of transmission system during 12th Plan Period and Planning for the ongoing plan period 2017-22 and Perspective plan for 2022-27 have been discussed, keeping in view various factors, such as inter-regional transmission links, reactive compensation, cross border exchange of power etc. For the preparation of the National Electricity Plan for the next five years (2022-2027), a committee has been constituted by the CEA.

The Tariff Policy 2016 ("Tariff Policy, 2016")

In 2006, the Government of India, under the Electricity Act, notified the tariff policy which was revised in 2016. The Tariff Policy, 2016 came in effect on January 28, 2016.

The objectives of this tariff policy are to:

(a) Ensure availability of electricity to consumers at reasonable and competitive rates;

(b) Ensure financial viability of the sector and attract investments;

(c) Promote transparency, consistency and predictability in regulatory approaches across jurisdictions and minimise perceptions of regulatory risks;

(d) Promote competition, efficiency in operations and improvement in quality of supply;

(e) Promote generation of electricity from Renewable sources;

(f) Promote Hydroelectric Power generation including Pumped Storage Projects (PSP) to provide adequate peaking reserves, reliable grid operation and integration of variable renewable energy sources;

(g) Evolve a dynamic and robust electricity infrastructure for better consumer services;

(h) Facilitate supply of adequate and uninterrupted power to all categories of consumers;

(i) Ensure creation of adequate capacity including reserves in generation, transmission and distribution in advance, for reliability of supply of electricity to consumers.

In so far as transmission is concerned, the Tariff Policy, 2016 seeks to achieve the objectives of ensuring optimal development of the transmission network ahead of generation with adequate margin for reliability and to promote efficient utilization of generation and transmission assets in the country and attracting the required investments in the transmission sector and providing adequate returns. The Tariff Policy, 2016 stipulates that all future inter-state transmission projects are ordinarily required to be developed through a competitive bidding process. However, the Government of India may exempt, from competitive bidding, specific category of projects of strategic importance, technical upgradation etc. or works required to be done in response to an urgent situation, on a case-by-case basis. Intra-state transmission projects shall also be required to be developed through competitive bidding process for projects costing above a threshold limit decided by the relevant State Electricity Regulatory Commission.

The Tariff Policy, 2016 requires Central Electricity Regulatory Commission to determine the rate of return on equity keeping in view the overall risk and prevalent cost of capital, and to establish norms for capital and operating costs, operating standards and performance indicators for transmission lines at different voltage levels. The Tariff Policy, 2016 provides that transmission charges under the national tariff framework be determined on MW per circuit kilometre basis, zonal postage stamp basis, or some other pragmatic variant, such that transmission system users share the total transmission cost in proportion to their respective utilization of the transmission system, and that transactions be charged on the basis of average transmission losses arrived at after appropriately considering distance and directional sensitivity, as applicable to relevant voltage levels.

Recent Guidelines and Notifications from the Ministry of Power

The (i) Guidelines for Encouraging Competition in Development of Transmission Projects; and (ii) Tariff based Competitive-bidding Guidelines for Transmission Service (collectively, the "**MoP Guidelines**") were notified by the Ministry of Power on August 10, 2021. These guidelines seek to, amongst other things, (i) promote competitive procurement of transmission services; (ii) encourage private investment in transmission system; (iii) facilitate transparency and fairness in procurement processes; (iv) facilitate reduction of information asymmetries for various bidders; and (v) enhance standardization and reduce ambiguity.

The Ministry of Power also revised the Standard Bid Documents ("**SBDs**") for transmission services in India, comprising of the request for proposal ("**RFP**") and the transmission service agreement ("**TSA**"), by way of a notification dated August 6, 2021. The salient provisions of the revised SBDs include, amongst other things, (a) the TSA with the selected bidder will be signed by CTU or the nodal agency, instead of the long term transmission customers; (b) the entire bidding process shall be completed online through the electronic bidding platform; (c) bidders having adequate experience of developing and construction of infrastructure projects subject to certain eligibility requirements; and (e) the mode of execution of ISTS project has been changed from the 'Build-Own-Operate-Maintain (BOOM)' model to the 'Build-Own-Operate-Transfer (BOOT)' model; and (f) bidders will now be required to quote one transmission tariff, which will remain fixed for a period of 35 years commencing from the scheduled COD of the project.

The Ministry of Power has also issued guidelines for the payment of Right of Way (RoW) compensation concerning transmission lines including those in urban areas by way of a notification dated June 14, 2024. The guidelines aim to address the RoW issues effectively to expedite the construction of transmission lines and ensure timely completion. Further, the guidelines concern the determination of compensation for damages regarding the RoW for laying transmission lines under sections 67 and 68 of the electricity act 2003 read with sections 10 and 16 of the Indian Telegraph Act, 1885, in addition to the compensation for normal crop and tree damages.

The Jawaharlal Nehru National Solar Mission, 2010

The National Solar Mission (the "**NSM**") was approved by the Government of India on November 19, 2009 and launched on January 11, 2010. The immediate aim of the NSM was to focus on setting up an enabling environment for solar technology penetration in the country both at a centralized and decentralized level. The NSM has set a target of 100 GW of solar power in India by 2022 and seeks to implement and achieve the target in three phases (Phase I from 2012 to 2013, Phase II from 2013 to 2017 and Phase III from 2017 to 2022). The target will principally comprise 40 GW rooftop solar power projects and 60 GW large and medium scale grid connected solar power projects. In addition, the Government of India on March 22, 2017 sanctioned the implementation of a scheme to enhance the capacity of solar parks from 20,000 MW to 40,000 MW for setting up at least 50 solar parks each with a capacity of 500 MW and above by 2019 or 2020.

Integrated Energy Policy 2006

The Integrated Energy Policy, 2006, (the "**Policy**") is a report of an expert committee constituted by the Government of India, to explore alternative technologies and possible synergies that would increase energy system efficiency and meet the requirement for energy services. The aims and objectives of this Policy include, amongst others, providing appropriate fiscal policies to take care of externalities, tax measures, transparent and targeted subsidies, promoting energy efficiency, providing incentive for renewable energy production by linking the incentive to not just the outlay but also the output. The Policy also provides for the respective power regulators to mandate feed-in-laws for renewable energy, as may be appropriate and as provided under the Electricity Act. With respect to wind power, the Policy provides that where cultivations are not affected, a wind turbine installation should be permitted on an agricultural land without requiring its conversion into non-agricultural land.

The Ministry of New and Renewable Energy ("MNRE")

The MNRE is the nodal ministry of the Government of India at the national level for all matters relating to non-conventional sources of energy and renewable energy. The mandate of MNRE includes research, development, commercialisation and deployment of renewable energy systems or devices for various applications in rural, urban, industrial and commercial sector.

Guidelines for Development of Onshore Wind Power Projects, 2016 ("**MNRE Guidelines**")

The MNRE initially issued guidelines for orderly growth of wind power sector, which have been revised from time to time. The MRNE Guidelines aim to facilitate the development of wind power projects in an efficient, cost effective and environmentally benign manner, taking into account the requirements of project developers and state and national imperatives. These guidelines provide, amongst others, provisions for site selection and feasibility, type certification and quality assurance, grid connectivity, micrositing, metering and real time monitoring.

National Green Hydrogen Mission, 2023

The overarching objective of the National Green Hydrogen Mission, introduced in January 2023, is to make India the Global Hub for production, usage and export of Green Hydrogen and its derivatives. Mission will facilitate export opportunities through supportive policies and strategic partnerships. The Government of India will specify a minimum share of consumption of green hydrogen or its derivative products such as green ammonia, green methanol etc. by designated consumers as energy or feedstock. The year wise trajectory of such minimum share of consumption will be decided by the Empowered Group (EG). Demand aggregation and procurement of green hydrogen and green ammonia through the competitive bidding route will be undertaken. MNRE will also develop a suitable regulatory framework for certification of Green Hydrogen and its derivatives as having been produced from RE sources.

Net Metering Regulations

These regulations have been formulated by various states to promote the generation of electricity from renewable energy sources in respect of the grid connected solar rooftop photovoltaic systems. These regulations regulate the supply of excess electricity from an eligible consumer allowing the consumer to export the excess quantum of electricity produced from his premises to the distribution licensee. Under these regulations, the eligible consumer can avail the benefit of the excess quantum supplied to be carried forward to the next billing cycle as credited units of electricity.

Guidelines for Tariff Based Competitive Bidding Process for Procurement of Wind and Solar Power and Wind-Solar Hybrid Projects

The Ministry of Power (the "**MoP**") has issued guidelines on August 3, 2017 and December 8, 2017 for procurement of solar and wind power, respectively, through tariff based competitive bidding process (the "**Competitive Bidding Guidelines**"). The Competitive Bidding Guidelines as amended from time to time, provide a framework for procurement of solar power through a transparent process of bidding, including standardisation of the process and defining responsibilities of the stakeholders. The guidelines are applicable for long term procurement of electricity through competitive bidding process by the procurer(s) from grid connected solar power projects having size of 5 MW and above. For procurement of electricity, the procurer may opt for either the 'tariff as a bidding parameter' option or the 'viability gap funding as a bidding parameter' option. e. Further, the Competitive Bidding Guidelines aim to enable the distribution licensees to procure wind power at competitive rates in a cost-effective manner. The Competitive Bidding Guidelines were further amended by the MoP on July 16, 2019 to include, certain changes pertaining to the wind power projects and the MNRE further amended the Competitive Bidding Guidelines on September 25, 2020 to include certain changes pertaining to the solar power projects.

Additionally, the MNRE on October 14, 2020, issued guidelines for tariff based competitive bidding process for procurement of power from grid connected wind solar hybrid projects pursuant to the Wind-Solar Hybrid Policy 2018. These guidelines were issued, amongst other things, (i) to promote competitive procurement of electricity from grid connected wind solar hybrid projects by distribution licensees to promote consumer interests; (ii) to facilitate transparency and fairness in the procurement process; and (iii) to provide for a framework for an intermediary procurer as an aggregator or trader for the inter-state sale purchase of long term power and to provide a risk-sharing framework between various stakeholders, involved in the wind solar hybrid power procurement, thereby encouraging investments, enhanced bankability of the projects and profitability for the investors.

Renewable Purchase Obligations

The Electricity Act and the Tariff Policy require the SERCs to specify, for the purchase of electricity from renewable sources, a percentage of the total consumption of electricity within the area of a distribution licensee. RPOs are required to be met by obligated entities (distribution licensees, captive power plants and open access consumers) by purchasing renewable energy, either by renewable energy power producers or by purchasing RECs. In the event of default by an obligated entity, the SERCs may direct the obligated entity to pay a penalty or to deposit an amount determined by the relevant SERC, into a fund to be utilized for, among others, the purchase of renewable energy certificates.

Ujjwal Discom Assurance Yojana ("UDAY")

UDAY scheme for Operational and Financial Turnaround of Power Distribution Companies, is a scheme formulated by the MoP, Government of India, by way of an office memorandum dated November 20, 2015 with an objective to improve the operational and financial efficiency of DISCOMs. The scheme is applicable only to state-owned DISCOMs, including combined generation, transmission and distribution undertakings.

National Action Plan on Climate Change

The National Action Plan on Climate Change (the "**NAPCC**") issued by the Government of India in 2008 has recommended that the national renewable energy generation standard be set at 5% of total grid purchase and that it be increased by 1% each year for 10 years. SERCs can set higher percentages than this minimum at each point in time. NAPCC also recommends imposition of penalty under the Electricity Act in case of utilities falling short to meet their Renewable Standard Obligations.

National Wind Mission

In order to boost electricity generation from on-shore and off-shore wind sources, ensure certainty for stakeholders and capacity building, the MNRE formulated the National Wind Mission as part of the Twelfth Five Year Plan, which provides for, amongst other, land allocation mechanisms, tariff and financing mechanisms.

State Level Policies, Guidelines for Promotion and Establishment of Renewable Energy Projects

Various states, from time to time, have announced administrative policies relating to wind and solar power projects and the matters relating thereto. Typically, these state policies are framed by nodal agencies responsible for development of renewable energy and energy conservation in the respective states. These policies provide for, among others, the incentives of setting up of wind and or solar power projects in the relevant states, procedure and approvals required for setting up of wind and solar power projects within the state, regulation of grid integration, connectivity and security, and tariff determination.

Permission from Municipal Authorities/Zila Parishad/Gram Panchayat/ any other local authority

The local laws of many states in India require that in order to set up infrastructure, 'no objection certificates', change of user of land from local authority as applicable, such as, municipal authorities, zila parishad or gram panchayat in whose jurisdiction such infrastructure is being constructed are to be obtained. For instance, in the State of Maharashtra, Section 44 of the Maharashtra Regional and Town Planning Act, 1966 specifies that any person intending to carry on any development on any land has to obtain permission from the planning authority by making an application in writing. On receipt of such application, the planning authority by under Section 45 of the aforesaid legislation, grant such permission unconditionally, or subject to such conditions as may be imposed with the prior consent of the State Government. Such permission would be granted in form of a commencement certificate. Similar restrictions upon the development of land are laid down under Section 12 and 13 of the Delhi Development Act, 1957, as amended.

Foreign Investment Regulations

In terms of the Consolidated FDI Policy, 2020 issued by the Department for Promotion of Industry and Internal Trade (formerly, Departmental of Industrial Policy and Promotion), foreign direct investment, upto 100%, under the automatic route, is permitted in the power sector (except atomic energy). This includes generation, transmission and distribution of electricity, as well as power trading, subject to the provisions of the Electricity Act, 2003.

Environmental Laws

The Ministry of Environment, Forests and Climate Change ("**MoEFCC"**) of the GoI is the nodal agency for Planning, promotion, coordination and overseeing and implementation of India's environmental and forest policies and programmes. The Environment (Protection) Act, 1986 ("**EPA**") provides GoI with the power to take all such measures as it deems necessary or expedient for the purpose of protecting and improving the quality of the environment and preventing, controlling and abating environmental pollution. MoEFCC has notified Environment Impact Assessment ("**EIA**") notifications under the EPA in 1994 and 2006 (as amended) (collectively, the "**EIA Notifications**"), prescribing the procedure with respect to environmental impact assessment for the commencement, expansion or modernization of industrial or mining operations. However, provisions of both

EIA Notifications are not applicable to transmission projects barring certain notified areas of Aravali Range falling in the districts of Alwar in Rajasthan and Gurgaon and Nuh (Mewat) in Haryana. In accordance with MoEFCC notification dated May 7, 1992 prior environment clearance is required under EPA even for electrification and laying of new transmission lines without detailed EIA if it is passing through such notified areas of given districts. The MoEFCC has issued a draft of the Environment Impact Assessment Notification, 2020, with the intention of replacing the existing EIA Notification, 2006 under the Environment (Protection) Act, 1986, which is yet to be notified. . Certain environmental laws which may be applicable to us due to the nature of our business, include:

(i) Water (Prevention and Control of Pollution) Act, 1974;

(ii) Air (Prevention and Control of Pollution) Act, 1981;

(iii) The Environmental Impact Assessment Notification, 2006; and

(iv) Hazardous and Other Wastes (Management & Transboundary Movement) Rules 2016.

Further, provisions of certain rules like Batteries (Management and Handling) Rules, 2001, Hazardous and other Wastes (Management and Transboundary Movement) Rules, 2016 etc. notified under EPA does apply to transmission projects. Other environment regulation applicable to the project assets, is the Forest (Conservation) Act, 1980 ("**FCA**") if the line route passes through a notified forest area. Similarly, permission of National Board for Wildlife is a statutory requirement under Wildlife (Protection) Act, 1972 ("**WPA**") for all non-forest activities in protected areas (such as national parks and wildlife sanctuaries).

MoEFCC notification dated February 5, 2013, under the Scheduled Tribes and Other Traditional Forest Dwellers (Recognition of Forest Rights) Act, 2006, exempts transmission system developers from obtaining a resolution from Gram Sabhas and only require certificate from the deputy commissioner for using the forest land for non-forest purposes provided that recognized rights of primitive tribal groups and pre-agricultural communities are not affected. MoEFCC vide gazette notification dated March 6, 2017 further extended the timeline for obtaining FRA certificate from DC till Stage-I approval.

Penalties for non-compliance under the EPA, FCA & WPA range from closure or prohibition of operations as well as monetary penalties on and imprisonment of the persons in charge of the conduct of the business of the defaulting company.

Laws relating to Taxation

Tax related laws that are pertinent, include the Income Tax Act 1961, Income Tax Rules, 1962, Customs Act, 1962, Customs Tariff Act, 1975 and GST which includes the Central Goods and Services Tax Act, 2017, various State Goods and Services Tax legislations, the Integrated Goods and Services Tax Act, 2017 and various rules and notifications thereunder and as issued by taxation authorities.

Laws relating to Employment

The employment of workers, depending on the nature of activity, is regulated by a wide variety of generally applicable labour laws. The following is an indicative list of labour laws which may be applicable to us due to the nature of our business activities:

(i). Contract Labour (Regulation and Abolition) Act, 1970.

(ii). Employees' Provident Funds and Miscellaneous Provisions Act, 1952.

(i) Employees' State Insurance Act, 1948.

(ii) Employer's Liability Act, 1938;

(iii) Employees' Pension Scheme, 1995;

(iii). The Factories Act, 1948;

(iv). Minimum Wages Act, 1948.

(v). Payment of Bonus Act, 1965.

(vi). Payment of Gratuity Act, 1972.

(vii). Payment of Wages Act, 1936.

(viii). Maternity Benefit Act, 1961.

(ix). Industrial Disputes Act, 1947.

(x). Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

(xi). The Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979.

(xii). The Industries (Development and Regulation) Act, 1951.

(xiii). Employees' Compensation Act, 1923.

(xiv). The Industrial Employment Standing Orders Act, 1946.

(xv). State legislations under Shops and Commercial Establishments Act ;

(xvi). The Child Labour (Prohibition and Regulation) Act, 1986.

(xvii). The Equal Remuneration Act, 1976.

(xviii). The Trade Unions Act, 1926 and the Trade Union (Amendment) Act, 2001.

(xviii) Building and Other Construction Workers Regulation of Employment and Conditions of Service Act, 1996.

(xix) Public Liability Insurance Act, 1991

(xx) State legislations on Tax on Professions, Trades, Callings and Employments of relevant states.

In order to rationalize and reform labour laws in India, the Government of India has framed four labour codes, namely:

(i) The Industrial Relations Code, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume three existing legislations, namely, the Industrial Disputes Act, 1947, the Trade Unions Act, 1926 and the Industrial Employment (Standing Orders) Act, 1946. The provisions of this code will be brought into force on a date to be notified by the Central Government.

(ii) The Code on Wages, 2019 received the assent of the President of India on August 8, 2019 and proposes to subsume four existing laws namely, the Payment of Wages Act, 1936, the Minimum Wages Act, 1948, the Payment of Bonus Act, 1965 and the Equal Remuneration Act, 1976. The Central Government has notified certain provisions of the Code on Wages, mainly in relation to the constitution of the advisory board.

(iii) The Occupational Safety, Health and Working Conditions Code, 2020 received the assent of the President of India on September 28, 2020 and proposes to subsume certain existing legislations, including the Factories Act, 1948, the Contract Labour (Regulation and Abolition) Act, 1970, the Inter-State Migrant Workmen (Regulation of Employment and Conditions of Service) Act, 1979 and the Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996. The provisions of this code will be brought into force on a date to be notified by the Central Government.

(iv) The Code on Social Security, 2020 received the assent of the President of India on September 28, 2020 and it proposes to subsume certain existing legislations including the Employee's Compensation Act, 1923, the Employees' State Insurance Act, 1948, the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, the Maternity Benefit Act, 1961, the Payment of Gratuity Act, 1972, the Building and Other Construction Workers' Welfare Cess Act, 1996 and the Unorganised Workers' Social Security Act, 2008. The provisions of this code will be brought into force on a date to be notified by the Central Government. Further, certain provisions of the Code on Social Security, 2020 in relation to the Employees' Pension Scheme, 1995, have come into force with effect from May 3, 2023.

Other Applicable Laws

In addition to the above, certain other applicable laws include, the Indian Contract Act, 1872, Companies Act, 2013, Transfer of Property Act, 1882, Foreign Exchange Management Act, 1999, the Copyright Act, 1957, the Trade Marks Act, 1999, Prevention of Corruption Act, 1988, Listing Regulations, RBI guidelines, IBC, Central Electricity Authority (Installation and Operation of Meters) Regulations, 2006, Central Electricity Authority (Grid Standards) Regulations, 2010 and other applicable laws and regulations imposed by the central and state governments and other authorities for its day-to-day operations.

Shops and Establishments legislations in various states

The provisions of various shops and establishments legislations, as applicable in the states in which our establishments are set up, regulate the conditions of work and employment in shops and commercial establishments, and generally prescribe obligations in respect of, amongst others, registration, opening and closing hours, daily and weekly working hours, holidays, leave, health and safety measures, and wages for overtime work.

Intellectual Property Laws

Certain laws relating to intellectual property rights such as trademarks protection under the Trade Marks Act, 1999 (the "**Trade Marks Act**") are applicable to us.

The Trade Marks Act provides for the process for making an application and obtaining registration of trademarks in India. The purpose of the Trade Marks Act is to grant exclusive rights to marks such as a brand, label, and heading and to obtain relief in case of infringement for commercial purposes as a trade description.

Other Indian laws

In addition to the above, we are also governed by the real estate property laws, relevant central and state tax laws and other applicable laws and regulations imposed by the central and state government for our day to day business and operations.

REGULATORY APPROVALS

Anzen Trust, and the InvIT Assets are required to obtain consents, licenses, registrations, permissions and approvals for carrying out their present business activities which include, approvals for registration as an infrastructure investment trust and for carrying out its present business, as applicable. Such approvals include transmission licenses, consents, licenses, registrations, permissions and approvals under the Electricity Act, 2003 and regulations made thereunder, approvals from the telegraph authority, energisation approvals from the Central Electricity Authority, aviation clearances from the Airport Authority of India, no objection certificates from the Ministry of Defence, certain environmental approvals and clearances and tax related approvals. There are certain other consents, licenses, registrations, permissions and approvals that the InvIT Assets obtain for our business, which include, labour related approvals, approvals under the shops and establishments acts of various states, power line crossing approvals, railway line crossing approvals and other approvals. The requirement for such approvals for a particular project undertaken by us may vary based on factors such as the legal requirement in the state in which the project is being undertaken, the size of the projects undertaken and the type of project. Further, as the obligation to obtain such approvals arises at various stages of construction or completion of our projects and related assets, applications are filed and the necessary approvals are obtained at the appropriate stage.

Other than as stated in this section, the Anzen Trust and the Target Asset have obtained necessary consents, licenses, permissions, registrations and approvals from various governmental, statutory and regulatory authorities, required for the registration as an infrastructure investment trust and for carrying out its present business, as applicable. Certain material consents, licenses, registrations, permissions and approvals that are required to be obtained by Anzen Trust and the InvIT Assets for undertaking their business may elapse from time to time in their normal course and they make applications to the relevant Central or State government authorities for renewal of such consents, licenses, registrations, permissions and approvals or may have made such applications (wherever expedient and prudent) for renewal of such consents, licenses, registrations, permissions and approvals. In view of the approvals listed below, Anzen Trust can undertake the Issue as well as its current business, as applicable, and no further major approvals from any governmental or regulatory authority under the Electricity Act, 2003, or the rules made thereunder or any other entity are required to undertake the Issue or to continue its business, as applicable. Unless otherwise stated, these approvals are all valid as on date of this Preliminary Placement Document.

I. Approvals in relation to the Issue

1. In-principle approval from the NSE dated February 24, 2025.

2. In-principle approval from the BSE dated February 24, 2025.

II. Approvals for Anzen Trust

1. Certificate of registration bearing number IN/InvIT/21-22/0020 dated January 18, 2022 with SEBI as an infrastructure investment trust.

III. Approvals received by DMTCL

1. Transmission license dated May 30, 2014 issued by the CERC under Section 14 of the Electricity Act.

2. Tariff approval dated May 20, 2014 issued by the CERC.

3. (i) Approval dated January 3, 2022 for transfer of ownership up to 74% of equity shareholding in DMTCL, held by EIYP to the Anzen Trust; and (ii) Approval dated September 8, 2022 for transfer of 26% of equity shareholding in DMTCL, held by Essel Infraprojects Limited to EIYP and subsequently from EIYP to the Anzen Trust.

4. Approval dated July 24, 2013 issued by the Ministry of Power, Government of India under Section 68 of the Electricity Act in respect of the 'Transmission System for Eastern region System Strengthening Scheme-VI' developed by DMTCL ("**DMTCL Project**").

5. Approval dated September 4, 2014 issued by the Ministry of Power, Government of India, under Section 164 of the Electricity Act in relation to the DMTCL Project.

6. User registration as a transmission licensee dated January 12, 2017 issued in accordance with Section 28(4) of the Electricity Act read with Regulation 4 of the RLDC Regulations issued by the Power System Operation Corporation Limited.

7. Approval dated August 20, 2016 in relation to the DMTCL Project from the power telecommunication co-ordination committee.

8. Aviation NOCs granted by the Airports Authority of India for civil airports (i) dated September 16, 2016 in respect to

elevation clearances for Pole ID 61; (ii) dated September 20, 2016 in respect to elevation clearances for Pole ID 47; and (iii) dated October 18, 2016 granted by the Director Operations (ATS).

9. Approvals for power line crossing arrangements of transmission lines, in relation to (i)132 kV D/C Muzaffarpur – Samastipur transmission line at Loc. 8 no. AP 8/0 AP 9/0 dated May 16, 2015 from BSPTCL; (ii) Barh Gorakhpur transmission line up to 400/ 132 kV GIS sub-station - Motihari district – East Champaran, Bihar over existing Powerlinks 400 kV D/C Muzzaffarpur – Gorakhpur - Transmission (IC) Line dated July 6, 2015; (iii) Muzaffarpur-Darbhanga transmission line and 220 kV LILO of Darbhanga-Kanti transmission line at transmission line Mushahari GSS dated September 24, 2015; (iv) 132 kV D/C Gopalhanj – Bettiah Line, 132 kV D/C Siwan – Gopalganj Line, 20 kV D/C Muzaffarpur – Gopalganj Line dared September 9, 2015 and (v) 132 kV S/C Darbhanga – Samastipur transmission line at loc no. AP 35/3- AP 36/0 dated July 24, 2015; (vi) 132 kV S/C Muzaffarpur – Turki TSS two phase transmission line at tower no. AP 06 and gantry 3 dated November 9, 2015; (vii) Muzaffarpur, Bihar under existing Powerlinks line 400kV D/C Purnea- Muzaffarpur Transmission Line between Tower no. 652(DA+0)-653 (DD+3O) dated November 2, 2015; (viii) 400 KV D/C Muzaffarpur – Darbhanga transmission line, dated March 11, 2016, from PGCIL; and (ix) approval dated September 19, 2015 for the 132 kV D/C Gopalganj – Betiah transmission line, the 132 kV D/C Sawan – Gopalganj transmission line and the 220 kV D/C Muzaffarpur to Gopalganj transmission line issued by the BSPTCL.

10. Approvals for overhead crossing of transmission lines granted by NHAI, for (i) 400 kV D/C Muzaffarpur- Darbhanga transmission line on NH 28 between chainage 533.900 and 534.100 near Takshshila School dated April 18, 2016; (ii) 400 kV D/C Barh-Gorakhpur transmission line on NH 28 between chainage 398.200 near Dewapur Village dated July 29, 2016; (iii) 400 kV Muzaffarpur-Darbhanga transmission line on NH 77 between chainage 44.100 and 44.200 near Village Dariapur Kafen dated April 6, 2016; (iv) 400 kV D/C Barh-Gorapkhpur transmission line over SH 74 dated May 6, 2015 (granted by Road Division, Motihari); and (v) 400 kV D/C Darbhanga – Samastipur transmission line over SH 50 dated January 13, 2016 (granted by Road Construction Department, Darbhanga).

11. Approvals for overhead crossing the railway track, at (i) Km 75/11-13, 75/12-14 between Narayanpur Manant - Silaun station dated September 29, 2016 issued by the Divisional Rail Manager (Engineer.), Sonpur; (ii) 400 kV D/C transmission line overhead electric cable on TUR-RD section at Km 43/8-9 (01 Crossing) dated January 16, 2017 issued by Divisional Rail Manager (Engineer), Sonpur; (iii) conditional approval for kM 29/01 to 29/02 between Thalwara – Laheriasarai dated June 15, 2016 issued by the Divisional Engineer; and (iv) mile stone No.89/15 to 89/16 between Ratansarai and Mazagadh railway stations June 14, 2017 issued by the Northern East Railways Department.

12. Approvals issued by the CEIG, for energization of (i) electrical installations of 62.79 km of 400 kV D/C (Triple Snowbird) Muzaffarnagar – Darbhanga Transmission Line dated January 3, 2024, (ii) LILO section of 400 kV D/C Barh - Gorakhpur Transmission Line at the 400 kV Motihari substation of DMTCL dated June 12, 2024; (iii) 400/220 kV GIS substation and Muzaffarpur Darbhanga 400KV D/C line at Darbhanga substation of DMTCL dated January 3, 2024; and (iv) 400/132 kV GIS DMTCL Motihari substation, Bihar dated June 12, 2024.

13. Approvals, (i) in respect of utilisation of 0.9016 Ha of forest land, dated July 22, 2016, granted by Environment and Forest Department, Bihar; and (ii) in respect of utilisation of 0.791 Ha of forest land for construction of 400 KV D/C Barh-Gorakhpur Transmission Line, Gopalganj and Motihari district, Bihar, dated June 05, 2018, granted by Department of Environment, Forest and Climate Change, Ranchi.

14. Certificate of registration as principal employer in accordance with sub section (2) of section 7 of the Contract Labour (Regulation and Abolition) Act, 1970 dated February 11, 2020 issued by the Government of India.

15. Fire NOCs dated January 8, 2022 and September 15, 2022 for the Darbhanga and the Bhelnari, Areraj (east Champaran) projects, respectively.

16. NOCs for ground water abstractions granted by the Department of Water Resources, Ministry of Jal Shakti, Government of India dated (i) December 14, 2020 for the Darbhanga project; and (ii) November 6, 2020 for the Motihari project.

IV. Approvals received by NRSS

1. Transmission license dated August 25, 2014 issued by the CERC.

2. Tariff approval dated August 7, 2014 issued by the CERC.

3. (i) Approval dated April 30, 2022 for transfer of ownership of 74% of equity shareholding in NRSS, held by EIYP to Anzen Trust; and (ii) Approval dated July 19, 2022 for transfer of 26% of equity shareholding in NRSS, held by Essel Infraprojects Limited to EIYP and subsequently from EIYP to the Anzen Trust.

4. Approval dated September 16, 2013 issued by the Ministry of Power, Government of India under Section 68 of the

Electricity Act in respect of the 'Transmission System for Northern Region System Strengthening Scheme NRSS-XXXI' developed by NRSS ("**NRSS Project**").

5. Approval dated October 15, 2014 issued by the Ministry of Power, Government of India, under Section 164 of the Electricity Act in relation to the NRSS Project.

6. Approval dated (i) December 12, 2016 from D.E.T (PTCC), New Delhi; and (ii) March 14, 2017 in relation to the NRSS Project from the power telecommunication co-ordination committee;

7. Aviation NOCs granted by Airports Authority of India for civil airports (i) dated April 6, 2016 in respect of the Kurukshetra – Malerkotla line; (ii) dated February 22, 2016 in respect of the Malerkotla - Amritsar line; (iii) dated October 17, 2016 granted by the Director Operations (ATS); and (iv) dated February 14, 2017, in respect of the Malerkotla to Amritsar transmission line, granted by Director Operations (ATS).

8. Approvals for power line crossing arrangements of transmission lines, in relation to (i) 220kV D/C Dhulkote-Panipat and 220kV S/C Panipat-Kurukshetra transmission lines issued by Bhakra Beas Management Board dated August 14, 2015; (ii) 400kV S/C Dehar-Bhiwani transmission line of Bhakra Beas Management Board dated October 6, 2015; (iii) 220kV S/C Jamalpur-Sangur transmission line of Bhakra Beas Management Board dated June 15, 2015; (iv) 132kV S/C Pehowa-Malikpur transmission line, 132kV D/C Pehowa-Bhore-Lukhi transmission line, 220kV D/C Cheekha-Durala transmission line, 132kV D/C BBMB(Kurukshetra) - Bhore transmission line, 132kV D/C Pehwa-Shahbad transmission line, 132kV D/C Pehowa-Badhoni transmission line dated December 3, 2015 and January 15, 2016; (v) 220kV S/C Jamalpur-Sangur transmission line of Bhakra Beas Management Board dated June 15, 2015; (vi) 220kV D/C Malerkotla-Barnala (Pakhowal), 220kV D/C Malerkotla-Dhuri and 220kV D/C Malerkotla-Gobindgarh transmission lines dated December 21, 2015; (vii) 220kV D/C Patiala - Patran transmission line dated October 28, 2015; (viii) 400kV D/C Rajpura-Dhuri transmission line dated August 5, 2015; (ix) 220kV D/C Nabha-Dhuri transmission line dated November 5, 2015; (x) Provisional approval for crossing with 400 kV D/C Kaithal - Patiala transmission line dated July 26, 2016; (xi) 132 kV S/C Shahbad – Taroari Line of Northern Railway November 7, 2016; (xii) 220 kV D/C AP 3/1 – AP 4/0 line; (xiii) 220kV S/C Lalton-Malerkotla transmission line, 220kV D/C Lalton-Jagraon transmission line and 132kV S/C Jamalpur-Moga transmission line dated November 23, 2015; (xiv) 220 kV Verpal-Patti transmission line dated July 8, 2015; (xv) 220kV D/C Malerkotla - Dhuri transmission line and 220kV D/C Malerkotla –Barnala transmission line dated March 10, 2016; (xvi) 400 kV D/C Jalandhar - Moga transmission line dated September 29, 2015; (xvii) 800kV Kishenpur – Moga Ckt - I transmission line and 800kV Kishenpur – Moga Ckt - II transmission line dated November 5, 2015 (xviii) 400 kV D/C Patiala - Malerkotla transmission line dated November 30, 2015; (xix) 400 kV D/C Malerkotla – Ludhiana transmission line dated November 30, 2015; (xx) 132kV S/C Jamalpur-Moga-II transmission line dated November 23, 2015; (xxi) 220kV S/C Lalton-Malerkotla transmission line, 220kV D/C Lalton-Jagraon transmission line and 132kV S/C Jamalpur-Moga transmission line dated November 24, 2015; (xxii) 400kV D/C Talwandi Sabo - Nakodar transmission line dated November 13, 2015; (xxiii) 132kV Kapurthala - Sultanpur transmission line and 132kV Buatari – Taran Taran transmission line dated October 19, 2015; (xxiv) 400 kV Nakodar – Makhu line; 220 kV D/C Jamsher – Sultanpur line; 220 kV D/C Goindwal Sahib – Sultanpur line and 220 kV D/C Goindwal Sahib – Chohla Sahib line dated June 29, 2015 issued by PSTCL; (xxv) 400 kV D/C Kaithal – Patiala transmission line dated July 26, 2016 issued by PGCIL; and (xxvi) 220kV DC Nisang -Salempur transmission line, dated March 29, 2016.

9. Approvals for overhead crossing of transmission lines granted by NHAI, for (i) RD 77.598 (Design Chainage RD 82.310) of Patiala- Bathinda Road NH 64(07) dated May 10, 2016; (ii) Ambala – Kaithal Section of NH-65 (New NH-152) between KM 48.000 to KM 49.000 dated January 15, 2016; (iii) Panipat - Jalandhar Section of NH-1 (New NH-44) at KM 153.161 dated January 15, 2016; (iv) NOC for crossing for crossing Thanesar Pehowa Road, State Highway 6 between KM Stone 94.918 dated August 26, 2015; (v) NOC for crossing Bhawanigarh – Nabha – Gobindgarh road (State Highway-12A) dated March 17, 2016; (vi) NOC for crossing State Highway-11 dated March 9, 2016; (vii) NOC for crossing State Highway-9 dated October 22, 2015; (viii) NOC for crossing State Highway - 10(R.D.88 to 89) dated January 12, 2016; (ix) NOC granted vide letter dated August 18, 2015 bearing No. 1278 from the Executive Engineer, Central Works Division, PWD, Patiala; (x) NOC for crossing at Ch. 99.464 near Mullanpur of Ludhiana- Talwandi Section of NH 95 (New NH 5) dated April 7, 2016; (xi) NOC for crossing State Highway 13 and State Highway 20 dated November 6, 2015; and (xii) NOC for construction of 400kV D/C Malerkotia – Amritsar transmission line, dated August 18, 2015.

10. Approvals for overhead crossing the railway track, issued by Divisional Railway Manager Northern Railway, at (i) TP No. 58/3 and 58/4 between Kakrala and Chintawala Rly. Stations on DUI-RPJ Rly Section dated April 21, 2016; (ii) the railway station Pindarsi-Thanesar city on KKDE-NRW section at TP no. 75/6-7 dated November 7, 2016; (iii) the railway station Amin-Kurukshetra on DUK section at TP No. 148/27-28 & 149/1-2, dated November 7, 2016; (iv) the railway track between KM stone no. 40/0 and KM stone no. 40/1 between Dadwindi and Sultanpur Lodhi Railway Station on JUC-FZR Section dated June 22, 2016; (v) the railway track between KM stone no. 25/6 and KM stone no. 28/7 between Goindwal Sahib and Malmori Railway Stations on BES-TTO Section dated June 24, 2016; (vi) the railway track between KM stone no. 22/6 and KM stone no. 22/7 between Mullanpur and Chaukiman Stations on

LDH-FZR Section dated June 28, 2016; (vii) the railway track between KM stone no. 41/9 and KM stone no. 42/0 between Gahandran and Malsian Shahkot Stations on LDH-LNK Section June 6, 2016; (viii) the railway track between KM no. 13/4 and 13/5 between Sangrana Sahib and Goharwal Varpal Stations on DUI-LDH Section dated November 23, 2016; and (ix) the railway track between TP no. 36/7 and 36/8 between KUP and Malerkotla Stations on DUI-LDH Section dated April 21, 2016.

11. Approvals issued by the CEIG dated July 1, 2024, for energization of (i) electrical installations of 400 kV D/C Malerkotla- Amritsar Transmission Line; and (ii) electrical installation of 400 kV D/C Kurukshetra – Malerkotla Transmission Line.

12. Approvals granted by the Ministry of Environment, Forest and Climate Change, (i) dated July 4, 2016 in respect of diversion of 2.1247 Ha of land (1.748 Ha in Kurukshetra and 0.287 Ha land in Karnal and 0.0897 Ha land in Kaithal forest division) in the Haryana section; (ii) dated June 16, 2017 in respect of Diversion of 3.3083 Ha (1.47672 Ha in Patiala forest Division + 2.2606 ha in Sangrur Forest Division) in the Punjab section; (iii) dated August 22, 2017 in respect of diversion of 5.0064 Ha (1.3363 Ha in Amritsar Forest diversion + 1.522 Ha in Jalandhar Forest Division +1.62 Ha in Ludhiana forest division + 0.5295 Ha in Sangrur Forest Division);

13. Defense NOC dated (i) January 18, 2016 issued by the Directorate General of Signals - 7, General Staff Branch, Integrated HQ of Ministry of Defense (Army) in relation to 400 kV D/C transmission line from PGCIL substation at Kurukshetra to PGCIL substation at Malerkotla and PGCIL substation at Malerkotla to PGCIL substation at Amritsar. and (ii) February 14, 2017 issued by the Director Operations (ATS) in relation to 400 kV D/C transmission line from Malerkotla to Amritsar by PGCIL.

V. Approvals received by RSWPL

1. Provisional approvals for energization dated July 16, 2021 (for 150 MW), August 8, 2021 (for 50 MW), August 30, 2021 (for 50 MW) and October 1, 2021 (for 50 MW), each issued by CEA for energization;

2. Approval for energization dated July 15, 2021 issued by CEA. Extension of approval for energization dated August 24, 2023;

3. Vendor authorization letter in connection with consent to establish and consent to operate and authorization under the Hazardous and Other Wastes (Management and Transboundary Movement) Rules, 2016 dated February 2, 2024 issued by Maharashtra Pollution Control Board;

4. Letter of intimation in lieu of the consent to establish and consent to operate dated August 21, 2020 issued by the Approved Asset to the State Pollution Control Board;

5. Forest NOC dated March 10, 2021 issued by Office of Deputy Conservator of Forest, Jaisalmer;

6. Certificate of registration under Contract Labour (Regulation and Abolition) Act, 1970 dated April 1, 2024 (for operations), and February 12, 2021 and November 4, 2020 (for construction) issued by Department of Labour;

7. Certificate of registration under the BOCW Act dated October 17, 2020 and February 1, 2021, each issued by the Office of the Registering Officer; and

8. Certificate of registration with Northern Regional Load despatch centre dated July 23, 2021, issued by Senior General Manager.

VI. Approvals applied for, but not yet received

Except as disclosed below, as of the date of this Preliminary Placement Document, there are no approvals required by Anzen Trust and the InvIT Assets for which applications are applied for, but not yet received:

1. Trademark application no. 7517602 dated July 29, 2022 for the "Anzen" mark and logo;
2. Trademark application no. 7517629 dated July 29, 2022 for the "Anzen India Energy Trust (Label)"; and
3. Application dated March 30, 2022 for registration of Target Asset in relation to carbon credits under Global Carbon Council.

VII. Approvals for which applications are yet to be made

As of the date of this Preliminary Placement Document, there are no approvals required by Anzen Trust and the InvIT Assets for which applications are yet to be made.

LEGAL AND OTHER INFORMATION

Except as stated in this section and on the basis of the disclosures below, there are no pending material litigation and actions by regulatory authorities, which are not in the ordinary course of business, in each case against (i) the Anzen Trust, its associates and the InvIT Assets; (ii) the Sponsor (in its capacity as Sponsor and Project Manager), the Investment Manager and each of their associates and the Sponsor Group; and (iii) the Trustee, as on the date of this Preliminary Placement Document. Further, except as stated in this section and on the basis of the disclosures below, there are no pending material litigation and actions by regulatory authorities which are not in the ordinary course of business, against the Sponsor or any of its Associates or Associates of the Investment Manager (which may be affiliates of the Sponsor).

For the purpose of this section, details of all regulatory actions and criminal matters, which are not in the ordinary course of business, that are pending against the Sponsor, the Investment Manager and their associates and the Sponsor Group have been disclosed. Further, any civil matter that is pending involving an amount equivalent to, or more than, the amount or threshold as disclosed below, in respect of (i) the Anzen Trust, its associates and the InvIT Assets; (ii) the Sponsor (in its capacity as Sponsor and Project Manager) and its associates and the Sponsor group, (iii) the Investment Manager and each of their associates; and (iv) the Trustee has been disclosed.

In respect of the Sponsor and its associates and the Sponsor Group, all outstanding civil cases, litigations, claims and matters which involve an amount exceeding ₹ 100 million or 1% of the net-worth of the Sponsor (based on the audited financials of the Sponsor) as on March 31, 2024, whichever is less have been considered material. Additionally, all outstanding cases where an adverse outcome would materially and adversely affect the business, operations, prospects or reputation of the Sponsor, irrespective of the amount involved, have been considered material. In respect of the Investment Manager and its associates, all outstanding civil cases, litigations, claims and matters which involve an amount exceeding ₹ 1,000 million or 1% of the net-worth of Edelweiss Financial Services Limited (being the holding company of the Investment Manager), as on March 31, 2024, whichever is less, have been considered material. Additionally, all outstanding cases which are nor quantifiable but where an adverse outcome would materially and adversely affect the business of the Investment Manager, have been considered material.

In respect of the Trustee, all outstanding civil matters which involve an amount equal to or exceeding ₹ 28.94 million (being 5% of the total consolidated income for the financial year ended March 31, 2024) have been considered material.

In relation to the the Anzen Trust, its associates (apart from entities which are associates of the Sponsor and Investment Manager) and the InvIT Assets, all outstanding civil cases which involve an amount equivalent to or exceeding 5% of the total consolidated income of the Anzen Trust and the Portfolio Assets for the financial year ended March 31, 2024, being approximately ₹ 126.06 million have been considered material. Further, all outstanding matters that may have a material impact on each of the InvIT or the InvIT Assets in terms of its business, operations, financial position, prospects or reputation, have been considered material for the purposes of disclosure in this section.

I. Litigation involving the Anzen Trust and its Associates.

A. DMTCL

Regulatory matters

1. The CERC impleaded DMTCL as a respondent in Petition dated October 6, 2016 ("**Petition I**"), filed by PGCIL, for approval of DOCO of Asset as at August 31, 2016 and determination of transmission tariff for 02 no. 400 kV PGCIL line bays at Muzaffarpur sub-station for termination of Muzaffarpur (PG) – Darbhanga (TBCB) 400 kV D/C (triple snowbird) line under the Eastern Region System Strengthening Scheme – VI ("**ERSS-VI**"). CERC, by way of its order dated September 1, 2017, disposed of Petition I and observed that interest during construction ("IDC") and incidental expenditure during construction ("**IEDC**") for the period starting from August 31, 2016 until April 21, 2017 would be borne by DMTCL, which was thereafter duly paid by DMTCL as the instant assets were not put into use due to non-commissioning of the associated transmission line by DMTCL.

   Subsequently, DMTCL filed petition dated October 26, 2017 ("**Petition II**"), before the CERC against Bihar State Power Transmission Company Limited, amongst others, for seeking extension of the scheduled commercial operation date ("**SCOD**") and compensation for force majeure and change in law events which impacted the ERSS-VI as per the scope of work specified in the transmission services agreement ("**TSA**") dated August 6, 2013 ("**Project**"), and for the grant of an increase in transmission charges to offset the cost of ₹ 217.50 million incurred on account of additional IDC, among other things. CERC, by way of its order dated March 29, 2019, allowed DMTCL to recover expenditure incurred on account of change of law i.e. obtaining forest clearance, extension of SCOD on account of force majeure, and increase in taxes and duties. However, CERC disallowed recovery of IDC and IEDC beyond scheduled COD till actual COD, additional expenditure in terms of order dated September 1, 2017 and work affected due to increase in number of power lines crossings, change in gantry coordinates and subsequent increase in line length. ("**Impugned Order I**"). Thereafter, a review petition dated April 23, 2019 was filed by DMTCL in relation to review of the Impugned Order I. CERC by way of its review order dated January 13, 2020 provided the necessary clarification for the recovery of claim along with consideration of certain documents already admitted in Impugned Orde I; and also held that as per the TSA, in case of any extension from the SCOD, the applicable transmission charges of an element would be of the contract year in which the commercial operation date has occurred. CERC accordingly partially allowed the DMTCL's review petition ("**Review Order**").

Thereafter, DMTCL filed an appeal dated June 20, 2020 ("**Appeal I**") before the Appellate Tribunal for Electricity at New Delhi, against the Review Order, wherein DMTCL challenged, amongst others, (i) the Impugned Order I, claims in relation to IDC and IEDC, grant of relief for compensation due to delay in SCOD and loss of tariff along with seeking grant of consequential interest on account of change of law and force majeure events.

Subsequently, the Hon'ble Tribunal in relation to Appeal I, passed order dated December 3, 2021 and held that, (i) DMTCL would be entitled to be fully compensated for the IDC and IEDC incurred on account of the change in law and force majeure events, (ii) DMTCL would be compensated for the actual change in the length of the transmission lines under change in gantry coordinates, (iii) tariff would be levied only for services provided, and not on account of force majeure or change in law events, wherein DMTCL system was not available for the power flow. (iv) DMTCL would be allowed to recover amounts paid to PGCIL along with interest pursuant to order dated September 1, 2017, and (v) compensation for increased number of power lines crossings would be paid, amongst other things, and directed the matter back to CERC for passing appropriate orders. Subsequently, CERC pursuant to a record of process in relation to Petition II directed DMTCL to submit details of the IDC and IEDC from scheduled COD to actual COD, the additional costs on account of increase in number of power line crossings and ground improvement work along with. DMTCL submitted relevant details on February 25, 2022 and submitted details in relation to ₹ 696.00 million incurred towards IDC and IEDC along with consequential carrying costs, ₹ 31.50 million towards change in length of transmission lines, ₹ 18.40 million on account of increase in number of power line crossing along with carrying costs, along with additional expenditure of approximately ₹ 73.20 million along with carrying costs, amongst other things.

Accordingly, CERC through order dated May 13, 2022 ("**Impugned Order II**") allowed DMTCL's claims, however, the claims in relation to consequential carrying costs were disallowed. Consequently, DMTCL filed an appeal dated June 24, 2022 ("**Appeal II**") challenging the Impugned Order II seeking the relief for consequential carrying costs in relation to IDC/IEDC and other costs allowed already. The matter is currently pending.

2. DMTCL has filed a petition dated March 30, 2023, under Section 79(1)(f) read with Section 79(1)(c) of the Electricity Act, 2003 before CERC against Bihar power utilities such as Bihar State Power Transmission Company Limited ("**BSPTCL**"), North Bihar Power Distribution Company Limited ("**NBPDCL")** and South Bihar Power Distribution Company Limited ("**SBPDCL")** for recovery of deemed transmission charges of Darbhanga Element which remained unrecovered due to non-availability of 220 kV downstream transmission network developed by BSPTCL.

   CERC by way of its order dated September 30, 2024 allowed DMTCL to recover transmission charges from distribution licensees of Bihar pertaining to Darbhanga element for the period from April 8,2017 to April 15, 2017 ("**Impugned Order**").

   Further, DMTCL has filed a review petition under Section 94 of the Electricity Act, 2003 read with Section 114 of the Code of Civil Procedure, 1908 and Regulation 52 of the Central Electricity Regulatory Commission (Conduct of Business) Regulations, 2023 seeking limited review and modification of the Impugned Order, to adjudicate applicable late payment surcharge on unrecovered transmission charges and carrying cost on the payable differential transmission charges, at CERC. Further, BSPTCL, NBPDCL and SBPDCL have also appealed against the Impugned Order on November 18, 2024, at Appellate Tribunal for Electricity, New Delhi. The matters are currently pending.

B. NRSS

Regulatory matters

1. Power Grid Corporation of India Ltd ("**PGCIL**") has filed a petition before the CERC dated December 9, 2016 ("**Petition I**") against NRSS, amongst others, for determination of transmission tariff under CERC (Terms and conditions of Tariff) Regulations, 2014 from COD to March 31, 2019 for its transmission assets claiming transmission charges on account of delay in commissioning of the transmission lines by NRSS.

   Subsequently, NRSS filed a petition dated September 4, 2017, ("**Petition II**"), before the CERC seeking extension of the scheduled commercial operation date and increase in transmission charges, in relation to the transmission system being compensation for certain force majeure and change in law events which impacted the "Northern Region System Strengthening Scheme – XXXI (B)" as specified in the transmission services agreement dated January 2, 2014 entered into between NRSS and certain long term transmission customers. Simultaneously, CERC, vide order dated November

30, 2017 ("**Impugned Order I**") allowed PGCIL's claim under Petition I and held NRSS liable for the payment of IDC and IEDC on account of delay by NRSS in commissioning the NRSS project.

However, CERC, by way of its order dated March 29, 2019 ("**Impugned Order II**") disposed of Petition II and allowed certain force majeure and change in law claims of NRSS along with extending the SCOD to the actual COD. However, the Impugned Order II disallowed NRSS claims in relation to consequential relief of ₹ 238 million on account of the IDC and IEDC as a direct consequence of the force majeure events, ₹ 68.80 million on account of gantry coordinates and subsequent change in connection arrangement and restitution for loss of first year tariffs to the extent of ₹ 586.80 million.

Subsequently, NRSS filed an appeal dated August 9, 2019 before the Appellate Tribunal for Electricity at New Delhi, challenging the Impugned Order I on the ground that CERC had incorrectly held NRSS liable for the payment of IDC and IEDC and had not provided any reasons for the same. Consequently, the Hon'ble Tribunal vide order dated September 14, 2020, set Impugned Order I aside, held that NRSS cannot be held liable to pay IDC and IEDC on account of delay in commissioning of PGCIL's transmission assets and remanded the matter back to CERC ("**Remand Order I**").

NRSS also filed an appeal dated March 19, 2020 before the Appellate Tribunal for Electricity at New Delhi, challenging Impugned Order II on the grounds that despite certain events in change in law and force majeure, CERC disallowed direct consequential relied i.e. IDC and IEDC. Accordingly, the Hon'ble Tribunal vide order dated December 13, 2021 held that NRSS was liable to be fully compensated for the IDC and IEDC incurred on account of change in law and force majeure events, allowed compensation in relation to the gantry coordinates, amongst other things and remanded the matter back to CERC. ("**Remand Order II**"). The CERC vide order dated May 11, 2022 upheld Remand Order II, however, disallowing NRSS's claim for consequential carrying costs in relation to allowed IDC/IEDC and other claims. Consequently, NRSS filed an appeal dated June 23, 2022 ("**Appeal I**") challenging order dated May 11, 2022 and seeking compensation in relation to the carrying costs for the allowed IDC/IEDC and other claims.

Further, the CERC vide order dated April 26, 2022 ("**Impugned Order III**") in Petition I fastening the liability for payment of the IDC and IEDC on NRSS for PGCIL, contrary to the finding of the Hon'ble Tribunal in the Remand Order. Accordingly, NRSS filed appeal dated June 10, 2022 ("**Appeal II**") challenging Impugned Order III and seeking a declaration from the Hon'ble Tribunal to hold NRSS not liable for the payment of IDC and IEDC for PGCIL's transmission assets.

Both, Appeal I and Appeal II are currently pending.

2. Power Grid Corporation of India Ltd ("**PGCIL**") filed petition dated January 22, 2018 before the CERC against NRSS for determination of tariff for 400 kV Malerkotla bays at 400/220 kV GIS Substation at Kurukshetra under 'provision of 400 kV bays for lines under NRSS in northern region for the Financial year 2014-2019 tariff period due to an alleged delay by NRSS in achieving commercial operation date for the asset. Pursuant to the petition, NRSS filed reply affidavit dated June 1, 2018 and affidavit May 31, 2019 dated stating that CERC follow the same approach as taken in previous petitions and not hold NRSS liable to compensate PGCIL for delay due to force majeure events. The CERC vide order dated January 7, 2020 ("**Impugned Order**") determined the transmission tariff from the anticipated commercial operation date to March 31, 2019 and allowed PGCIL to recover transmission charges of asset mismatching period of Kurukshetra bays and further directed that the transmission charges be paid from December 1, 2016 till the commercial operation date as well. Subsequently, NRSS filed appeal dated February 24, 2020 challenging the Impugned Order. The matter is currently pending at APTEL.

3. NRSS has, on July 6, 2022, received a letter dated June 28, 2022 from the Serious Fraud Investigation Office, Ministry of Corporate Affairs ("**SFIO**") requesting for certain information in relation to its investigation into the affairs of Jyoti Structures Limited and 12 other companies under Section 212 of the Companies Act, 2013. NRSS has responded to the notice by way of letter dated July 29, 2022. The matter is currently pending.

C. RSWPL

1. Kalu Singh ("**Defendant**") filed a suit numbered 106/2021 before the sub division magistrate, Fatehgarh, Jaisalmer seeking rectification and correction in the revenue records, cancellation of mutations recording subsequent transactions and for his name to be recorded as the owner.

It was alleged that without any valid mutation, name was altered in revenue record and therefore subsequent mutation was not valid. Though RSWPL was not made a party initially, it was added subsequently at the final stage. The matter is currently pending.

2. RSWPL filed a limited appeal DFR 225 of 2024, before Appellate Tribunal for Electricity, New Delhi challenging the

order passed by CERC in petition no. 171/MP/2021 to the extent (i) it has granted carrying cost on the basis of the "lowest of the three formula" (ii) it has allowed the annuity rate at 9% p.a. instead of 14% as proposed by RSWPL. The matter is currently pending.

3. M.K. Ranjitsinh & Ors. filed a writ petition I (W.P. (c) No. 838 of 2019) ("**Writ Petition**") in public interest under Article 32 of the Constitution of India before the Supreme Court of India , seeking urgent directions to save the critically endangered birds, the Great Indian Bustard ("**GIB**") and the Lesser Florican the decline of which, amongst other reasons, has been attributed to the development of wind turbines and overhead powerlines, more specifically, due to collision with the same. Private renewable energy developers are not party to the Writ petition.

   In the recent order dated March 21, 2024, passed by Supreme Court of India (**"GIB Order"**) in respect of the Writ Petition, the injunction, imposed vide order dated April 19, 2021, as regards the Potential Area, as referred to in the GIB Order, has been lifted (subject to the parameters which may be suggested by the new Expert Committee). The Expert Committee will determine the feasibility of overhead and underground lines. The Expert Committee's Report has now been analyzed to decide the further course of action.

4. A petition dated September 24, 2024 (bearing Petition No. 415/MP/2024), under Section 79 of the Electricity Act, 2003 read with Regulation 7 (1) of the Central Electricity Regulatory Commission (Indian electricity grid code) Regulations, 2023 and Central Electricity authority (technical standards for connectivity to grid) Regulations, 2007, has been filed by the Northern Regional Load Despatch Centre ("**NRLDC**") against RSWPL and others before the Central Electricity Regulatory Commission seeking directions against Inter State Transmission ("**ISTS**") connected Renewable Energy plants. The directions are aimed at ensuring that ISTS plants inter-alia ensure (i) compliance with the Low and High Voltage Ride Through standards as prescribed by the Central Electricity Authority (Technical Standards of Connectivity to the Grid) Regulations, 2007 (as amended from time to time) regarding Low Voltage Ride Through ("**LVRT**") and High Voltage Ride Through ("**HVRT**") compliances; (ii) take necessary action to resolve the issue of sharp reduction in active power during fault (even despite insignificant voltage dip) and any reduction in active power during HVRT (until the transient current limit of the Inverter/WTG is not hit); (iii) take necessary actions for adequate and prompt reactive power support (i.e. injection during LVRT, ceasing reactive power immediately after fault clearance and absorption during HVRT); (iv) take necessary actions to prevent tripping on any internal elements of plants (causing generation loss) when voltage and frequency at the Interconnection point remains within the No-trip zone; (v) take necessary actions for recording of the events for assessment of inverter/ WTG performance during the grid events. The matter is currently pending.

II. Litigation involving the Sponsor and Project Manager and its Associates and the Sponsor Group

1. A petition dated June 14, 2023 was filed before the CERC by Electricity Power Transmission Association ("**EPTA**") along with SEPL and other transmission licensees to seek relief in relation to sectoral-wide issues emanating from interpretation of the model Transmission Service Agreement of 2008. The issue was primarily concerned with hard coding of recoverable tariff being correlated with specified calendar years, which has a negative impact on licensees who are granted a SCOD extension leading to non-commencement of the operating period from the specified calendar year.

   The Respondents to the petition have filed their replies on maintainability and merits, pursuant to which rejoinders have been finalised and submitted on May 3, 2024. The matter is currently pending.

2. Solairepro Urja Private Limited (**"SPUPL"**) filed a petition dated July 28, 2020 for directing AP State Load Dispatch Centre ("**AP SLDC**") to implement the must-run station accorded to SPUPL's solar project in letter and spirit and give compensation the unlawful and arbitrary curtailment of generation from its solar project. However, in a pari materia matter, the Andhra Pradesh High Court has granted an interim stay on further proceedings, due to which the CERC has deferred the matter till the stay is vacated. The matter is currently pending.

3. Solairepro Urja Private Limited (**"SPUPL"**) filed a petition dated June 14, 2019, before CERC, under section 79 of the Electricity Act, 2003, seeking relief on account of amendments imposed on safeguard duty through notification no. 01/2018 customs (SG) dated July 30, 2018, issued by the Department of Revenue, Ministry of Finance, GoI. CERC through order dated February 5, 2020, disposed off the matter by allowing SPUPL to claim the safeguard duty under the said notification and directed NTPC Limited to pay the compensation amount to SPUPL by claiming the same with Southern Power Distribution Company of Andhra Pradesh Limited And Eastern Power Distribution Company of Andhra Pradesh Limited.

   Further, Southern Power Distribution Company of Andhra Pradesh Limited And Eastern Power Distribution Company of Andhra Pradesh Limited filed a writ petition dated February 26, 2020, before the High Court of Andhra Pradesh, challenging the CERC Order dated February 5, 2020 in relation to the SPUPL's claim of safeguard duty. Accordingly, the High Court of Andhra Pradesh granted a stay order on all further proceedings pursuant to CERC order dated February 5, 2020.The High Court of Andhra Pradesh, through its order dated January 5, 2021, further extended the stay order. Subsequently, SPUPL filed an early disposal application dated October 12, 2020 before the High Court of Andhra Pradesh, to expedite the disposal procedure. Further, a special leave petition was also registered with the Supreme Court of India in relation to the same. On April 7, 2022, the High Court of Andhra Pradesh communicated that the matter can be assigned for a fixed period. The claim of this matter had been assigned to the erstwhile seller.

On January 6, 2023, the High Court of Andhra Pradesh remanded the matter back to CERC to hear afresh the submissions by the respective state distribution companies and pass a reasoned order. CERC through its Order dated January 1, 2024, allowed SGD claim to SPUPL following reconciliation process from NTPC and beneficiary.

Thereafter, an appeal was filed by the AP distribution companies (AP Discoms) against the CERC order in Appellate Tribunal for Electricity (APTEL) citing any liability under the PPA ought to be on NTPC and not on the AP discoms. Listing of the matter is currently pending. Additionally, SPUPL has also filed an application before CERC against NTPC & AP Discoms due to the non-compliance of CERC's order dated January 1, 2024, seeking disbursement of pending SGD amount. This matter is currently pending.

4. Ujjvalatejas Solaire Urja Private Limited ("**USUPL**"), Nirjara Solaire Urja Private Limited ("**NSUPL**") and Suprasanna Solaire Energy Private Limited ("**SSEPL**") were impleaded as party to a writ petition filled by National Solar Energy Federation of India (NSEFI) along with other developers at the Telangana High Court challenging the Telangana Forecasting, Scheduling, Deviation Settlement and Related Matters of Solar and Wind Generation Sources Regulation (TSERC DSM Regulations, 2018) under which the developers received penalty for the plant level deviations and share of State level deviation wherein under the state level deviation, the penalty is very high.

   Telangana High Court in its order dated September 2, 2024 directed the petitioners to deposit 50% of the state periphery level charges subject to which no coercive actions would be taken. Aggrieved by the order of the High Court, NSEFI has challenged the High Court Order in the Supreme Court and as of now the SPDs are paying only sub-station component of DSM. The Supreme Court has also directed the High Court to look into the matter on merits independently, and has directed the entities to pay 25% of the state periphery DSM amount in the interim. The matter is currently pending.

5. Enviro Solaire Private Limited (ESPL), Solairpro Urja Private Limited (SPUPL) were impleaded as party to petition filed by Solar Power Developers Association against UPPCL, UP SLDC, SECI, NTPC etc to challenge the UPERC (Captive and Renewable Energy Generating Plants) Regulations, 2019, which insist upon additional requirements, contrary to the PPA, calling upon solar/ wind power generators to obtain separate connections from Discoms and avail power as per prevailing tariff category during the periods when their plant does not generate electricity, and honour the SPVs bills based on the energy accounts generated by the SLDC/ alternatively declare these regulations as change in law.

   The matter was admitted on 16 October 2023 and is yet to be listed.

6. Solaire Surya Urja Private Limited (SSUPL) has filed a petition dated January 2, 2024 before Central Electricity Regulatory Commission in relation to the 140 MW (2x70 MW) SSUPL solar power plant in Rajasthan, having PPA with NTPC which has been generating excess energy over and above the annual contracted energy in the past years. As per the PPA, upon prior consent from NTPC, they are allowed to sell this excess energy to NTPC at the rate of ₹ 3 per unit, and if NTPC denies, the power can be sold to a third party/ exchange. Since Financial Year 2018-19, attempts were made to seek NOC/ consent from NTPC to off-take/ sell this excess energy. However, NTPC has either not responded or just mentioned that they are awaiting back to back consents from Rajasthan discom who is the ultimate beneficiary of the power. NTPC/ Rajasthan discom have failed to give consent in the past years except in Financial Year 2021-22 & Financial Year 2022-23, wherein during Financial Year 2021-22, we were permitted to sell to third party and in Financial Year 2022-23, NTPC/ Rajasthan discom had provided consent to offtake our excess energy at the rate of ₹ 3/ unit as per the PPA. As there was no consent from off-taker in the past years for purchase of the excess energy/ to sell outside, the plant being must-run plant has injected this energy to the Rajasthan Grid, for which it has raised timely invoices. However, till date these invoices (pertaining to the excess energy injected portion) are not paid for. Matter is pending and listing is awaited.

7. Solairepro Urja Private Limited (SPUPL) has filed a petition dated April 24, 2024 before Central Electricity Regulatory Commission under Section 79 of the Electricity Act, 2003 and Regulations 1.5(iv), 5.2(u) and 6.5(11) of the CERC (Indian Electricity Grid Code) Regulations, 2010 read with Regulations 49(1)(f)(iii), 49(3)(a)(A)(ii)(III), 49(3)(a)(A)(iii)(II) and 56(k) of the CERC (Indian Electricity Grid Code) Regulations, 2023 and Rule 3 of the Electricity (Promotion of Generation of Electricity from Must-Run Power Plant) Rules, 2021 seeking directions to the State Load Dispatch Centre to implement the Must Run status granted to the Petitioner's Solar Power Project and to compensate

the Petitioner for generation losses incurred due to unlawful and arbitrary curtailment of generation from Petitioner's Solar Project from January 18, 2020 to January 2024. The matter is currently pending.

8. Suryauday Solaire Prakash Private Limited (**"SSPPL"**) is in receipt of a legal notice from Mr. Ishwar Singh Bhati claiming that 75% portion of Khasra No. 73/2 (26 Bighas – 16 Biswa) belongs to him. The claimant has asked SSPPL to vacate the claimed portion, following which petition has been filed by SSPPL for temporary and permanent injunctions. Furthermore, appeals have been filed against the orders allowing for change of ownership in the aforementioned property, before the relevant courts. The matter is currently pending.

9. Northern Solaire Prakash Private Limited (**"NSPPL"**) has filed an application for delisting Khasra No. 71, 75, 97/1, and 97/2 before Retd. Justice R.S. Virk as a stay has been recorded on these lands pursuant to a CBI investigation and consequent Supreme Court decision in the matter of *Subrata Bhattacharya v. SEBI (2016)*. The power to adjudicate on the status of the lands has been entrusted to Justice (Retd.) R.M. Lodha committee, who will forward its recommendation for subsequent affirmation by the Supreme Court in an Interlocutory Application (CA No. 13301/2015). The matter is currently pending.

III. Litigation involving the Investment Manager and its Associates

A. <u>Edelweiss Financial Services Limited ("EFSL")</u>

(i) Civil proceedings filed by EFSL

Nil

(ii) Criminal proceedings filed by EFSL

1. The EFSL vide its letter dated December 30, 2011 had filed a complaint under various sections of IPC, the Information Technology Act, 2000, Trademark Act, 1999, and the Copyright Act, 1957 against Vaibhav Singh, Percept Profile, Harindra Singh, Shailendra Singh, Rajeev Mehrotra and unknown persons in relation to press release titled "Edelweiss Asset Management Head Quits, to Start Own", which was allegedly released by the aforesaid employees of Percept Profile on behalf of the Issuer. The EFSL also moved a criminal writ petition before the Hon'ble Bombay High Court against the State of Maharashtra and others, praying inter alia, that the respondents or the Central Bureau of Investigation ("CBI") or any other agency be directed to register and investigate the aforesaid complaint dated December 30, 2011. The Hon'ble Bombay High Court vide its order dated July 23, 2012, directed the police to register a first information report ("FIR") on August 6, 2012. Subsequently, Harindra Singh and Shailendra Singh filed a Criminal Application before the Hon'ble Bombay High Court praying inter alia for quashing of the FIR. Further, Rajeev Mehrotra filed a criminal application before Hon'ble Bombay High Court inter alia praying for declaration that investigation under the FIR is null and void and for staying further proceedings in the FIR. The Hon'ble Bombay High Court, vide its order dated December 3, 2012, directed that a 72 hours' advance notice has to be given prior to any arrest of any of the accused in the case, so that appropriate remedy can be sought. The matter is currently pending.

2. The EFSL filed a suit for defamation, injunction and damages **("Suit")** against Palak Shah & Ors. **("Defendants")** before the Hon'ble High Court of Bombay. inter alia, seeking directions to pass an interim and permanent injunction restraining the Defendants from continuing their illegal, mala fide and motivated conduct of making baseless and defamatory allegations and/or innuendo against the EFSL and its director by way of publication of certain articles. The EFSL has also sought damages of ₹ 1,000 million in the Suit due to, inter alia, loss arising from damage to the goodwill of the EFSL due to the conduct of the Defendants. The EFSL also submitted a criminal complaint **("Complaint")** against the Defendants before the Bandra Kurla Complex police station on July 20, 2024 for initiation of criminal proceedings against the Defendants, in connection with the publication of articles and other acts of the Defendants, and The matters are currently pending

(iii) Civil proceedings filed against EFSL

NIL

(iv) Criminal proceedings filed against EFSL

NIL

(v) Regulatory proceedings involving EFSL

NIL

(vi) Other matters against EFSL

1. The EFSL received a letter dated February 9, 2024 bearing reference number SEBI/HO/DDHS-SEC-1/P/OW/2024/5802/1 from SEBI ("**SEBI Letter**") in connection with certain additional interest payments made to existing holders of the non-convertible debentures issued by the EFSL and certain group companies as well as the equity shareholders of the Issuer, in accordance with the terms stipulated under certain public issuance of debentures between August 9, 2021 until November 30, 2023. The EFSL on March 6, 2024, responded to the aforesaid SEBI Letter. Further, the EFSL received a notice dated June 14, 2024 bearing reference number SEBI/HO/DDHS-SEC-1/P/OW/2024/19919/1, for summary settlement in the aforesaid matter under the SEBI (Settlement Proceedings) Regulations, 2018. The EFSL has filed the settlement application on July 11, 2024, along with the payment of processing fees for the settlement application and remitted the settlement amount of ₹ 9,75,000 (Indian Rupees Nine Lakh Seventy Five Thousand). The settlement order is pending.

2. EFSL had received a letter dated February 9, 2024 bearing reference number SEBI/HO/DDHS-SEC-1/P/OW/2024/5821/1 from SEBI ("**SEBI Letter**") in connection with certain additional interest payments made to existing holders of the Non-convertible Debentures issued by the issuers, in accordance with the terms stipulated under certain public issuances of debentures between August 9, 2021 until November 30, 2023, where EFSL has acted as Merchant Banker to the Issue. EFSL had on March 6, 2024, had responded to the aforesaid Notice. Further, EFSL as Merchant Banker had received a Notice dated June 14, 2024 bearing reference number SEBI/HO/DDHS-SEC-2/P/OW/2024/19915/1, for summary settlement in the aforesaid matter under the SEBI (Settlement Proceedings) Regulations, 2018. EFSL had filed the settlement application on July 18, 2024, along with the payment of processing fees for the settlement application and remitted the settlement amount of ₹ 9,75,000. The settlement order is pending.

(vii) Litigation or all legal or regulatory actions involving our Promoters of EFSL

1. The ED vide a letter dated January 3, 2020 ("**Summon**"), issued under Sections 37(1) and (3) of the Foreign Exchange Management Act, 1999 read with Section 131(1) of the Income Tax Act, 1961 and Section 30 of the Code of Civil Procedure 1908, the Chairman of the EFSL and requested his personal attendance in the matter of Capstone Forex Private Limited and others on January 9, 2020 to give evidence and produce books of account or other documents specified in the Summon. The Chairman of the EFSL attended the office of ED on January 15, 2020, and the authorized representative of the EFSL vide letter dated January 15, 2020, *inter alia* responded to the Summon and provided the information sought in the Summon. Subsequently, further queries were responded to vide email dated January 17, 2020 and letter dated January 22, 2020. No further request for information or personal appearance from the aforesaid authorities remains pending thereafter. The matter is currently pending.

2. S & D Financials Private Limited ("**SDFL**"), a client of Nuvama Wealth Management Limited ("**NWML**") filed an application under Section 156(3) of the CrPC pursuant to which an FIR dated March 22, 2008 was registered under various sections of IPC against NWML and the Issuer's Directors and Promoters, Rashesh Chandrakant Shah and Venkatchalam A Ramaswamy and others. In the FIR, SDFL *inter alia* alleged Rashesh Shah and Venkatchalam A Ramaswamy and others of unauthorised trading, criminal breach of trust and cheating SDFL in future and options transactions amounting to ₹ 8.48 million. NWML *vide* a letter dated September 8, 2008, denied all the allegation against it and *inter alia* stated that there are arbitration proceedings initiated by NWML against SDFL for non-payment of monies which are currently pending. The matter is currently pending.

3. ECL Finance Limited, our Promoter, Rashesh Chandrakant Shah and other employees of ECL Finance Limited ("**Accused**") are in receipt of a complaint under various section of IPC filed by one Amir Ahmad ("**Complainant**"). The Complainant has alleged that ECL Finance Limited arbitrarily liquidated his 4383 equity shares of HDFC Bank Limited, pledged with ECL Finance Limited as Security for repayment of ESOP loan facility amounting to ₹ 5.74 million and unsecured loan facility amounting to ₹ 2.35 million availed by the Complainant. ECL Finance limited vide its letter dated January 12, 2021 replied to the said notice alongwith relevant documents denying the allegations made by the Complainant. Further, all the Accused have filed their replies *vide* letter dated February 2, 2021. The investigation is currently pending.

4. ECL Finance Limited received notice dated April 5, 2021, from its borrower Dr. Mohammad Ali Kaka Patankar (A to Z Diagnostic Centre), Mumbai ("**Borrower**") through his Advocate regarding alleged high-handed behavior of collection executives during their visit to his residence on March 30, 2021, for recovery of outstanding dues/EMIs. The

Borrower vide another letter dated April 7, 2021, made a complaint before the President of the Maharashtra State Minorities Commission ("**MSMC**") for alleged intimidation ("**Complaint**"). Based on the Complaint, the MSMC issued a notice under Section 10 of the MSMC Act 2004 to the Deputy Commissioner of Police, Circle 5, Mumbai and Mr. Rashesh Chandrakant Shah, Chairman for appearance and hearing. The Borrower *vide* letter dated July 7, 2021, informed the Senior Inspector of Police, Worli Police Station about the settlement of the dispute and requested to treat the matter as amicably settled between the Parties. There is no further communication received either from MSMC or police authorities since July 2021. The matter is currently pending.

5. EARC acquired the debts of the borrower, namely, ND's Art World Private Limited along with its underlying securities, rights, interest and title from CFM Asset Reconstruction Private Limited ("**CFM ARC**") vide assignment agreement dated December 23, 2022. Various proceedings were instituted by CFM ARC under the SARFAESI Act, IBC and Section 138 of the Negotiable Instruments Act, 1881. The IBC petition was admitted by the National Company Law Tribunal ("**NCLT**"), Mumbai bench vide its order dated July 25, 2023 initiating corporate insolvency resolution process ("**CIRP**") against ND's Art World Private Limited. Subsequently, late Mr. Nitin C. Desai (erstwhile managing director of ND's Art World Limited) filed an appeal in National Company Law Appellate Tribunal ("**NCLAT**"), Principal Bench, New Delhi on July 29, 2023. The said appeal was dismissed by Hon'ble NCLAT *vide* its order August 1, 2023. Thereafter, it was brought to our knowledge through media reports about the demise of late Mr. Nitin C. Desai on August 2, 2023. Thereafter Smt. Naina Nitin Desai, wife of late Mr. Nitin C. Desai filed an FIR on August 4, 2023, against 5 people including Rashesh Chandrakant Shah (Managing Director, EFSL), Raj Kumar Bansal (then Managing Director and Chief Executive Officer of EARC), Keyur Mehta (employee of Edelweiss Alternative Asset Advisor Limited), Smit Shah (then employee of ECL Finance Limited) and Jitendra Kothari (resolution professional appointed by the Hon'ble NCLT *vide* order dated July 25, 2023). A petition under Section 482 of the CrPC, for quashing the abovementioned FIR was filed by the abovementioned individuals on August 7, 2023 before the Hon'ble Bombay High Court. The Hon'ble Bombay High Court *vide* its order dated August 11, 2023 had issued notices to all parties. The matter was last heard on September 29, 2023 and next date of hearing is yet to be notified.

6. A first information report has been registered on a complaint filed by Mr. Pulin Dinesh Bole on behalf of Ecstasy Realty Private Limited ("Complainant") against certain promoters of the EFSL and others ("Accused") on August 31, 2024. The matter is currently pending investigation.

B. <u>Edelweiss Asset Reconstruction Company Limited (EARC) and its Trust</u>

(i) Civil proceedings filed by EARC and EARC Trusts

1. IDFC First Bank Limited (Assignor bank and applicant in the original application) filed an application in DRT-Hyderabad against Coastal Projects Limited, and others for recovery of the debt amount from defaulter, Coastal Projects Limited amounting to ₹ 2,382.76 million. EARC has acquired the debts pertaining to Coastal Projects Limited from IDFC Bank Limited *vide* Assignment Agreement dated August 24, 2018 under EARC Trust SC 341. After assignment of debts, EARC, acting in its capacity of trustee has filed an application for impleadment as an applicant, in its capacity as assignee, in the original application ("**OA**") filed by IDFC Bank Limited in DRT Hyderabad, which was allowed by DRT-Hyderabad. Defendant's also filed their counter claim of about ₹ 2,390 million against the Assignor Bank on the ground that Bank, which was holding 3,385,939 shares of the defendant company in security, have liquidated at much lower price of about ₹ 670 million without any notice to the defendants. Defendants alleged that the liquidation is in violation of the provisions of the agreement executed between the Bank and the Defendants and the Assignor bank ought to have realized ₹ 3,510 million upon liquidation of securities. Since the corporate debtor (i.e., Coastal Projects Limited) have undergone liquidation under the IBC, EARC, acting in its capacity of trustee, had filed an interim application for bringing on record the liquidator. The said interim application for bringing on record the liquidator has been allowed. On July 03, 2023, EARC Trusts made an interim application for secondary evidence. The matter is currently pending for hearing of the original application and the interim application.

2. Other than as mentioned under "*-Material litigation or legal or regulatory actions involving our Promoter*", there are no other civil proceedings filed by EARC.

(ii) Criminal proceedings filed by EARC Trusts

1. Catalyst Trusteeship Limited ("**Debenture Trustee**"), on behalf of EARC Trust ("**Debenture Holder**") filed a criminal case on May 24, 2019 before the Metropolitan Magistrate's 28th Court ("**MMC**"), Esplanade, Mumbai (the "**Court**"), against Smaaash and its directors and officials (collectively referred to as "**Accused**") under Section 138 read with Section 141 of the Negotiable Instrument Act, 1881. The Accused issued and delivered a cheque for an amount of ₹ 1,120 million drawn on HDFC Bank, Mumbai in favour of EARC Trust towards its liabilities in respect of non-

convertible debentures. The said cheque was dishonoured on its presentation vide its order July 31, 2019. The Court issued summons against the Accused under Section 138 of Negotiable Instrument Act, 1881. Summons and warrant service reports awaited. The matter is currently pending.

(iii) Civil proceedings filed against EARC and EARC Trusts

Other than as mentioned below and under - "Civil proceedings against ECL Finance", there are no other civil proceedings against EARC or EARC Trusts

1. Winsome Yarns Limited, the Plaintiffs have filed a Civil Suit being No. 444 of 2020 before Civil Judge (Junior Division), Ludhiana against the State of Punjab and EARC inter alia for declaration that the assignment agreement dated December 10, 2015 executed between Punjab National Bank ("**PNB**") and EARC Trust SC 168 for the exposure of Winsome Yarns Ltd should not be relied upon by any legal forum. The purchase consideration of the assignment agreement executed between PNB and EARC Trust SC 168, is amounting to about ₹ 479.5 million. On February 13, 2020, EARC, acting in its capacity of trustee, filed its written statement and filed an application under order 7 Rule 10 of CPC for return of plaint consequent upon misjoinder of cause of actions. On February 24, 2020, the Plaintiffs filed its reply to said application. The matter is pending for hearing due to pandemic Covid-19.

2. Winsome Yarns Limited, has filed a Petition being Miscellaneous Application No. 24 of 2020 before the Court of Chief Controlling Revenue Authority-cum-Financial Commissioner (Revenue) Punjab, Chandigarh ("**CCRA**") inter-alia praying for an order that EARC, in its capacity as Trustee be directed not to act upon the assignment agreement dated December 10, 2015 executed between PNB and EARC Trust for want of paying requisite stamp duty before any lawful authority including DRT/NCLT, Chandigarh etc. CCRA vide its interim order dated February 03, 2020 passed an order to direct District Collector, Ludhiana to submit certified copy of the assignment agreement along with his opinion on quantum of stamp duty payable. CCRA further passed an order and also directed to issue notice to EARC to contest the stamp duty liability amounting to about ₹ 14.59 million and interest, if any. In the meantime, EARC filed a Civil Writ Petition being No. 13346 of 2020 before the High Court of Punjab & Haryana ("**High Court**") against (i) State of Punjab through CCRA, Punjab, Deputy Commissioner, Ludhiana and (iii) Joint Sub Registrar cum Naib Tehsildar, Mullanpur Dhakan, Ludhiana inter-alia challenging the ex-parte interim order dated February 03, 2020 passed by CCRA. The High Court vide order dated October 26, 2021 set aside the impugned order and held that EARC Trust no longer has any stamp duty liability as on date. Being aggrieved, Winsome Yarns Limited and State of Punjab preferred appeals against the said order dated October 26, 2021 before division bench of the High Court. The matter is currently pending before the High Court and CCRA.

3. SAM Family Trust and AHA Holdings Private Limited ("**Applicants**") have filed securitization applications being diary Nos. 1260 of 2021 and 1261 of 2021 respectively along with applications for interim stay before the DRT, Pune on November 21, 2021 against Catalyst Trusteeship Limited, EARC Trust SC 384, ECL Finance Limited, Smaaash Entertainment Private Limited ("Smaaash") and resident Naib Tahsildar, Mahul ("**Defendants**") inter-alia challenging demand notice dated July 3, 2020 for ₹ 2689.37 million issued by Defendant No. 1, under sub-section (2) of Section 13 of SARFAESI Act, notice dated October 25, 2021 to take physical possession mortgaged assets located at Village Kunenama, Taluka, Maval, District Pune in pursuance of Order dated June 29, 2021 passed by the Additional District Collector, Pune. Applicants alleged the classification of NCD account of Defendant Smaaash as NPA for non-payment of interest is contrary to RBI guidelines. Furthermore, alleged assignment agreement dated June 28, 2019 ("**Assignment Agreement**"), executed by ECL Finance Limited in favour of EARC Trust SC 384 assigning the benefits of NCDs is contrary to regulatory framework of SARFAESI Act and the rules thereunder and various guidelines/circulars/directions issued by the RBI. An appeal was filed against the DRT order allowing the securitisation application before the Debt Recovery Appellate Tribunal, Mumbai ("**DRAT**"). DRAT by way of order dated July 8, 2024 allowed the said appeals. Applicants have filed Writ Petitions Nos (L) 23670 of 2024, 23677 of 2024, 21517 of 2024 and 21518 of 2024, respectively before the Bombay High Court challenging order dated July 08, 2024 passed by DRAT. Applicant have also filed 2 (two) commercial suits before the Bombay High Court challenging the issue of assignment and the same is pending. The Bombay High Court vide its order dated April 19, 2022 ("**Order**") has granted interim stay sought by the Applicants to restrain the Defendants from acting any manner in pursuance of the Assignment Agreement. The Defendants have thereafter filed an appeal against the Order before the division bench of the Bombay High Court. The division bench of the Bombay High Court vide its order dated May 5, 2022 stayed the operation of the Order. A counterclaim has been filed by the Applicants and other plaintiffs party to the ongoing OA proceedings before the DRT, Delhi, seeking damages aggregating to ₹400 million against Catalyst Trusteeship Limited, ECL Finance Limited, and EARC. All the aforementioned proceedings, including the counterclaims, remain pending adjudication.

4. GVK Energy and others ("**Plaintiffs**") have filed a suit for declaration and permanent injunction on the sale of shares of Alaknanda Hydro Power Company Limited ("**Alaknanda**") against EARC Trust SC 429, ECL Finance Limited, Ecap Securities and Investments Limited, Edelweiss Finvest Limited (now merged with Edel Finance Company Limited), and others ("**Defendants**"). The Plaintiffs had taken various loans which were secured by way of shares. The Plaintiffs committed default in repayment of loans and a settlement agreement was entered into, and thereafter an extension vide

letter dated June 18, 2021, was also granted, however Plaintiffs defaulted in payments. After the default, ECL Finance Limited, one of the Defendants in the suit invoked the pledge on the said shares, which led to the filing of the present suit by the Plaintiffs, whereby they have prayed for reliefs including stay on the operation of the invocation notice dated May 17, 2022, pertaining to the pledge agreement and maintenance of status quo of the shares of the plaintiff and the security interest under the settlement agreement. ECL Finance Limited submitted that they are in process of selling the shares. The Delhi High Court, vide order dated May 31, 2022, has asked ECL to intimate the Court and the plaintiffs of any good offers once received for sale of shares. In the event the Plaintiffs are unable to match the offer of the Defendants, the Defendants would be eligible to sell the said shares at the best offer received by them. It was clarified that the defendants shall be free to invoke the pledged shares. The Plaintiffs have filed another interim application no. 9762/2022 ("**Interim Application**"), seeking restraining order against defendants for taking any action on the demand notices issued by them. EARC filed its written statement and its reply to the Interim Application on September 14, 2022. Subsequently, EARC sanctioned a settlement proposal dated October 9, 2023 (which was further amended vide letter dated October 30, 2023), which has been further extended for repayment until June 30, 2024. However, Plaintiffs have failed to adhere to the settlement timelines and defaulted in making payments. Plaintiffs have requested for another extension till September 30, 2024 which was under evaluation. Subsequently, by way of assignment agreement(s) dated October 14, 2024, EARC assigned the loans along with the underlying security interest, availed by the Plaintiffs and Alaknanda to Phoenix ARC Private Limited along with the right to initiate, substitute and pursue all legal proceedings pursuant to Section 5 of the SARFAESI Act. By virtue of this assignment, Phoenix ARC Private Limited is deemed to be the lender for the facilities availed by the Plaintiffs and Alaknanda and is legally entitled to initiate and pursue proceedings against them. This includes the right to substitute itself in all pending proceedings and to exercise all remedies available under Section 5 and Section 5A of the SARFAESI Act. Further, Phoenix ARC is in the process of substituting itself in the matter before the Delhi High Court, which remains pending.

5. The EFSL and EARC has been served with provisional attachment order dated May 18, 2020 ("**PAO**") from the office of the Directorate of Enforcement, ("**ED**"), Jalandhar, under various provisions of PMLA against the immovable properties and investments of Kuldeep Singh, Vikram Seth and others for allegedly siphoning off about ₹ 213.10 million from Bank of Baroda, Phagwara Branch. It is revealed from PAO that certain NPAs were taken over by our group entity, EARC under assignment deed from State Bank of Patiala (now merged with State Bank of India) in its ordinary course of business. The EFSL has been served with show cause notice ("**SCN**") dated July 10, 2020 under Section 8 of PMLA from the Adjudicating Authority, PMLA, New Delhi ("Authority") inter alia inquiring about source of income, earning or assets by means of which the EFSL acquired attached property and directed to appear before the Adjudicating Authority, New Delhi along with supporting evidence/documents. The EFSL filed its application dated December 7, 2020 before Adjudicating Authority, PMLA, New Delhi and advanced submissions that it has been incorrectly arraigned in the present proceedings. EARC, also filed its reply dated November 2, 2020 before the Adjudicating Authority on merit to decline confirmation of PAO. Upon noting the submission of the Issuer, the Adjudicating Authority adjourned the matter for final arguments. The Adjudicating Authority vide its order dated December 28, 2021 confirmed the PAO against the proprieties under provisions of the PMLA and ordered to continue pending investigation. Being aggrieved, EARC preferred an appeal being no 4530 of 2022 before the appellate tribunal constituted under PMLA challenging the said order and the same is pending for hearing. Furthermore, the EFSL also filed an appeal against the order dated December 28, 2021, contending that none of its properties are attached in the provisional attachment by the ED and that it was wrongly impleaded as a party in the proceedings before the appellate tribunal under PMLA. By way of an order dated September 10, 2024, the appellate tribunal under PMLA removed the EFSL as a defendant in the matter. EARC's appeal before the Appellate Tribunal remains pending for hearing.

(iv) Criminal proceedings filed against EARC

1. EARC acquired the portfolio of 27 assets in March 2014 including the accounts of the Perfect group consisting of (i) Perfect Engineering Products Limited; (ii) Perfect Engine Components Private Limited; and (iii) Karla Engine Components Limited from State Bank of India. Post-acquisition, the promoters of Perfect group approached EARC to restructure the dues of the Perfect group accounts. The promoters introduced, the Chhatwal brothers ("Investors"), including Hitesh Chhatwal to EARC as strategic investors. EARC approved the restructuring proposal/plan of Perfect group companies on the basis of various representations made by the Promoters and the Investors to make equity infusion and provide working capital support. The Perfect group companies failed to comply with the terms and conditions of the restructuring plan and EARC was compelled to revoke the same in 2016 and in 2018. EARC, received letter dated January 18, 2020 from inspector of Police G.C III, Economic Offences Wing ("**EOW**"), Mumbai directing officials of EARC to attend his office regarding fresh complaint filed by Hitesh Chatwal in January 2020 along with the supporting documents. Our Officials recorded their statements in the matter and there is no further communication from EOW since April 2020.

2. The ED attached the Orissa plant of Bhushan Power and Steel Limited ("**BPSL**") in October 2019 while BPSL was in CIRP under the IBC. The charge over the plant was given to certain financial institutions in a consortium for the financial facilities extended to BPSL. EARC is a part of that consortium. The matter has been filed before Supreme Court of India by Committee of Creditors ("**COC**") through PNB, seeking clarification on retrospective applicability of Section 32A

under IBC. By way of an order dated December 11, 2024, the Supreme Court has permitted the successful resolution applicant to take control of the attached properties. Accordingly, there are no pending appeals pending with regards to the attachment of BPSL's Orissa plant as the ED has lifted the attachment following the Supreme Court's order.

(v) Regulatory proceedings involving EARC

1. The RBI, pursuant to an inspection conducted under Section 12(2) of the SARFAESI Act, pursuant to the supervisory examinations for the period from November 15, 2023 to December 28, 2023, has vide a separate order dated May 29, 2024 directed EARC to cease and desist from acquisition of financial assets including security receipts and re-organising the existing security receipts ("**SRs**") into senior and subordinate tranches, until EARC puts appropriate policies and procedures in place, to the satisfaction of RBI. The RBI, inter-alia, observed in the EARC Order: (a) EARC acquiring financial assets from sponsor group and other asset reconstruction companies by passing restrictions imposed to AIF relating to priority distribution model and (b) Issues related to valuation of SRs due to difference in accounting principles between IndAS and IRAC and (c) strict adherence to settlement guidelines more specifically in small value ticket loans. The RBI had directed EARC to submit the necessary action plan within two weeks to RBI. EARC on June 12, 2024 has submitted the action plan within the prescribed timelines. Additionally, the Company had provided updates on details of the actions and improvements made in response to the observations of RBI and commitments made in the Company's remediation plan submitted to RBI in its letter dated June 12, 2024.

   In response to the remedial action plan and corrective measures taken by the Company, the RBI through its order dated December 17, 2024, lifted the restrictions imposed under the EARC Order, noting the satisfaction with the steps taken to address the supervisory concerns.

   While the restrictions under the EARC Order have been lifted, any such actions or failure to company with applicable regulatory requirements could materially and adversely affect our business, financial condition, results of operations, cash flows and reputation.

2. On March 22, 2021, EARC received, MCA letter dated March 18, 2021, regarding inspection of the books of accounts and other books and papers of EARC under Section 206(5) of the Companies Act, 2013. EARC has furnished all the required documents and information to MCA in April 2021. Further at the request of MCA, EARC re-submitted documents on December 03, 2021. MCA by its Letter dated November 1, 2022, informed EARC to provide its comments and reply to the letter dated October 15, 2022 addressed by Mr. Paras Kuhad **("Kuhad Letter")** to the MCA. In the Kuhad Letter, Mr. Kuhad has requested MCA to provide him with the response given by EARC along with the documents furnished in support thereof, and all other information/ documents which have come into the possession of MCA pursuant to the inspection of books initiated in March 2021. EARC vide its letter dated November 25, 2022 furnished its comments as requested by the MCA. Subsequently, EARC received another letter from MCA dated July 25, 2023 in relation to issuance of preference shares, pledge of SRs in relation to issuance of secured NCDs, acquisition of loans from group companies, clarification in relation to certain provisions Companies Act & Ind AS, and payment of remuneration to statutory auditors. EARC has submitted its detailed response and clarifications to MCA vide letter dated September 14, 2023.

C. <u>Edelweiss Investment Adviser Limited ("EIAL")</u>

(i) Civil proceedings filed by EIAL

1. EIAL ("**Plaintiff**") filed commercial Civil Suit (COMM) bearing No. 397 of 2020 before the Delhi High Court ("**DHC**") against Lily Realty Private Limited and another ("**Defendants**"), *inter-alia*, seeking a decree of specific performance of the Memorandum of Understanding dated October 29, 2015 ("**MOU**") and repayment of a sum of ₹ 103.32 million along with the pendente lite and future interest @ 28.25% per annum from the date of filing of the suit. EIAL has also sought a permanent injunction restraining the Defendants, agents etc. from creating any third-party rights on any movable and immovable assets of the Defendants. DHC, by its order dated September 29, 2020 restrained Defendant No.2 from creating any charge or liability on the three flats specified in the order. Further, by its order dated April 9, 2021, DHC has restrained the Defendants from selling or encumbering all their immovable properties till further orders. The matter is currently pending.

2. EIAL has filed a civil suit against the Official Liquidator, High Court of Bombay & Others for the specific performance of the memorandum(s) of understanding executed between EIAL and Kamla Kamla Landmarc Constructions Private Limited ("**Kamla Constructions**"), each dated February 07, 2015 ("**MOU**") for the purchase of 24 (Twenty Four) residential units in aggregate in project 'Kamla Splendor', for purchase considerations of ₹ 157.35 million and ₹ 257.529 million, respectively. The defendants including Kamla Constructions have been served with summons in this regard. The matter is currently pending.

(ii) Criminal proceedings filed by EIAL

NIL

(iii) Civil proceedings filed against EIAL

1. Ecstasy Realty Private Limited & Shobhit J Rajan ("**Plaintiffs**") have filed a Commercial Suit being No. COMS/200 of 2022 on June 28, 2022 before Bombay High Court against i) Catalyst Trusteeship Private Limited, ii) ECL Finance Limited, iii) Edelweiss Investment Adviser Limited and iv) Edelweiss Rural and Corporate Services Limited ("**Defendants**") for specific performance inter-alia directing the Plaintiff No. 1 to perform its obligation under Debenture Trust Deed dated March 27, 2018 ("**DTD**") & its subsequent amendments vide its two emails dated March 16, 2022 and March 23 2022 and further declaration that the Defendants are not entitled to any repayment from the Plaintiffs under DTD as amended till September 2023. The Plaintiff further prayed for an order and decree against the Defendants to pay by way of damages namely, i) ₹ 6,711 million against the Catalyst Trusteeship Private Limited for unilaterally increasing interest rate under the issued NCD & failure to release security over additional property under terms of DTD, ii) aggregate ₹ 2,870 million against the Defendant No. 2 inter-alia for having failure to disburse ₹ 109.80 million under unsecured loan agreement dated August 24, 2018, for having sold 11 flats in project 1 at a under value, for failure to timely release of funds for IOD fees & for compensation for its failure to release towards purchase of 5 flats under sale agreement dated December 31, 2019, iii) ₹ 528 million for having failure to disburse ₹ 240 million, and iv) ₹ 158.70 million against all Defendants towards excess processing fees. The Plaintiffs further prayed for an interest on each of the above amounts at the rate of 18% from the date of filing of the present suit till payment. It is a Plaintiffs case of usurpation of project land located at Four Bungalows, Andheri by the Defendants is in excess of ₹ 16,000 million and thereby causes damages amounting to ₹ 3594 million as detailed in particulars of claim. Defendants have filed their respective defence statements. The Hon'ble Bombay High Court *vide* its order dated September 13, 2022 ("**Impugned Order**") rejected the interim applications being no. 3618 of 2022 and 25486 of 2022 filed by the Plaintiffs seeking to restrain the Defendants from acting in breach of the amendments to the DTD. Being aggrieved by this, the Plaintiffs filed an appeal dated September 27, 2022, being (lodging) no. COMAP/31058 of 2022 before the Hon'ble High Court of Bombay to set aside the Impugned Order, which was disposed of vide order dated September 8, 2023. The matter is currently pending

(iv) Criminal proceedings filed against EIAL

Nil

(v) Regulatory proceedings involving EIAL

Nil

D. <u>ECL Finance Limited ("ECL Finance")</u>

(i) Civil proceedings filed by ECL Finance

1. Pursuant to the Facility Agreement dated September 22, 2017 ("**Facility Agreement**") executed by and between (i) Saha Infratech Private Limited ("**Principal Borrower**"), (ii) Abet Buildcon Private Limited, (iii) Elicit Realtech Private Limited, (iv) Kalpataru Housing Private Limited, (v) Green Space Agro–Ventures Private Limited, (vi) Palm Developers Private Limited ("**Obligors/Corporate Debtors**") and ECL Finance ("**Lender**"), ECL Finance has granted the revolving credit facility to the Borrowers to the maximum extent of ₹ 900 million for the general corporate purpose. In furtherance to the terms of the Facility Agreement the Corporate Debtors including Obligor/Corporate Debtor Palm Developers Private Limited executed the Corporate Guarantee dated September 22, 2017 in favor of ECL Finance extending its obligations in making payment in the event of any default on part of the Principal Borrower under the Facility Agreement. The Principal Borrower committed defaults in payment of principal, interest & other monies and also in observance & performance of the other conditions of the Facility Agreement. ECL Finance vide its communications dated April 2, 2019 and September 26, 2019 pointed the defaults committed by the Principal Borrower and/or the Obligor/Corporate Debtor under the Facility Agreement. On January 27, 2020, the NCLT, Bench – II New Delhi admitted the CIRP filed by Ram Niwas and Sons, the petitioner under Company Petition (IB) – 894 (ND) 2019 against the Obligor/Corporate Debtor ("**Company Petition**"). Pursuant to the public announcement made by the Interim Resolution Professional ("**IRP**"), ECL Finance, as a lender submitted its Form C showing default from the year 2017 and claiming an approximate amount of ₹ 1269.69 million against the principal outstanding and interest due and payable as on January 27, 2020 and IDBI Trusteeship Services Limited as Debenture Trustee. On February 20, 2020, IRP constituted COC and ECL Finance was duly made member thereof. One Mr. Abhinav Mukherji having 1.38% voting share filed Interim Application being IA no. 1610 of 2020 in Company Petition challenging the constitution of COC.

The NCLT vide its Order February 20, 2020, directed erstwhile IRP to restrain from holding meeting of COC till constitution of COC is ascertained. ECL Finance filed its detailed reply on September 18, 2020 opposing the said application and placing on record all relevant documents. On September 23, 2020, ECL Finance filed IA no. 4130 of 2020 seeking substitution of Appellant no. 2 namely Assets Care & Reconstruction Enterprises Limited ("ACRE") in place of Appellant no. 1 in IA no. 1610 of 2020 in view of the Assignment of Loan by ECL Finance to ACRE pursuant to Deed of Assignment dated March 27, 2020. NCLT vide its Order dated March 14, 2022 allowed the IA no. 1610 of 2020 and held that ECL Finance is not a Financial Creditor to the Corporate Debtor namely Palm Developers Private Limited. NCLT also dismissed IA no. 4130 of 2020. Being aggrieved against the said Order and Judgement, ECL Finance filed Company Appeal (AT) (Insolvency) 358 of 2022 before NCLAT, New Delhi. By an Oder dated July 12, 2022, NCLAT dismissed the said Appeal. Being aggrieved ECL Finance has filed an Appeal being No. 6268 of 2022 against order passed by the NCLAT before the Hon'ble Supreme Court of India. The Hon'ble Court by its order dated September 12, 2022 directed to issue notice in the matter and to maintain status quo until further orders. The matter is currently pending.

(ii) Criminal proceedings filed by ECL Finance

1. A criminal complaint filed by ECL Finance against Prakash Patel, Kalpesh Padhya, Vyomesh Trivedi and Gaurav Davda (together referred to as "Accused No. 1") before the Joint Commissioner of Police, EOW, Unit – V, Crime Branch, Mumbai for criminal breach of trust and cheating amounting to ₹ 82.9 million. During the investigation, one more person, Mukesh Kanani was impleaded as an accused ("**Accused No. 2**"). FIR was registered against the Accused No. 1 and 2 for an offence under Section 420 and Section 34 of IPC. EOW filed charge sheet against both the accused. The matter is currently pending.

2. ECL Finance has filed a criminal complaint before the BKC police station, Bandra against Mahesh Chavan, proprietor of Global Overseas, Kaushal *alias* Renu Menon, Deepali, Sandeep Kelkar and Rohit Paranjape, Deodhar Gholat ("**Accused**") for committing an act of cheating with respect to purchase of a car, for ECL Finance's employee, Ram Yadav. Subsequently, an FIR dated December 2, 2014 was filed with the BKC Police station for procurement of documents. The police filed a case on January 27, 2015 before the 9th Metropolitan Magistrate Court at Bandra ("**Court**"). The matter is currently pending.

3. ECL Finance, pursuant to the requirements under an RBI circular (No. RBI/2015- 16/75DBS.CO.CFMC.BC. No. 1/23.04.001/2015-16) dated July 1, 2015, reported an instance of suspected fraud by its customer Shridhar Udhavrao Kolpe and Saraswati Bhimrao Shinde ("Borrowers") under the requisite form to RBI on July 7, 2016. The Borrowers were given a loan of ₹ 5.83 million by ECL Finance against their property. ECL Finance filed a complaint on August 12, 2016 against the Borrowers under various sections of IPC and relevant provisions of the Maharashtra Control of Organised Crime Act, 1999 for allegedly defrauding ECL Finance. Further, ECL Finance has submitted documents requested by EOW, Pune in relation to the complaint. The matter is currently pending.

4. A criminal complaint dated October 31, 2019 ("**Complaint**") was filed by ECL Finance before the Bandra Kurla Complex, Mumbai Police Station against JSK Marketing Limited, its directors, and others ("**Accused**") for having committed offence *inter-alia* criminal breach of trust, fraud, cheating punishable under various provisions of IPC and Maharashtra Control of Organized Crime. ECL Finance in its Complaint has alleged the Accused for wrongful loss of towards SME equipment loan amounting to ₹ 20.9 million. BKC Police Station registered FIR bearing No. 300/2020 against directors of JSK Marketing Limited under Section 403, 406, 420 read with Section 34 of IPC. Kunal Jiwarajka, one of the Accused made an application before the Sessions Court at Mumbai for anticipatory bail being No. 27 of 2021, which was rejected by the by the Hon'ble Court vide its Order dated February 03, 2021. Being aggrieved, the said Accused preferred an Appeal before the Bombay High Court being No. ABA/385 /2021. ECL Finance filed an Intervention Application opposing the said anticipatory bail application. The Bombay High Court *vide* an order dated April 24, 2023, allowed the application bearing no. ABA/385 on certain terms and conditions and granted pre-arrest bail to the applicant. The matter is currently pending with BKC police station for further investigation.

(iii) Civil proceedings filed against ECL Finance

1. ECL Finance granted secured credit facilities to Fortis Healthcare Holdings Private Limited ("**Fortis Holdings**") and RHC Holdings Private Limited ("**RHC Holdings**") during 2016 to 2018 amounting to about ₹ 4200 million against, *inter alia*, the pledge of certain equity shares of Fortis Healthcare Ltd. ("**Fortis'**) by Fortis Holdings as security towards repayment of loan amount (Fortis and RHC Holdings collectively referred to as the ("**Borrowers**"). Daiichi Sankyo Company Limited ("**Daiichi**"), a creditor has obtained an arbitration award dated April 29 & 30, 2016 against Mr. Malvinder Singh & Mr. Shivendra Singh, promoters of Fortis and RHC Holdings, and others ("**Respondents**") in

Singapore whereby Daiichi was held entitled to receive ₹ 35,000 million approximately from the Respondents. Daiichi thereafter filed proceeding in Hon'ble Delhi High Court for enforcement of said award by way of execution petition being OMP (EFA) (COMM.) No. 6 of 2016. During the proceedings before Hon'ble Delhi High Court, the Promoters and some of their companies had given certain undertakings and subsequently, Hon'ble Delhi High Court restrained them from pledging their respective shareholding in Fortis and other companies. These proceedings happened during the period ECL Finance lent and advanced the loans to the Borrowers. Daiichi filed SLP No. 20417/2017 before Hon'ble Supreme Court against the Respondents. Hon'ble Supreme Courts vide its Order dated August 11, 2017 directed the Respondents to maintain status qua with respect to shareholding of Fortis. Hon'ble Supreme Court vide its order dated August 31, 2017 clarified that the interim order dated August 11, 2017 also apply to the encumbered shares of Fortis. ECL Finance being one of the secured creditors, as aggrieved from aforesaid orders, filed application for intervention no. 98913 of 2017 and application for directions being IA No. 98915 of 2017 before Hon'ble Supreme Court. Other secured creditors also filed similar applications. While disposing of the said applications of the secured creditors including that of ECL Finance, Hon'ble Supreme Court on February 15, 2018 allowed the applications of the secured creditors and passed an order *inter-alia* clarifying that interim orders dated August 11, 2017 and August 31, 2017 to mean that the status quo granted shall not apply to shares of Fortis Healthcare Limited held by Fortis Healthcare Holdings Private Limited as may have been encumbered on or before the interim orders of this Court dated August 11, 2017 and August 31, 2017. ECL Finance thereafter, during the period from February 16, 2018 and February 26, 2018 sold 3,27,75,000 shares of Fortis pledged by Fortis Holdings as security for the loans to recover its dues. Subsequently Daiichi filed a Contempt Petition I No. 2120/2018 in the SLP I No. 20417/2017 before the Hon'ble Supreme Court of India ("**Court**"), against Indiabulls Housing Finance Limited ("**Indiabulls**") for violation of order dated August 11, 2017, and August 31, 2017, wherein Indiabulls was found guilty and directed to deposit the amount. ECL Finance was not a party to the contempt proceedings. *Suo motu* contempt proceedings were initiated by the Court in 2019 under Suo Motu Contempt Petition I No. 4 of 2019 and the Court vide Order dated February 18, 2021, directed all the banks / financial institutions to file an affidavit bringing on record the entire transactions and to inspect whether any violation of undertakings / status quo orders had taken place. ECL Finance filed the affidavit in compliance of this order. The Hon'ble Court vide its Order dated September 22, 2022, disposed of Suo Motu Contempt Petition (C) No. 4 of 2019 *inter-alia* with a direction to the High Court, before whom the proceedings in execution are pending, to consider appointment of forensic auditor(s) to analyse the transactions entered into by the banks and financial institutions and to look into whether such transactions were bona fide and entered into in commercial expediency. In the interim, Daiichi has moved Execution Application No. 819 of 2020 before Delhi High Court against the Promoters, various Banks and Financial Institutions including ECL Finance, in whose favour the shares of Fortis were pledged by the Promoters and their companies. Daiichi has claimed that the Promoters and their companies had created pledge in violation of the undertakings given and order passed by the Delhi High Court. Daiichi has prayed for declaring the pledge as void and alternatively if the pledged shares are already sold then direction to Banks and NBFCs to deposit/refund the shares price of sold shares. Daiichi inter-alia prayed before the Hon'ble Delhi High Court to either pass an order directing ECL Finance to set aside the creation of pledge on 3,09,55,000 Fortis Healthcare Limited shares held by Fortis Healthcare Holdings Private Limited ("**Shares**") and pass a consequential order of attachment and sale of such shares, or to direct ECL Finance to deposit a sum equivalent to the value of Shares as on June 21, 2017 before the hon'ble Delhi High Court. On December 18, 2020 ECL Finance filed its counter reply before the Delhi High Court. The matter is pending.

2. Max Ventures Investment Holdings Private Limited, the Plaintiffs have filed a Civil Suit (Commercial) being No. 868 of 2022 along with applications for interim reliefs before Delhi High Court against the Defendants, (i) Catalyst Trusteeship Limited, the debenture trustee, (ii) ECL Finance, a Debenture holder, (iii) ESOP III Investment Fund, a Debenture holder, (iv) Edelweiss Broking Limited (now known as NWIL), the Depository, and (v) NWML, a broker of Debenture holders, inter-alia seeking urgent declaratory reliefs against the Defendants on account of sale of shares of ₹ 5.40 million (ought to be 54,00,000 shares) by the Defendants of Max Financial Services Limited ("**MFSL**") pledged by the Plaintiffs in favour of the debenture trustee (D1) pursuant to the Pledge Agreement dated March 07, 2021 ("**Pledge Agreement**") and recall notice dated November 17, 2022 as illegal and /or invalid and reliefs in the nature of Damages for fundamental breach of the terms of the Pledge Agreement, which are to be quantified at a subsequent stage. The Plaintiffs also filed an application under Section 154 of Code of Civil Procedure, 1908 for grant of injunction against any precipitative action arising from the debenture trust deed, Pledge Agreement and recall notice dated or any other agreement, restraining credit information agencies from identifying a default regarding debenture trust deed, Pledge Agreement and recall notice and for other reliefs more particularly mentioned in the said application. It is the Defendants' case that Defendant No. 2 and 3 invested into NCD's aggregating to ₹ 4,000 million issued by the Plaintiffs, which were secured by listed shares of MFSL. Upon commission of default of the terms of the DTD, entire NCDs were recalled and sold after invoking pledge. The Defendants 2 and 3 have already issued no due certificate to the plaintiff. The matter is pending.

3. Shripal Morakhia & others filed a commercial suit bearing diary no. 354/2022 on October 19, 2022 (“**Commercial Suit**”) in Bombay High Court against EARC, ECL Finance, Catalyst Trusteeship Limited and Smaaash for the specific performance of the settlement emails addressed by Shripal Morakhia) to EARC with regards to settling the dues for the non-convertible debentures issued by Smaaash amounting to ₹ 2,800 million (“**Smaaash NCDs**”). ECL Finance was the original debenture holder of the Smaaash NCDs and the account being NPA, the said non-convertible debentures were transferred/assigned to EARC vide deed of assignment dated June 28, 2019 along with all rights, liabilities and obligations. EARC and ECL Finance have filed their reply to the commercial suit. The matter is currently pending.

4. ECL Finance and NWIL have been served with the writ petition bearing (stamp) no. 6589 of 2021 along with summons filed by Yes Bank AT1 Bondholders Associations (398 bondholders) before the Hon’ble Bombay High Court against RBI & 15 others including union of India, SEBI, Yes Bank, CDSL, BSE *inter alia* seeking to quash and set aside the impugned letters dated March 14, 2020 and March 17, 2020 of Yes Bank as it pertains to write off of Yes Bank AT1 Bonds holding of the individual retail investor and made a claim of ₹ 160 Cr against Yes Bank (“**Writ Petition**”). ECL Finance & NWIL, have also been made a party as Respondent no. 11 and 15, respectively. Petitioner also filed an application for interim relief against ECL Finance and NWIL, *inter alia* for orders against the Directors and Promoters of NWIL and ECL Finance not to leave India, during the pendency of the proceeding. The Hon’ble Bombay High Court *vide* its order dated October 20, 2022, pronounced on January 20, 2023, disposed of the Writ Petition and held that the impugned letter dated March 14, 2020 and the decision to write off AT-1 bonds are quashed and set aside (“**Order**”). Being aggrieved by the Order, Yes Bank has filed special leave petition being nos. 4244 – 4253 of 2023 before the Hon’ble Supreme Court of India seeking special leave to appeal against the Order and interim relief by stay on the effect and operation of the Order. Additionally, RBI also filed a petition for special leave to appeal (civil) no(s). 3856-3865 of 2023, dated February 11, 2023, before the Hon’ble Supreme Court of India against the Order stating that the Order constituted an erroneous exercise of writ jurisdiction by the High Court of Bombay. Thereafter, the Hon’ble Supreme Court of India vide its order dated March 03, 2023 *inter alia* extended the stay granted by the High Court of Bombay for the operation of the Order pending further orders. The matter is currently pending.

5. Sunil Ghorwat availed loan of Rs. 25 cr from ECL Finance for purchase of shares of and investment in Samora Hotels Pvt. Ltd. ("Samora Hotels") At the time of sanction of the loan Sunil Ghorawat has represented that Larisa Enterprise Pvt. Ltd. ("Larisa") is his company and he holds 50% shares in Larisa and submitted shareholding pattern of Larisa signed by its then director Priyanka Kumar. One of the securities suggested by Sunil Ghorawat was that he will enter into Operation and Management Agreement with Samora Hotel to operate Hote Him Dev at Shimla owned by Samora Hotel and theafter will assign the said rights to Larisa on a fee and said fee will be routed through Escrow Account and will also be charged to ECL Finance. On the assurance made by Sunil Ghorawat, ECL Finance also sanctioned loan of Rs. 25 cr and disbursed Rs. 20 cr. ECL Finance also sanctioned loans of; (a) Rs. 60 cr to Sunil Ghorawat for purchase of shares of Earth Water Limited from specified entities, and (b) Rs. 126 cr to Earth Water Limited (EWL) for repayment of existing loan and for its water project. Sunil Ghorawat and EWL defaulted in payment of interest and principal and aforesaid loan accounts became NPA on 10.12.2019. ECL Finance sold the loans along with underlying securities to Prudent ARC. ECL Finance has now come to know that Sunil Ghorawat had provided false shareholding pattern of Larisa, concealed the facts that Samora Hotel had already entered into O&M Agreement with Larisa in respect of Himdev Hotel, diverted loan proceeds of Rs. 60 cr and EWL also diverted part of loan to other purposes. Upon coming to know of the above facts ECL Finance has filed a criminal complaint before EoW of Delhi Police against Sunil Ghorawat, Shivani Ghorawat, Samora Hotel Pvt. Ltd. and its Directors, Priya Thakur, Larisa Enterprise Pvt. Limited and Priyanka Kumar ("Accused") for cheating, criminal conspiracy etc under various Sections of the Bhartiya Nyaya Sanhita 2023. The complaint is under investigation.

(iv) Criminal proceedings filed against ECL Finance

Other than as mentioned below and under *“Criminal Proceedings filed against EBL”*, there are no other criminal proceedings against ECL Finance.

1. The ED (“**Complainant**”) filed an original complaint dated September 3, 2016, with the Adjudicating Authority under the Section 5(5) of the PMLA against Kingfisher Airlines Limited, Vijay Mallya, and others for acquisition of property using proceeds of crime in terms of Section 2(1)(u) of the PMLA. Certain shares of Vijay Mallya and his associates were pledged with ECL Finance as security (“**Pledged Securities**”) for various loans availed by them. The Complainant has sought for attachment of the Pledged Securities. The Adjudicating Authority, PMLA, New Delhi has confirmed the provisional attachment *vide* an order dated February 22, 2017 and ECL Finance has challenged the same *vide* an appeal before the Appellate Authority. The matter is currently pending.

2. Rajiv Shivram Rane, proprietor of Jankie Properties *vide* his letter dated August 18, 2020 filed a complaint with Economics Offences Wing, Mumbai against Sanghvi Gruha Nirman Private Limited ("**Mortgagor**") and ECL Finance *inter-alia* alleging cheating having deprived him of getting his percentage of area shares to be allotted under the development agreement executed between him and Sanghvi Gruha Nirman Private Limited and caused him to pay rentals to Maharashtra Housing & Area Development Authority of the tenants etc. On December 5, 2020 a representative of ECL Finance along with legal counsel had attended the office of Economics Offences Wing for recording of statement in the matter. The investigation is pending.

3. ECL Finance has received notices dated December 28, 2020 from Investigating Officer (IO), Mahanagar Police Station, Lucknow, UP issued under Section 41 (A) of Cr. PC addressed in the name of ECL Finance, Ms. Madhur Bhatia, relationship manager, Romanshu Tandon, Himanshu Chhatrawal, Zonal Manager and Rashesh Chandrakant Shah, Chairman (the "**Accused**") *inter-alia* informing that FIR being No. 497 of 2020 has been registered against the Accused under Section 406 and 420 of IPC based on Complaint filed by one Amir Ahmad ('**Complainant**") and directed to appear before IO for investigation with respect to the said FIR. Complainant alleged that ECL Finance arbitrarily liquidated his 4383 equity shares of HDFC Bank Limited, pledged with ECL Finance as Security for repayment of ESOP loan facility amounting to ₹ 5.74 million and unsecured loan facility amounting to ₹ 2.35 million availed by the Complainant. ECL Finance limited vide its letter dated January 12, 2021, replied to the said notice along with relevant documents denying the allegations made by the Complainant. All addressees of notice dated December 28, 2020 filed their reply *vide* letter dated February 2, 2021. The investigation is currently pending.

4. ECL Finance received a notice dated January 12, 2021 from Station House Officer ("**SHO**"), Bhankrota Police Station, Jaipur (west) under Section 91 of Cr.P.C. in relation to FIR No. 371 of 2020 filed against Moolchand Bothra, Trilokchand Das Ahuja, Kamal Kumar Bothra, Sunil Jain, Saurabh Khandelwal and Manager, ECL Finance for forging a mortgage document in respect of plot of land being No. F-69, Bindayaka Industrial Estate, RIICO, Jaipur which belongs to his partnership firm Jain Industries without his knowledge and consent and availed a loan from ECL Finance. The Complainant has filed an application dated July 01, 2023 to withdraw and close the FIR. The police closure report awaited.

5. ECL Finance received a notice Ref. No. 726-5A/EoW-2 dated April 3, 2024 from EOW–II, Gurugram Police, DCP Maneshar Office, Maneshar, Gurugram directing ECL Finance to join the preliminary enquiry in Complaint No. 7080-P, DCP East Gurugram dated March 22, 2024 filed by Sunil Ghorawat ("**Complainant**") against ECL Finance and its management and officials. The Complainant availed a loan of ₹ 250 million from ECL Finance in March 2019 for the purposes of investment and purchase of M/s Samora Hotels Private Limited. The Complainant has alleged that ECL Finance disbursed ₹ 160 million in escrow account opened in the name of the Complainant and from there said amount was transferred to another escrow account opened in name of Net Creation Private Limited, a company owned by the Complainant and his wife, and from there transferred the money to itself. The Complainant has further alleged that ECL Finance has full control on the said escrow accounts and that he did not utilise the loan amount for which the said loan was sanctioned, and ECL Finance misappropriated ₹ 160 million when no amount was due and payable by the Complainant and Net Creation Private Limited to ECL Finance. Accordingly, ECL Finance has committed an offence of criminal breach of trust. ECL Finance on April 18, 2024 filed its reply denying the allegations and submitted the loan and other relevant documents and is participating in the preliminary enquiry. The matter is currently pending.

6. ECL Finance received a notice dated April 10, 2024 ("**Notice**") from Chaturshrungi Police Station, Pune whereby on basis of the complaint filed by one Rajendra Venkat Reddy against Manish Raghunath Zende and Sumita Zende ("**ECL Borrower**s"), the police registered FIR no. 308 of 2024 under section 406, 420, 464, 467, 468, 471 & 34 of IPC. The police vide the Notice intimated that the FIR is filed against the customer and the officials of ECL Finance and called them to produce certain documents pertaining to the loan facility provided to the ECL Borrowers. ECL Finance vide its letter dated May 4, 2024.The investigation is pending.

7. ECL Finance and NWIL received notice u/s 91 of the CrPC dated May 26, 2024 and June 2, 2024 respectively, from the Bandra Police Station ("Police Station") inter-alia calling upon to provide details and documents with respect to loans granted, demat and trading account of Sameera Shaikh ("Complainant") in relation to a police complaint filed by the Complainant alleging forgery done by ECL Finance & NWIL. NWIL vide its letter dated June 24, 2024, replied to the said notice. Further, NWIL and ECL Finance officials visited the police station and recorded their statements. The matter is currently pending.

8. ECL Finance and NWIL received notice both dated August 12, 2024, from the Bandra Police Station ("Police Station") seeking details and documents with respect to loans granted, demat and trading account opened in the name of Amira

Shaikh, who has filed a complaint against ECL Finance and NWIL alleging forgery and cheating. NWIL vide its letter dated August 23, 2024, filed its response. ECL Finance vide its letter dated September 12, 2024 submitted its response and documents. The matter is currently pending

(v) Regulatory proceedings involving EIAL

1. ECL Finance received a Show Cause Notice ("**SCN**") dated July 25, 2023 issued by RBI for alleged acts of failure to put in place a robust software for effective identification and reporting of suspicious transactions omissions. Thereafter, the RBI has by an order dated December 8, 2023, imposed a monetary penalty of ₹ 0.49 million on ECL Finance. ECL Finance has paid the said monetary penalty imposed by RBI on December 28, 2023.

2. The RBI pursuant to an inspection conducted for FY 2023, passed an order dated May 29, 2024 ("ECL Order"), directed ECL Finance to cease and desist, with immediate effect, from undertaking structured transactions in respect of its wholesale exposures, other than repayment and/ or closure of accounts in the normal course of business. Based on the remedial action plan submitted by ECL Finance on June 19, 2024, and further periodic updates submitted to RBI, the RBI vide its letter dated December 17, 2024, had lifted the aforesaid restrictions imposed by it on the Company.

E. <u>Edel Finance Company Limited ("Edel Finance")</u>

(i) Civil proceedings filed by Edel Finance

Nil

(ii) Criminal proceedings filed by Edel Finance

Nil

(iii) Civil proceedings filed against Edel Finance

Except as disclosed under "*Litigation involving Subsidiaries – Civil Proceedings against EARC*" there are no other civil proceedings against Edel Finance

(iv) Criminal proceedings filed against Edel Finance

Nil

(v) Regulatory proceedings involving Edel Finance

Nil

F. <u>Edelweiss Life Insurance Company Limited ("Edelweiss Life")</u>

(i) Civil proceedings filed by Edelweiss Life

Nil

(ii) Criminal proceedings filed by Edelweiss Life

Nil

(iii) Civil proceedings filed against Edelweiss Life

Except as disclosed under "*Litigation involving Subsidiaries – Civil Proceedings against EARC*" there are no other civil proceedings against Edel Finance

(iv) Criminal proceedings filed against Edelweiss Life

1. An application was filed as an FIR dated March 13, 2018, under Section 420, 468, 470 and 471 before Chief Judicial Magistrate at Barasat by Sekhar Kumar Chanda ("**Petitioner**") alleging signature forgery and cheating vis-à-vis mis-selling against Edelweiss Life. The matter is currently pending.

(v) Regulatory proceedings involving Edelweiss Life

1. The Insurance Regulatory and Development Authority ("**IRDAI**") issued a show cause notice dated January 18, 2024 ("**SCN**") to Edelweiss Life, in relation to change in its shareholding, without obtaining prior approval of IRDAI. Pursuant to this, Edelweiss Life filed its reply on February 6, 2024. Thereafter, IRDAI has by an order dated April 4, 2024, imposed a monetary penalty of ₹ 2 million on Edelweiss Life and directed Edelweiss Life to place before its board of directors the said order. Edelweiss Life has paid the penalty on April 22, 2024. Further, Edelweiss Life has placed before its board of directors the order dated April 4, 2024 in the meeting held on May 7, 2024, and the minutes of the meeting have subsequently been submitted to the IRDAI on May 21, 2024.

2. Edelweiss Life received a show cause notice dated November 29, 2024 ("**SCN**") from the Deputy Commissioner of Commercial Taxes to show cause in relation to outstanding tax liabilities including liabilities under the Karnataka Goods and Services act, 2017. The SCN pertains to an alleged tax liability of ₹ 5402.38 million, for the outstanding liabilities and contravention for the period from April, 2020 to March, 2021, and alleges contraventions relating to the wrongful availment and utilization of excess input tax credit, as well as the issuance of credit notes for transactions during the said period. In response to the SCN, Edelweiss Life is required to submit its reply to the alleged violations specified by the SCN within 30 (thirty) days of the receipt of the SCN. Edelweiss Life is in the process of replying to the said SCN.

G. <u>Edelweiss Rural & Corporate Services Limited (erstwhile Edelweiss Commodities Services Limited) ("ERCSL")</u>

(i) Civil proceedings filed by ERCSL

Nil

(ii) Criminal proceedings filed by ERCSL

1. Edelweiss Agri Value Chain Limited (now merged with Edelweiss Rural and Corporate Services Limited) registered FIR on September 19, 2017 in Jasdan Police Station, Rajkot against Mahendrabhai Gida-Guard, Ashokbhai Dhadhal-Gunman, Babubhai Bhayabhai Ramani, Sanjaybhai Khimjibhai, Shambhubhai Jivabhai Ramani, Mansukhbhai Khimjibhai Ramani, Ravjibhai Ramani, and Sanjaybhai Ramani (collectively the "**Accused**") under Sections 406,409,420,435, 120B and 114 of IPC for committing intentional act of fire at warehouse. The Investigating office, Jasdan Police Station registered criminal case on August 6, 2019 before Taluka Court, Jasdan against accused and filed the charge-sheet. The matter is currently pending.

(iii) Civil proceedings filed against ERCSL

Other than as mentioned under "*Civil proceedings against EIAL"* and "*Civil proceedings against ECL Finance*", there are no other civil proceedings filed against ERCSL.

(iv) Criminal proceedings filed against ERCSL

1. ERCSL (formerly known as Comfort Project Limited/Edelweiss Trading and Holding Limited and now known as ERCSL) has been served with the notice dated February 15, 2019 from the EOW – National Spot Exchange Limited – Special Investigation Team, Mumbai issued under Section 91 of the Cr. PC *inter-alia* informing that department is investigating the offences registered against National Spot Exchange Limited, its directors, Financial Technologies (India) Limited (now 63 Moons Technologies Limited), its directors, borrowers, brokers and others for committing serval acts of forgery and criminal breach trust. Further, EOW is investigating complaint of SEBI against 300 brokers. ERCSL furnished all the information as called for by EOW. The matter is currently pending.

2. ERCSL received a notice under Section 91 of Cr. PC on February 3, 2020 ("**Notice**") from a Senior Police Inspector, Turbhe, *inter-alia* directing ERCSL to produce certain information, in respect of the criminal case registered against ERCSL under the Essential Commodities Act, 1955 and Maharashtra Scheduled Commodities Wholesale Dealers Licensing Order, 2015. Furthermore, ERCSL has also received a notice from the Office of the Deputy commissioner of Police, Cyber Crime Cell/EOW ("**Police**") dated August 16, 2016, regarding alleged hoarding of pulses. All information sought by the authorities has been duly provided. The matter is currently pending.

3. The Deputy Controller of Rationing, Civil Supply Department of Maharashtra ("**Authority**") issued a SCN dated October 23, 2015, October 30, 2015, October 31, 2015 and October 31, 2015 to ERCSL for violation of applicable stock limits on imported pulses under the Essential Commodities Act, 1955 ("**Act**") resulting in seizure of the stock stored at various warehouses by the Authority which was subsequently released and registration of an FIR under the Act. The matter is currently pending.

4. ERCSL received a notice from Office of the Deputy Commissioner of Police, Cyber Crime Cell / EOW ("**Police**") on August 16, 2016, in relation to a complaint received by the Police, regarding alleged cartelization and nexus of importers-traders causing artificial scarcity of pulses. The matter is currently pending.

5. Food Safety and Standards Authority of India ("**FSSAI**") filed a complaint before Additional Chief Judicial Magistrate, Kasganj ("**the Court**") against erstwhile Edelweiss Agri Value Chain Limited (now merged with ERCSL) and Neeresh Kumar, an employee of ERCSL, for alleged violation of Section 31(1) of the Food Safety and Standards Act, 2006 for storing of commodities in warehouse without having Food Safety and Standards Authority of India license. The matter is currently pending.

(v) Regulatory proceedings involving ERCSL

1. Edelweiss Commodities Services Limited (now known as ERCSL), has been served with a letter from the ED on August 26, 2016, concerning an enquiry for an alleged violation of the provisions of the Foreign Exchange Management Act, 1999 in relation to import of pulses by commodities importer Personal appearances of the ERCSL's executives were sought and the same have been complied with. A SCN was issued by the authorities to the ERCL and the then directors/key executives in this matter in August 2021 and the same has been responded in December 2021. Mr. Venkatchalam A Ramaswamy, Executive Director & Mr. Rujan Panjwani former Executive Director, Edelweiss Financial Services Ltd, received the said notice in their capacity as directors of ERCSL. No further information has been sought by the office of ED and the matter is pending before the authorities since then.

H. <u>Nido Home Finance Limited (formerly known as Edelweiss Housing Finance Limited) ("Nido")</u>

(i) Civil proceedings filed by Nido

Nil

(ii) Criminal proceedings filed by Nido

1. Nido filed a complaint before the Senior Police Inspector, Bandra Kurla Complex Police Station, Mumbai ("**Authority**") *vide* its letter dated November 19, 2014 against Sachin R. Jayswal and Ratan Ram Jayswal and others (collectively, the "**Accused**") for cheating and forgery in relation to a property situated at Shree Samarth Ashirwad Apartment, Thane, Maharashtra ("**Secured** Property"). Subsequently, Nido also filed an FIR dated January 20, 2015 under Section 154 of the Criminal Procedure Code, 1973 against the Accused before the Authority. Subsequently, Nido filed an application under Section 14 of the SARFAESI Act on September 22, 2016, before Court of District Magistrate, Thane ("**Court**") seeking possession of the Secured Property. Pursuant to which an order dated November 19, 2016 was passed by the Court directing Tahsildar, Thane to take possession of the Secured Property and to handover the articles present in the Secured Property to Nido. Subsequently, Reshma Khan, instituted a special civil suit dated April 19, 2017 before the Civil Judge, Senior Division, Thane against Nido and the Executive Magistrate, Thane Tahsildar Office Station, Thane ("**Defendants**") praying, *inter alia,* to declare Reshma Khan as the legal owner of the Secured Property, to restrain the Defendants from taking possession of the Secured Property. The matter is currently pending.

2. Nido filed a complaint before the Senior Police Inspector, Chaturshrungi Police Station, Pune against Sachin Yashwant Rananaware and Nilam Sachin Rananaware (collectively, the "**Accused**") *vide* its letter dated July 28, 2016 alleging fraud and cheating with reference to a property situated at Chaya Smruti, Pune, Maharashtra ("**Secured Property**"). Subsequently, Nido filed an application dated August 9, 2016, before District Magistrate, Pune ("**Authority**") under Section 14 of the SARFAESI Act seeking possession of the Secured Property. Thereafter, an order dated March 20, 2017 was passed by the Authority directing authorised personnel to take physical possession of the Secured Property. Thereafter, Anil Kenjalkar filed a case before DRT, Pune inter-alia challenging taking of symbolic possession and other incidental reliefs. The matter is currently pending with DRT.

3. Nido issued a notice dated October 20, 2016 to P. Aravindan and A. Aruna (collectively, the "**Accused**") under Section 13(2) and thereafter under Section 13 (4) of the SARFAESI Act for payment of the amount due to Nido in relation to charge created on the property under a home loan dated August 30, 2014 entered between Nido and the Accused ("**Home Loan Agreement**") and issued a subsequent notice for taking possession of the charged property in relation to the Home Loan Agreement. The matter is currently pending. Thereafter, Nido filed a complaint against P. Aravindan and

Tholkappian, and the former employees of Nido, J. Vinayagamoorthy, K. Babu and B. Saravanan before the Commissioner of Police, Egmore, Chennai *vide* its letter dated September 27, 2017 alleging forgery of 'Know Your Customer' ("**KYC**") documents and other transactional documents in relation to the Home Loan Agreement. The Accused are presently in judicial custody and the matter is currently pending.

4. Nido issued a notice dated October 20, 2016 to Prem Anand ("**Accused**") under Section 13(2) of the SARFAESI Act for payment of the amount due to Nido in relation to charge created on the property under a home loan dated January 1, 2015 entered between Nido and the Accused ("**Home Loan Agreement**") and issued subsequent notice under Section 13 (4) of SARFAESI Act dated January 3, 2017 for taking possession of the charged property in relation to the Home Loan Agreement. Thereafter, Nido filed a complaint against the Accused and Tholkappian, and the former employee of Nido, J. Vinayagamoorthy before the Commissioner of Police, Egmore, Chennai *vide* its letter dated September 27, 2017 alleging forgery of 'Know Your Customer' ("**KYC**") documents and other transactional documents in relation to the Home Loan Agreement. The matter is currently pending.

5. Nido disbursed a loan to V3 Mobi Communications Private Limited for an amount of ₹ 20.05 million on December 31, 2017. V3 Mobi Communications Private Limited had been defaulting since March 2018 and was declared a NPA in August 2018. Nido filed a complaint to the Police and EOW, New Delhi on June 29, 2018. The complaint has been registered with EOW and the FIR was lodged on dated September 28, 2018, by the EOW for committing fraud by Om Prakash Singh and Amarjeet Singh for providing security over such asset(s) which were already charged in favour of Punjab National Bank. Subsequently, both Om Prakash Singh (director of V3 Mobi Communications Private Limited) and Amarjeet Singh (seller of the secured asset/residential property), were arrested by EOW. Vide orders dated June 16, 2022, and June 24, 2022, the Om Prakash Singh and Amarjeet Singh were released on conditional bail, which was subsequently cancelled on December 12, 2022. The matter is currently pending.

6. Nido issued a notice dated January 20, 2016, against Somprashant M. Patil and Sonali S. Patil (collectively, the "**Accused**") under Section 13(2) of the SARFAESI Act") and subsequent notice dated March 29, 2016 under Section 13(4) of the SARFAESI Act to the Accused intimating them about the symbolic possession of the mortgaged property by Nido. Further, Nido received notices dated July 15, 2015 and April 25, 2016 from Chinchwad Police Station seeking certain documents in relation to the loan granted by Nido to the Accused, pursuant to an FIR filed by Ganpat Datta Salunkhe against the Accused, to which Nido has provided the relevant documents. The matter is currently pending.

7. Rayabarapu Ranapratap availed loan from Nido for purchase of Plot at Enumamula Location. In the year 2001, Kasarala Laxminarsimha Rao; Kasarala Ranga Rao; and Kodari Sadanandam, executed the registered sale deed in favour of Betheli Santosh Kumar. In the year 2012, Betheli Santosh Kumar executed the General Power of Attorney dated February 23, 2012, in favour of Masna Sampath Kumar and cancelled it in the year October 2015, in the same month Betheli Santosh Kumar executed self-declaration deed for change of boundaries. Nido has filed a criminal complaint on February 9, 2019, against Rayabarapu Ranaprathap under various sections of IPC for showing the non-existing property and obtained the loan amount fraudulently before PS Hanmakonda Warangal District. The matter is currently pending.

8. Nido has filed a criminal complaint on January 13, 2020, against Pawan Kumar Goel under various sections of IPC for showing the non-existing property and obtained the loan amount fraudulently on February 22, 2018 before Station Head Officer Barakhamba Road, New Delhi. The matter is currently pending for investigation.

9. Nido filed five separate criminal complaints against its borrowers, Amit Sesmal Jain and nine others before EOW, Pune under various sections of Criminal Procedure Code for fraudulently siphoning off Nido's money amounting to ₹ 14 million while availing home loan facility from the Pune Branch. These cases and matters are pending for inquiry.

10. Nido had provided a home loan of ₹ 1.6 million to Ajaykumar Ashokkumar Raut (Borrower). The Borrower turned delinquent and on carrying out further checks from the Maharashtra IGR portal, Department of Registration & Stamps it was found that borrower in connivance with seller submitted fraudulent registered property agreements to Nido towards home loan. The Borrower had also fraudulently obtained multiple financing from other financial institutions on the same property. Currently, the charge of other financial institutions including Nido is registered on subject property. Nido has filed an application under Section 14 of SARFAESI Act before District Magistrate Court, Nagpur on December 08, 2020, and said matter is pending for orders from District Magistrate.

11. Nido had provided Home Loan of ₹ 3.06 million to Amol Jalinder Phuge (Borrower). The Borrower turned delinquent and on carrying out further checks, it was found that Borrower had created multiple property documents and had availed

loans from other financial institutions on the same property. Charge of other financial institutions is registered by virtue of Notice of Intimation (NOI) however charge of Nido Home Finance Limited (Nido) is first as Nido disbursement is prior to other financial institutions. Nido has filed application under Section 14 of SARFAESI Act before District Magistrate Court, Pune. The matter is currently pending before Tahsildar, Pune for fixation of appointment to take physical possession of property as per order passed by District Magistrate. The matter is pending.

12. Nido had provided Home Loan of ₹ 2 million to Bhausaheb Balasaheb Jahdav (Borrower). The Borrower turned delinquent and carrying out further checks, it was found that Borrower fraudulently opened account in builder's name, siphoned off the loan amount and registered Cancellation Sale Deed. Builder sold the subject property to another buyer without intimating to Nido. Though Nido yet to initiate SARFAESI Act proceedings, Nido reported this case as fraud to NHB. Further, on July 29, 2022, Nido filed a criminal complaint with Khed Police Station, Pune against the Borrowers and one Mrs. Sunita Deepak Ghumatkar, Builder for criminal conspiracy and cheating. The matter is pending for investigation.

13. Nido had provided Home Loan of ₹ 2 million to Divya Flora Sundaram Gollapalli ("**Borrower**"). The Borrower turned delinquent and on carrying out further checks, it was found that borrower had submitted fraudulent property papers/registered agreements, unavailability of layout plan, mismatch in dimensions of property stated in Sale Deed, Technical report vis-à-vis property taken as collateral. The Borrower is not traceable, and property is in the possession of some third party who is claiming the owner of property. Nido has filed Criminal complaint with SR Nagar Police Station, Hyderabad City against Borrower on September 8, 2020. The matter is pending for investigation.

14. Nido had provided Home Loan of ₹ 7.4 million to M Hanumantha Rao ("**Borrower**"). The Borrower turned delinquent and on carrying out further checks, it was found that builder had done multiple transactions on the subject property and sold property to multiple buyers. Builder has provided fraudulent registered property agreement to Borrower which was submitted to Nido Home Finance Limited towards Home Loan. Builder is absconding and not traceable. Currently, subject property is occupied by third parties and claiming owner of the property. Nido has filed criminal complaint on September 24, 2020, against Borrower at Koramangala Police station, Bangalore. The matter pending for investigation.

15. Nido had provided Home Loan of ₹ 2 million to Menta Bhanuprakash ("**Borrower**"). The Borrower turned delinquent and on carrying out further checks, it was found that Borrower defrauded Nido by submitting colour xerox/fake property documents. Subject property falls under Prohibited Property List. Nido has filed application u/s 14 of SARFAESI Act before District Magistrate Court, Nellore on December 22, 2019 and said is pending for order from District Magistrate, Nellore. The matter is pending.

16. Nido had provided Home Loan of ₹ 4.99 million to Rajkumar Silarpur ("**Borrower**"). The Borrower turned delinquent and on carrying out further checks, it was found that Borrower had misrepresented the facts about seller and submitted invalid Sale Deed. General Power of Attorney (GPA) basis which Sale Deed was executed was not valid as Seller was not alive at the time of execution and consequently Sale Deed also becomes invalid. Property is in the possession of some third party, B. Karunakar ("**Third Party**"), who is claiming the owner of property and alleging to be the original owner of the Secured Property, the Third Party has filed application before DRT on October 06, 2020 against Nido alleging to be the original owner of mortgaged property, which pending for hearing. Nido has filed application under Section 14 of SARFAESI Act before District Magistrate Court, Secunderabad on January 08, 2021 and is pending for orders. The matter is pending.

17. Nido had provided Home Loan of ₹ 1.5 million to Yernamma Kommineni ("**Borrower**"). The Borrower turned delinquent on carrying out further checks, it was found that Borrower in connivance with seller defrauded Nido by misrepresenting the facts and creating false profile and submitted fake business and income documents. The Borrower is not traceable. Property was overvalued by more than ₹ 1.9 million. (at acquisition - ₹ 3 million and latest valuation - ₹ 1.08 million) Valued property (Near to highway/main road) and the property as per Sale Deed (lies in interiors) both are different. Subject property is into the interiors. Nido has sold the property in auction to third party. Nido is in process of filing OA (Original Application) for loss on sale before DRT. Though Nido yet to initiate SARFAESI Act proceedings, Nido reported this case as fraud to NHB.

18. Nido had provided home loan of ₹ 10.5 million to Jitendra Dalchand Jain and Kavita Jain ("**Borrowers**"). The Borrowers turned delinquent, and on carrying out further checks, it was found the Borrowers in connivance with the developer have defrauded Nido by misrepresenting the unit numbers being mortgaged with Nido, submitted forged approved plan and issuing NOC, Receipts and entering into a registered sale deed for non-existent properties by the developer. The

developer fraudulently submitted a plan where the Permanent Transit Cam ("**PTC**") were shown as free sale units, and the Slum Redevelopment Authority ("**SRA**") stamp and correct approval number was put on the fabricated plan. On February 25, 2021, Nido filed criminal complaint against Borrowers, and Neeraj M Ved, Proprietor of Shreenath Corporation, Builders and Developers of Forgery, Criminal Breach of Trust and Cheating with BKC Police Station, Bandra, Mumbai. The Complaint is pending for investigation.

19. Nido had provided Home Loan of ₹ 14.2 million to Nikesh Mohan Gajara and Gitaben Mohanlal Gajara ("**Borrowers**"). The Borrowers turned delinquent, and on carrying out further checks, it was found that the Borrowers in connivance with the developer have defrauded Nido by misrepresenting the unit numbers being mortgaged with Nido, submitted forged approved plan and issuing NOC, Receipts and entering into a registered sale deed for non-existent properties by the developer. The developer fraudulently submitted a plan where the Permanent Transit Cam ("**PTC**") were shown as free sale units, and the Slum Redevelopment Authority ("**SRA**") stamp and correct approval number was put on the fabricated plan. On February 25, 2021, Nido filed criminal complaint against Borrowers, and Neeraj M Ved, Proprietor of Shreenath Corporation, Builders and Developers **("Accused")** of Forgery, Criminal Breach of Trust and Cheating with BKC Police Station, Bandra, Mumbai. On November 08, 2023, FIR being No. 662 of 2023 was registered against Accused under Sections 409, 420, 465, 467, 471 and 34 of the IPC before the Bandra Kurla Complex police station. The investigation is pending.

20. Nido had provided home loan of ₹ 1.96 million to Ganesh Shankar Rakshe and Rupali Ganesh Rakshe ("**Borrowers**"). The Borrowers turned delinquent and on carrying out further checks, it was found that the Borrowers have availed multiple loans against mortgaged home loan property from various other banks and financial institutions by submitting forged documents. Nido therefore, issued a demand notice dated April 30, 2019, to the Borrowers under Section 13(2) of SARFAESI Act for payment of outstanding amounts. Subsequently, Nido also filed a criminal complaint against the Borrowers ("**Accused**") vide its letter dated March 04, 2021 with reference to mortgage home loan against property situated at California Heights, Pune, Maharashtra, ("**Secured Property**"), before the Senior Police Inspector, Chaturshrungi Police Station, Pune for fraud and cheating committed by the Accused. The complaint is pending for investigation.

21. Nido had provided home loan of ₹ 2.36 million to Aashish Nandkumar Gaikwad and Sonali Aashish Gaikwad ("**Borrowers**"). The Borrowers turned delinquent and on carrying out further checks, it was found that the Borrowers have availed multiple loans against mortgaged home loan property from various other Banks and Financial Institutions by submitting forged documents. Nido therefore, issued a demand notice dated September 29, 2019, to the Borrowers under Section 13(2) of SARFAESI Act. Subsequently, Nido filed a criminal complaint against the Borrowers ("Accused") vide its letter dated June 22,2021 with reference to mortgage home loan property situated at Samarth Residency, in Pune, Maharashtra ("**Secured Property**"), before the Senior Police Inspector, Chaturshrungi Police Station, Pune for fraud and cheating committed by the Accused. The Complaint is pending for investigation.

22. Nido, filed a criminal complaint dated December 4, 2021, before the Dy. Commissioner of Police- Central, Faridabad, Haryana against: (i) Manish Kumar Pandey, (ii) Haribansh Kumari Pandey and (iii) Raghav Sharma (collectively, the "**Accused**") for committing offence of criminal breach of trust, fraud, cheating punishable under various provisions of IPC while availing mortgage loan against property situated at Sector 28, Housing Board Colony, Faridabad, Haryana. It is alleged that the accused persons have submitted the forged title and loan documents and availed a loan of ₹ 15 million. Subsequently, under detailed verification it was revealed that the original property owner was deceased much prior to executing sale deed/title deed and Accused persons obtained the loan against forged documents. Nido reported a fraud case to central fraud monitoring cell, RBI, Bengaluru and department of Non-Banking Supervision, RBI, Mumbai as well as NHB, Department of Supervision, New Delhi. The investigation is currently pending.

23. Nido filed a criminal complaint dated February 24, 2022 before the In-charge, Police chowki, Sector 28, Faridabad, Haryana against Renu Dialani, Vinay Kumar Bhatia, Vishal Pawar, DSA namely Pramod Agarwal, Rekha Agarwal, Mrs. Veena Pahwa, Kuldeep Arya alias Kuldeep Pundir (collectively, the "**Accused**") for committing offence of criminal breach of trust, fraud, cheating punishable under various provisions of IPC while availing mortgage loan against property situated at Sector 28, Housing Board Colony, Faridabad, Haryana. Nido reported this case as fraud to Central Fraud Monitoring Cell, RBI, Bengaluru and Department of Non-Banking Supervision, RBI, Mumbai as well as NHB, Department of Supervision, New Delhi. - Further as regards to recovery of outstanding amount Nido initiated arbitration proceedings at Mumbai claim amount ₹8.62 million, pursuant to which an arbitration award dated September 24, 2022 was passed which entitled Nido to claim entire outstanding amount up to the date of termination of agreement. The matter is currently pending.

24. Nido filed a criminal complaint dated March 7, 2022 before the In-charge, Police chowki, Sector 28, Faridabad, Haryana against 1) Pramod Agarwal, 2) Vishal Pawar, DSA, 3) Ms. Smita Singh, 4) Abhishek Singh, 5) Smt. Kusum Praveen, 6) Kuldeep Arya alias Kuldeep Pundir, 7) Ms. Chetna Agarwal and 8) Gaurav Agarwal **(collectively, the "Accused")** for committing offence of criminal breach of trust, fraud, cheating punishable under various provisions of IPC while availing home loan against property situated at KLJ Platinum Plus, Faridabad, Haryana. The Accused persons have submitted the forged title and loan documents, while availing mortgage loan of ₹ 2.95 million. Subsequently, under detailed verification it is revealed that the Borrowers, Accused Nos. 3 & 4 are not original owners of the mortgaged property and property has been claimed by the Accused Nos. 7 and 8 i.e. the daughter and son-in-law of the Accused No. 1 under gift deed. Nido also reported this case as Fraud to Central Fraud Monitoring Cell, RBI, Bengaluru and Department of Non-Banking Supervision, RBI, Mumbai as well as NHB, Department of Supervision, New Delhi. The investigation is currently pending. Nido also initiated arbitration proceedings against the Borrowers, pursuant to which an arbitration award dated September 24, 2022, was passed which entitled Nido to claim entire outstanding amount up to the date of termination of agreement. The matter is currently pending.

(iii) Civil proceedings filed against Nido

Except as disclosed under "*Litigation involving Subsidiaries – Civil Proceedings against EARC*" there are no other civil proceedings against Edel Finance

(iv) Criminal proceedings filed against Nido

1. Nido sanctioned a mortgaged loan for an amount of ₹ 31.10 million as a loan to N. K. Proteins Limited ("**Borrower**") *vide* a loan agreement dated January 27, 2012, to purchase a property situated in Bhagtani Krishaang, Mumbai, Maharashtra ("**Suit Property**") from Jaycee Homes Limited. A no-objection certificate for mortgage of suit property dated January 23, 2012 was issued by Jaycee Homes Limited in favour of Nido. A notice dated August 26, 2013 was issued to the Borrower for recall of the total loan amount sanctioned to which no reply was received by Nido. Thereafter, an FIR dated September 30, 2013, was registered against the National Spot Exchange Limited, its borrowers and trading members including the Borrower. Pursuant to the investigation conducted by the EOW, Mumbai Police,("**Authority**") the proceeds of Suit Property were identified as fraud *vide* its provisional attachment order dated August 27, 2014, which was confirmed vide an order dated February 20, 2015 ("**Impugned Order**"). Nido received a SCN dated September 30, 2014 issued by the Authority seeking for confirmation of the provisional attachment through the Impugned Order. Subsequently, Nido filed a writ petition before the Delhi High Court **("High Court**") against the Impugned Order and the SCN. The High Court granted a stay on the Impugned Order vide its interim order dated December 18, 2014 and directed to file a petition before the Bombay High Court. The Bombay High Court disposed the writ petition filed by Nido *vide* its order dated November 28, 2016, granting liberty to Nido to approach the Appellate Tribunal, New Delhi ("**Tribunal**") under the PMLA. Nido filed an appeal dated January 5, 2017 before the Tribunal under Section 26 of the Act for quashing of the Impugned Order passed by the Authority. The matter is currently pending.

(v) Regulatory proceedings involving Nido

1. Nido received a SCN dated June 30, 2020, issued by the NHB seeking reasons as to why the penalty of ₹ 0.01 million in terms of the provisions of the National Housing Bank Act, 1987, should not be imposed on Nido inter alia for having non- adherence of certain policy circular. Nido has submitted its reply on SCN on July 21, 2020. The NHB vide its email dated October 15, 2020, has sought for additional information. Nido has submitted its reply on October 19, 2020. No further information has been sought by the NHB.

2. Nido received a SCN dated September 01, 2022 issued by RBI, Enforcement Department, Mumbai for alleged acts of omissions & non-compliance with the directions issued by RBI under the National Housing Bank Act, 1987 with respect to change in shareholding of Nido and submits its reply before September 20, 2022. Nido filed its reply dated September 19, 2022 within specified timeline and requested for personal hearing in the matter. In furtherance to the said Notice on shareholding, NHB requested for certain documents vide email dated September 24, 2022 & October 10, 2022, with respect to reasons for change, relevant agreement etc. Accordingly, Nido submitted its written reply vide email on October 10, 2022, and October 19, 2022, respectively. As requested by Nido, RBI scheduled a personal hearing on February 21, 2023, however, same stands postponed. RBI re-scheduled the personal hearing, which was concluded on July 28, 2023. Further, RBI in exercise of its powers conferred under provisions of clause (b) of sub-section (1) of Section 52A read with clause (aa) of sub-section (3) of Section 49 of the National Housing Bank Act, 1987 has by an order dated September 13, 2023, imposed a monetary penalty of ₹ 0.15 million on Nido in the said matter. Nido has paid the said monetary penalty imposed by RBI, on September 17, 2023.

3. Nido received a SCN dated February 27, 2024, issued by RBI, Enforcement Department, Mumbai for alleged acts of omissions & non-compliance with the directions issued by RBI under the National Housing Bank Act, 1987 with respect to Paragraph 85.6 and 85.7 of Chapter XII of Non- Banking Financial Company – Housing Finance Company (Reserve Bank) Directions, 2021 and Paragraph ll (3) and (4) of Annex of RBI circular on co-lending by Banks and NBFCs to Priority Sector. Nido submitted its reply to the SCN on March 18, 2024 and requested for in person hearing in the matter. Nido was accorded an opportunity for personal hearing on July 11, 2024. Nido has received an order dated August 12, 2024, from the RBI imposing a penalty of ₹ 0.5 million on Nido for non–compliance with Paragraph ll (3) and (4) of Annex of the RBI Directions on 'Co-Lending by Banks and NBFCs to Priority Sector' with respect to its financial position as on March 31, 2022. Nido has duly paid the penalty to RBI on August 13, 2024.
4. Nido received letters dated February 9, 2024 bearing reference numbers SEBI/HO/DDHS-SEC- 1/P/OW/2024/5800/1 and SEBI/HO/DDHS-SEC-1/P/OW/2024/5819/1 from the Securities Exchange Board of India ("**SEBI Letter**") in connection with incentives provided to certain category of investors of the non–convertible debentures issued by Nido in accordance with the terms stipulated under certain public issuances of debentures between August 9, 2021 until November 30, 2023. SEBI pursuant to its notice dated June 14, 2024 addressed to Nido, has issued a notice for summary settlement of the probable proceedings under the SEBI (Settlement Proceedings) Regulations, 2018 as provided in the SEBI Letter. Nido has filed a settlement application dated July 12, 2024, paying the corresponding processing fees for the settlement application and remitted the settlement amount of ₹ 0.75 million. The settlement order is pending.

5. The BSE pursuant to its communication dated August 30, 2024 levied a fine of ₹ 0.03 million on Nido for delay in submission of notice of record date for three debt ISINs for the month ended July, 2024. Nido has paid the fine levied, under protest, on September 5, 2024 and submitted request for waiver of fines. The waiver request was approved by BSE and intimated to Nido pursuant to email dated September 20, 2024.

I. Edelweiss Asset Management Limited ("EAML")

(i) Civil proceedings filed by EAML

Nil

(ii) Criminal proceedings filed by EAML

1. A Complaint was filed before Additional Chief Metropolitan Magistrate, 71st Court, Bandra by EAML against Anil Nath ("**Accused**") *inter-alia* for the offences of criminal defamation, under Section 499 of the IPC for the defamation and loss of reputation caused to EAML, due to the acts and actions of the Accused. The matter is currently pending.

(iii) Civil proceedings filed against EAML

Nil

(iv) Criminal proceedings filed against EAML

1. Edelweiss Arbitrage Fund has been served with a SCN dated January 10, 2019, from the office of Registrar / Adjudicating Authority, PMLA, New Delhi to appear before Adjudicating Authority, PMLA, New Delhi to show cause in connection with the provisional attachment order dated December 8, 2018, for the investment made by one of the client, Mainak Agency Private Limited for a value of about ₹ 3.51 million for having alleged role in the unethical dealing in the case of Agusta Westland, Italy VVIP helicopter case. On March 25, 2019, EAML, being investment manager filed its reply inter-alia conforming freeze of concerned mutual fund account and fluctuation of value of units depending upon NAV at the time of redemption. The Adjudicating Authority vide an order dated May 30, 2019 confirmed the provisional attachment Order dated December 8, 2018. Pursuant thereto, Edelweiss Arbitrage Fund received a notice dated June 8, 2019 from the Adjudicating Authority directing to handover the investments lying in mutual fund account(s) of captioned clients. Accordingly, Edelweiss Arbitrage Fund liquidated the investments on June 26, 2019, and transferred the sale proceeds to bank accounts of the Adjudicating Authority. The matter is currently pending.

(v) Regulatory proceedings involving EAML

1. SEBI issued a show cause notice dated January 04, 2024 ("**Notice**") to EAML and its key managerial personnels ("**Noticees**") alleging that the Edelweiss Focused Fund had deviated from the prescribed asset allocation (30 stocks) in violation of certain circulars and regulation issued by SEBI including the circular dated October 06, 2017. The Noticees filed their replies to the Notice on February 2, 2024, contesting the alleged violations. Subsequently, the Noticees

submitted a settlement application dated February 13, 2024, while continuing to dispute the alleged violations. However, the settlement application was later withdrawn on May 10, 2024. SEBI issued its final adjudication order dated October 25, 2024 (along with a corrigendum dated October 28, 2024), levying a penalty of ₹0.80 million on EAML and ₹0.40 million each on Radhika Gupta and Trideep Bhattacharya for the violations. In the order, SEBI observed that the violations did not result in any quantifiable or established disproportionate gain, unfair advantage, or consequential loss to any investor or group of investors, nor did they generate profits for the Noticees. Further, SEBI noted that there was no evidence to indicate that the violations were repetitive in nature. The deadline to pay the penalty is December 9, 2024. While EAML and Mr. Trideep Bhattacharya have paid the penalty on December 7, 2024, and November 27, 2024, respectively. Further, Ms. Radhika Gupta (one of the Noticees and key managerial personnel of EAMPL) has filed an appeal against the order dated October 25, 2024 and the impugned order has been stayed. The matter remains pending.

J. <u>Comtrade Commodities Services Limited (formerly known as Edelweiss Comtrade Limited) ("Comtrade Commodities")</u>

(i) Civil proceedings filed by Comtrade Commodities

Nil

(ii) Criminal proceedings filed by Comtrade Commodities

Nil

(iii) Civil proceedings filed against Comtrade Commodities

Nil

(iv) Criminal proceedings filed against Comtrade Commodities

1. Comtrade Commodities has been served with the notice dated January 9, 2019 from the office of EOW, Special Investigation Team, Mumbai issued under Section 91 of the Criminal Procedure Code *inter-alia* informing that the department is investigating the offences registered against National Spot Exchange Limited, its directors, Financial Technology India Limited, its directors, borrowers, brokers and others for committing serval acts of forgery and criminal breach trust pursuant to criminal conspiracy hatched by them.

2. Comtrade Commodities has been served with the Notice dated February 15, 2019 on March 16, 2019 from the office of EOW, National Spot Exchange Limited – Special Investigation Team, Mumbai issued under Section 91 of the Criminal Procedure Code inter-alia informing that department is investigating the offences registered against National Spot Exchange Limited, its directors, Financial Technologies (India) Limited (now 63 Moons Technologies Limited), its directors, borrowers, brokers and others for committing serval acts of forgery and criminal breach trust pursuant to criminal conspiracy hatched by them. EOW is investigating the complaint of SEBI against 300 brokers for illegal trading on the National Spot Exchange Limited. EOW, directed to provide the information along with supporting documents like original membership form with agreement with National Spot Exchange Limited, certified Registrars of Companies' documents, PAN card, volume of trades, brokerage etc. and attend the office of EOW to record statement. Edelweiss Comtrade *vide* its letter dated March 25, 2019 provided the required details as called for. EOW vide it's another notice dated October 28, 2021, called upon Comtrade Commodities for further submission of information and personal attendance for the further investigation of the matter. Comtrade Commodities vide its reply dated November 15, 2021 submitted various documents requested by EOW. Later, Comtrade Commodities provided additional documents vide reply dated January 21, 2022 that were requisitioned by EOW vide its notice dated December 31, 2021.The investigation is currently pending.

(v) Regulatory proceedings involving Comtrade Commodities

1. On September 26, 2018, Comtrade Commodities has been served with a SCN dated September 25, 2018 from SEBI (Designated Authority), Enquiries and Adjudication Department, Mumbai issued under Section 25(1) of SEBI (Intermediaries) Regulations, 2008. The SCN was issued with respect to paired contracts in National Spot Exchange Limited. SEBI, thereafter, issued a supplementary show cause notice dated October 11, 2022. Pursuant to this, SEBI vide its order dated March 28, 2023, cancelled the registration of Comtrade Commodities as stock broker in the securities market ("**Order**"). Comtrade Commodities filed an appeal dated April 5, 2023, before SAT seeking the quashing and setting aside of the Order ("**Appeal**"). SAT, vide its order dated April 13, 2023, granted a stay on the effect and operation of the Order. Thereafter, SAT vide its order dated December 12, 2023 ("**Disposal Order**") disposed of the Appeal along with a group of appeals and directed SEBI to consider and frame a scheme of settlement within 3 (three) months from

the date of the Disposal Order, and further, extended the stay granted on the Order until disposal of the matter by SEBI as per the settlement scheme. Further, SAT vide its order dated March 14, 2024 allowed extension of 4 (four) months for coming out with a scheme of settlement with effect from March 11, 2024 as directed by SAT in the Disposal Order. The matter is currently pending.

K. <u>Edelweiss Global Wealth Management Limited ("EGWML")</u>

(i) Civil proceedings filed by EGWML

Nil

(ii) Criminal proceedings filed by EGWML

Nil

(iii) Civil proceedings filed against EGWML

Nil

(iv) Criminal proceedings filed against EGWML

1. EGWML received notice dated September 4, 2020, from EOW, Gurugram in regard to the complaint dated August 20, 2020 filed by one of it's the client Parinidhi Minda against EGWML officials Anshul Kapoor, Amit Saxena and Ashish Gopal and directed to attend personally along with necessary papers and documents to record statements. Subsequently, the complaint stands transferred to Police Station, namely, SEC-7, IMT, MSR, Manesar, District – Gurugram. EGWML and its officials, thereafter, received a notice dated October 27, 2020 from said Police Station to appear before Investigating Officer along with supporting documents for the purpose of recording statements. The inquiry is currently pending.

(v) Regulatory proceedings involving EGWML

Nil

L. <u>Ecap Securities and Investment Limited ("Ecap Securities")</u>

(i) Civil proceedings filed by Ecap Securities

Nil

(ii) Criminal proceedings filed by Ecap Securities

Nil

(iii) Civil proceedings filed against Ecap Securities

Except as disclosed under "*Litigation involving Subsidiaries – Civil Proceedings against EARC*" there are no other civil proceedings against Ecap Securities.

(iv) Criminal proceedings filed against Ecap Securities

Nil

(v) Regulatory proceedings involving Ecap Securities

Nil

M. <u>Edel Investments Limited ("Edel Investments")</u>

(i) Civil proceedings filed by Edel Investments

Nil

(ii) Criminal proceedings filed by Edel Investments

Nil

(iii) Civil proceedings filed against Edel Investments

1. Om Builders Private Limited ("Plaintiff") filed a suit against Orbit Abode Private Limited ("Defendant no. 1") and Edel Investments ("Defendant no. 2") before the Bombay High Court ("Court").The Plaintiff has filed the suit for declaration of the sale deed executed in favour of Defendant no. 2 for sale of 95% share in one fourth undivided share, right, title and interest in all that piece and parcel of land hereditaments and premises equivalent to 11,198 square yards equivalent to 9,363 square meters of Malabar Cumballa Hill Division together with the bungalow known as 'Kilachand House' by Defendant no.1, as null and void. The matter is currently pending.

(iv) Criminal proceedings filed against Edel Investments

Nil

(v) Regulatory proceedings involving Edel Investments

Nil

N. Zuno General Insurance Limited ("Zuno")

(i) Civil proceedings filed by Edelweiss Retail

Nil

(ii) Criminal proceedings filed by Edelweiss Retail

Nil

(iii) Civil proceedings filed against Edelweiss Retail

Nil

(iv) Criminal proceedings filed against Edelweiss Retail

Nil

(v) Regulatory proceedings involving Edelweiss Retail

1. Zuno General Insurance Limited had received show cause cum demand notice dated June 15, 2023 for ₹ 117.27 million from the Directorate General of GST Intelligence, Mumbai where the Authority has disputed input tax credit (ITC) availed of and utilised by the Company arising out of availment of certain services. Zuno has filed its reply on June 24, 2024.

2. Zuno had received an order dated December 22, 2023 from the Joint Commissioner, CGST & CX, Thane Commissionerate, for payment of GST on co-insurance premium transactions and reinsurance commissions amounting to ₹ 323.95 million and imposed a penalty of ₹ 32.39 million. Zuno has filed writ petition bearing WP No. ST 7463 of 2024 challenging the impugned order dated December 22, 2023. The respondents have filed their response to the writ petition. The matter is currently pending.

O. EAAA India Alternatives Limited (formerly known as Edelweiss Alternative Asset Advisors Limited) ("EAAA")

(i) Civil proceedings filed by EAAA

Nil

(ii) Criminal proceedings filed by EAAA

Nil

(iii) Civil proceedings filed against EAAA

Nil

(iv) Criminal proceedings filed against EAAA

Nil

(v) Regulatory proceedings involving EAAA

1. EAAA, in its capacity as the sponsor and investment manager of the Edelweiss Stressed and Troubled Assets Revival Fund Trust ("**ESTAR**"), which is also a noticee, received a show cause notice dated July 12, 2024 ("**SEBI SCN**") from SEBI under Rule 4(1) of the SEBI (Procedure for Holding Inquiry and Imposing Penalties) Rules, 1995, read with Section 15I and Section 15HB of the SEBI Act. The SEBI SCN alleges violations by EAAA, in its roles as investment manager and sponsor of ESTAR, of certain provisions of the SEBI (Alternative Investment Funds) Regulations, 2012, as well as circulars dated October 1, 2015, and June 19, 2014, and the master circular for AIFs dated May 7, 2024 (collectively, the "**AIF Circulars**").

   EAAA has submitted a reply to the SEBI SCN on August 28, 2024, denying the allegations. Additionally, a settlement application dated September 12, 2024, has been filed with SEBI and is currently pending.

2. EAAA filed a compounding application dated December 22, 2023, with the Reserve Bank of India (RBI) seeking compounding of a contravention under Schedule I of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident outside India) Regulations, 2000. The contravention pertained to a delay of 9 days in filing Form FC-GPR for the allotment of certain equity shares to Gamla Livförsäkringsaktiebolaget SEB Trygg Liv (PUBL). By way of an order dated April 02, 2024, the RBI accepted the compounding application subject to a monetary penalty of ₹14,167/-.

P. <u>Ecap Equities Limited ("ECap Equities")</u>

(i) Civil proceedings filed by ECap Equities

1. Ecap Equities ("Plaintiffs") has instituted Commercial Summary Suit No. 7440 of 2023 before the Hon'ble Bombay High Court against Variegate Real Estate Private Limited ("Defendants") seeking recovery of an aggregate sum of ₹239.85 million. The Plaintiffs had advanced an inter-corporate deposit ("ICD") to the Defendants amounting to ₹160 million, carrying an agreed interest rate of 15% per annum, along with default interest at the rate of 2% per annum, payable in the event of any delay in payment beyond September 29, 2020, which period was extendable by mutual agreement for an additional month. Despite repeated demands and reminders from the Plaintiffs, the Defendants have failed and neglected to repay the dues, resulting in an outstanding liability of ₹239.85 million. Consequently, the Plaintiffs have sought appropriate relief from the Hon'ble Court. The matter is currently pending.

(ii) Criminal proceedings filed by ECap Equities

Nil

(iii) Civil proceedings filed against ECap Equities

Nil

(iv) Criminal proceedings filed against ECap Equities

Nil

(v) Regulatory proceedings involving ECap Equities

Nil

Q. The EFSL and its Subsidiaries have filed numerous cases under Section 138 of the Negotiable Instruments Act, 1881, and under Section 25 of Payment and Settlement Systems Act, 2007 against their customers for dishonour of cheques. Further, in some of the cases, customers have filed appeal against the EFSL and its Subsidiaries. These cases are currently pending across different courts in India.

IV. Litigation involving the Trustee

As at the date of this Preliminary Placement Document, there are no material litigation or any outstanding criminal litigation or non-ordinary course regulatory actions against the Trustee.

V. Tax Proceedings

Details of all direct tax and indirect tax matters against the Anzen Trust, the InvIT Assets, the Sponsor, the Project Manager, the Investment Manager and their respective Associates, the Sponsor Group and the Trustee, as of the date of this Preliminary Placement Document, are as follows:

Sr. No.	Nature of Case	Number of cases	Amount involved (in ₹ million)
Anzen Trust and its Associates			
Anzen Trust			
1.	Direct Tax	-	-
2.	Indirect Tax	-	-
DMTCL			
1.	Direct Tax	-	-
2.	Indirect Tax	2	1.63
NRSS			
1.	Direct Tax	-	-
2.	Indirect Tax	-	-
Target Asset			
1.	Direct Tax	-	-
2.	Indirect Tax	-	-
Sponsor or Project Manager and its Associates and the Sponsor Group			
1.	Direct Tax**	13	1,288.88
2.	Indirect Tax	6	1,768.02
Investment Manager and its Associates*			
1.	Direct Tax	-	-
2.	Indirect Tax	-	-
Trustee			
1.	Direct Tax	-	-
2.	Indirect Tax	-	-

* *Please note we have considered material tax matters for the associates of the Investment Manager.*

** *Direct tax litigations involving Sponsor or Project Manager and its Associates and Sponsor Group include an amount of INR 445.5 million wherein the CIT(A) has accepted the return of income without any disallowances and demand. However, the department has gone under an appeal against the CIT(A) order.*

SECURITIES MARKET OF INDIA

The information in this section has been extracted from documents available on the website of SEBI and the Stock Exchanges and has not been prepared or independently verified by the Parties to the Anzen Trust or the Lead Managers or any of their respective affiliates or advisors.

The Indian Securities Market

India has a long history of organized securities trading. In 1875, the first stock exchange was established in Mumbai. The BSE and the NSE, together hold a dominant position among the stock exchanges in terms of the number of listed companies, market capitalisation and trading activity.

Stock Exchange Regulation

Indian stock exchanges are regulated primarily by SEBI, as well as by the Government acting through the Ministry of Finance, Capital Markets Division, under the Securities Contracts (Regulation) Act, 1956 ("**SCRA**") and the Securities Contracts (Regulation) Rules, 1957 ("**SCRR**"). SEBI, in exercise of its powers under the SCRA and the SEBI Act, notified the SCR (SECC) Regulations, which regulate *inter alia* the recognition, ownership and internal governance of stock exchanges and clearing corporations in India together with providing for minimum capitalisation requirements for stock exchanges. The SCRA, the SCRR and the SCR (SECC) Regulations along with various rules, bye-laws and regulations of the respective stock exchanges, regulate the recognition of stock exchanges, the qualifications for membership thereof and the manner, in which contracts are entered into, settled and enforced between members of the stock exchanges.

The SEBI Act empowers SEBI to regulate the Indian securities markets, including stock exchanges and intermediaries in the capital markets, promote and monitor self-regulatory organisations and prohibit fraudulent and unfair trade practices. Regulations concerning minimum disclosure requirements by public companies, rules and regulations concerning investor protection, insider trading, substantial acquisitions of shares and takeover of companies, buy-backs of securities, employee stock option schemes, stockbrokers, merchant bankers, underwriters, mutual funds, foreign portfolio investors, credit rating agencies and other capital market participants have been notified by the relevant regulatory authority.

Listing and Delisting of Units

The InvIT Regulations provide for listing and delisting of units of infrastructure investment trusts on the stock exchanges.

BSE

Established in 1875, it is the oldest stock exchange in India. In 1957, it became the first stock exchange in India to obtain permanent recognition from the Government under the SCRA. It has evolved over the years into its present status as one of the premier stock exchanges of India.

NSE

NSE was established by financial institutions and banks to provide nationwide online, satellite-linked, screen-based trading facilities with market-makers and electronic clearing and settlement for securities including government securities, debentures, public sector bonds and units. It has evolved over the years into its present status as one of the premier stock exchanges of India. NSE was recognised as a stock exchange under the SCRA in April 1993 and commenced operations in the wholesale debt market segment in June 1994. The capital market (equities) segment commenced operations in November 1994 and operations in the derivatives segment commenced in June 2000. NSE launched the NSE 50 Index, now known as S&P CNX NIFTY, on April 22, 1996 and the Mid-cap Index on January 1, 1996.

Internet-based Securities Trading and Services

Internet trading takes place through order routing systems, which route client orders to exchange trading systems for execution. Stockbrokers interested in providing this service are required to apply for permission to the relevant stock exchange and also have to comply with certain minimum conditions stipulated by SEBI. The NSE became the first exchange to grant approval to its members for providing internet-based trading services. Internet trading is possible on both the "equities" as well as the "derivatives" segments of the NSE.

Trading Hours

Trading on both the NSE and the BSE occurs from Monday to Friday, between 9:15 a.m. and 3:30 p.m. IST (excluding the 15 minutes pre-open session from 9:00 a.m. to 9:15 a.m. that has been introduced recently). The NSE and the BSE are closed on public holidays. The recognised stock exchanges have been permitted to set their own trading hours (in the cash and derivatives segments) subject to certain conditions.

Trading Procedure

In order to facilitate smooth transactions, the BSE replaced its open outcry system with BSE On-line Trading facility in 1995. This totally automated screen-based trading in securities and was put into practice nationwide. This has enhanced transparency in dealings and has assisted considerably in smoothening settlement cycles and improving efficiency in back-office work.

NSE has introduced a fully automated trading system called NEAT, which operates on strict time/price priority besides enabling efficient trade. NEAT has provided depth in the market by enabling large number of members all over India to trade simultaneously, narrowing the spreads.

Depositories

The Depositories Act provides a legal framework for the establishment of depositories to record ownership details and effect transfer in book-entry form. Further, SEBI framed regulations in relation to the registration of such depositories, the registration of participants as well as the rights and obligations of the depositories, participants, companies and beneficial owners.

SELLING AND TRANSFER RESTRICTIONS

The distribution of this Preliminary Placement Document or any offering material and the offer, sale or delivery of the Units is restricted by law in certain jurisdictions. Persons who may come into possession of this Preliminary Placement Document are advised to consult with their own legal advisors as to what restrictions may be applicable to them and to observe such restrictions. This Preliminary Placement Document may not be used for the purpose of an offer or invitation in any circumstances in which such offer or invitation is not authorized and/or by any person who is not an Eligible Investor. Due to the following restrictions, investors are advised to consult legal counsel prior to purchasing Units or making any resale, pledge or transfer of the Units.

Each purchaser of the Units in this Issue will be deemed to have made acknowledgments and agreements as described under "Notice to Investors – Representations by Eligible Investors" on page 2 *of this Preliminary Placement Document.*

General

No action has been taken or will be taken in connection with the Issue that would permit an offering of the Units to occur in any jurisdiction, or the possession, circulation or distribution of this Preliminary Placement Document or any other material relating to Anzen Trust or the Units in any jurisdiction where action for such purpose is required. Accordingly, the Units may not be offered or sold, directly or indirectly, and neither this Preliminary Placement Document nor any offering materials or advertisements in connection with the Units may be distributed or published in or from any country or jurisdiction except under circumstances that will result in compliance with any applicable rules and regulations of any such country or jurisdiction. The Issue will be made in compliance with the applicable SEBI regulations. Each purchaser of the Units in the Issue will be deemed to have made acknowledgments and agreements as described under the section entitled "*Notice to Investors*" on page 1.

Republic of India

This Preliminary Placement Document may not be distributed directly or indirectly in India or to residents of India and any Units may not be offered or sold directly or indirectly in India to, or for the account or benefit of, any resident of India except as permitted by applicable Indian laws and regulations, under which an offer is strictly on a private and confidential basis and is limited to Eligible Investors and is not an offer to the public or any other class of investors other than Eligible Investors. This Preliminary Placement Document is neither a public issue nor a prospectus/ offer document under the Companies Act, 2013, or the InvIT Regulations or the SEBI Institutional Placement Guidelines or an advertisement and should not be circulated to any person other than to whom it is addressed. This Preliminary Placement Document has not been and will not be registered as a prospectus in India. Units Allotted through the Issue shall not be sold by the Allottees for a period of one year from the date of allotment, except on a recognized stock exchange.

European Economic Area

In relation to each Member State of the European Economic Area (each a "**Relevant State**"), no Equity Shares have been offered or will be offered pursuant to the Issue to the public in that Relevant State except that the Equity Shares may be offered to the public in that Relevant State at any time:

(i) to any legal entity which is a qualified investor as defined under Article 2 of the Prospectus Regulation;

(ii) to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation), subject to obtaining the prior consent of the Book Running Lead Managers for any such offer; or

(iii) in any other circumstances falling within Article 1(4) of the Prospectus Regulation,

(iv) provided that no such offer of the Equity Shares shall require the Anzen Trust or any Lead Manager to publish a prospectus pursuant to Article 3 of the Prospectus Regulation or supplement a prospectus pursuant to Article 23 of the Prospectus Regulation.

For the purposes of this provision, the expression an "offer to the public" in relation to the Equity Shares in any Relevant State means the communication in any form and by any means of sufficient information on the terms of the offer and any Equity Shares to be offered so as to enable an investor to decide to purchase or subscribe for any Equity Shares, and the expression "Prospectus Regulation" means Regulation (EU) 2017/1129.

Hong Kong

The Units have not been offered or sold and will not be offered or sold in Hong Kong, by means of any document, other than (a) to "professional investors" as defined in the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong) (the "**SFO**") and any rules made under the SFO; or (b) in other circumstances which do not result in the document being a "prospectus" as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32) of Hong Kong (the "**C(WUMP)O**") or which do not constitute an offer to the public within the meaning of the C(WUMP)O.

No advertisement, invitation or document relating to the Units, which is directed at, or the contents of which are likely to be accessed or read by, the public of Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to Units which are or are intended to be disposed of only to persons outside Hong Kong or only to "professional investors" as defined in the SFO and any rules made under the SFO has been or will be issued, whether in Hong Kong or elsewhere.

Singapore

The Preliminary Placement Document has not been and will not be registered as a prospectus with the Monetary Authority of Singapore, and the Units will be offered pursuant to exemptions under the Securities and Futures Act (Chapter 289) of Singapore, as modified or amended from time to time (the "**SFA**"). Accordingly, the Units may not be offered or sold or made the subject of an invitation for subscription or purchase nor may the Preliminary Placement Document or any other document or material in connection with the offer or sale or invitation for subscription or purchase of the Units be circulated or distributed, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the SFA) pursuant to Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA, or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA.

Where Units are subscribed or purchased under Section 275 of the SFA by a relevant person which is:

(a) a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor; or

(b) a trust (where the trustee is not an accredited investor) whose sole purpose is to hold investments and each beneficiary of the trust is an individual who is an accredited investor, securities or securities-based derivatives contracts (each term as defined in Section 2(1) of the SFA) of that corporation or the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferred within six (6) months after that corporation or that trust has acquired the Units pursuant to an offer made under Section 275 of the SFA except:

   i. to an institutional investor or to a relevant person, or to any person arising from an offer referred to in Section 275(1A) or Section 276(4)(i)(B) of the SFA;

   ii. where no consideration is or will be given for the transfer;

   iii. where the transfer is by operation of law;

   iv. as specified in Section 276(7) of the SFA; or

   v. as specified in Regulation 37A of the Securities and Futures (Offers of Investments) (Securities and Securities-based Derivatives Contracts) Regulations 2018.

PRODUCT CLASSIFICATION PURSUANT TO SECTION 309B OF THE SECURITIES AND FUTURES ACT (CHAPTER 289 OF SINGAPORE)

Singapore Securities and Futures Act Product Classification – Solely for the purposes of its obligations pursuant to sections 309B(1)(a) and 309B(1)(c) of the SFA (Chapter 289 of Singapore), the Anzen Trust has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Units are "prescribed capital markets products" (as defined in the Securities and Futures (Capital Markets Products) Regulations) 2018.

United Arab Emirates (excluding the Dubai International Financial Centre)

This Preliminary Placement Document does not constitute or contain an offer of securities to the general public in the United Arab Emirates ("**UAE**"). No offering, marketing, promotion, advertising or distribution (together, "**Promotion**") of this document or the Units may be made to the general public in the UAE) unless: (a) such Promotion has been approved by the UAE Securities and Commodities Authority (the "**SCA**") and is made in accordance with the laws and regulations of the UAE, including SCA Board of Directors' Chairman Decision no. (3/R.M.) of 2017 (the "**Promotion and Introduction Regulations**"), and is made by an entity duly licensed to conduct such Promotion activities in the UAE; or (b) such Promotion is conducted by way of private placement made: (i) only to non-natural persons "**Qualified Investors**" (as such term is defined in the Promotion and Introduction Regulations); or (ii) otherwise in accordance with the laws and regulations of the UAE; or (c) such Promotion is carried out by way of reverse solicitation only upon an initiative made in writing by an investor in the UAE. None of the SCA, the UAE Central Bank, the UAE Ministry of Economy or any other regulatory authority in the UAE has reviewed or approved the contents of this Preliminary Placement Document nor does any such entity accept any liability for the contents of this Preliminary Placement Document.

United Kingdom

The Preliminary Placement Document is only directed at, and will only be provided to, persons to whom interests may lawfully be promoted pursuant to section 21 of the Financial Services and Markets Act 2000 (the "**FSMA**"). In particular, this Preliminary Placement Document is only directed at, and will only be provided to, investment professionals ("**Relevant Persons**") within the meaning of article 19 of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 ("**FPO**"). Any investment or investment activity to which the Preliminary Placement Document relates is available only to Relevant Persons and dealings hereunder will be made only with Relevant Persons. Persons who are not investment professionals within the meaning of article 19 of the FPO should not rely on the Preliminary Placement Document.

The Preliminary Placement Document has not been delivered for approval to the United Kingdom Financial Conduct Authority in the United Kingdom or to an authorized person within the meaning of the FSMA. No approved prospectus within the meaning of section 85 of the FSMA or of the Prospectus Regulation has been published or is intended to be published in relation to the Issue. The Preliminary Placement Document does not constitute a prospectus for the purposes of the FSMA or the Prospectus Regulation.

United States of America

Each purchaser or subscriber of Units in the United States will be deemed to have represented and agreed that it has received a copy of this Preliminary Placement Document and such other information as it deems necessary to make an investment decision and that:

(i) it understands and agrees that the Units have not been and will not be registered under the Securities Act or with any securities regulatory authority of any state, territory or other jurisdiction of the United States and may not be offered, resold, pledged or otherwise transferred, except (1) in an "offshore transaction" complying with Rule 903 or Rule 904 of Regulation S, (2) pursuant to an exemption from the registration requirements of the Securities Act or (3) pursuant to an effective registration statement under the Securities Act and (4) in accordance with all applicable securities laws of any state, territory or other jurisdiction of the United States;

(ii) it understands that in the event Units are held in certificated form, such certificated Units will bear a legend substantially to the following effect:

> "THE SECURITY EVIDENCED HEREBY HAS NOT BEEN AND WILL NOT BE REGISTERED UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE "SECURITIES ACT"), ANY STATE SECURITIES LAWS IN THE UNITED STATES OR THE SECURITIES LAWS OF ANY OTHER JURISDICTION AND MAY NOT BE OFFERED, SOLD, PLEDGED OR OTHERWISE TRANSFERRED, EXCEPT: (A) IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 903 OR RULE 904 OF REGULATION S UNDER THE SECURITIES ACT; (B) PURSUANT TO AN EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT; OR (C) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH CASE IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES. NO REPRESENTATION CAN BE MADE AS TO THE AVAILABILITY OF THE EXEMPTION PROVIDED UNDER THE SECURITIES ACT FOR RESALES OF THIS SECURITY.";

(iii) any resale made other than in compliance with the above stated restrictions shall not be recognised by the Anzen Trust;

(iv) it agrees that it will give to each person to whom it transfers Units notice of any restrictions on transfer of such Units;

(v) it agrees that neither it, nor any of its affiliates, nor any person acting on behalf of the purchaser or any of its affiliates, will make any "directed selling efforts" as defined in Regulation S under the Securities Act with respect to the Units;

(vi) and

(vii) it acknowledges that the Anzen Trust, the Sponsor and the Lead Managers and others will rely upon the truth and accuracy of the foregoing acknowledgements, representations and agreements and agrees that, if any of such acknowledgements, representations or agreements deemed to have been made by virtue of its purchase of Units are no longer accurate, it will promptly notify the Anzen Trust, the Sponsor and the Lead Managers, and if it is acquiring any Units as a fiduciary or agent for one or more accounts, it represents that it has sole investment discretion with respect to each such account and that it has full power to make the foregoing acknowledgements, representations and agreements on behalf of each such account.

Other Jurisdictions

The distribution of this Preliminary Placement Document and the offer and sale of the Units may be restricted by law in certain jurisdictions. Persons into whose possession this Preliminary Placement Document comes are required to inform themselves about, and to observe, any such restrictions to the extent applicable.

RIGHTS OF UNITHOLDERS

The rights and interests of Unitholders are included in this Preliminary Placement Document and the InvIT Regulations. Under the Amended and Restated Trust Deed and the Amended and Restated Investment Management Agreement, these rights and interests are safeguarded by the Trustee and the Investment Manager, respectively. Any rights and interests of Unitholders as specified in this Preliminary Placement Document would be deemed to be amended to the extent of any amendment to the InvIT Regulations.

Beneficial Interest

Each Unit represents an undivided beneficial interest in the Anzen Trust. A Unitholder's right is limited to the right to require due administration of the Anzen Trust in accordance with the provisions of the Amended and Restated Trust Deed and the Amended and Restated Investment Management Agreement.

Ranking

No Unitholder of the Anzen Trust shall enjoy superior voting or any other rights over another Unitholder. Further, the Units shall not have multiple classes, except for any subordinate Units that may be issued only to the Sponsor and its Associates, where such subordinate units carry only inferior voting or any other rights compared to other Units in the future in accordance with Regulation 4(2)(h) of the InvIT Regulations.

Redressal of grievances

The Investment Manager shall ensure adequate and timely redressal of all Unitholders' grievances pertaining to the activities of the InvIT, and the Trustee shall periodically review the status of Unitholders' complaints and their redressal undertaken by the Investment Manager. The Stakeholders' Relationship Committee of the Investment Manager shall monitor the status of complaints and their redressal. For details, please see the section entitled "*Corporate Governance*" on page 191. Further, any claims, differences or disputes between investors and the Investment Manager arising out of or in relation to the activities of the Investment Manager in the securities market shall be resolved in accordance with the procedures specified by the SEBI pursuant to the Master Circular for Online Resolution of Disputes in the Indian Securities Market dated July 31, 2023 issued by the SEBI and bearing reference number SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/145, as amended.

Distribution

The Unitholders shall have the right to receive distribution in accordance with the InvIT Regulations and in the manner provided in this Preliminary Placement Document. For details, please see the section entitled "*Distribution*" on page 342.

Nominee Directors

In accordance with the InvIT Regulations, Unitholder(s), holding not less than 10% of the total outstanding Units, either individually or collectively, shall be entitled to nominate one director on the board of directors of the Investment Manager. In this regard, we have undertaken the relevant actions, including in relation to amendments to the Trust Deed and the Investment Management Agreement within the timelines required under applicable law. We have also amended and adopted our Nomination and Remuneration Policy ("**NRC Policy**"), basis the SEBI circular dated September 11, 2023 bearing reference number SEBI/HO/DDHS-PoD-2/P/CIR/2023/153 and the InvIT Regulations, on October 6, 2023. Please see our amended NRC Policy at the website of Anzen Trust at: https://www.anzenenergy.in/wp-content/uploads/2023/04/ERAML-_NRC-Policy_Website-Upload-1.pdf.

Meeting of Unitholders

Meetings of Unitholders will be conducted in accordance with the InvIT Regulations.

Passing of resolutions

1. With respect to any matter requiring approval of the Unitholders:

   (i). a resolution shall be considered as passed when the votes cast by Unitholders, so entitled and voting, in favour of the resolution exceed a certain percentage as specified in the InvIT Regulations, of total votes cast;

   the voting threshold Specified under the InvIT Regulations shall be calculated on The basis of unitholders present and voting.

   (ii). the voting may be done by postal ballot Or electronic mode;

(iii). a notice of not less than 21 (twenty one) days shall be provided to the Unitholders;

(iv). voting by any Unitholder (including, the Sponsor in its capacity as a Unitholder), who is a related party in such transaction, as well as associates of such Unitholder(s) shall not be considered on the specific issue; and

(v). Investment Manager shall be responsible for all the activities pertaining to conducting of meeting of the Unitholder, subject to oversight by the Trustee.

However, for issues pertaining to the Investment Manager, including a change in Investment Manager, removal of Investment Manager or change in control of Investment Manager; the Trustee shall convene and handle all activities pertaining to conduct of the meetings. Additionally, for issues pertaining to the Trustee, including change in Trustee, the Trustee shall not be involved in any manner in the conduct of the meeting.

(vi). For all Unitholder meetings, the investment manager shall provide an option to the Unitholders to attend the meeting through video conferencing or other audio visual means and the option of remote electronic voting in the manner as may be specified by SEBI.

2. For the Anzen Trust:

(i). an annual meeting of all Unitholders shall be held not less than once a year within 120 days from the end of each financial year and the time between two meetings shall not exceed 15 months;

(ii). with respect to the annual meeting of Unitholders,

(a). any information that is required to be disclosed to the Unitholders and any issue that, in the ordinary course of business, may require approval of the Unitholders may be taken up in the meeting including:
- latest annual accounts and performance of the Anzen Trust;
- approval of auditors and fee of such auditors, as may be required;
- latest valuation reports;
- appointment of valuer, as may be required; and
- any other issue;

(b). for any issue taken up in such meetings which require approval from the Unitholders, votes cast in favour of the resolution shall be more than fifty per cent of the total votes cast for the resolution unless otherwise specified under the InvIT Regulations.

3. In case of the following, approval from the Unitholders shall be required where the votes cast in favour of the resolution shall be more than the fifty per cent of the total votes cast for the resolution:

(i). any approval from the Unitholders required in terms of Regulation 18 (*Investment conditions and dividend policy)*, Regulation 19 (*Related Party Transactions*) and Regulation 21 *(Valuation of assets*) of the InvIT Regulations;

(ii). any borrowings, in terms of the limit specified under Regulation 20(3)(a) of the InvIT Regulations;

(iii). any transaction, other than any Borrowing, the value of which is equal to or greater than 25% (twenty five per cent) of the InvIT Assets;

(iv). any issue of Units after initial public offer by Anzen Trust, in whatever form, other than any issue of Units which may be considered by SEBI, under Regulation 22(5) of the InvIT Regulations;

(v). increasing period for compliance with investment conditions to one year in accordance with Regulation 18(5)(c) of the InvIT Regulations;

(vi). any issue, in the ordinary course of business, which in the opinion of the Sponsor or the Trustee or the Investment Manager, is material and requires approval of the Unitholders, if any; an

(vii). any issue for which SEBI or the designated stock exchanges requires approval.

4. In case of the following, approval from the Unitholders shall be required where the votes cast in favour of the resolution shall be at least sixty per cent of total votes cast for the resolution:

(i). any change in Investment Manager including removal of the Investment Manager or change in control of the Investment Manager;

(ii). any issue, not in the ordinary course of business, which in the opinion of the Sponsor or Investment Manager or Trustee requires approval of the Unitholders;

(iii). any material change in investment strategy or any change in the management fees of the Anzen Trust;

(iv). the Trustee and the Investment Manger proposing to seek delisting of units of the Anzen Trust under Regulation 17(1)(e) of the InvIT Regulations;

(v). any issue for which SEBI or the designated stock exchanges requires approval;

(vi). any issue taken up on request of the Unitholders including:

(a). removal of the Investment Manager and appointment of another investment manager to the Anzen Trust;

(b). removal of the Auditors and appointment of another auditors to the Anzen Trust;

(c). removal of the Valuer and appointment of another valuer to the Anzen Trust;

(d). any issue which the Unitholders have sufficient reason to believe that is detrimental to the interest of the Unitholders;

(e). change in the Trustee, if Unitholders have sufficient reason to believe that acts of the Trustee are detrimental to the interest of Unitholders; and

(f). delisting of the Anzen Trust, if the Unitholders have sufficient reason to believe that such delisting would act in the interest of the Unitholders.

(vii). introduction of unit based employee benefit scheme after an initial offer;

(viii). Unit based employee benefit scheme proposed at the time of initial offer;

(ix). acquisition of unts by the employee benefit trust as specified in Regulation 17I(3) of the InvIT Regulations;

(x). issuance of units to the employee benefit trust as specified in Regulation 17I(1)(a) of the InvIT Regulations;

(xi). transfer of units to the employee benefit trust as specified in Regulations 17I(1)(b) and 17I(1)(c) of the InvIT Regulations;

(xii). a separate resolution that shall be required for rant of options to identified employees, during any one year, equal to or exceeding one per cent o the unit capital of the InvIT at the time of grant of options; and

(xiii). Variation of the terms of the unit based employee benefit scheme including repricing of the options.

With respect to the rights of the Unitholders under clause 4(vi) above:

(i). not less than 25% of the Unitholders by value, other than any party related to the transactions and its associates, shall apply, in writing, to the Trustee for the purpose;

(ii). on receipt of such application, the Trustee shall require, with the Investment Manager to place the issue for voting in the manner as specified in the InvIT Regulations;

(iii). with respect to clause 4(vi)(e) above, not less than 60% of the Unitholders by value shall apply, in writing, to the Trustee for the purpose.

5. In case of any borrowing by Anzen Trust in terms of the limits specified under Regulation 20(3)(b) of the InvIT Regulations, the approval from 75% of the Unitholders by value shall be obtained.

6. No person, other than the Sponsor, its related parties and associates, shall acquire the Units of Anzen Trust which taken together with the Units held by such person and by persons acting in concert with such person in Anzen Trust, exceeds 25% of the value of the outstanding Units unless approval from 75% of the Unitholders by value excluding the value of the Units held by parties to the transaction is obtained. In the event the required approval is not received, an exit option is required to be provided to dissenting Unitholders to the extent and in the manner as may be specified by SEBI.

7. In case of any change in sponsor or inducted sponsor or change in control of sponsor or inducted sponsor or conversion to self-sponsored Investment Manager, prior approval of 75% of the Unitholders by value excluding the value of Units held by parties related to the transaction is to be obtained. In the event the required approval is not received: (i) in case of change of sponsor or inducted sponsor, the proposed inducted sponsor shall provide an exit option to dissenting Unitholders by buying their units in the manner as may be specified by SEBI; (ii) in case of change in control of sponsor or inducted sponsor, the said sponsor or inducted sponsor shall provide an exit option to dissenting Unitholders by buying their Units in the manner as may be specified by SEBI; and (iii) in case of conversion to self-sponsored Investment Manager, the Investment Manager shall provide an exit option to dissenting Unitholders by buying their Units in the manner as may be specified by SEBI.

Information rights

The Investment Manager, on behalf of the Anzen Trust, shall also submit such information to the Stock Exchanges and Unitholders, on a periodical basis as may be required under the InvIT Regulations and the Listing Agreement to be entered into with the Stock Exchanges. The Investment Manager (on behalf of the Anzen Trust) shall disclose to the Stock Exchanges, Unitholders and SEBI, all such information and in such manner as specified under the InvIT Regulations and such other requirements as may be specified by SEBI. The Investment Manager, on behalf of the Anzen Trust, shall also provide disclosures or reports specific to the sector or sub-sector in which the Anzen Trust has invested or proposes to invest, in the manner as may be specified by SEBI.

Buyback, Listing and Delisting of Units

Any buyback, listing or delisting of Units, shall be in accordance with the InvIT Regulations.

For additional details in relation to rights of Unitholders, please see the section entitled "*Parties to the Anzen Trust – Key Terms of the Amended and Restated Trust Deed*" on page 158.

ISSUE INFORMATION

Please see below a summary, intended to provide a general outline of the procedures for the bidding, application, payment of Application Amount, Allocation and Allotment of the Units pursuant to the Issue. The procedure followed in the Issue may differ from the one mentioned below and investors are assumed to have apprised themselves of the same from the Investment Manager or the Lead Managers.

Eligible Investors are advised to inform themselves of any restrictions or limitations that may be applicable to them under applicable law to which they are subject and should consult their respective advisors in this regard. Eligible Investors that apply in this Issue will be required to confirm, and will be deemed to have represented to us, the Trustee, the Investment Manager, the Lead Managers, the Parties to the Trust and their respective directors, officers, agents, affiliates and representatives, that they are eligible under all applicable laws, rules, regulations, guidelines and approvals to acquire the Units in the Issue. The Anzen Trust, the Investment Manager, the Trustee, the Parties to the Trust and the Lead Managers and their respective directors, officers, agents, affiliates and representatives accept no responsibility or liability for advising any investor on whether such investor is eligible to bid for, acquire or hold the Units in the Issue. The Trustee and the Investment Manager are acting on behalf of the Trust.

Anzen Trust, the Investment Manager, the Trustee, the Lead Managers and their respective directors, officers, agents, advisors, affiliates and representatives are not liable for any amendment or modification or change to applicable laws or regulations, which may occur after the date of this Preliminary Placement Document. Investors are advised to make their independent investigations and satisfy themselves that they are Eligible Investors and are eligible to apply in the Issue. Eligible Investors are advised to ensure that any single Bid from them does not exceed the investment limits or maximum number of Units that can be held by them under applicable law or regulation or as specified in this Preliminary Placement Document. Further, Eligible Investors shall be solely responsible for compliance with applicable securities laws, including the SEBI Insider Trading Regulations and the Policy on Unpublished Price-Sensitive Information and dealing in Units by the Parties to the Trust, other applicable law and dealing in securities of the Anzen Trust.

Authority for the Issue

THIS PRELIMINARY PLACEMENT DOCUMENT AND THE PLACEMENT DOCUMENT RELATE TO AN ISSUE BEING MADE ONLY TO ELIGIBLE INVESTORS AND NO OFFER IS BEING MADE TO THE PUBLIC OR TO ANY OTHER CLASS OF INVESTORS.

This Preliminary Placement Document has not been, and will not be, filed as a prospectus with SEBI and, no Units will be offered in India or overseas to the public or any members of the public or any other class of investors, other than Eligible Investors.

The Issue is being made to Eligible Investors in reliance upon the SEBI Institutional Placement Guidelines and the InvIT Regulations, through the mechanism of an institutional placement. Anzen Trust is eligible to undertake the Issue under the SEBI Institutional Placement Guidelines and the InvIT Regulations.

This Preliminary Placement Document and the Placement Document are private documents provided only to select Eligible Investors. Please note that if you do not receive a serially numbered copy of this Preliminary Placement Document addressed to you, you may not rely on this Preliminary Placement Document or the Placement Document uploaded or to be uploaded, as applicable, on the website of the Stock Exchanges or Anzen Trust, with a disclaimer to the effect that it is in connection with an institutional placement and that no offer is being made to the public or to any other category of investors, for making an application to subscribe to Units pursuant to the Issue.

The Issue was authorized and approved by the Board of Directors of the Investment Manager on January 18, 2025 and approved by the Unitholders on January 17, 2025 in accordance with the InvIT Regulations and the SEBI Institutional Placement Guidelines.

Units being Allotted pursuant to the Issue shall not be sold for a period of one year from the date of Allotment, except on a recognized stock exchange.

The Units have not been and will not be registered under the Securities Act or any other applicable state securities laws of the United States and, unless so registered, may not be offered or sold within the United States except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and applicable state securities laws. Accordingly, the Units are being offered and sold only outside the United States in "offshore transactions" as defined in, and in reliance on Regulation S and the applicable laws of the jurisdictions where those offers and sales are made. The Units are transferable only in accordance with the restrictions described under the section "*Selling and Transfer Restrictions*" on page 429 of this Preliminary Placement Document.

The Units have not been, and will not be, registered, listed or otherwise qualified in any jurisdiction outside India and may not be offered or sold, and Bids may not be made by persons in any such jurisdiction, except in compliance with the applicable laws of such jurisdiction.

The Investment Manager has filed a copy of this Preliminary Placement Document with each of the Stock Exchanges. The Trust has received in-principle approval from each of the Stock Exchanges under the SEBI Institutional Placement Guidelines pursuant to the letters dated February 24, 2025.

After the Allotment of Units pursuant to the Issue, the Investment Manager shall make applications to the Stock Exchanges for the listing approvals. Subsequently, after the credit of Units to the beneficiary accounts of the Allottees, the Investment Manager shall make applications to the Stock Exchanges for the final trading approvals.

Disclaimer of the Stock Exchanges

[●]

It should not for any reason be deemed or construed to mean that this Preliminary Placement Document has been cleared or approved by the Stock Exchanges. Every person who desires to apply for or otherwise acquire any Units may do so pursuant to an independent inquiry, investigation and analysis and shall not have any claim against the Stock Exchanges whatsoever by reason of any loss which may be suffered by such person consequent to or in connection with such subscription/acquisition whether by reason of anything stated or omitted to be stated herein or for any other reason whatsoever.

Issue Procedure

This Issue is being conducted in accordance with applicable law, in relation to the Allotment of Units under this Issue, Anzen Trust is not in violation of any applicable law, including but not limited to the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, as amended and the Securities and Exchange Board of India (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003, as amended. It is further represented by Anzen Trust, the Investment Manager that any and all information provided by Anzen Trust, the Investment Manager or the Sponsor and/or their respective agents and/or advisors, to any of the Eligible Investors, in relation to this Issue and/or the Allocation and Allotment of Units under this Issue and/or any information in relation to the Trust, its InvIT Assets and/or their respective business and operations is (i) available in the public domain; and/or (ii) have been disclosed in this Preliminary Placement Document.

1. On the Issue Opening Date, the Investment Manager and the Lead Managers shall circulate serially numbered copies of this Preliminary Placement Document and the serially numbered Application Form, either in electronic or physical form, to Eligible Investors and the Application Form will be specifically addressed to each such Eligible Investor. The Lead Managers shall maintain a record of the Eligible Investors to whom a serially numbered Preliminary Placement Document and Application Form has been dispatched. The list of Eligible Investors to whom this Preliminary Placement Document and the Application Form is delivered will be determined by the Investment Manager in consultation with the Lead Managers and recorded in writing by the Investment Manager.

2. **Unless a serially numbered Preliminary Placement Document along with the serially numbered Application Form, which includes the details of the bank account where the Application Amount is to be deposited, is addressed to a particular Eligible Investors, no invitation to make an offer to subscribe shall be deemed to have been made to such Eligible Investor.** Even if such documentation were to come into the possession of any person other than the intended recipient, no offer or invitation to offer shall be deemed to have been made to such person and any application that does not comply with this requirement shall be treated as invalid.

3. Eligible Investors may submit the Application Form, including any revisions thereof along with the Application Amount and a copy of the PAN card or PAN allotment letter, during the Issue Period to the Lead Managers.

4. Bidders will be required to indicate the following in the Application Form:

    - full official name of the Bidder to whom Units are to be Allotted, complete address, phone number, PAN, e-mail address and bank account details;

    - number of Units Bid for;

    - category to which they belong to, as indicated in the Application Form;

    - price at which they are agreeable to subscribe for the Units and the aggregate Application Amount for the number of Units Bid for;

    - details of the depository account to which the Units should be credited;

- a representation that such person is an "Institutional Investor" in terms of the InvIT Regulations;
- it has agreed to certain other representations set forth in the Application Form and this Preliminary Placement Document;
- eligible FPIs are required to indicate their SEBI FPI registration number in the Application Form; and
- a representation that they are outside the United States and acquiring the Units in an "offshore transaction" as defined in and in reliance on Regulation S and the applicable laws of the jurisdiction where those offers and sales are made, and they have agreed to certain other representations set forth in the section entitled "*Notice to Investors*" on page 1, and certain other representations made in the Application Form.

5. Each Bidder shall be required to make the entire payment of the Application Amount for the Units Bid for, along with the Application Form, only through electronic transfer to the Escrow Account within the Issue Period as specified in the Application Form sent to the respective Bidders. Please note that any payment of Application Amount for the Units shall be made from the bank accounts of the relevant Bidders and the Investment Manager shall keep a record of the bank account from where such payment has been received. Application Amount payable on Units to be held by joint holders shall be paid from the bank account of the person whose name appears first in the Application Form. Pending Allotment, the Trustee and the Investment Manager shall ensure that the Application Amount received for subscription of the Units is kept in a separate bank account in the name of Anzen Trust and shall only be utilized for adjustment against allotment of Units or refund of money to the Bidders till the time such Units are listed. Notwithstanding the above, in the event, among others, a Bidder is not Allocated Units in the Issue, or a Bidder withdraws the Bid prior to the Issue Closing Date or the number of Units Allocated to the Bidder is lower than the number of Units applied for through the Application Form and towards which Application Amount has been paid by such Bidder, or the Application Amount is in excess of the amount equivalent to the product of the Units that have been Allocated to the Bidder and the Issue Price, the excess Application Amount will be refunded to the same bank account from which it was remitted, in the form and manner set out in "- *Refunds*" below.

6. Once a duly completed Application Form is submitted by a Bidder and the Application Amount is transferred to the Escrow Account, such Application Form constitutes an irrevocable offer and the Bid cannot be withdrawn or revised downwards after the Issue Closing Date. The Issue Closing Date shall be notified to the Stock Exchanges and the Eligible Investors shall be deemed to have been given notice of such date after receipt of the Application Form.

7. The Bids made by asset management companies or custodians of Mutual Funds shall specifically state the names of the concerned schemes for which the Bids are made. In case of a Mutual Fund, a separate Bid can be made in respect of each scheme of the Mutual Fund registered with SEBI.

8. Each eligible FPI is required to submit a separate Application Form.

9. Upon receipt of the duly completed Application Form and the Application Amount in the Escrow Account, after the Issue Closing Date, the Investment Manager shall, in consultation with the Lead Managers, determine the final terms, including the Issue Price of the Units to be issued pursuant to the Issue and Allocation and the successful Bidders to whom such Units have been Allocated.

10. Upon such determination, the Lead Managers, on behalf of the Anzen Trust, will send serially numbered CANs, along with the serially numbered Placement Document to the successful Bidders who have been Allocated Units in the Issue. The dispatch of a CAN, and the Placement Document (when dispatched) to a successful Bidder shall be deemed a valid, binding and irrevocable contract for successful Bidders to subscribe to the Units Allocated to such Bidders at an aggregate price equal to the product of the Issue Price and Units Allocated to such Bidders. The CAN shall contain details such as the number of Units Allocated to the successful Bidders, Issue Price and the aggregate amount received towards the Units Allocated. **Please note that the Allocation will be at the absolute discretion of the Investment Manager in consultation with the Lead Managers. The Lead Managers, the Investment Manager, the Trustee , and their respective directors, officers, employees, affiliates and, associates shall not take any responsibility for acts, mistakes, errors, omissions and commissions in relation to Applications. Please note that none of the Investment Manager, the Trustee or the Lead Managers shall be responsible for delay in the receipt of the Application Form not attributable to them or electronic transmission delays or failures, or if the Application Forms are delayed or misplaced in the transit.**

11. Upon dispatch of the serially numbered Placement Document, the Investment Manager shall Allot Units as per the details in the CANs sent to successful Bidders. The Investment Manager will inform the Stock Exchanges of the details of the Allotment.

12. After passing the resolution for Allotment and prior to the credit of Units into the beneficiary account of the successful Bidders maintained by the depository participant, the Investment Manager shall apply to the Stock Exchanges for

listing approvals in respect of the Units Allotted pursuant to the Issue.

13. After receipt of the listing approvals from the Stock Exchanges, the Investment Manager shall ensure credit of the Units Allotted pursuant to the Issue into the beneficiary accounts of the respective Allottees.

14. The Investment Manager will then apply for the final trading approvals from the Stock Exchanges.

15. The Units that would have been credited to the beneficiary account with the Depository Participant of the successful Bidders shall be eligible for trading on the Stock Exchanges only upon the receipt of final trading and listing approvals from the Stock Exchanges.

16. As per applicable law, the Stock Exchanges will notify the final listing and trading approvals, which are ordinarily available on their websites, and the Investment Manager may communicate the receipt of the listing and trading approvals to the Allottees. The Investment Manager, the Anzen Trust, the Trustee and the Lead Managers shall not be responsible for any delay or non-receipt of the communication of the final trading and listing permissions from the Stock Exchanges or any loss arising from such delay or non-receipt. Investors are advised to apprise themselves of the status of the receipt of the permissions from the Stock Exchanges.

17. The Bid Amounts will be transferred to the account of Anzen Trust only after receipt of the final listing and trading approvals for the Units from the Stock Exchanges.

Who could Bid?

Institutional Investors

Only Eligible Investors are eligible to invest in the Units pursuant to the Issue. Currently, Eligible Investors, who are eligible to participate in the Issue are:

- family trust or systematically important non-banking financial companies registered with Reserve Bank of India or intermediaries registered with SEBI, all with net-worth of more than five hundred crore rupees, as per the last audited financial statements

- qualified institutional buyer as defined in the SEBI ICDR Regulations consisting of the following:

  a) a mutual fund, venture capital fund, alternative investment fund and foreign venture capital investor registered with the SEBI;

  b) a foreign portfolio investor other than individuals, corporate bodies and family offices;

  c) a public financial institution;

  d) a scheduled commercial bank;

  e) a multilateral and bilateral development financial institution;

  f) a state industrial development corporation;

  g) an insurance company registered with the Insurance Regulatory and Development Authority of India;

  h) a provident fund with minimum corpus of ₹25 crore;

  i) a pension fund with minimum corpus of ₹25 crore registered with the Pension Fund Regulatory and Development Authority established under section 3(1) of the Pension Fund Regulatory and Development Authority Act, 2013;

  j) National Investment Fund set up by resolution no. F. No. 2/3/2005-DDII dated November 23, 2005 of the Government of India published in the Gazette of India;

  k) insurance funds set up and managed by army, navy or air force of the Union of India;

  l) insurance funds set up and managed by the Department of Posts, India; and

  m) systemically important non-banking financial companies.

subject to such Eligible Investors not being excluded pursuant to the SEBI Institutional Placement Guidelines. No allotment will be made, either directly or indirectly, to the Sponsor or the Investment Manager, or any institutional investor who is a person related to, or related party or associate of, the Sponsor or the Investment Manager.

Further, the Institutional Placement Guidelines provides for allotment of units to a sponsor in an institutional placement for the unsubscribed portion in the institutional placement subject to certain conditions.

All Non-Resident Investors should note that, in accordance with the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended, including Press Note No.3 (2020 Series), dated April 17, 2020 issued by the DPIIT, where the beneficial owner of a proposed investment into India is situated in or is a citizen of a country that shares land border with India (but is not a multilateral bank or fund of which India is a member), approval of the Government will be required prior to such investment.

Eligible FPIs are permitted to participate in the Issue in accordance with the FEMA Rules read with applicable provisions of the Foreign Exchange Management (Mode of Payment and Reporting of Non-Debt Instruments) Regulations, 2019 and other applicable foreign exchange laws and such other terms and conditions as may be prescribed by the SEBI from time to time.

Investors may be subject to adverse foreign, state or local tax or legal consequences as a result of trading in the Units. Investors who intend to trade in the Units should consult their tax advisor or stock broker regarding any cost, applicable taxes, charges and expenses (including brokerage) that may be levied for trading in Units. The Lead Managers, the Trustee and the Investment Manager accept no responsibility to bear or pay any cost, applicable taxes, charges and expenses (including brokerage), and such costs will be incurred solely by the Bidders.

Investors are requested to strictly adhere to these instructions. Failure to do so could result in an Application being rejected, with the Investment Manager, the Trustee, the Lead Managers and the Registrar not having any liability to the Bidders.

Bids by FPIs

Foreign Portfolio Investors (other than individuals, corporate bodies and family offices) are permitted to participate in the Issue subject to compliance with Schedule II, Schedule VIII and other applicable provisions of the Foreign Exchange Management (Non-debt Instruments) Rules, 2019, as amended. In case of Bids by FPIs the payment should have been paid as inward remittance from abroad through banking channels or out of funds held in NRE, SNRR or FCNR(B) account maintained in accordance with the Foreign Exchange Management (Deposit) Regulations, 2016, along with documentary evidence in support of the remittance. In case of Bids made by FPIs, a certified true copy of the certificate of registration issued by the designated depository participant under the SEBI FPI Regulations was required to be attached along with the Application Form, failing which the Investment Manager, in consultation with the Lead Managers, reserve the right to reject the Bid.

Bids by SEBI registered VCFs and AIFs

The SEBI VCF Regulations prescribe, amongst others, the investment restrictions on VCFs registered with SEBI. Further, the SEBI AIF Regulations prescribe, amongst others, the investment restrictions on AIFs. Further, VCFs which have not re-registered as an AIF under the SEBI AIF Regulations shall continue to be regulated by the SEBI VCF Regulations until the existing fund or scheme managed by the fund is wound up and such funds shall not launch any new scheme after the notification of the SEBI AIF Regulations. Additionally, VCFs and AIFs are subject to certain investment restrictions, including with respect to the percentage of investible funds held in each investee entity. Allotments made in respect of Bids by VCFs and AIFs in this Issue shall be subject to the rules and regulations that are applicable to each of them, respectively. In case of Bids made by VCFs or AIFs, a certified true copy of the certificate of registration issued by SEBI is required to be attached along with the Application Form failing which the Investment Manager, in consultation with the Lead Managers, reserve the right to reject the Bid.

Bids by Banking Companies

Bids may be made by banks as permitted by the RBI and were subject to conditions specified in the Prudential Guidelines – Banks' investment in units of REITs and InvITs dated April 18, 2017. In case of Bids made by banking companies registered with the RBI, certified copies of (i) the certificate of registration issued by the RBI, and (ii) the approval of such banking company's investment committee were required to be attached to the Application Form, failing which the Investment Manager, in consultation with the Lead Managers, reserve the right to reject the Bid.

Bids by Provident Funds/Pension Funds

On March 2, 2015, the Ministry of Finance issued a notification allowing investments by non-government provident funds, pension funds, superannuation funds and gratuity funds up to 5% in infrastructure investment trusts, as specified. On May 29, 2015, the Ministry of Labour and Employment issued a notification allowing investments by provident funds up to 5% in infrastructure investment trusts, as specified. However, such investments by provident funds, pension funds, superannuation funds and gratuity funds will be subject to, amongst others, the sponsor entity of the InvIT having a minimum of AA or equivalent rating in the applicable rating scale from at least two credit rating agencies registered with SEBI. In case of Bids made by provident funds/ pension funds, subject to applicable laws, with minimum corpus of ₹ 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must have been attached to the Application Form, failing which the Investment Manager, in consultation with the Lead Managers, reserve the right to reject the Bid.

Bids by NPS Schemes

The Pension Fund Regulatory and Development Authority ("**PFRDA**") issued circulars allowing investments by national pension fund schemes (other than corporate central government schemes, corporate state government schemes, central government sector schemes, state government sector schemes, NPS Lite Schemes of NPS and Atal Pension Yojana schemes) ("**Non- Govt. NPS Schemes**") and corporate central government schemes, corporate state government schemes, central government sector schemes, state government sector schemes, NPS Lite Schemes of NPS and Atal Pension Yojana schemes ("**Govt. NPS Schemes**" and together with the Non-Govt NPS Schemes, the "**NPS Schemes**") to invest in listed or proposed to be listed units of infrastructure investment trusts. The cumulative investment in units and debt instruments of InvITs and REITs by NPS Schemes is not permitted to exceed 3% of the assets under management of the relevant pension fund at any time. Non-Govt. NPS Schemes are also not permitted to invest more than 5% of the units issued by a single InvIT. Such investment will be subject to, amongst other conditions, (i) for Govt. NPS Schemes, the units being rated AAA or equivalent in the applicable rating scale of the InvIT from at least two credit rating agencies registered with SEBI ("**CRAs**") and the rating of the sponsor floating the Trust being AAA or equivalent in the applicable rating scale of the InvIT from at least two CRAs, registered with SEBI, and (ii) for Non-Govt. NPS Schemes, such securities being rated AA or equivalent in the applicable rating scale of the InvIT from at least two CRAs. In case of Bids made by NPS Schemes, with minimum corpus of ₹ 250 million, a certified copy of certificate from a chartered accountant certifying the corpus of the provident fund/pension fund must have been attached to the Application Form, failing which the Investment Manager, in consultation with the Lead Managers, reserve the right to reject the Bid.

Bids by Mutual Funds

Bids may be made by mutual funds under all its schemes, existing and future, subject to the investment conditions and other restrictions prescribed under the Securities and Exchange Board of India (Mutual Funds) Regulations, 1996 (including, the circular on mutual funds dated February 28, 2017 and any other circulars, notifications and guidelines issued thereunder). In case of Bids made by Mutual Funds, a certified true copy of the certificate of registration issued by SEBI is required to be attached along with the Application Form, failing which the Investment Manager, in consultation with the Lead Managers, reserve the right to reject the Bid.

Bids by Insurance Companies

Bids may be made by insurance companies as permitted by the Insurance Regulatory and Development Authority of India in terms of the Master Circular – Investments, 2016 and the circular issued by the IRDAI entitled, Investment in Units of Real Estate Investment Trusts (REIT) & Infrastructure Investment Trusts (InvIT), dated March 14, 2017. In case of Bids made by Insurance companies, a certified true copy of the certificate of registration issued by IRDAI is required to be attached along with the Application Form, failing which the Investment Manager, in consultation with the Lead Manager, reserves the right to reject the Bid.

Bids by Family Trust

Bids may be made by Family trust with net-worth of more than five hundred crore rupees, as per the last audited financial statements. In such case application form must be accompanied by a certificate by Chartered Accountant confirming net-worth of the Trust to be more than five hundred crore rupees as per last audited financials.

Bids by systematically important non-banking financial companies

Bids may be made by systematically important non-banking financial companies registered with RBI and net-worth of more than five hundred crore rupees, as per the last audited financial statements. In such case application form must be accompanied by a certificate by Chartered Accountant confirming net-worth of the Trust to be more than five hundred crore rupees as per last audited financials along with certificate of registration with RBI

Bids under Power of Attorney

In case of Bids made pursuant to a power of attorney by Institutional Investors, a certified copy of the power of attorney or the relevant resolution or authority, as the case may be, along with a certified copy of the memorandum of association and articles of association and/or bye laws must be submitted along with the Application Form, failing which the Investment Manager, in consultation with the Lead Managers, reserve the right to reject the Bid.

The Investment Manager, in consultation with the Lead Managers, in its absolute discretion, reserves the right to relax the above condition of simultaneous lodging of the power of attorney along with the Application Form.

Allotments, if any, made to FVCIs, VCFs and AIFs in the Issue are subject to the respective rules and regulations that are applicable to each of them.

Note: *Affiliates or associates of the Lead Managers who were Eligible Investors may have participated in the Issue in compliance with applicable law.*

Maximum and Minimum Bid Size

(i) Each Bidder is required to Bid for a minimum bid size in accordance with the InvIT Regulations and the SEBI Institutional Placement Guidelines.

(ii) No Bidder shall Bid for such number of Units that exceeds the Issue size.

The Sponsor, the Investment Manager, the Trustee and the Lead Managers shall not be liable for any amendment, modification or change in applicable law which occurs after the date of the Preliminary Placement Document. Eligible Investors are advised to make their independent investigations and satisfy themselves that they are eligible to apply in this Issue. Eligible Investors are advised to ensure that any single application from them does not exceed the investment limits or maximum number of Units that can be held by them under applicable law or regulation or as specified in the Preliminary Placement Document.

Restriction on Allotment

Pursuant to the SEBI Institutional Placement Guidelines, allotment in the Issue shall not be made to an institutional investor who is a "sponsor" or "investment manager", each as defined under the InvIT Regulations, of the Trust or to a person related to, a related party or associate (as defined under the InvIT Regulations) of any of the Sponsor or the Investment Manager, provided that allotment of units can be made to the Sponsor for un-subscribed portion in the institutional placement subject to following conditions:

a. at least ninety percent of the issue size has been subscribed;
b. objects of the issue is acquisition of assets from that sponsor;
c. units allotted to sponsor shall be locked in as per Clause 3 of Annexure I of the SEBI Institutional Placement Guidelines;
d. unitholders approval shall be taken for unsubscribed portion being allotted to sponsor.

No Allotment shall be made pursuant to Bids submitted by Eligible Investors such that the Bid or subscription to the Units by the investor would result in acquisition of Units which, taken together with Units already held by such investor and any person acting in concert with such investor in Anzen Trust, would exceed 25% of the value of the outstanding units of the Trust.

The Trustee, or the Valuer or an employee of the Valuer involved in the valuation of the InvIT Assets are not permitted to invest in the Units.

Affiliates or associates of the Lead Managers, who are Eligible Investors, may participate in the Issue in compliance with applicable laws.

Bid Process

Application Form

Eligible Investors shall only use the serially numbered Application Forms (which are addressed to them) supplied by the Lead Managers in either electronic form or by physical delivery for the purpose of making a Bid (including revision of a Bid) in terms of this Preliminary Placement Document.

By making a Bid (including any revision thereof) for Units through Application Forms and pursuant to the terms of this Preliminary Placement Document, the Eligible Investors will be deemed to have made the following representations, warranties, acknowledgements, and undertakings given or made under the sections entitled "*Notice to Investors*" and "*Selling and Transfer Restrictions*" on pages 1 and 429, respectively:

- The Eligible Investor confirms that it is an Institutional Investor and is not prohibited under the SEBI Institutional

Placement Guidelines from participating in the Issue, has a valid and existing registration under the applicable law in India (to the extent applicable) and is eligible to participate in the Issue;

- The Eligible Investor acknowledges that it has no right to withdraw or revise its Bid after the Issue Closing Date;

- The Eligible Investor confirms that if Units are Allotted through the Issue, it shall not, for a period of one year from Allotment, sell such Units otherwise than on the Stock Exchanges;

- The Eligible Investor confirms that it is eligible to Bid and hold Units so Allotted together with any Units already held by it prior to the Issue. The Eligible Investor further confirms that its holding of the Units, does not and shall not, exceed the level permissible as per any applicable law applicable to the Eligible Investor;

- The Eligible Investor agrees that although the Application Amount is required to be paid by it along with the Application Form within the Issue Period, the Investment Manager (on behalf of the Anzen Trust) reserves the right to Allocate and Allot Units pursuant to the Issue on a discretionary basis in consultation with the Lead Managers. The Eligible Investor further acknowledges and agrees that the payment of Application Amount does not guarantee Allocation and/or Allotment of Units Bid for in full or in part;

- The Eligible Investor confirms that the Bid submitted by it or its subscription to the Units will not result in acquisition of Units which taken together with Units already held by it and any person acting in concert with it in the Anzen Trust exceeding 25% of the value of the outstanding units of the Anzen Trust;

- The Eligible Investor confirms that it is outside the United States, and is acquiring the Units in an "offshore transaction" as defined in and in compliance with Regulation S and the applicable laws of the jurisdiction where those offers and sales occur, and is not our affiliate or a person acting on behalf of such an affiliate; and

- The Eligible Investor confirms that it shall not undertake any trade in the Units credited to its beneficiary account maintained with the Depository Participant until such time that the final listing and trading approvals for the Units are issued by the Stock Exchanges.

Further, in accordance with Press Note No. 3 (2020 Series), dated April 17, 2020, issued by the Department for Promotion of Industry and Internal Trade, Government of India, together with the FEMA Rules, investments where the beneficial owner of the Units is situated in or is a citizen of a country which shares land border with India, can only be made through the Government approval route, as prescribed in the FEMA Rules.

ELIGIBLE INVESTORS MUST PROVIDE THEIR NAME, E-MAIL ID, BENEFICIARY ACCOUNT DETAILS/ DEMAT ACCOUNT, PAN, NATIONALITY, DEPOSITORY PARTICIPANT'S NAME, COMPLETE ADDRESS, DEPOSITORY PARTICIPANT IDENTIFICATION NUMBER AND BENEFICIARY ACCOUNT NUMBER IN THE APPLICATION FORM. ELIGIBLE INVESTORS MUST ENSURE THAT THE NAME GIVEN IN THE APPLICATION FORM IS EXACTLY THE SAME AS THE NAME IN WHICH THEIR BENEFICIARY ACCOUNT/ DEMAT ACCOUNT IS HELD.

IF SO REQUIRED BY THE LEAD MANAGERS, THE ELIGIBLE INVESTORS SUBMITTING A BID, ALONG WITH THE APPLICATION FORM, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO THE LEAD MANAGERS TO EVIDENCE THEIR STATUS AS AN "INSTITUTIONAL INVESTOR" AS SET OUT ABOVE.

IF SO REQUIRED BY THE LEAD MANAGERS, ESCROW COLLECTION BANK OR ANY STATUTORY OR REGULATORY AUTHORITY IN THIS REGARD, INCLUDING AFTER ISSUE CLOSURE, THE ELIGIBLE INVESTORS SUBMITTING A BID AND/OR BEING ALLOTTED UNITS IN THE ISSUE, WILL ALSO HAVE TO SUBMIT REQUISITE DOCUMENT(S) TO FULFILL THE KNOW YOUR CUSTOMER (KYC) NORMS.

Demographic details such as address and bank account details will be obtained from the Depositories as per the Depository Participant account details provided in the Application Form.

The submission of an Application Form and payment of the Application Amount pursuant to the Application Form by a Bidder shall be deemed a valid, binding and irrevocable offer for such Bidder to pay the entire Issue Price for the Units that may be Allotted to such Bidder and shall become a binding contract on a successful Bidder upon issuance of the CAN and the Placement Document (when dispatched) by the Investment Manager in favour of the successful Bidder.

Instructions for completing the Application Form

Bidders may note that Application Forms not filled completely or correctly as per instructions provided in the Preliminary Placement Document and the Application Forms are liable to be rejected. The Bids should adhere to the following:

(i) Bids must be made only in the prescribed Application Form;

(ii) Application Form must be completed in full, in BLOCK LETTERS in ENGLISH and in accordance with the instructions contained herein and in the Application Form. Incomplete Application Forms are liable to be rejected. Bidders must provide details of valid and active DP ID, Client ID and PAN clearly and without error. Invalid accounts, suspended accounts or where such account is classified as invalid or suspended shall not be considered for Allotment. Bidders should note that the Lead Managers and the Investment Manager will not be liable for errors in data entry due to incomplete or illegible Application Forms; and

(iii) Bidders are required to sign the Application Form. Bidders should ensure that the thumb impressions and signatures other than in the languages specified in the Eighth Schedule to the Constitution of India, are attested by a Magistrate or a Notary Public or a Special Executive Magistrate under official seal.

Submission of Application Form

All Application Forms must be duly completed with information including the name of the Bidder, the number of the Units applied for along with payment and a copy of the PAN card or PAN allotment letter. Additionally, the Application Form must include details of the relevant Escrow Account into which the Application Amounts will have to be deposited. The Application Amount shall be deposited in the Escrow Account as is specified in the Application Form and the Application Form shall be submitted to the Lead Managers and/or the Investment Manager either through electronic form or through physical delivery at any of the following addresses:

Investment Manager
Plot 294/3, Edelweiss house
Off CST Road
Kalina
Santacruz (East)
Mumbai 400 098
Tel: +91 22 4272 2396
E-mail: jalpa.parekh@eaaa.in

Motilal Oswal Investment Advisors Limited
Motilal Oswal Tower, Rahimtullah,
Sayani Road, Opposite Parel ST Depot,
Prabhadevi, Mumbai - 400 025,
Maharashtra, India
Tel: +91 22 7193 4380
E-mail: anzen.qip@motilaloswal.com
Investor Grievance E-mail: moiaplredressal@motilaloswal.com
Website: www.motilaloswalgroup.com
Contact Person: Akash Aggarwal / Apeksha Gupta
SEBI Registration No.: INM000011005

Ambit Private Limited
Ambit House, 449,
Senapati Bapat Marg,
Lower Parel
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Contact Person: Anmol Modi / Janit Sethi
SEBI Registration No.: INM000010585

The Lead Managers, the Trustee and the Investment Manager shall not be required to provide any written acknowledgement of the receipt of the Application Form and the Application Amount.

All Bidders submitting a Bid in the Issue shall pay the entire Application Amount during the Issue Period.

Payment of Application Amount

The Investment Manager has opened the Escrow Account (designated as "*Anzen India Energy Plus Trust Allotment Account*") with the Escrow Collection Bank, in terms of the Cash Escrow Agreement. Bidders will be required to deposit the entire

Application Amount payable for the Units applied for through the Application Form submitted by it in accordance with the applicable laws.

Payments are to be made only through electronic fund transfer.

Payments through cheque, demand draft or cash shall be rejected.

If the payment is not made favouring the Escrow Account within the Issue Period stipulated in the Application Form, the Bid is liable to be rejected.

Permanent Account Number or PAN

Each Bidder should mention its Permanent Account Number ("PAN") allotted under the IT Act, in the Application Form. Applications without this information will be considered incomplete and are liable to be rejected, except from Bidders which are not required to hold a PAN under applicable law. Bidders should not submit the general index registrar number instead of the PAN as the Application Form is liable to be rejected.

Bank Account Details

Each Bidder shall mention the details of the bank account from which the payment of Application Amount has been made along with confirmation that such payment has been made from such account.

Pricing and Allocation

Build-up of the Book

The Eligible Investors shall submit their Bids (including any revision thereof) through the Application Forms within the Issue Period to the Lead Managers. Such Bids cannot be withdrawn or revised after the Issue Closing Date. The book shall be maintained by the Lead Managers.

Price Determination and Allocation

The Investment Manager, in consultation with the Lead Managers, shall determine the Issue Price in accordance with the SEBI Institutional Placement Guidelines. The Issue Price shall be at or above the Floor Price.

After finalisation of the Issue Price, the Investment Manager shall update this Preliminary Placement Document with the Issue Price details and file the Placement Document with the Stock Exchanges.

Method of Allocation

The Investment Manager shall determine the Allocation in consultation with the Lead Managers on a discretionary basis in accordance with the allocation methodology approved by the board of directors of the Investment Manager and in compliance with InvIT Regulations and SEBI Institutional Placement Guidelines. After finalization of the Allocation, the Investment Manager will update this Preliminary Placement Document with the Issue details and file the Placement Document with the Stock Exchanges, and dispatch the CAN, together with a serially numbered Placement Document to each successful Bidder.

Bids received from the Bidders at or above the Issue Price shall be grouped together to determine the total demand. The Allocation to all such Bidders will be made at the Issue Price.

THE DECISION OF THE INVESTMENT MANAGER, IN CONSULTATION WITH THE LEAD MANAGERS IN RESPECT OF ALLOCATION SHALL BE FINAL AND BINDING ON ALL ELIGIBLE INVESTORS. ELIGIBLE INVESTORS MAY NOTE THAT ALLOCATION OF THE UNITS IS AT THE SOLE AND ABSOLUTE DISCRETION OF THE INVESTMENT MANAGER, IN CONSULTATION WITH THE LEAD MANAGERS, AND ELIGIBLE INVESTORS MAY NOT RECEIVE ANY ALLOCATION EVEN IF THEY HAVE SUBMITTED VALID APPLICATION FORMS AND PAID THE ENTIRE APPLICATION AMOUNT AT OR ABOVE THE ISSUE PRICE. NEITHER THE INVESTMENT MANAGER NOR THE LEAD MANAGERS ARE OBLIGED TO ASSIGN ANY REASON FOR ANY NON-ALLOCATION.

Confirmation of Allocation Note or CAN

Based on the Application Forms and Application Amount, the Investment Manager, in consultation with the Lead Managers, in its sole and absolute discretion, shall decide the successful Bidders to whom the serially numbered CANs shall be sent, pursuant to which the details of Units Allocated to them, the Issue Price and the total amount received towards Units Allocated to them shall be notified to such successful Bidders.

The successful Bidders would also be sent a serially numbered Placement Document either in electronic form or by physical delivery.

The dispatch of the serially numbered CAN and the Placement Document (when dispatched), to the Eligible Investors shall be deemed a valid, binding and irrevocable contract for the Eligible Investors to subscribe to the Units Allocated to such successful Bidders at an aggregate price equivalent to the product of the Issue Price and Units Allocated to such successful Bidders. Subsequently, Board of Directors or the Allotment Committee will approve the Allotment of the Units to the Allottees.

Eligible Investors are advised to instruct their Depository Participant to accept the Units that may be Allotted to them pursuant to the Issue.

By submitting the Application Form, the Eligible Investors would have deemed to have made the representations and warranties as specified in the section entitled "*Notice to Investors*" on page 1 and further that such Eligible Investors shall not undertake any trade on the Units credited to its Depository Participant account pursuant to the Issue until such time as the final listing and trading approval is issued by the Stock Exchanges.

Designated Date and Allotment of Units

The Investment Manager, at its sole discretion, reserves the right to cancel the Issue at any time up to Allotment without assigning any reason whatsoever.

Following the Allotment, the Investment Manager shall apply to the Stock Exchanges for listing approvals and post receipt of the listing approvals from the Stock Exchanges, the Investment Manager shall credit the Units into the beneficiary accounts of the successful Bidders. Following the credit of the Units into the successful Bidders' beneficiary accounts, the Investment Manager will apply for final listing and trading approvals from the Stock Exchanges.

The pre and post-Issue Unitholding pattern of the Anzen Trust will be filed by the Investment Manager with the Stock Exchanges and the Investment Manager will also file an allotment report with the SEBI providing details of the Allottees and the Allotment made.

After finalization of the Issue Price and Allocation of Units to the Bidders, the Investment Manager shall update this Preliminary Placement Document with the Issue details and file the same with the Stock Exchanges as the Placement Document.

Refunds

In the event that the Units are not Allocated to a Bidder for any reason, or the number of Units Allocated to a successful Bidder is lower than the number of Units applied for through the Application Form and towards which Application Amount has been paid by such Bidder, or the Application Amount paid by a successful Bidder is in excess of the amount equivalent to the product of the Units that have been Allocated to such Bidder and the Issue Price, or a Bidder withdraws the Application Form prior to the Issue Closing Date, or the Issue is cancelled prior to Allocation, the excess Application Amount paid by such Bidder will be refunded to the same bank account from which the Application Amount was remitted, in the form and manner set out in the CAN. The Refund Amount will be transferred to the relevant Bidders within two Working Days from the date of issuance of the CAN.

Post Allotment, the Investment Manager shall make an application for listing of the units to the stock exchange(s) and the Units shall be listed within two working days from the date of Allotment.

If the Units are failed to be listed within the specified time, the monies received shall be refunded through verifiable means within four working days from the date of the allotment, and if any such money is not repaid within such time after the issuer becomes liable to repay it, Anzen Trust, the Trustee (on behalf of the Trust) and the Investment Manager and its director or partner who is an officer in default shall, on and from the expiry of the fourth working day, be jointly and severally liable to repay that money with interest at the rate of 15% per annum.

Allotment pursuant to the Unitholders' resolution dated January 17, 2025, approving the Issue shall be completed within a period of 365 days from the date of passing of the unitholder resolution.

Other Instructions

Right to Reject Applications

The Investment Manager, in consultation with the Lead Managers, may reject Bids, in part or in full, without assigning any reason whatsoever. The decision of the Investment Manager in relation to the rejection of Bids shall be final and binding. In the event the Bid is rejected, the Application Amount paid by the Bidder shall be refunded to the same bank account from which the Application Amount was remitted by such Bidder. For details see "*Bid Process*" and "*Refund*" above.

Units in Dematerialised form with NSDL or CDSL

Investors should note that Allotment of Units to successful Bidders will only be in the dematerialized form. On Allotment, the Units will be traded only on the dematerialized segment of the Stock Exchanges.

The Allotment of the Units in the Issue shall be only in dematerialised form (i.e., not in physical certificates but be fungible and be represented by the statement issued through the electronic mode).

An Eligible Investor applying for the Units to be issued pursuant to the Issue must have at least one beneficiary account with a Depository Participant of either NSDL or CDSL prior to making the Bid. Units allotted to an Eligible Investor will be credited in electronic form directly to the specified beneficiary account (with the Depository Participant) of the Eligible Investor.

Units in electronic form can be traded only on the stock exchanges having electronic connectivity with NSDL and CDSL. BSE and NSE have electronic connectivity with NSDL and CDSL. The trading of the Units would be in dematerialised form only for all Eligible Investors in the respective demat segment of BSE and NSE.

The Trustee, the Investment Manager or the Lead Managers, will not be responsible or liable for the delay in the credit of the Units to be issued pursuant to the Issue due to errors in the Application Form, delay in payment of Application Amount or otherwise on part of the Eligible Investor.

Release of Funds to Trust

The Escrow Collection Bank shall not release the monies lying to the credit of the Escrow Account to Trust until the receipt of final trading and listing approvals of the Stock Exchanges for Units offered in the Issue and the receipt of the relevant instructions.

STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO THE TRUST AND ITS UNITHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

To
The Board of Directors
EAAA Real Assets Managers Limited (*formerly known as Edelweiss Real Assets Managers Limited*)
(as the 'Investment Manager' of Anzen India Energy Yield Plus Trust)
Plot 294/3, Edelweiss House, Off CST Road, Kalina,
Santacruz East, Mumbai 400098
Maharashtra, India

Dear Sirs/Madams,

Statement of Possible Tax Benefits available to Anzen India Energy Yield Plus Trust ("the Anzen Trust" or "issuer" or "InvIT") and its unit-holders under the applicable laws in India

1. We hereby confirm that the enclosed Annexure, prepared by management of EAAA Real Assets Managers Limited, (hereinafter referred as the "Investment Manager"), provides the possible tax benefits available to the Anzen Trust and to the unit-holders of the Anzen Trust under the Income Tax Act, 1961 (the "**Act**") as amended by the Finance Act 2024, i.e. applicable to the Financial Year 2024-25 relevant to the assessment year 2025-26, presently in force in India (together, the **'Tax Laws'**). This statement can be included in the Preliminary Placement Document and the Placement Document proposed to be filed with the BSE Limited and National Stock Exchange of India Limited (collectively, the "**Stock Exchanges**") for the proposed issuance ("the Issue") of Units (the "**Units**" or "**Securities**"), by the Anzen Trust outside the United States, as required under the provisions of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended. Several of these benefits are dependent on the Anzen Trust or its unit-holders fulfilling the conditions prescribed under the relevant provisions of the Act. Hence, the ability of the Anzen Trust and / or its unit-holders to derive the tax benefits is dependent upon their fulfilling such conditions which, based on business imperatives the Anzen Trust.

2. Trust faces in the future, the Anzen Trust or its unit-holders may or may not choose to fulfil.

3. The benefits discussed in the enclosed Annexure are not exhaustive and the preparation of the contents stated is the responsibility of the Investment Manager. We are informed that this statement is only intended to provide general information to the investors and is neither designed nor intended to be a substitute for professional tax advice. In view of the individual nature of the tax consequences and the changing tax laws, each investor is advised to consult his or her own tax consultant with respect to the specific tax implications arising out of their participation in the offering.

4. We do not express any opinion or provide any assurance as to whether:

   i) the Anzen Trust or its unit-holders will continue to obtain these benefits in future;
   ii) the conditions prescribed for availing the benefits have been / would be met with; and
   iii) the revenue authorities/courts will concur with the views expressed herein.

5. The contents of the enclosed Annexure are based on information, explanations and representations obtained from the Anzen Trust and on the basis of their understanding of the business activities and operations of the Anzen Trust.

6. This Statement is issued solely in connection with the issue of units and is not to be used, referred to or distributed for any other purpose. We have no responsibility to update this Statement for events and circumstances occurring after the date of this Statement.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

Sd/-

per Paul Alvares
Partner
Membership Number: 105754
UDIN: 25105754BMITJB4853
Place of Signature: Pune
Date: February 22, 2025

ANNEXURE TO STATEMENT OF POSSIBLE TAX BENEFITS AVAILABLE TO ANZEN INDIA ENERGY YIELD PLUS TRUST ('ANZEN TRUST' or 'BUSINESS TRUST') AND ITS UNITHOLDERS UNDER THE APPLICABLE LAWS IN INDIA

The information provided below sets out the possible tax benefits available to the Anzen Trust and its unitholders in a summary manner only and is not a complete analysis or listing of all potential tax consequences of purchase, ownership and disposal of equity shares or units, under the Tax Laws presently in force in India. It is not exhaustive or comprehensive analysis and is not intended to be a substitute for professional tax advice.

Unitholders should consult their own tax advisors concerning the India tax implications and consequences of purchase, owning and disposing of units, including tax implications on any distributions by/receipts from Anzen Trust, in their particular situation.

I. UNDER THE INCOME-TAX ACT, 1961 (hereinafter referred to as 'the Act')

1. <u>TAX BENEFITS AVAILABLE TO ANZEN TRUST UNDER THE ACT</u>

Anzen Trust is an Infrastructure Investment Trust in accordance with the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended ('SEBI Regulations').

The following benefits are available to the Anzen Trust after fulfilling conditions as per the applicable provisions of the Act and the guidelines prescribed by the Securities and Exchange Board of India ('SEBI') [including the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended] ('SEBI Regulations').

Business Trust is defined under section 2(13A) of the Act to include a trust registered as an Infrastructure Investment Trust under the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014.

1.1 <u>Tax benefit in the hands of Anzen Trust in respect of interest and dividend income received from the Special Purpose Vehicle(s) ('SPVs'):</u>

Interest and dividend received or receivable by Anzen Trust from the Project SPVs shall be exempt from tax, subject to satisfaction of conditions given under section 10(23FC) of the Act. For the purposes of this section, SPV means an Indian company in which the Business trust holds controlling interest and specified percentage of shareholding or interest, as may be required by the regulations under which such trust is granted registration.

Further, in view of the provisions of section 14A of the Act, any expenditure incurred in relation to earning the above exempt income shall not be tax deductible. In case the Tax Authorities are not satisfied by the disallowance considered by Anzen Trust, the quantum of disallowance shall be computed in accordance with the provisions of section 14A read with Rule 8D of the Income-tax Rules, 1961 ('the Rules').

1.2 <u>Benefits in the hands of Anzen Trust in respect of income other than the income from SPVs:</u>

1.2.1 Income from specified units as per section 10(35) of the Act

Finance Act, 2020 has discontinued the exemption available undersection 10(35) and hence the Business trusts shall be liable to pay tax on dividends received on or after April 1, 2020 at maximum marginal rate.

Deduction of interest expense wholly and exclusively incurred for earning of such dividend income can be claimed under section 57 of the Act. However, such deduction is restricted to 20 per cent of dividend received.

1.2.2 Section 10(34A) of the Act - Income from buy back of shares

The provisions of section 115QA (as amended by Finance Act, 2024) mandate domestic companies to pay an additional tax at the rate of 20% (plus applicable surcharge and cess) on buy-back of shares that take place before 1 October 2024, on the amount of income determined as per Rule 40BB of the Rules. Correspondingly, income arising from buy-back of shares that take place before 1 October 2024, shall not be taxable as per section 10(34A) of the Act in the hands of Anzen Trust.

Also, in view of the provisions of section 14A of the Act, any expenditure incurred in relation to earning such exempt income shall not be tax deductible. In case the Tax Authorities are not satisfied by the disallowance considered by Anzen Trust, the quantum of disallowance shall be computed in accordance with the provisions of section 14A read with Rule 8D of the Rules.

As per Finance Act 2024, in respect of buy back of shares that takes place on or after 1 October 2024, the domestic companies are not required to pay an additional tax at rate of 20%, and also the exemption provided in section 10(34A) is not applicable. As a result of the said amendment, income arising from buy-back of shares that take place on or after 1 October 2024 shall be considered as deemed dividend in hands of Anzen Trust and shall be taxable at maximum marginal rate under Income from other sources.

Also, as per amendment in section 46A by Finance Act, 2024, the value of consideration received by the shareholder on account of buy back of share by domestic company will be considered as Nil. The cost of acquisition of the shares bought back will result in capital loss in the hands of Anzen Trust as the assets will extinguish. Short term capital loss is allowed to be set-off against short term capital gains as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years. Long term capital loss is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent eight assessment years.

1.2.3 Taxability of Capital Gains

In terms of section 115UA(2) of the Act, the total income of Anzen Trust shall be chargeable to tax at the maximum marginal rates in force except for

a) Income chargeable to tax on transfer of Short-term Capital assets under section 111A;

b) Income chargeable to tax on transfer of Long-terms Capital assets under section 112 of the Act, respectively; and

Post amendment in section 2(42A) by Finance Act 2024, the nature of capital asset (whether long term or short term) with effect from 23 July 2024 is determined as follows:

- If the period of holding of a security listed on a recognised stock exchange in India or a unit of the Unit Trust of India or a unit of an equity-oriented fund or a zero-coupon bond or units of business trust is more than 12 months, it will be considered a long-term capital asset as per section 2(29AA) read with section 2(42A) of the Act.
- With respect to shares of a company not being listed on a recognized stock exchange or unit of a mutual fund other than equity oriented mutual fund, the determinative period of holding shall be more than 24 months for it to be regarded as long-term capital asset.
- Assets not considered as long-term capital asset shall be regarded as short-term capital assets.

As per amendment in section 111A by Finance Act 2024, any income arising from transfer of short-term capital asset, on or after 23 July 2024, being an equity share in a company or a unit of an equity- oriented fund or a unit of an eligible Business trust, transacted through a recognized stock exchange and subject to securities transaction tax, shall be taxable at 20% (plus applicable surcharge and cess if any).

As per the provisions amendment in section 112(1)(d) of the Act by Finance Act 2024, gains arising on the transfer of long-term capital assets made on or after 23 July 2024 shall be chargeable to tax in the hands of Anzen Trust at the rate of 12.5% (plus applicable surcharge and cess). Further, the benefit of indexation as provided by second proviso to section 48 will not be available for long-term capital assets transferred by a company on or after 23 July 2024.

As per section 70 read with section 74 of the Act, short-term capital loss arising during a year is allowed to be set-off against short-term capital gains as well as long-term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years. Also, as per section 70 of the Act, long-term capital loss arising during a year is allowed to be set-off only against long-term capital gains. Balance loss, if any, shall be carried forward and set-off against long-term capital gains arising during subsequent eight assessment years.

2. TAX BENEFITS AVAILABLE TO UNIT-HOLDERS OF ANZEN TRUST

2.1 Special Benefits available to the Unitholders of Anzen Trust:

Following tax benefit is specifically available to the unitholders of Anzen Trust subject to the fulfilment of the conditions specified in the Act and SEBI Regulations:

2.1.1 Section 10(23FD) of the Act - Tax exemption in respect of income distributed by Anzen Trust

As per the provisions of section 115UA(1) of the Act, the income distributed by Anzen Trust shall be deemed to be of the same nature and in the same proportion in the hands of the Unit-holder as if such income was received by or accrued to Anzen Trust.

As per the provisions of section 10(23FD), any income referred to in section 115UA(1) of the Act and distributed by the Business trust shall not be included in the total income of the unitholders except for the following income:

a. Interest referred to in section 10(23FC)

b. Specified dividend i.e. dividend income received in cases where SPV has exercised the option under section 115BAA of the Act

Further, in view of the provisions of section 14A of the Act, any expenditure incurred in relation to earning the exempt income under section 10(23FD) shall not be tax deductible. In case the Tax Authorities are not satisfied by the disallowance considered by unitholders, the quantum of disallowance shall be computed in accordance with the provisions of section 14A read with Rule 8D of the Rules.

Interest income from loan given to SPVs [referred to in section 10(23FC)] received by the unitholders from Anzen Trust shall be taxable as follows:

a) at the applicable tax rates, in case of resident unitholders; and

b) at 5% (plus applicable surcharge and cess) in case of non-resident Unitholders.

Further, in case the SPVs of Anzen Trust are opting for the concessional tax rate under section 115BAA, the dividend received by the unit holders shall be taxable in their hands as follows:

c) at the applicable tax rates, in case of resident unitholders; and

d) at 20% (plus applicable surcharge and cess) in case of non-resident Unitholders.

As per section 57 of the Act, no deduction shall be allowable against the taxable dividend income other than deduction on account of interest expense wholly and exclusively incurred for earning of such dividend

income. Further, such interest expense shall not exceed 20% of the gross dividend income from Anzen Trust included in the total income for that year. However, as per amendment by Finance Act, 2024, no deduction will be allowable against dividend income as specified in section 2(22)(f) ie any income received from a domestic company on account of buy-back of its own shares from a shareholder on or after 1 October 2024.

Under the provisions of section 90(2) of the Act, a non-resident will be governed by the provisions of the Agreement for Avoidance of Double Taxation ('AADT') between India and the country of tax residence of the non-resident, and the provisions of the Act apply to the extent they are more beneficial to the non-resident assessee.

2.1.2 Distribution in the form of loan repayment by SPV to Anzen Trust and taxability in hands of unitholders of Anzen Trust:

The Act has specific provisions for taxation of the income of Business trust such as dividend, interest and capital gains. However, there are certain distributions such as debts repayment by SPV to Anzen Trust which are further distributed by Anzen Trust to its unitholders and the debts repayments are not covered in the tax regime for Business trust. Accordingly, the Finance Act, 2023 had introduced a new provision whereby any other distributions (such as repayment of debt) by Business trusts that presently do not suffer taxation either in the hands of Business trust or in the hands of unit holders, will henceforth be taxed as “other income” in the hands of unit holders under section 56(2)(xii) of the Act.

Section 56(2)(xii) of the Act provides the manner of computing the distribution which is taxable as “Other Income” in the hands of unit holders referred to as “Specified sum” which shall be the result of ‘A – B - C’, where:

A = aggregate of sum distributed by the business trust with respect to such unit, during the previous year or during any earlier previous year or years, to such unit holder, who holds such unit on the date of distribution of sum or to any other unit holder who held such unit at any time prior to the date of such distribution, which is,—
(a) not in the nature of income referred to in clause (23FC) or clause (23FCA) of section 10; and
(b) not chargeable to tax under sub-section (2) of section 115UA in the hands of Business Trust

B = amount at which such unit was issued by the business trust

C = amount charged to tax under this clause in any earlier previous year

Where B + C > A, the specified sum shall be deemed to be NIL.

In a situation where, the cost of acquisition in the hands of the unitholder in respect of units held and distributions made in the nature of return of capital prior to 1 April 2023 is to be determined, the cost of acquisition in the hands of unitholders as on 1 April 2023 would be the cost of acquisition of the units reduced by the distributions received by the unitholder in the nature of return of capital.

- In a situation where, the cost of acquisition in the hands of the unitholder in respect of units held and distributions made in the nature of return of capital post 1 April 2023 is to be determined, the distribution received in respect of a unit in the nature of return of capital which does not result in an actual tax outflow under section 56(2)(xii) should be reduced from the cost of acquisition of a unit. Otherwise, when the computation under section 56(2)(xii) results in an actual tax liability, such distribution in the nature of return of capital should not be reduced from the cost of acquisition.

- The rate of tax on income from other sources is the tax rate (plus applicable surcharge and cess) applicable for residents and 40% (plus applicable surcharge and cess) for non-residents subject to the beneficial rate provided in the tax treaty.

- Other income (income other than interest or dividend income or income chargeable to tax under section 56(2)(xii) of the Act) such as treasury income earned by the Business trust and distributed to unitholder shall be exempt in hands of unitholders as the same shall be taxable in the hands of Business trust. Further, there shall be no withholding on distribution of such other income by the Business trust to the unitholders.

2.1.3 Section 10(23FE) of the Act - Tax exemption in respect of specified income earned by notified Sovereign Wealth Funds and Provident Funds

Finance Act, 2020 (further amended by the Finance Act, 2024) has introduced a specific tax exemption under section 10(23FE) of the Act to ‘Specified Persons’ with respect to the income in the nature of **dividend or interest or long-term capital gains or other income as specified in section 56(2)(xii) of the Act** arising from direct India investments made on or after 1 April 2020 but on or before 31 March 2025, inter alia, in units of an Infrastructure Investment Trust, if such investment is:

a. made on or after the 01 April 2020 but on or before the 31 March 2025; and b. is held for at least 3 years

For the purposes of the above exemption, following investors are considered as ‘Specified Persons’:

a. Wholly owned subsidiaries of Abu Dhabi Investment Authority; b. notified foreign Sovereign Wealth Fund (‘SWF’); and

c. notified foreign pension Fund (‘PF’).

For the purpose of claiming the aforesaid exemption, the aforesaid ‘Specified Persons’ need to be specifically notified under section 10(23FE) and need to satisfy the conditions specified in the notification.

In this regard, please note that there are no amendments in the withholding tax provisions under the Act for providing exemption from withholding taxes on above mentioned income accruing to specified persons, however, they are eligible to apply for a lower/ nil withholding certificate.

2.2 General Benefits available to all the Unitholders of Anzen Trust:

2.2.1 For resident Unitholder:

For the purpose of computation of capital gains on sale of units of Anzen Trust, consideration received on sale of units of the Business trust shall be reduced by cost of acquisition of such units and expenditure incurred wholly and exclusively in connection with such sale.

The amount of distribution to the extent not chargeable to tax u/s 56(2)(xii) of the Act and not covered u/s 10(23FC), 10(23FCA) or 115UA(2) of the Act, shall be reduced from the cost of units, for the purpose of computation of capital gains.

Income arising from transfer of units on or after 23 July 2024 held for more than 12 months and subject to securities transaction tax, shall be considered as long term capital assets. Assets not considered as long term capital assets shall be considered as short term capital assets.

Long term capital gain exceeding Rs. 1,25,000 on transfer of units on or after 23 July 2024 shall be taxable at 12.5% (plus applicable surcharge and cess) as per the provisions of section 112A of the Act (amended by Finance Act, 2024).The limit of Rs 1,25,000 is for whole financial year.

Short-term capital gains arising on transfer of the units made on or after 23 July 2024 of Anzen Trust will be chargeable to tax at the rate of 20% as per the provisions of section 111A of the Act (amended by Finance Act, 2024) provided such transaction is subject to STT and through a recognized stock exchange. In case of a Unitholder being an individual or HUF, where the total taxable income as reduced by short-term capital gains is below the basic exemption limit, the short-term capital gains will be reduced to the extent of the shortfall and only the balance short-term capital gains will be subjected to such tax in accordance with the proviso to sub-section (1) of section 111A of the Act.

Short-term Capital Loss computed for the given year is allowed to be set-off against Short-term/ Long-term Capital Gains computed for the said year under section 70 of the Act. Further, as per Section 71 of the Act, short-term capital loss for the year cannot be set-off against income under any other heads for the same year. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years. Also, as per section 70 of the Act, long-term capital loss arising during a year is allowed to be set-off only against long-term capital gains. Balance loss, if any, shall be carried forward and set-off against long-term capital gains arising during subsequent eight assessment years.

Where the gains arising on the transfer of the units of Anzen Trust are included in the business income of an assessee assessable under the head “Profits and Gains from Business or Profession” and on which securities transaction tax has been charged, such securities transaction tax shall be a deductible expense from business income as per the provisions of section 36(1)(xv) of the Act. The characterisation of gains/ losses, arising from sale of shares, as capital gains or business income would depend on the nature of holding in the hands of the unitholder and various other factors

2.2.2 For unitholders who are Foreign Portfolio Investors (‘FPIs’)/ Foreign Institutional Investors (‘FIIs’):

As per section 2(14) of the Act, transfer of any shares/ securities (other than those held as stock in trade) being invested in accordance with the regulations made under the Securities and Exchange Board of India Act, 1992 shall be deemed to be treated as Capital Gains.

Income arising from transfer of units made on or after 23 July 2024 of Anzen Trust held for more than 12 months and subject to securities transaction tax, shall be considered as long-term capital assets. Assets not considered as long-term capital assets shall be considered as short-term capital assets.

Section 115AD read with section 112A of the Act (amended by Finance Act, 2024) provides for concessional rate of 12.5% (plus applicable surcharge and cess) on long term capital gains (exceeding Rs. 1,25,000) arising from transfer of units of Anzen Trust made on or after 23 July 2024, if such transfer is subject to STT.

As per section 115AD of the Act, the tax on long term capital gains arising to the FPI/FII on transfer of listed units made on or after 23 July 2024 of Anzen Trust (other than those covered under section 112A) shall be at 12.5% without indexation benefit.

Under section 115AD(1)(ii) of the Act, income by way of short term capital gains arising to the FPI/ FII on transfer of units on or after 23 July 2024 of Anzen Trust shall be chargeable at the rate of 20% (plus applicable surcharge and cess) if such transaction of sale is entered on a recognised stock exchange in India and is chargeable to STT.

As per section 70 read with section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term capital gains as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years. Long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent eight assessment years.

In respect of non-residents, the tax rates and consequent taxation mentioned above will be further subject to any benefits available under the AADT, if any, between India and the country in which the FII has Fiscal domicile. As per the provisions of section 90(2) of the Act, the provisions of the Act would prevail over the provisions of the AADT to the extent they are more beneficial to the FII.

Pursuant to Central Board of Direct Tax press release dated 24 September 2015, the Government has clarified the inapplicability of Minimum Alternate Tax provisions to FIIs/FPIs.

2.2.3 <u>For non-resident Unitholder (other than FIIs/ FPIs):</u>

Income arising from transfer of units on or after 23 July 2024 of Anzen Trust held for more than 12 months and subject to securities transaction tax, shall be considered as long term capital assets. Assets not considered as long term capital assets shall be considered as short term capital assets.

Section 112A of the Act provides for concessional rate of 12.5% (plus applicable surcharge and cess) on long term capital gains (exceeding Rs. 1,25,000) arising from the units of Anzen Trust on or after 23 July 2024, if such transaction is subjected to STT. The benefit of indexation shall not be applicable for computing long term capital gains taxable under section 112A of the Act.

As per the provisions of section 111A of the Act (as amended by Finance Act, 2024) , short term capital gain arising from transfer of units made before 23 July 2024 of Anzen Trust through a recognized stock exchange and subject to STT shall be taxable at a concessional rate of 15% (plus applicable surcharge and cess if any) and short term capital gain on transfer of units on or after 23 July 2024 shall be taxable at rate of 20% (plus applicable surcharge and cess if any).

As per section 70 read with section 74 of the Act, short term capital loss arising during a year is allowed to be set-off against short term capital gains as well as long term capital gains. Balance loss, if any, shall be carried forward and set-off against any capital gains arising during subsequent eight assessment years. Long term capital loss arising during a year is allowed to be set-off only against long term capital gains. Balance loss, if any, shall be carried forward and set-off against long term capital gains arising during subsequent eight assessment years.

Where the gains arising on the transfer of shares of the company are included in the business income of an assessee assessable under the head "Profits and Gains from Business or Profession" and on which securities transaction tax has been charged, such securities transaction tax shall be a deductible expense from business income as per the provisions of section 36(1)(xv) of the Act. The characterisation of gains/ losses, arising from sale of shares, as capital gains or business income would depend on the nature of holding in the hands of the unitholder and various other factors.

Under the provisions of section 90(2) of the Act, a non-resident will be governed by the provisions of the AADT between India and the country of tax residence of the non-resident and the provisions of the Act apply to the extent they are more beneficial to the non-resident assessee.

As per Explanation 4 to section 115JB(2), the provisions of section 115JB shall not be applicable to a foreign company if the foreign company is a resident of a country having AADT with India and such foreign company does not have a permanent establishment within the definition of the term in the relevant AADT, or the foreign company is a resident of a country which does not have a AADT with India and such foreign company is not required to seek registration under any law for the time being in force relating to companies.

Investors are advised to consult their tax advisor for computation of capital gains including cost of acquisition of units as per Indian tax laws in each case.

2.2.4 <u>For unitholders who are Mutual Funds:</u>

Under section 10(23D) of the Act, any income earned by a Mutual Fund registered under the Securities and Exchange Board of India Act, 1992, or a Mutual Fund set up by a public sector bank or a public financial institution, or a Mutual Fund authorised by the Reserve Bank of India would be exempt from income-tax, subject to such conditions as the Central Government may by notification in the Official Gazette specify in this behalf.

II. TAX DEDUCTION AT SOURCE

Section 193 – Interest on securities distributed/ paid by SPVs to Anzen Trust:

As per section 193 of the Act, interest income distributed/ paid by an SPV to Anzen Trust shall not be subject to withholding tax.

<u>Section 194LBA – Certain income from units of Anzen Trust:</u>

Where any distributed income payable by Anzen Trust referred to in section 115UA, is in the nature referred to in sub clause (a) of clause (23FC) of section 10 i.e., interest, to its unit holder being a resident, Anzen Trust shall at the time of credit of such payment deduct tax at the rate of 10%.

In case payment referred to above is made to a non-resident unit holder, then the same shall be subjected to the tax deduction at the rate of 5% (plus applicable surcharge and cess).

Where any distributed income payable by Anzen Trust referred to in section 115UA, is in the nature referred to in sub clause (b) of clause (23FC) of section 10 i.e. any dividend is received from SPV which has exercised the option under section 115BAA of the Act, shall at the time of credit of such payment to the account of the payee or at the time of payment, whichever is earlier, deduct tax at the rate of 10%. In case of payments to non-resident unit holders, the rate of 10% shall be further increased by applicable surcharge and cess.

No tax is required to be deducted on dividend income distributed by Anzen Trust to the unit holders, in case such dividend is received from an SPV which has not opted for the option under section 115BAA.

<u>Section 194 – Dividend distribution by the SPVs to Anzen Trust:</u>

As per section 194 of the Act, dividend income distributed/ paid by an SPV to Anzen Trust shall not be subject to withholding tax.

<u>Section 194A – Interest paid by the SPVs to Anzen Trust on loans:</u>

As per Clause (xi) of sub-section 3 to section 194A of the Act, interest income paid by the SPVs to Anzen Trust in respect of the loans shall not be subjected to any withholding tax.

<u>Section 196 – Distribution by Anzen Trust to Mutual Funds:</u>

As per section 196 of the Act, no tax is to be deducted from income distributed/ paid by Anzen Trust to a Mutual Fund specified under section 10(23D) of the Act.

<u>Applicability of other provisions</u>

No income tax is deductible at source from income by way of capital gains arising to a resident unitholder under the present provisions of the Act. However, as per the provisions of Section 195 of the Act, any income by way of capital gains payable to non-residents may be subject to withholding of tax at the rate under the domestic tax laws or under AADT, whichever is beneficial to the assessee, unless a lower withholding tax certificate is obtained from the tax authorities. However, the non-resident investor will have to furnish a certificate of him being a tax resident in a country outside India and a suitable declaration for not having a fixed base/ permanent establishment in India, to get the benefit of the applicable AADT and such other document as may be prescribed as per the provision of section 90(4) of Act.

Pursuant to amendment in section 206AA vide notification 53/2016 dated 24 June 2016 introducing Rule 37BC, requirement of quoting permanent account number (PAN) in case of certain specified income is eliminated by maintaining specified documents as mentioned in the said notification.

Provisions of section 206AB of the Act shall not be applicable on payment made to a non-resident who does not have a permanent establishment in India

Notes:

1. The income-tax rates specified in this note are as applicable for the financial year 2024-25, and are exclusive of surcharge and education cess, if any. Rate of surcharge and cess are provided below:

Surcharge:

Domestic companies (not opting for Section 115BAA/ 115BAB):

If the net income does not exceed INR 10 million – Nil

If the net income exceeds INR 10 million but does not exceed INR 100 million - 7 per cent If the net income exceeds INR 100 million - 12 per cent

Domestic companies (opting for Section 115BAA/ 115BAB): 10%

Foreign companies:

If the net income does not exceed INR 10 million - Nil

If the net income exceeds INR 10 million but does not exceed INR 100 million - 2 per cent

If the net income exceeds INR 100 million - 5 per cent

Individuals, HUF, AOP and BOI:

If the net income does not exceed INR 5 million – Nil

If the net income exceeds INR 5 million but does not exceed INR 10 million – 10 per cent

If the net income exceeds INR 10 million but does not exceed INR 20 million – 15 per cent If the net income exceeds INR 20 million but does not exceed INR 50 million – 25 per cent If the net income exceeds INR 50 million – 37 per cent

The enhanced surcharge of 25% and 37%, is not levied on dividend income and income chargeable to tax under sections 111A, 112, 112A and 115AD. The maximum rate of surcharge on tax payable on such incomes shall be 15 per cent.

For other assessees, surcharge at the rate of 12% shall be applicable if the total income exceeds INR 10 million.

Health and Education cess:

In all cases, health and education cess will be levied at the rate of 4 per cent of income-tax and surcharge.

3. The above statement of possible direct tax benefits sets out the provisions of law in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of Shares, units and other securities.

4. The above statement covers only certain relevant direct tax law benefits and does not cover any indirect tax law benefits or benefit under any other law.

5. The stated benefits will be available only to the sole/ first named holder in case the units are held by joint holders.

6. In respect of non-residents, the tax rates and the consequent taxation mentioned above shall be further subject to any benefits available under the applicable tax treaty, if any, between India and the country in which the non-resident has fiscal domicile.

7. This statement is intended only to provide general information to the investors and is neither designed nor intended to be substituted for professional tax advice. In view of the individual nature of tax consequences, each investor is advised to consult his/her own tax advisor with respect to specific tax consequences of his/her participation in the scheme.

8. No assurance is given that the revenue authorities/courts will concur with the views expressed herein. Our views are based on the existing provisions of law and its interpretation, which are subject to changes from time to time. We do not assume responsibility to update the views consequent to such changes. We shall not be liable to any person in respect of this statement.

9. This statement of possible direct tax benefits enumerated above is as per the Act as amended by the Finance Act, 2024. The above statement of possible direct-tax benefits sets out the possible tax benefits available to the Business Trust and its unitholders under the current tax laws presently in force in India. Several of these benefits available are dependent on the taxpayer's parties to the transaction fulfilling the conditions prescribed under the relevant tax laws.

10. The information provided above sets out the possible tax benefits available to the investors in a summary manner only and is not a complete analysis or listing of all potential tax consequences of the purchase, ownership and disposal of units and other securities, under the current tax laws presently in force in India. It is not exhaustive or comprehensive and is not intended to be a substitute for professional advice. Investors are advised to consult their own tax consultant with respect to the tax implications of an investment in the units particularly in view of the fact that certain recently enacted legislation may not have a direct legal precedent or may have a different interpretation impacting the benefits, which an investor can avail.

DECLARATION

The Investment Manager hereby declares and certifies that all relevant provisions of the InvIT Regulations, SEBI Act and all rules, regulations and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Preliminary Placement Document is contrary to the applicable provisions of the InvIT Regulations, the SCRA, SEBI Act and all rules, regulations and guidelines issued by the GoI or SEBI (as the case may be). The Investment Manager further certifies that all the statements and disclosures in this Preliminary Placement Document are material, true, correct, not misleading and adequate in order to enable the Bidders to make an informed decision.

For **EAAA Real Assets Managers Limited**

Sd/-

Venkatchalam Arakoni Ramaswamy
Non-Executive Director

Date: February 25, 2025
Place: Mumbai

DECLARATION

The Investment Manager hereby declares and certifies that all relevant provisions of the InvIT Regulations, SEBI Act and all rules, regulations and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Preliminary Placement Document is contrary to the applicable provisions of the InvIT Regulations, the SCRA, SEBI Act and all rules, regulations and guidelines issued by the GoI or SEBI (as the case may be). The Investment Manager further certifies that all the statements and disclosures in this Preliminary Placement Document are material, true, correct, not misleading and adequate in order to enable the Bidders to make an informed decision.

For **EAAA Real Assets Managers Limited**

Sd/-

Subahoo Chordia
Non-Executive Director

Date: February 25, 2025
Place: Mumbai

DECLARATION

The Investment Manager hereby declares and certifies that all relevant provisions of the InvIT Regulations, SEBI Act and all rules, regulations and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Preliminary Placement Document is contrary to the applicable provisions of the InvIT Regulations, the SCRA, SEBI Act and all rules, regulations and guidelines issued by the GoI or SEBI (as the case may be). The Investment Manager further certifies that all the statements and disclosures in this Preliminary Placement Document are material, true, correct, not misleading and adequate in order to enable the Bidders to make an informed decision.

For **EAAA Real Assets Managers Limited**

Sd/-

Sunil Mitra
Independent Director

Date: February 25, 2025
Place: Kolkata

DECLARATION

The Investment Manager hereby declares and certifies that all relevant provisions of the InvIT Regulations, SEBI Act and all rules, regulations and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Preliminary Placement Document is contrary to the applicable provisions of the InvIT Regulations, the SCRA, SEBI Act and all rules, regulations and guidelines issued by the GoI or SEBI (as the case may be). The Investment Manager further certifies that all the statements and disclosures in this Preliminary Placement Document are material, true, correct, not misleading and adequate in order to enable the Bidders to make an informed decision.

For **EAAA Real Assets Managers Limited**

Sd/-

Bala C Deshpande
Independent Director

Date: February 25, 2025
Place: Mumbai

DECLARATION

The Investment Manager hereby declares and certifies that all relevant provisions of the InvIT Regulations, SEBI Act and all rules, regulations and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Preliminary Placement Document is contrary to the applicable provisions of the InvIT Regulations, the SCRA, SEBI Act and all rules, regulations and guidelines issued by the GoI or SEBI (as the case may be). The Investment Manager further certifies that all the statements and disclosures in this Preliminary Placement Document are material, true, correct, not misleading and adequate in order to enable the Bidders to make an informed decision.

For **EAAA Real Assets Managers Limited**

Sd/-

Nupur Garg
Independent Director

Date: February 25, 2025
Place: Gurugram

DECLARATION

The Investment Manager hereby declares and certifies that all relevant provisions of the InvIT Regulations, SEBI Act and all rules, regulations and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Preliminary Placement Document is contrary to the applicable provisions of the InvIT Regulations, the SCRA, SEBI Act and all rules, regulations and guidelines issued by the GoI or SEBI (as the case may be). The Investment Manager further certifies that all the statements and disclosures in this Preliminary Placement Document are material, true, correct, not misleading and adequate in order to enable the Bidders to make an informed decision.

For **EAAA Real Assets Managers Limited**

Sd/-

Ranjita Deo
Whole-Time Director and Chief Investment Officer

Date: February 25, 2025
Place: Mumbai

DECLARATION

The Investment Manager hereby declares and certifies that all relevant provisions of the InvIT Regulations, SEBI Act and all rules, regulations and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Preliminary Placement Document is contrary to the applicable provisions of the InvIT Regulations, the SCRA, SEBI Act and all rules, regulations and guidelines issued by the GoI or SEBI (as the case may be). The Investment Manager further certifies that all the statements and disclosures in this Preliminary Placement Document are material, true, correct, not misleading and adequate in order to enable the Bidders to make an informed decision.

For **EAAA Real Assets Managers Limited**

Sd/-

Shiva Kumar
Independent Director

Date: February 25, 2025
Place: Gurugram

DECLARATION

The Trustee hereby declares and certifies that all relevant provisions of the InvIT Regulations, SEBI Act and all rules, regulations and guidelines issued by the GoI or SEBI (as the case may be) have been complied with and no statement made in this Preliminary Placement Document is contrary to the applicable provisions of the InvIT Regulations, the SCRA, SEBI Act and all rules, regulations and guidelines issued by the GoI or SEBI (as the case may be). The Trustee further certifies that all the statements and disclosures in this Preliminary Placement Document are material, true, correct, not misleading and adequate in order to enable the Bidders to make an informed decision.

For **Axis Trustee Services Limited**

Sd/-

Authorised Signatory

Date: February 25, 2025
Place: Mumbai

ANNEXURE A - VALUATION REPORTS

The valuation reports for each of the Portfolio Assets is available at https://www.anzenenergy.in/wp-content/uploads/2024/05/Valuation-Report-March-24.pdf. Additionally, please see below the valuation report of the Target Asset.

(*The remainder of this page is intentionally left blank*)

Prepared for:

Anzen India Energy Yield Plus Trust ("the Trust")

EAAA Real Assets Managers Limited

("the Investment Manager")

Valuation as per SEBI (Infrastructure Investment Trusts) Regulations, 2014 as amended

Fair Enterprise Valuation of ReNew Sun Waves Private Limited

Valuation Date: 30th June 2024

Report Date: 25th December 2024

Mr. S Sundararaman,
Registered Valuer,
IBBI Registration No - IBBI/RV/06/2018/10238
Email – chennaissr@gmail.com
Phone No: +91 97909 28047
GST No: 33AHUPS0102L1Z8

S. SUNDARARAMAN
Registered Valuer
Registration No - IBBI/RV/06/2018/10238

Strictly Private and Confidential

RV/SSR/R/2025/23 **Date: 25th December 2024**

Anzen India Energy Yield Plus Trust
(acting through Axis Trustee Services Limited [in its capacity as "the Trustee" of the Trust])
Plot 294/3, Edelweiss House,
Off CST Road, Kalina,
Santacruz (E), Mumbai - 400 098,
Maharashtra, India.

EAAA Real Assets Managers Limited
(acting as the Investment Manager to Anzen India Energy Yield Plus Trust)
Plot 294/3, Edelweiss House,
Off CST Road, Kalina,
Santacruz (E), Mumbai - 400 098,
Maharashtra, India.

Sub: Financial Valuation as per SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended ("the SEBI InvIT Regulations")

Dear Sirs/ Madams,

I, Mr. S. Sundararaman ("**Registered Valuer**" or "**RV**" or "**I**" or "**My**" or "**Me**") bearing IBBI registration number IBBI/RV/06/2018/10238, have been appointed vide letter dated 3rd July 2024 as an independent valuer, as defined as per Regulation 2(zzf) of the SEBI InvIT Regulations, by **EAAA Real Assets Managers Limited** ("**ERAML**" or "**the Investment Manager**") acting as the investment manager for **Anzen India Energy Yield Plus Trust** ("**the Trust**" or "**InvIT**"), an infrastructure investment trust, registered with the **Securities Exchange Board of India** ("**SEBI**") with effect from 18th January 2022, bearing registration number IN/InvIT/21-22/0020 and **Axis Trustee Services Limited** ("**the Trustee**") acting on behalf of the Trust, for the financial valuation of the **ReNew Sun Waves Private Limited ("RSWPL"** or "**the SPV")** for the purpose mentioned below as per the requirements of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended ("**the SEBI InvIT Regulations**"). The SPV is to be valued as per Regulation 21 read with Chapter V of the SEBI InvIT Regulations

I am enclosing the Report providing opinion on the fair enterprise value of the SPV as defined hereinafter on a going concern basis as at 30th June 2024 ("**Valuation Date**").

Enterprise Value ("**EV**") is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash or cash equivalents to meet those liabilities. The attached Report details the valuation methodologies used, calculations performed and the conclusion reached with respect to this valuation.

I have relied on explanations and information provided by the Investment Manager. Although, I have reviewed such data for consistency, those are not independently investigated or otherwise verified.

My team and I have no present or planned future interest in the Trust, the SPV or the Investment Manager except to the extent of this appointment as an independent valuer and the fee for this Valuation Report ("**Report**") which is not contingent upon the values reported herein. The valuation analysis should not be construed as an investment advice, specifically, and I do not express any opinion on the suitability or otherwise of entering into any financial or other transaction with the Trust.

The analysis must be considered as a whole. Selecting portions of any analysis or the factors that are considered in this Report, without considering all factors and analysis together could create a misleading view of the process underlying the valuation conclusions. The preparation of a valuation is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis.

The Trust intends to acquire the following SPV engaged in the solar business and for this purpose intends to value the SPV as per Regulation 21 read with Chapter V of the SEBI InvIT Regulations:

Sr. No.	Name of the SPV	Term
1	ReNew Sun Waves Private Limited	RSWPL

The information provided to me by the Investment Manager in relation to the SPV included but not limited to historical financial statements, forecasts/projections, other statements and assumptions about future matters like forward-looking financial information prepared by the Investment Manager. The forecasts and projections as supplied to me are based upon assumptions about events and circumstances which are yet to occur.

By nature, valuation is based on estimates, however, the risks and uncertainties relating to the events occurring in the future, the actual figures in future may differ from these estimates and may have an impact on the valuation of the SPV.

I have not tested individual assumptions or attempted to substantiate the veracity or integrity of such assumptions in relation to the forward-looking financial information, however, I have made sufficient enquiry to satisfy myself that such information has been prepared on a reasonable basis. Notwithstanding anything above, I cannot provide any assurance that the forward looking financial information will be representative of the results which will actually be achieved during the cash flow forecast period.

The valuation provided by RV and the valuation conclusion are included herein and the Report complies with the SEBI InvIT Regulations and guidelines, circular or notification issued by the SEBI thereunder.

Please note that all comments in the Report must be read in conjunction with the caveats to the Report, which are contained in Section 10 of this Report. This letter, the Report and the summary of valuation included herein can be provided to Trust's advisors and may be made available for the inspection to the public and with the SEBI, the stock exchanges and any other regulatory and supervisory authority, as may be required.

RV draws your attention to the limitation of liability clauses in Section 10 of this Report.

This letter should be read in conjunction with the attached Report.

Yours faithfully,

SWAMINATHAN SUNDARARAMAN

Digitally signed by SWAMINATHAN SUNDARARAMAN
Date: 2024.12.25 14:26:54 +05'30'

S. Sundararaman
Registered Valuer
IBBI Registration No.: IBBI/RV/06/2018/10238
Asset Class: Securities or Financial Assets
Place: Chennai
UDIN: 24028423BKGABX8179

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Definition, abbreviation & glossary of terms

Abbreviations	Meaning
Capex	Capital Expenditure
CCIL	Clearing Corporation of India Limited
CER	Carbon Emission Reduction
CCM	Comparable Companies Multiples
COD	Commercial Operation Date
CTM	Comparable Transactions Multiples
CIL	Change in Law
DMTCL	Darbhanga-Motihari Transmission Company Limited
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization
EIYP Fund	Edelweiss Infrastructure Yield Plus
ERP	Equity Risk Premium
EV	Enterprise Value
FCFF	Free Cash Flow to the Firm
FDI	Foreign Direct Investment
FY	Financial Year Ended 31st March
GAAP	Generally Accepted Accounting Principles
GW	Giga Watts
Ind AS	Indian Accounting Standards
INR	Indian Rupee
Investment Manager/ ERAML	EAAA Real Assets Managers Limited
IVS	ICAI Valuation Standards 2018
Mn	Million
NAV	Net Asset Value Method
NCA	Net Current Assets, Excluding Cash and Bank Balances
NRSSB	NRSS XXXI (B) Transmission Limited
O&M	Operation & Maintenance
PPA	Power Purchase Agreement
SEBI InvIT Regulations	SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended
Sponsor/ SEPL	SEPL Energy Private Limited
SPV	Special Purpose Vehicle
RV	Registered Valuer
RSWPL	ReNew Sun Waves Private Limited
the Trust or InvIT	Anzen India Energy Yield Plus Trust
the Trustee	Axis Trustee Services Limited
WACC	Weighted Average Cost of Capital

1. Executive Summary

1.1. Background

The Trust

1.1.1. The Sponsor has settled Anzen India Energy Yield Plus Trust as an irrevocable trust under the trust deed, being registered under the Indian Registration Act, 1908, in accordance with the provisions of the Indian Trusts Act, 1882. The Trust is registered with Securities and Exchange Board of India ("**SEBI**") pursuant to the SEBI (Infrastructure Investment Trust) Regulations, 2014 ("**the SEBI InvIT Regulations**") with effect from 18th January 2022, bearing registration number IN/InvIT/21-22/0020.

1.1.2. Axis Trustee Services Limited ("**the Trustee**") has been appointed as the Trustee of the Trust.

1.1.3. The units of the trust are listed on National Stock Exchange ("NSE") since 16th November, 2022.

1.1.4. Unitholding of the Trust as on 30th June 2024 is as under:

Sr. No.	Particulars	No. of Units	%
1	Sponsor & Sponsor Group	11,22,00,000	71.01
2	Foreign Portfolio Investors	26,00,000	1.65
3	Non-institutional investors	4,32,00,000	27.34
	Total	**15,80,00,000**	**100.00**

Source: Investment Manager

1.1.5. The Trust currently holds the following assets:

Sr. No.	Name of the SPV	Term
1	Darbhanga-Motihari Transmission Company Limited	DMTCL
2	NRSS XXXI (B) Transmission Limited	NRSSB

Investment Manager

1.1.6. EAAA Real Assets Managers Limited (**"ERAML"** or **"the Investment Manager"**) has been appointed as the Investment Manager to the Trust by the Trustee and will be responsible to carry out the duties of such person as mentioned under the SEBI InvIT Regulations.

1.1.7. Shareholding of the Investment Manager as on the Valuation Date is as under:

Sr. No.	Particulars	No. of shares	%
1	*EAAA India Alternatives Limited	62,000	100.0%
	Total	**62,000**	**100.0%**

Source: Investment Manager
** Includes Shares held by nominees of EAAA India Alternatives*

The Sponsor

1.1.8. SEPL Energy Private Limited ("**the Sponsor**" or "**SEPL**") has floated an infrastructure investment trust under the SEBI InvIT Regulations called **"Anzen India Energy Yield Plus Trust"** ("**the InvIT**" or "**the Trust**"). SEPL is a portfolio company of Edelweiss Infrastructure Yield Plus fund ("**EIYP Fund**"). EIYP Fund is an alternative investment fund having SEBI Registration Number IN/AIF1/17-18/0511 dated 9th January 2018. EIYP Fund is mainly engaged in investment activities primarily with an objective of generating stable returns and earning long-term capital appreciation.

1.1.9. Shareholding of the Sponsor as on the Valuation Date is as under:

Sr. No.	Particulars	No. of shares	%
1	*Edelweiss Infrastructure Yield Plus	87,50,000	100.0%
	Total	**87,50,000**	**100.0%**

Source: Investment Manager
** Includes Shares held by nominees of EIYP Fund*

1.1.10. **Financial Assets to be Valued**

The following SPV are to be considered for Fair Enterprise Valuation:

Sr. No.	Name of the SPV	Term
1	ReNew Sun Waves Private Limited	RSWPL

(RSWPL is hereinafter referred to as "the **SPV**")

1.2. Purpose and Scope of Valuation

Purpose of Valuation

1.2.1. As per Regulation 21(8) of Chapter V of the SEBI InvIT Regulations, for any transaction of purchase or sale of infrastructure projects whether directly or through SPV, for publicly offered InvITs, a full valuation of the specific project shall be undertaken.

In this regard, the Investment Manager intends to undertake the fair enterprise valuation of the SPV as on 30th June 2024 for the purpose of the proposed acquisition of RSWPL by the InvIT

1.2.2. In this regard, the Investment Manager has appointed me, S. Sundararaman ("**Registered Valuer**" or "**RV**" or "**I**" or "**My**" or "**Me**") bearing IBBI registration number IBBI/RV/06/2018/10238 to undertake fair valuation of the SPV at the enterprise level as per the extant provisions of the SEBI InvIT Regulations issued by SEBI. Enterprise Value ("**EV**") is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash or cash equivalents to meet those liabilities. The EV as described above is not inclusive of the cash and cash equivalents of the SPV as on the Valuation Date.

1.2.3. I declare that:

i. I am competent to undertake the financial valuation in terms of the SEBI InvIT Regulations:

ii. I am not an associate of the Sponsor or the Investment Manager or the Trustee and I have not less than five years of experience in valuation of infrastructure assets;

iii. I am independent and have prepared the Report on a fair and unbiased basis;

iv. I have valued the SPV based on the valuation standards as specified / applicable as per SEBI InvIT Regulations.

1.2.4. This Report covers all the disclosures required as per the SEBI InvIT Regulations and the Valuation of the SPV is impartial, true and fair and in compliance with the SEBI InvIT Regulations.

Scope of Valuation

1.2.5. **Nature of the Asset to be Valued**

The RV has been mandated by the Investment Manager to arrive at the Enterprise Value ("EV") of the SPV. Enterprise Value is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash or cash equivalents to meet those liabilities.

1.2.6. **Valuation Base**

Valuation Base means the indication of the type of value being used in an engagement. In the present case, I have determined the fair value of the SPV at the enterprise level. Fair Value Bases defined as under:

Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the valuation date. It is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. Fair value or Market value is usually synonymous to each other except in certain circumstances where characteristics of an asset translate into a special asset value for the party (ies) involved.

1.2.7. **Valuation Date**

Valuation Date is the specific date at which the value of the assets to be valued gets estimated or measured. Valuation is time specific and can change with the passage of time due to changes in the condition of the asset to be valued. Accordingly, valuation of an asset as at a particular date can be different from other date(s).

The Valuation Date considered for the fair enterprise valuation of the SPV is 30th June 2024 ("**Valuation Date**"). The RV is not aware of any other events having occurred since 30th June 2024 till date of this Report which he deems to be significant for his valuation analysis.

1.2.8. **Premise of Value**

Premise of Value refers to the conditions and circumstances how an asset is deployed. In the present case, RV has determined the fair enterprise value of the SPV on a Going Concern Value defined as under:

Going Concern Value

Going Concern value is the value of a business enterprise that is expected to continue to operate in the future. The intangible elements of going concern value result from factors such as having a trained work force, an operational plant, necessary licenses, systems, and procedures in place etc.

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1.3. Summary of Valuation

I have assessed the fair enterprise value of each of the SPV on a stand-alone basis by using the Discounted Cash Flow ("**DCF**") method under the income approach. Following table summarizes my explaination on the usage or non usage of different valuation methods:

Valuation Approach	Valuation Methodology	Used	Explanation
Cost Approach	Net Asset Value	No	NAV does not capture the future earning potential of the business. Hence, NAV method has been considered for background reference only.
Income Approach	Discounted Cash Flow	Yes	The SPV generates income based on the pre-determined PPA Agreement. Hence, the growth potential of the SPV and the true worth of its business would be reflected in its future earnings potential and therefore, DCF method under the income approach has been considered as an appropriate method for the present valuation exercise.
Market Approach	Market Price	No	The equity shares of the SPV are not listed on any recognized stock exchange in India. Hence, I was unable to apply the market price method.
	Comparable Companies	No	In the absence of any exactly comparable listed companies with characteristics and parameters similar to that of the SPV, I am unable to consider this method for the current valuation.
	Comparable Transactions	No	In the absence of adequate details about the Comparable Transactions, I was unable to apply the CTM method.

Under the DCF Method, the Free Cash Flow to Firm ("**FCFF**") has been used for the purpose of valuation of the SPV. In order to arrive at the Fair EV of the individual SPV under the DCF Method, I have relied on the Audited financial statements as at 31st March 2024 and provisional financial statements as on 30th June 2024 prepared in accordance with the Indian Accounting Standards (Ind AS) and the financial projections of the respective SPV prepared by the Investment Manager as at the Valuation Date based on their best judgement.

The discount rate considered for the SPV for the purpose of this valuation exercise is based on the Weighted Average Cost of Capital ("**WACC**") for the SPV. The assumptions used are detailed out further in the report.

Based on the methodology and assumptions discussed further, RV has arrived at the fair enterprise value of the SPV as on the Valuation Date:

INR Mn

Sr No.	SPV	Projection Period (Balance Project Period)#	Capacity (AC)	Fair EV* (INR Mn)
1	RSWPL	~26 Years 4 Months	300 MW	16,385
Total				**16,385**

(Refer Appendix 1 & 2 for the detailed workings)

** Enterprise Value ("**EV**") is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash or cash equivalents to meet those liabilities.*
** DSRA cash of approximately INR 319 Mn is there as on 30th June 2024.*
**Fair EV includes CIL Value of INR 972 Mn, refer Section 6B and Appendix 1 for details.*
#Balance Project period is calculated as the weighted average balance period of the asset life from the Valuation date till the end date of the asset life developed on the leased (~70%) and owned land (~30%) as mentioned above

Further to above considering that present valuation exercise is based on the future financial performance and based on opinions on the future credit risk, cost of debt assumptions, etc., which represent reasonable expectations at a particular point of time, but such information, estimates or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, a particular event will occur or that a particular price will be offered or accepted. Actual results achieved during the period covered by the prospective financial analysis will vary from these estimates and variations may be material. Accordingly, a quantitative sensitivity analysis is considered on the following unobservable inputs:

1. Weighted Average Cost of Capital (WACC) by increasing / decreasing it by 0.5%
2. Weighted Average Cost of Capital (WACC) by increasing / decreasing it by 1.0%
3. PLF by increasing/decreasing it by 1.0%
4. Total Expenses considered during the projected period by increasing / decreasing it by 20%

1. Fair Enterprise Valuation Range based on WACC parameter (0.5%)

INR Mn

Sr No.	SPV	WACC +0.5%	EV*	Base WACC	EV*	WACC -0.5%	EV*
1	RSWPL	8.57%	15,769	8.07%	16,385	7.57%	17,044
Total			**15,769**		**16,385**		**17,044**

**CIL is discounted at a base WACC of 9.64% and similar sensitivity run is performed to the CIL value which is included in total EV value shown above. Accordingly CIL is discounted at 10.14% and 9.14% when WACC is increased and decreased by 0.5% respectively.*

2. Fair Enterprise Valuation Range based on WACC parameter (1.0%)

INR Mn

Sr No.	SPV	WACC +1.0%	EV*	Base WACC	EV*	WACC -1.0%	EV*
1	RSWPL	9.07%	15,193	8.07%	16,385	7.07%	17,750
Total			**15,193**		**16,385**		**17,750**

**CIL is discounted at a base WACC of 9.64% and similar sensitivity run is performed to the CIL value which is included in total EV value shown above. Accordingly CIL is discounted at 10.64% and 8.64% when WACC is increased and decreased by 1% respectively.*

3. PLF by increasing/decreasing it by 1.0%

INR Mn

Sr No.	SPV	EV -1.0% PLF	Base EV	EV +1.0% PLF
1	RSWPL	15,559	16,385	17,205
Total		**15,559**	**16,385**	**17,205**

4. Fair Enterprise Valuation Range based on Operating Expense parameter (20%)

INR Mn

Sr No.	SPV	EV at expenses +20%	EV at Base Expenses	EV at expenses -20%
1	RSWPL	15,877	16,385	16,873
Total		**15,877**	**16,385**	**16,873**

The above represents reasonable range of fair enterprise valuation of the SPV.

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2. Procedures adopted for current valuation exercise

2.1. I have performed the valuation analysis, to the extent applicable, in accordance with ICAI Valuation Standards 2018 (“**IVS**”) issued by the Institute of Chartered Accountants of India.

2.2. In connection with this analysis, I have adopted the following procedures to carry out the valuation analysis:

2.2.1. Requested and received financial and qualitative information relating to the SPV;

2.2.2. Obtained and analyzed data available in public domain, as considered relevant by me;

2.2.3. Discussions with the Investment Manager on:

- Understanding of the business of the SPV – business and fundamental factors that affect its earning-generating capacity including strengths, weaknesses, opportunities and threats analysis and historical and expected financial performance;

2.2.4. Undertook industry analysis:

- Research publicly available market data including economic factors and industry trends that may impact the valuation;
- Analysis of key trends and valuation multiples of comparable companies/comparable transactions, if any, using proprietary databases subscribed by me;

2.2.5. Analysis of other publicly available information;

2.2.6. Selection of valuation approach and valuation methodology/(ies), in accordance with IVS, as considered appropriate and relevant by me;

2.2.7. Conducted physical site visit of the solar asset of the SPV;

2.2.8. Determination of fair value of the EV of the SPV on a going concern basis.

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3. Overview of InvIT and SPV

3.1. The Trust

3.1.1. **Anzen India Energy Yield Plus Trust** ("**the Trust**" or "**InvIT**"), would be responsible for holding the InvIT Assets on trust and for the benefit of the unitholders, undertaking the activities and other duties specified as per the SEBI InvIT Regulations. The Trust was established on 1st November 2021 and received its registration certificate from the SEBI which is effective from 18th January 2022 (bearing SEBI Reg. No. IN/InvIT/21-22/0020).

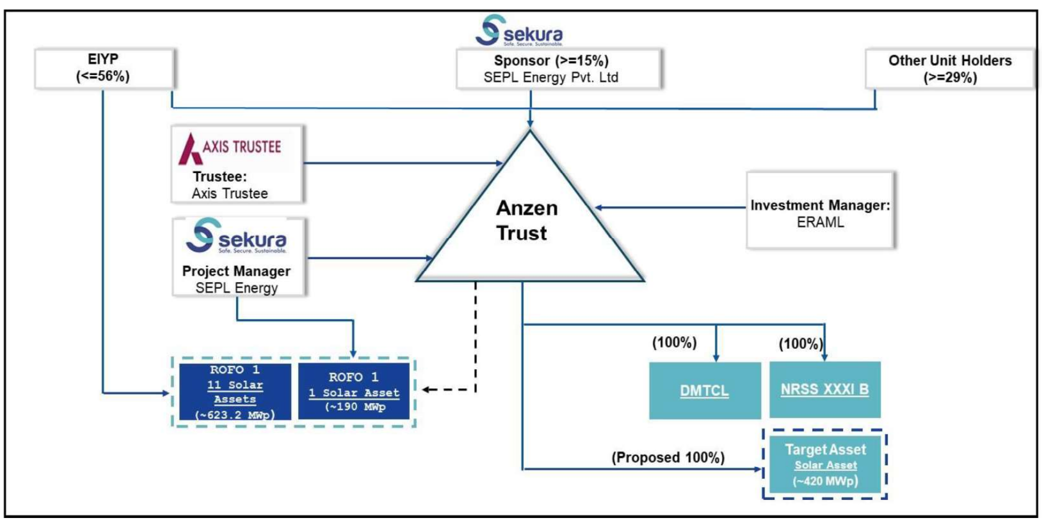
3.1.2. **Purchase price of the existing SPVs of the InvIT is as follows**

Sr. No	Particulars	Acquisition Date	Acquisition Cost of 100% Equity Value
1	Darbhanga-Motihari Transmission Company Limited	11-Nov-22	4,700 Mn
2	NRSS XXXI (B) Transmission Limited	11-Nov-22	3,600 Mn

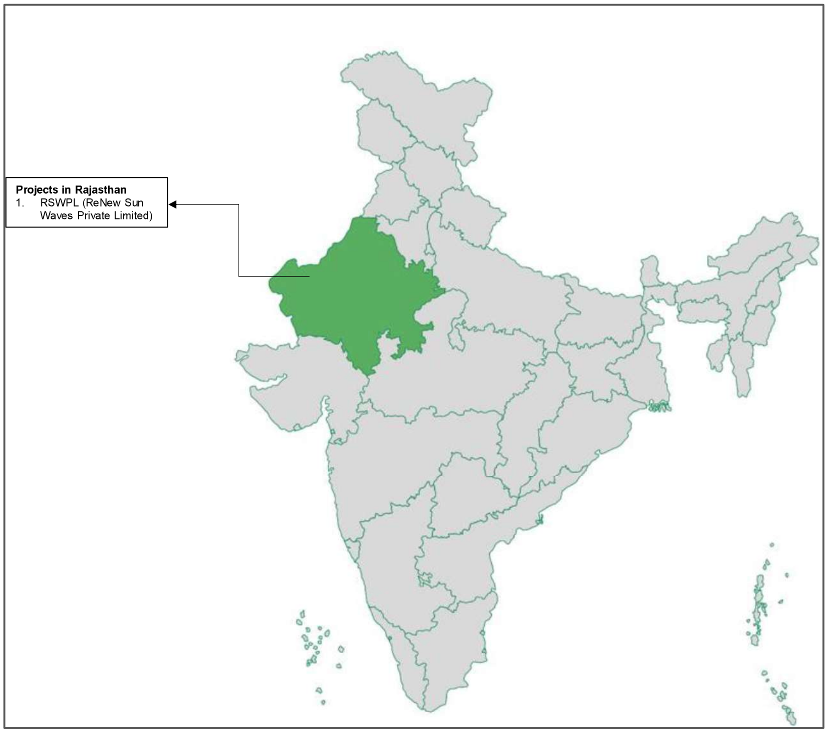
The Historical Fair Enterprise Valuation of the existing SPVs are as follows

Valuation (INR Mn)	DMTCL	NRSS
31-Mar-22	13,100	10,100
30-Jun-22	12,907	9,897
31-Mar-23	13,205	9,981
31-Mar-24	13,180	9,857

3.1.3. **Group Structure of the InvIT as on June 30th 2024**



3.1.4. Following is a map of India showing the area covered by the SPV proposed to be acquired by the Trust:



Source: Investment Manager

Background of the SPV

3.2. ReNew Sun Waves Private Limited (“RSWPL”):

RSWPL is located in the region of Jaisalmer and is mainly engaged in the business as a producer and distributor of solar power by using solar cells, photo voltaic solar modules having a fixed tilt of 16 degrees, photo voltaic solar system/subsystem, concentrated solar power and to provide related services. Summary of the project details of RSWPL are as follows:

Project details

Parameters	Details
Installed Capacity (AC)	300.00 MW
Installed Capacity (DC)	~420.00 MWp
Plant Location	Jaisalmer, Rajasthan
Actual COD	5th October 2021
Land Area	1,062 Acres
O&M Contractor	Current: ReNew Group
PPA Counterparty	SECI
PPA Date	13th August 2019
PPA Term	25 years from Actual COD
PPA Tariff	2.55 INR/KWh
CER Registry	Not registered
CER Registration Status	Not registered
Proposed Trust's stake	100% ownership

Source: Investment Manager

ReNew Sun Waves Private Limited is engaged in carrying on the business of setting up, generating and selling of renewable power from its ground mounted solar power plants located at Jaisalmer, Rajasthan. RSWPL has entered into a PPA with SECI on 13th August 2019 for implementation of a ~420.00 MWp Solar Photovoltaic Power Generation Unit in the State of Rajasthan, under which it has a commitment to sell electricity for a period of 25 years.

The Mono Crystalline panels are kept at a fixed tilt of 16 degrees and are spread over 1,062 acres.

The SPV is proposed to be acquired from ReNew Private limited which is a separate legal entity not related to the Trust, the Sponsor or the IM and hence cannot be classified as a related party transaction. Shareholding of the SPV as on the Valuation date is as under after which the Trust will hold 100% equity shares of the SPV:

INR Mn

Particulars	Number of Shares	Amount
ReNew Private Limited	29,59,444	30
Total	**29,59,444**	**30**

Strictly Private and Confidential

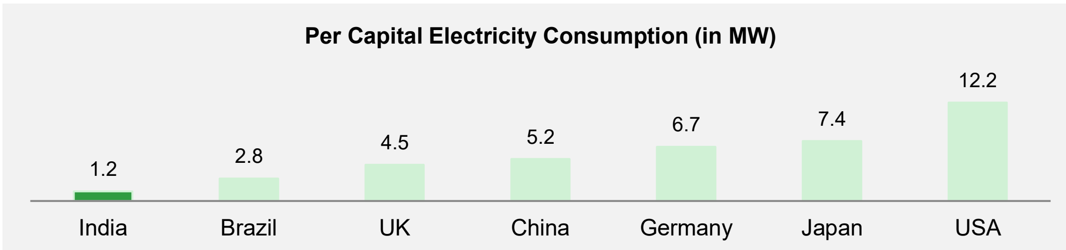
My team had conducted physical site visit of RSWPL on 21st November 2024. Following are the pictures of the plant site:

ReNew Sun Waves Private Limited, Jaisalmer, Rajasthan.




4. Overview of the Industry

4.1 India is the most populous democracy in the world with a population of more than 1.4 billion. India's GDP grew 8.4% in the third quarter of Financial Year 2024. An efficient, resilient, and financially robust power sector is essential for the growth of the Indian economy. A series of reforms in the 1990s and the Electricity Act 2003 as amended from time to time have moved the Indian power sector towards being a competitive market with multiple buyers and sellers supported by regulatory and oversight bodies.



4.2 India is the 3rd largest energy consuming country in the world. It stands 4th globally in renewable energy installed capacity,4th wind power capacity and in 5th solar Power capacity (as per REN21 Renewables 2023 Global Status Report).The country has set an enhanced target at the COP26 of 500 GW of non-fossil fuel-based energy by 2030. This has been a key pledge under the Panchamrit Scheme. This is the world's largest expansion plan in renewable energy.

4.3 India's installed non-fossil fuel capacity has increased 396% in the last 8.5 years and stands at more than 186.46 Giga Watts (including large Hydro and nuclear), about 44% of the country's total capacity (as of October 2023). In addition, 114.08 GW of capacity is under implementation and 55.13 GW capacity is under tendering. The installed solar energy capacity has increased by 24.4 times in the last 9 years and stands at 73.32 GW as of December 2023. The installed Renewable energy capacity (including large hydro) has increased by around 128 % since 2014.

4.4 Electricity security has improved through the creation of one national power system and major investments in clean energy. India is now working on integrating higher shares of variable renewable energy into the energy mix.

4.5 The Central Electricity Authority (CEA) estimates India's power requirement to grow to reach 817 GW by 2030. As the economy grows, the electricity consumption is projected to reach 15,280 TWh in 2040 from 4,926 TWh in 2012. Most of the demand will come from the real estate and transport sectors.

A. Global Renewable Energy Outlook

4.6 Energy is at the heart of development. Energy makes possible the investments, innovations, and new industries that drive jobs, inclusive growth, and shared prosperity on a more livable planet. Scaling up renewables and energy efficiency, and investing in electrification at scale, while phasing-down fossil fuels, is critical for providing clean energy.

4.7 The amount of renewable energy capacity added to energy systems around the world grew by 50% in 2023, reaching almost 510 gigawatts (GW), with solar PV accounting for three-quarters of additions worldwide, according to Renewables 2023, the latest edition of the IEA's annual market report on the sector. The largest growth took place in China, which commissioned as much solar PV in 2023 as the entire world did in 2022, while China's wind power additions rose by 66% year-on-year. The increases in renewable energy capacity in Europe, the United States and Brazil also hit all-time highs.

4.8 Under existing policies and market conditions, global renewable capacity is forecast to reach 7,300 GW by 2028. This growth trajectory would see global capacity increase to 2.5 times its current level by 2030, falling short of the tripling goal.

4.9 The driving forces behind growth in renewable energy capacity includes robust policy support, energy security priorities and improved competitiveness against fossil fuels, outweighing challenges like higher costs and supply chain issues.

4.10 Escalating electricity prices from the energy crisis prompted policymakers, particularly in Europe, to prioritize energy security and seek alternatives to imported fossil fuels. This shift favors solar PV, especially for quick installation of residential and commercial systems to meet surging requirement for renewable energy.

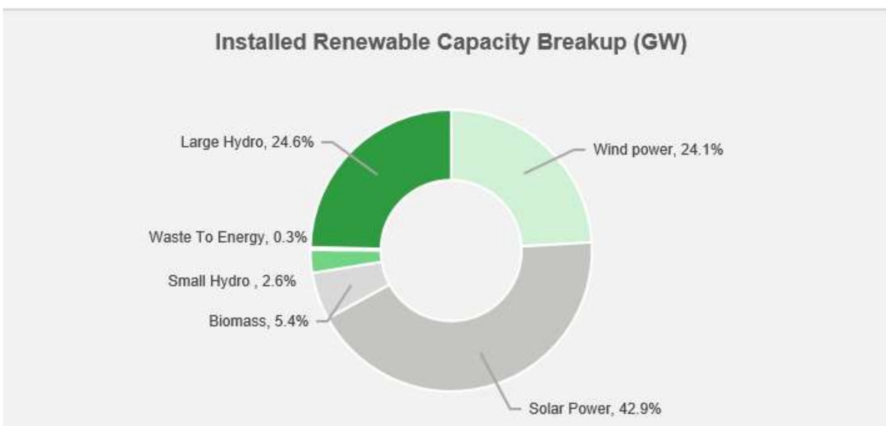
4.11 According to IEA's Renewable 2023 Report, over the coming five years several renewable energy milestones are expected to be achieved:

- In 2024, wind and solar PV together generate more electricity than hydropower.
- In 2025, renewables surpass coal to become the largest source of electricity generation.
- Wind and solar PV each surpass nuclear electricity generation in 2025 and 2026 respectively.
- In 2028, renewable energy sources account for over 42% of global electricity generation, with the share of wind and solar PV doubling to 25%.

4.12 The renewable energy sector is expected to focus on various areas, including advanced solar photovoltaic (PV) technology, robotics, artificial intelligence (AI), large-scale data analysis (big data), decentralized energy storage systems, integration with power grids, blockchain technology, the production of green hydrogen, bioenergy, hydropower and wind power

Indian Renewable Energy Outlook

4.13 Renewable energy sources have a combined installed capacity of 143+ GW. As of March 2024, Renewable energy sources, including large hydropower, have a combined installed capacity of 190.57 GW. The following is the installed capacity for Renewables:



Source: PIB

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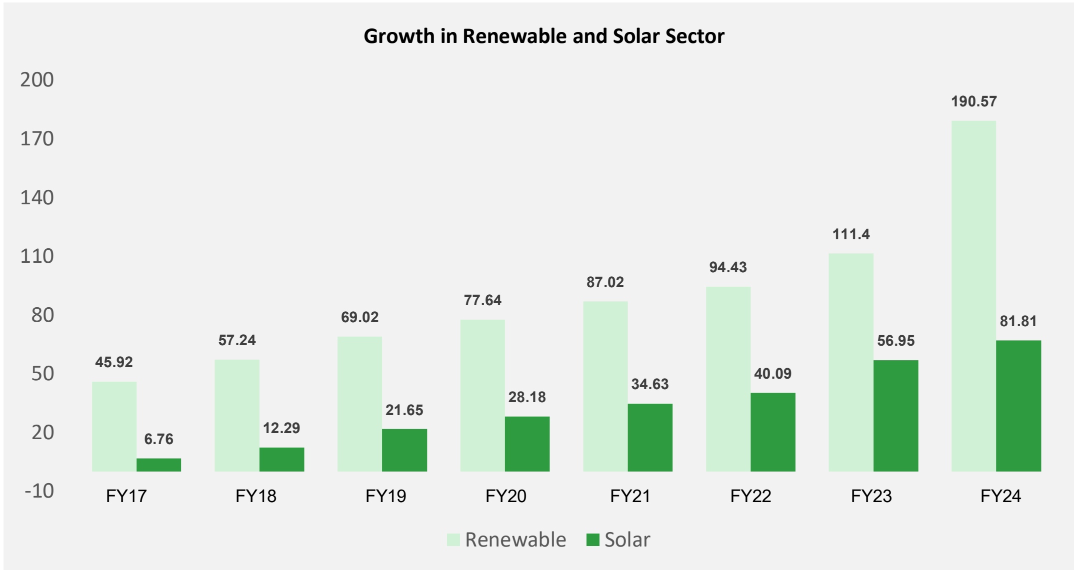

Source: PIB

4.14 India has set a target to reduce the carbon intensity of the nation's economy by less than 45% by the end of the decade, achieve 50 percent cumulative electric power installed by 2030 from renewables, and achieve net-zero carbon emissions by 2070. India aims for 500 GW of renewable energy installed capacity by 2030.

4.15 As on 31-12-2023, 51 Solar Parks with an aggregate capacity of 37,740 MW have been sanctioned in 12 States in the country since launch of the Scheme i.e. December 2014. An aggregate capacity of 10,504 MW of solar projects have been commissioned in 20 Solar Parks, so far.

Budget Overview: Renewable Energy Sector

4.16 The 2024-25 Interim Budget provided for a budgetary allocation of Rs 10,000 Cr to solar power grid projects in FY2025 BE, which is massive 110% increase from Rs 4,557 Cr allocated in FY2024 Revised Estimates.

4.17 Through rooftop solarization, one crore households will be enabled to obtain up to 300 units free electricity every month. Each household is expected to save Rs.15000 to Rs.18000 annually.

4.18 Viability gap funding will be provided for harnessing offshore wind energy potential for initial capacity of one giga-watt

4.19 Coal gasification and liquefaction capacity of 100 MT will be set up by 2030. This will also help in reducing imports of natural gas, methanol, and ammonia.

4.20 Phased mandatory blending of compressed biogas (CBG) in compressed natural gas (CNG) for transport and piped natural gas (PNG) for domestic purposes will be mandated.

4.21 Financial assistance will be provided for procurement of biomass aggregation machinery to support collection.

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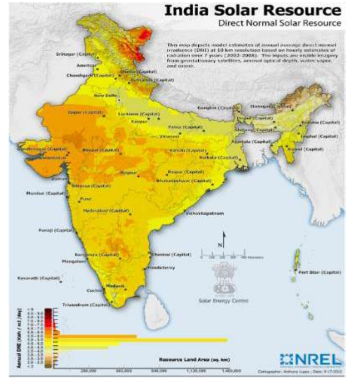
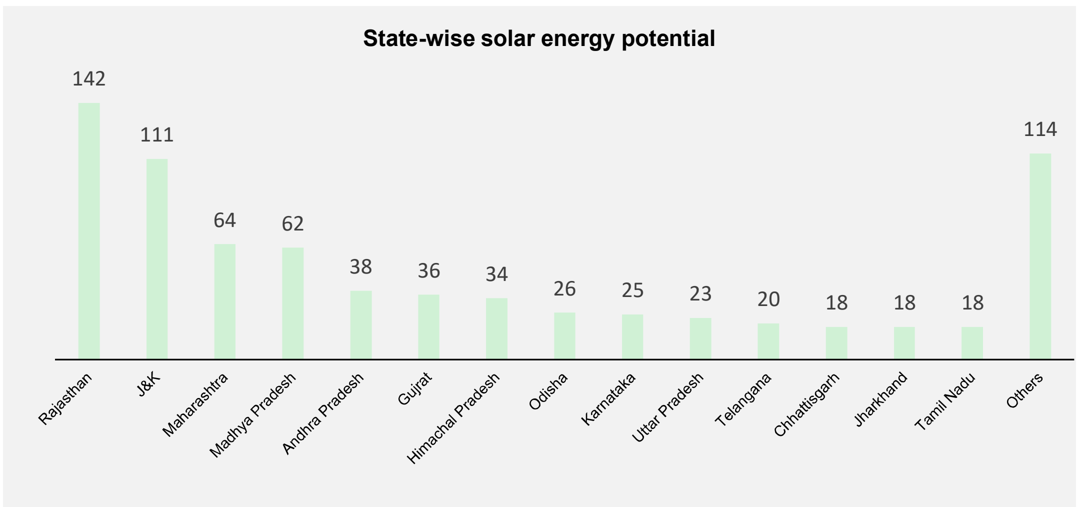
B. Indian Solar Industry Outlook

4.22 India is endowed with vast solar energy potential. About 5,000 trillion kWh per year energy is incident over India's land area with most parts receiving 4-7 kWh per sq. m per day. Solar photovoltaic power can effectively be harnessed providing huge scalability in India. Solar also provides the ability to generate power on a distributed basis and enables rapid capacity addition with short lead times. Off-grid decentralized and low-temperature applications will be advantageous from a rural application perspective and meeting other energy needs for power, heating and cooling in both rural and urban areas. From an energy security perspective, solar is the most secure of all sources, since it is abundantly available. Theoretically, a small fraction of the total incident solar energy (if captured effectively) can meet the entire country's power requirements.





Source: PIB

4.23 National Institute of Solar Energy has assessed the Country's solar potential of about 748 GW assuming 3% of the waste land area to be covered by Solar PV modules. Solar energy has taken a central place in India's National Action Plan on Climate Change with National Solar Mission as one of the key Missions. National Solar Mission (NSM) was launched on 11th January, 2010. NSM is a major initiative of the Government of India with active participation from States to promote ecological sustainable growth while addressing India's energy security challenges. It will also constitute a major contribution by India to the global effort to meet the challenges of climate change. The Mission's objective is to establish India as a global leader in solar energy by creating the policy conditions for solar technology diffusion across the country as quickly as possible. The Mission targets installing 100 GW grid-connected solar power plants by the year 2022. This is in line with India's Intended Nationally Determined Contributions (INDCs) target to achieve about 40 percent cumulative electric power installed capacity from non-fossil fuel based energy resources and to reduce the emission intensity of its GDP by 33 to 35 percent from 2005 level by 2030.

4.24 Recently, India stands 4th in solar PV deployment across the globe as on end of 2023. Solar power installed capacity has reached around 82 GW as on 31st March, 2024. Presently, solar tariff in India is very competitive and has achieved grid parity.

4.25 As per the Central Electricity Authority (CEA) estimates, by 2029-30, the share of renewable energy generation would increase from 18% to 44%, while that of thermal is expected to reduce from 78% to 52%. The share of solar energy of overall RE installed capacity has increased from 7.5% in 2014 to around 39.7% in 2020, growing at a CAGR of 53.7%.

C. Understanding key terms used in the solar industry

4.26 Plant Load Factor (PLF)

- The Central Electricity Regulatory Commission defines Plant Load Factor as a percentage of energy sent out by the power plant corresponding to installed capacity in that period. In the context of solar power plants, it reflects how efficiently the plant is utilizing its installed solar panel capacity to generate electricity over a specific period, often a year. In India, the Ministry of Power has, since the early 90s, used the Plant Load Factor as a metric to check the efficiency of a plant. A PLF norm has been set, and incentives are being given to those producers who produce power in excess of the norm.

  PLF= (Actual Energy Output / (Installed Capacity*Total Time))*100
  where,
  Actual Energy Output: The total amount of energy generated by the solar power plant over the chosen time period.
  Installed Capacity: The maximum power output the solar panels are designed to produce under ideal conditions (rated capacity).
  Total Time: The duration for which the plant has been operating (usually measured in hours).

- A low PLF is bad for the power plant as it indicates that the plant is not being used to its optimal capacity. This will increase the per-unit cost of the power thus produced, making it unattractive for purchase by DISCOMs. A higher PLF, on the other hand, will generate a greater total output which will reduce the cost per unit of energy generated. The higher the output, the lesser will be cost per unit. The additional energy produced would also result in an increase in revenue of the plant.

- The average Plant Load Factor (PLF) for solar power plants can vary significantly depending on factors such as location, technology, weather conditions, maintenance practices, and the design of the solar plant. Generally, PLF for solar power plants is influenced by the availability of sunlight, which can vary based on the geographical location and weather patterns.

- On average, well-designed and efficiently operated solar power plants can achieve PLFs in the range of 15% to 25%. However, some high-performing solar installations can achieve even higher PLFs, exceeding 25%.

- The trend in PLF in the solar industry has been improving over the years due to advancements in solar technology, improved design practices, better site selection, and increased experience in operation and maintenance. As technology has progressed, solar panels have become more efficient at converting sunlight into electricity, and better forecasting and monitoring systems have allowed operators to optimize their plants' performance. Additionally, the growth of solar power capacity in regions with abundant sunlight has contributed to better overall PLF figures.

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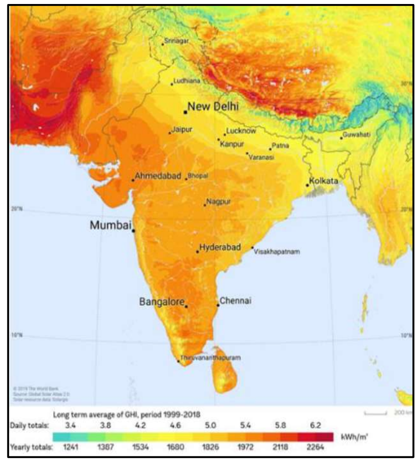
4.27 **<u>Solar Irradiation</u>**

- Solar irradiance is the output of light energy from the sun that reaches the earth. It is measured in terms of the amount of sunlight that hits a square meter of a surface in one second.

- Solar irradiance is a key factor in determining the energy output of solar power plants. By understanding the local solar irradiance conditions, engineers can design solar installations to capture the maximum amount of available sunlight. It also plays a crucial role in sizing solar panels, predicting energy production, and optimizing the orientation and tilt angles of panels to achieve higher energy yields.

- In conclusion, solar irradiance is the foundation of solar energy generation. It's the primary resource that solar panels capture and convert into electricity. Understanding local irradiance patterns is crucial for effective solar power plant design, operation, and energy yield optimization.

- Solar irradiance is influenced by various factors, including:



<u>Time of Day:</u> Irradiance is highest when the sun is directly overhead (solar noon) and decreases in the morning and evening.
<u>Season:</u> Irradiance varies with the sun's angle in the sky, which changes with the seasons.
<u>Geographical Location:</u> Solar irradiance is generally higher near the equator and lower toward the poles.
<u>Weather Conditions:</u> Cloud cover, air pollution, and atmospheric conditions can attenuate or scatter sunlight, affecting irradiance levels.

4.28 **<u>Degradation</u>**

Solar panels convert solar radiation into electrical energy. The ability to do so declines steadily and irreversibly over time. The degradation may be in a cell or parts of a module or both. The ability to accurately predict power delivery over time is vital to assess the credit risk profile of a project. The thumb rule in the industry is 0.50% system degradation per annum. Anything higher is considered a risk to cash generating ability and, by extension, to debt servicing ability. Degradation depends on many factors such as technology, panel quality and maintenance

4.29 **<u>Global Horizontal Irradiance (GHI)</u>**

Global Horizontal Irradiance (GHI) is the amount of terrestrial irradiance falling on a surface horizontal to the surface of the earth. GHI can be measured with a variety of instruments. The most common instrument used to measure GHI is called a pyranometer which has a hemispherical (180°) view angle.

4.30 **<u>Perfomance Ratio (PR)</u>**

The performance ratio (PR) is a metric used in the PV industry to measure the relationship between a plant's actual and theoretical energy outputs. It's calculated by dividing the energy generated by the plant (kWh), by the irradiance (kWh/m2), then multiplying by the active area of the PV module (m2), and finally multiplying by the PV module efficiency. The PR is stated as a percentage and is independent of location.

4.31 **<u>Plant Availability Factor (PAF)</u>**

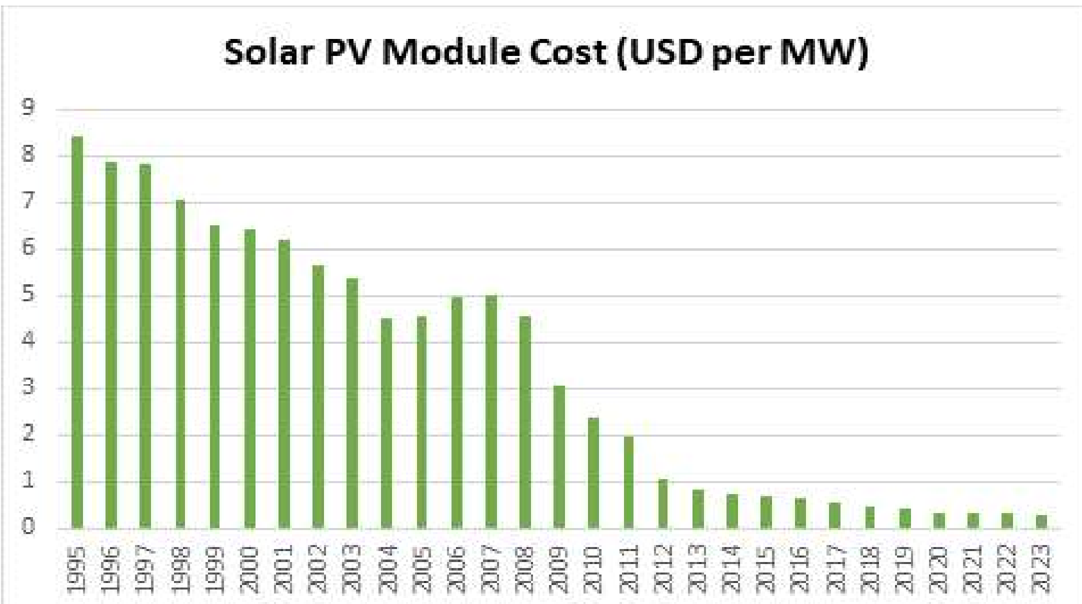
Plant Availability Factor (PAF) is the ratio of a power plant's actual operating hours to its scheduled operating hours during a given period. In a solar PV power plant, PAF is an important factor that depends on the functioning of its components and grid regulation. A high PAF indicates that the plant is operating efficiently and reliably, while a low PAF can lead to higher downtime and revenue loss.

4.32 **Deviation Settlement Mechanism Charges (DSM Charges)**

Any demand-supply imbalance of electricity leads to a fluctuation in the grid frequency from the standard value, which is set at 50 Hertz (Hz) in India. A significant drop or rise in frequency could lead to a power system blackout. Therefore, the Indian Electricity Grid Code (IEGC) 2010 restricts the operational frequency between 49.90 to 50.05 Hz. To maintain the frequency within the band, the power distribution companies must predict demand accurately and schedule supply accordingly.

Deviation Settlement Mechanism (DSM) is a regulatory mechanism by which grid stability is achieved by imposing penalty and incentives for over drawl/injection or under drawl/injection from the schedule. DSM is a frequency linked mechanism. It is not related to any market conditions.

4.33 India's solar power tariffs are expected to touch ₹2.6-2.7 per unit due to the increase in the goods and services tax (GST) on renewable energy equipment and a proposed customs duty on imported solar modules, according to Crisil Ratings. According to a recent research report released by India Ratings, the decline in solar tariffs is being driven by (a) Advancement in panel designs enabling a higher capacity utilisation factor (CUF); (b) Lower financing costs due to declining interest rates and (c) Lower capital cost/MW of around ₹ 40 million/MW due to declining Panel costs as can be seen in the below chart:



Source: ourworldindata.org

4.34 **Challenges**

- There are several challenges to overcome, including regulatory and policy inconsistencies, changes in duties, and payment delays by distribution companies (DISCOMs), among others.
- Payment disputes by DISCOMs were also rampant, slowing down any progress made by developers. The government's introduction of credit mechanisms and amendments to policies has done little in the way of negating these issues.
- A 25% Safeguard Duty (SGD) was announced on solar cell and module imports from China and Malaysia between July 30, 2018, and July 29, 2019. The duty was set at 25% for the first year, followed by a phased down approach for the second year, with the rate set to be lowered by 5% every six months until July 2020.
- Manufacturers of solar modules, ancillary products, system integrators, and raw material suppliers in the solar photovoltaic space complained that the government's protectionist policies were increasing costs for smaller local manufacturers and had loopholes.
- Tender cancellations, tariff re-negotiations by a few states had increased the uncertainty of some of the large-scale projects and hence delayed their executions.

5. Valuation Methodology and Approach

5.1. The present valuation exercise is being undertaken in order to derive the fair EV of the SPV.

5.2. The valuation exercise involves selecting a method suitable for the purpose of valuation, by exercise of judgment by the valuers, based on the facts and circumstances as applicable to the business of the company to be valued.

5.3. There are three generally accepted approaches to valuation:
- (a) "Cost" approach
- (b) "Market" approach
- (c) "Income" approach

5.4. **Cost Approach**

The cost approach values the underlying assets of the business to determine the business value. This valuation method carries more weight with respect to holding companies than operating companies. Also, cost value approaches are more relevant to the extent that a significant portion of the assets are of a nature that could be liquidated readily if so desired.

Net Asset Value ("**NAV**") Method

The NAV Method under Cost Approach considers the assets and liabilities, including intangible assets and contingent liabilities. The Net Assets, after reducing the dues to the preference shareholders, if any, represent the value of a company.

The NAV Method is appropriate in a case where the main strength of the business is its asset backing rather than its capacity or potential to earn profits. This valuation approach is also used in cases where the firm is to be liquidated, i.e. it does not meet the "Going Concern" criteria.

As an indicator of the total value of the entity, the NAV method has the disadvantage of only considering the status of the business at one point in time.

Additionally, NAV does not properly take into account the earning capacity of the business or any intangible assets that have no historical cost. In many aspects, NAV represents the minimum benchmark value of an operating business.

5.5. **Market Approach**

Under the Market approach, the valuation is based on the market value of the company in case of listed companies, and comparable companies trading or transaction multiples for unlisted companies. The Market approach generally reflects the investors' perception about the true worth of the company.

Comparable Companies Multiples ("**CCM**") Method

The value is determined on the basis of multiples derived from valuations of comparable companies, as manifest in the stock market valuations of listed companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

Comparable Transactions Multiples ("CTM") Method

Under the CTM Method, the value is determined on the basis of multiples derived from valuations of similar transactions in the industry. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances. Few of such multiples are EV/Earnings before Interest, Taxes, Depreciation & Amortization ("**EBITDA**") multiple and EV/Revenue multiple.

Market Price Method

Under this method, the market price of an equity share of the company as quoted on a recognized stock exchange is normally considered as the fair value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded. The market value generally reflects the investors' perception about the true worth of the company.

5.6. Income Approach

The income approach is widely used for valuation under "Going Concern" basis. It focuses on the income generated by the company in the past as well as its future earning capability. The Discounted Cash Flow Method under the income approach seeks to arrive at a valuation based on the strength of future cash flows.

DCF Method

Under DCF Method value of a company can be assessed using the Free Cash Flow to Firm Method ("**FCFF**") or Free Cash Flow to Equity Method ("**FCFE**"). Under the DCF method, the business is valued by discounting its free cash flows for the explicit forecast period and the perpetuity value thereafter. The free cash flows represent the cash available for distribution to both, the owners and creditors of the business. The free cash flows in the explicit period and those in perpetuity are discounted by the WACC. The WACC, based on an optimal vis-à-vis actual capital structure, is an appropriate rate of discount to calculate the present value of future cash flows as it considers equity-debt risk by incorporating debt-equity ratio of the firm.

The perpetuity (terminal) value is calculated based on the business' potential for further growth beyond the explicit forecast period. The "Constant Growth Model" is applied, which implies an expected constant level of growth for perpetuity in cash flows over the last year of forecast period.

The discounting factor (rate of discounting the future cash flows) reflects not only the time value of money, but also the risk associated with the business' future operations. The EV (aggregate of the present value of explicit period and terminal period cash flows) so derived, is further reduced by the value of debt, if any, (net of cash and cash equivalents) to arrive at value to the owners of the business.

5.7. Conclusion on Valuation Approach

It is pertinent to note that the valuation of any company or its assets is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond my control. In performing my analysis, I have made numerous assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the SPV. In addition, this valuation will fluctuate with changes in prevailing market conditions, and prospects, financial and otherwise, of the SPV, and other factors which generally influence the valuation of companies and their assets.

The goal in selection of valuation approaches and methods for any business is to find out the most appropriate method under particular circumstances on the basis of available information. No one method is suitable in every possible situation. Before selecting the appropriate valuation approach and method, I have considered various factors, inter-alia, the basis and premise of current valuation exercise, purpose of valuation exercise, respective strengths and weaknesses of the possible valuation approach and methods, availability of adequate inputs or information and its reliability and valuation approach and methods considered by the market participants.

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Conclusion on Cost Approach

The existing book value of EV of the SPV comprising of the value of its Net fixed assets, Net intangible assets and working capital based on the Audited financial statements as at 31st March 2024 and provisional financial statements as at 30th June 2024 prepared as per Indian Accounting Standards (Ind AS) are as under:

INR Mn

Sr No.	SPV	Book EV	
		31st March 2024	30th June 2024
1	RSWPL	12,277	12,179
Total		**12,277**	**12,179**

** Enterprise Value ("**EV**") is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash or cash equivalents to meet those liabilities.*

In the present case, since the SPV have entered into a PPA with SECI, the revenue of the SPV are pre-determined for the life of the project. In such scenario, the true worth of the business is reflected in its future earning capacity rather than the cost of the project. Accordingly, since the NAV does not capture the future earning potential of the businesses, I have not considered the Cost approach for the current valuation exercise.

Conclusion on Market Approach

The present valuation exercise is to arrive at the Fair EV of the SPV engaged in the solar power generation business for a specific tenure. Further, the tariff revenue expenses are very specific to the SPV depending on the nature of their geographical location & stage of project. In the absence of any exactly comparable listed companies with characteristics and parameters similar to that of the SPV, I have not considered CCM method in the present case. In the absence of adequate details about the Comparable Transactions, I was unable to apply the CTM method. Currently, the equity shares of the SPV are not listed on any recognized stock exchange of India. Hence, I was unable to apply market price method.

Conclusion on Income Approach

Currently, the SPV is completed and is a revenue generating SPV. The cash flows of the SPV for the projected period are driven by the contracts entered by the SPV as on date, like the PPA, O&M Agreements, etc. The revenue of the project is defined for 25 years under the PPA agreement (Refer section 6.5). Hence, the growth potential of the SPV and the true worth of its business would be reflected in its future earnings potential and therefore, DCF method under the income approach has been considered as an appropriate method for the present valuation exercise.

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6. Valuation of the SPV

6.1. In the present exercise, my objective is to determine the Fair Enterprise Value of the SPV as per the DCF Method. EV is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash and cash equivalents to meet those liabilities. Accordingly, in the present case, I have considered it appropriate to consider cash flows at FCFF (Free Cash Flow to Firm) level i.e., cash flows that are available to all the providers of capital (equity shareholders, preference shareholders and lenders). Therefore, cash flows required to service lenders and preference shareholders such as interest, dividend, repayment of principal amount and even additional fund raising are not considered in the calculation of FCFF.

6.2. While carrying out this engagement, I have relied extensively on the information made available to me by the Investment Manager. I have considered projected financial statement of the SPV as provided by the Investment Manager. I have not tested individual assumptions or attempted to substantiate the veracity or integrity of such assumptions in relation to the forward-looking financial information. However, I have made sufficient enquiries to satisfy myself that such information has been prepared on a reasonable basis. Notwithstanding anything above, I cannot provide any assurance that the forward looking financial information will be representative of the results which will actually be achieved during the cash flow forecast period.

6.3. Following are the major steps I have considered in order to arrive at the EV of the SPV as per the DCF Method:

1. Determination of Free Cash Flows to Firm which included:
   a) Obtaining the financial projections to determine the cash flows expected to be generated by the SPV from the Investment Manager;
   b) Analyzed the projections and its underlying assumptions to assess the reasonableness of the cash flows;
2. Determination of the discount rate for the explicit forecast period; and
3. Applying the discount rate to arrive at the present value of the explicit period cash flows and for arriving at the terminal value.

6.4. The key assumptions of the projections provided to us by the Investment Manager are divided into two parts:

A. Key Assumptions for cash flows dependent on the terms of the respective PPAs of the SPV

B. Key Assumptions for cash flows pertaining to Change in Law Claim (“CIL Claim”).

C. Key Assumptions for cash flows pertaining to Certified Emission Reduction (“CER”) Units.

A. Key Assumptions for Cash Flows dependent on the terms of PPA:

Cash Flows falling under this category are mainly driven by the revenue and operations required as per the terms of the respective SPV PPA, O&M Agreement, etc

6.5. **Project Life**

The SPV has entered into a PPA agreement with SECI for a period of 25 years. As represented by the Investment Manager, the asset is expected to have a total life of 30 years, even after its PPA term of till 4th October 2051. The asset is located on a total land parcel of 1,062 acres, out of which ~70% of the land is on leasehold basis and ~30% is on freehold land. According to the Investment Manager and the lease agreements, the leases have an average expiry date of 30th June 2050 and the leases are mutually extentable between the parties. Correspondingly, the Investment Manger assumes a lease end date till 30th June 2050.

Accordingly, the capacity, income and expense are considered to reduce after the average lease period ends. The salvage value of the plant located on the leasehold land have been factored accordingly.

Correspondingly, the modules located on the freehold land are considered to remain operational and generating electricity till the project end date i.e 4th October 2051

6.6. **Revenue from Sale of electricity units:**

The revenues generated by the SPV are correlated to the amount of electricity generated, which in turn is dependent upon available irradiance and weather conditions. Irradiance and weather conditions have natural variations from season to season and from year to year and may also change permanently because of climate change or other factors.The total kilowatt hour units expected to be generated annually during the tenure of PPA are estimated using budgeted plant load factors based on inter-alia the forecasted irradiance and weather conditions.

As represented by the Investment Manager, the revenue from the PPA agreement is calculated till 4th October 2051 as mentioned above at the tariff rate mentioned in the PPA agreement. The Investment Manager believes that the SPV will be able to sell electricity at the tarriff rate even after the expiration of the PPA Agreement. I have relied on the same.

Further, the Plant Load Factor ("**PLF**") is the ratio of the actual output of a solar power plant over the reporting period to their potential output if it were possible for them to operate at full rated capacity. As per the Investment Manager, the PLF of the plant is taken as per the historical trends and an independent third party report.

The PLF is not the same as the availability factor. The availability factor of a power plant is the amount of time that it is able to produce electricity over a certain period, divided by the amount of the time in the period. The availability of a power plant varies greatly depending on the, design of the plant and how the plant is operated. The variability in the PLF is a result of seasonality, cloud covers, air pollution, and daily rotation of the earth, equipment efficiency losses, breakdown of transmission system and grid availability. Another factor that affects the PLF is the performance ratio of the plant. The performance ratio is a measure of the quality of a PV plant that is independent of location and it is therefore often described as a quality factor. The performance ratio (PR) describes the relationship between the actual and theoretical energy outputs of the PV plant.The plant load factor is effective in measuring the performance of the power plants. Higher plant load factor at a plant indicates increased electricity generation. Monitoring plant load factor on real time allows the Investment Manager to respond rapidly to potential generation anomalies. Projections of solar resources depend on assumptions about weather patterns, shading and irradiance, which are inherently uncertain and may not be consistent with actual conditions at the site. In the present valuation, the technical team of the Investment Manager has prepared the PLF estimates based on historical generation and an independent third party report for the projected period. I have relied on the projections provided by the Investment Manager for the projected PLF with an appropriate degradation factor for the SPV. I have corroborated the assumptions made by the Investment Manager in relation to the projected PLF of the SPV with an independent technical report.

6.7. **Expenses:**

I have relied on the projections provided by the Investment Manager for expenses and have checked the reasonableness of the same, by analyzing the past trend in expenses and the expenses projected by the SPV.

Operations & Maintenance ("O&M"): O&M expenditure is estimated by the Investment Manager for the projected period on the basis of the O&M Agreement entered/to be entered by the SPV with an adequate escalation considered by the Investment Manager.

Lease Charge: The amount of lease charges is corroborated with the lease agreements entered into by the SPV. I have relied on the projected lease expenses provided by the Investment Manager.

Insurance Expenses: As per the insurance policy provided by the Investment Manager and the explanation provided by them, I understand that the insurance expenses of the SPV will be lower compare to the past. I have relied on the projections provided by the Investment Manager for the projected period.

Other Expenses: Other Expenses represented by the Investment Manager includes Statutory fees, Rajasthan Renewable Energy Development Fund Charges (RREDF), Spares, Inverter Charges/ Replacements costs, Overheads which include expenses related to IT, HR, Admin, Compliance, Audit fees, etc. I have relied on the estimate of these expenses as provided by the Investment Manager.

6.8. **Capital Expenditure ("Capex"):** I understand that the SPV have sourced majority of its components such as solar panels and inverters directly from multiple manufacturers with industry standard warranty and guarantee terms. As per the Investment Manager, the SPV will incur capex to improve the plants efficiency. I have relied on the figures provided by the Investment Manager for the same.

Note :

Due to the confidential nature of the data, and at the request of the Investment Manager, the comprehensive details of information such as revenue, PLF, degradation, specific breakup of the O&M are not provided.

6.9. **Taxes and Tax Incentive:** As provided in the ITR, the SPV is in the new tax regime under section 115BAA (with a base rate of tax of 22%, surcharge of 10%). As per the discussions with the Investment Manager, the new provisions of Income Tax Act under section 115BAA have been considered.

6.10. **Working Capital:** The Investment Manager has represented the working capital requirement of the SPV for the projected period in terms of trade payables days and trade receivables (Debtors & Unbilled revenue) days.

The trade payables days are considered to be 0 days (of annual expenses), and trade receivables days are considered to be 35 days (of annual revenue) as represented by the investment manager, based on the PPA counterparty and the historical collection trends.

6.11. **Terminal Value:** Terminal value represents the present value at the end of explicit forecast period of all subsequent cash flows till the end of the life of the asset or into perpetuity if the asset has an indefinite life. As the ownership of the underlying assets (tangible assets) shall remain with the SPV even after the expiry of PPA term and as the cash flows beyond the end of tenure i.e. 30 years are relatively uncertain, the terminal period value (i.e. value on account of cash flows to be generated after the expiry of the period) has been considered based on the salvage value of the plant & machinery, sale of freehold land and realisation of working capital at the end of the tenure.

6.12. **Impact of Ongoing Material Litigation on Valuation**

As on 30th June 2024, there are ongoing litigations as shown in Appendix 5. Further, the Investment Manager has informed us that majority of the cases are low to medium risk and accordingly no material outflow is expected against the litigations.

B. Key Assumptions for Cash Flows pertaining to Change in Law Claim (CIL Claim):

6.13. **Revenue in relation to the Change in Law ("CIL") Claim in case of the SPV:**

As informed by the Investment Manager, the SPV is expected to receive CIL Claim in respect of increase in the capital expenditure due to the introduction of Safeguard Duty **("SGD")** on import of solar panels and inverters, increase in the rate of basic custom duty **("BCD")** and a corresponding increase in the amount of social welfare surcharge and IGST payable by the SPV.

The SPV has incurred cost on account of introduction of SGD, increase in BCD, etc in the FY2021 amounting to INR 1,114 mn. The same is corroborated with the CA certificates provided by the Investment Manager. In relation, the SPV has received an interim order dated 19th December 2023 from CERC that specifies that the Compensation is to be paid on a monthly annuity basis within 15 years at a rate of 9%.

As per the order, CERC has also granted carrying cost for the period of actual date of payment of duties till date of the order on the basis of the lowest of the following 3 rates **–**

a) the actual rate of interest paid by RSWPL for arranging funds (supported by the Auditors certificate)

b) the rate of interest on working capital as per the applicable RE Tariff Regulations prevailing at that time

c) the late payment surcharge rate as per the PPA

The Investment Manager considers a rate of 9% for calculating the carrying cost and assumes the inflows to start from 1st April 2027. I have relied on the same.

6.14. **Calculation of Weighted Average Cost of Capital for the SPV**

6.14.1. **Cost of Equity:**

Cost of Equity (CoE) is a discounting factor to calculate the returns expected by the equity holders depending on the perceived level of risk associated with the business and the industry in which the business operates.

For this purpose, I have used the Capital Asset Pricing Model (CAPM), which is a commonly used model to determine the appropriate cost of equity for the SPV.

K(e) = Rf + (ERP* Beta) + CSRP

Wherein:
K(e) = cost of equity
Rf = risk free rate
ERP = Equity Risk Premium
Beta = a measure of the sensitivity of assets to returns of the overall market
CSRP = Company Specific Risk Premium (In general, an additional company-specific risk premium will be added to the cost of equity calculated pursuant to CAPM).
For valuation exercise, I have arrived at adjusted cost of equity of the SPV based on the above calculation (Refer Appendix 2.2).

6.14.2. **Risk Free Rate:**

I have applied a risk free rate of return of 6.92% on the basis of the zero coupon yield curve as on 30th June 2024 for government securities having a maturity period of 10 years, as quoted on the Website of Clearing Corporation of India Limited ("**CCIL**").

6.14.3. **Equity Risk Premium ("ERP"):**

Equity Risk Premium is a measure of premium that investors require for investing in equity markets rather than bond or debt markets. The equity risk premium is estimated based on consideration of historical realised returns on equity investments over a risk-free rate as represented by 10 year government bonds. For my estimation of the ERP, I have considered rolling historical returns of 10, 15 & 20 year of Nifty 50 index from year 2000 to 2024. The 10 year rolling return, 15 year rolling return and the 20 year return for several periods were calculated. I have computed equity risk premium for each rolling period and accordingly I have arrived at ERP in the range of 6.5%, 6.9% & 7.4% which averages to ~7.0%. Based on the aforementioned, a 7% equity risk premium for India is considered appropriate.

6.14.4. **Debt : Equity Ratio:**

In present valuation exercise, I have considered debt:equity ratio of 70:30 based on industry standard and as per the guidance provided by various statutes governing the industry. Accordingly, I have considered the same weightage to arrive at the WACC of the SPV.

I have considered the industry bench mark since the cost of capital is a forward looking measure, and captures the cost of raising new funds to buy the asset at any valuation date (not the current actually deployed). Specifically, such benchmark is required to consider the nature of the asset class, and the comparative facts from the industry to arrive at the correct assumption.

Moreover, Regulation 20 of Securities And Exchange Board Of India (Infrastructure Investment Trusts) Regulations, 2014 permits an InvIT to raise debt upto 70 percent of the value of assets subject to the fulfillment of specific conditions including :

(i) obtaining a credit rating of "AAA" or equivalent for its consolidated borrowing and the proposed borrowing, from a credit rating agency registered with the Board;

(ii) have a track record of atleast six distributions, in terms of sub-regulation (6) of regulation 18, on a continuous basis, post listing, in the years preceding the financial year in which the enhanced borrowings are proposed to be made,

(iii) utilize the funds only for acquisition or development of infrastructure projects;.

Given the risk profile of Solar projects, and considering the leverage at 70% of the total project cost based on a rating agencies report available in public domain, and further considering the InvIT Regulations allowing in general upto 70% leverage in assets where the AAA rating has been obtained, a debt-to-equity ratio of 70% for Solar asset was found to be appropriate.

6.14.5. **Beta:**

Beta is a measure of the sensitivity of a company's stock price to the movements of the overall market index. In the present case, I find it appropriate to consider the beta of companies in similar business/ industry to that of the SPV for an appropriate period namely NTPC Ltd, NLC India Ltd, Power Grid Corporation of India Ltd ("PGCIL") and PG InvIT.

In the present case, the selected companies were chosen for Beta computation based on their relative comparability with the business of the SPV and the Trust. These companies derive a significant portion of their revenue from the generation of electricity and are also engaged in the renewable energy sector, particularly solar power, and/or are engaged in owning and operating infrastructure assets in the power sector under long-term agreements such as Power Purchase Agreements (PPAs) / Transmission Service Agreement (TSAs). Such contractual arrangements provide a consistent and predictable revenue stream, contributing to the stability of these businesses. Their operational and financial exposures align closely with the business under consideration, including dependency on stable revenue streams from completed solar projects and minimal exposure to supply risks. This ensures that the analysis accurately captures sector-specific risk profiles and financial characteristics relevant to the valuation of solar power assets.

I have further unlevered the beta of the above companies based on market debt-equity of the respective company using the following formula:

Unlevered Beta = Levered Beta / [1 + (Debt / Equity) *(1-T)]

Hence, further I have re-levered it based on debt-equity at 70:30 based on the industry standard using the following formula:

Re-levered Beta = Unlevered Beta * [1 + (Debt / Equity) *(1-T)]

Accordingly, as per above, I have arrived at re-levered betas of the SPV. (Refer Appendix 2.1 and 2.2)

6.14.6. **Company Specific Risk Premium (“CSRP”):**

Discount Rate is the return expected by a market participant from a particular investment and shall reflect not only the time value of money but also the risk inherent in the asset being valued as well as the risk inherent in achieving the future cash flows. In the present case, considering the length of the explicit period, the basis of deriving the underlying cash flows and basis my discussion with Investment Manager, I found it appropriate to consider 0% CSRP for the SPV.

6.14.7. **Cost of Debt:**

The calculation of Cost of Debt post-tax can be defined as follows:
K(d) = K(d) pre-tax * (1 - T)

Wherein:
K(d) = Cost of debt
T = tax rate as applicable

For the current valuation exercise, pre-tax cost of debt has been considered as 7.91%, as represented by the Investment Manager.

6.14.8. **Weighted Average Cost of Capital (WACC):**

The discount rate, or the WACC, is the weighted average of the expected return on equity and the cost of debt. The weight of each factor is determined based on the company’s optimal capital structure.

Formula for calculation of WACC:
WACC = [K(d) * Debt /(Debt + Equity)] + [K(e) * (1 - Debt /(Debt + Equity))]

Accordingly, as per above, I have arrived the WACC for the explicit period of the SPV.
(Refer Appendix 2.2).

6.14.9. **Cash Accrual Factor (CAF) and Discounting Factor**

Discounted cash flow requires to forecast cash flows in future and discount them to the present in order to arrive at present value of the asset as on the Valuation Date. To discount back the projections we take in use cash accrual factor. The Cash Accrual Factor refers to the duration between the Valuation date and the point at which each cash flow is expected to accrue. Since the cash inflows and outflows occur continuously year-round, it could be inaccurate to assume that the cash proceeds are all received at the end of each year. As a compromise, mid-year discounting is integrated into DCF models to assume that FCFs are received in the middle of the annual period.

Accordingly, the cash flows during each year of the projected period are discounted back from the mid-year to Valuation Date.

Discounted cash flow is equal to sum of the cash flow in each period divided by discounting factor, where the discounting factor is determined by raising one plus discount rate (WACC) to the power of the CAF.

$DCF = [CF_1 / (1+r)^{CAF1}] + [CF_2 / (1+r)^{CAF2}] + ... + [CF_n /(1+r)^{CAFn}]$

Where,

CF = Cash Flows,

CAF = Cash accrual factor for particular period

R = Discount Rate (i.e. WACC)

6.15. **Calculation of Weighted Average Cost of Capital for the SPV (CIL Claim)**

6.15.1. **Cost of Equity:**

Same as mentioned for the PPA business

Risk Free Rate:

Same as mentioned for the PPA business

6.15.2. **Equity Risk Premium ("ERP"):**

Same as mentioned for the PPA business

6.15.3. **Debt : Equity Ratio:**

In present valuation exercise, I have considered debt:equity ratio of 0:100 based on the assumption that the CIL claim is contingent in nature and should be funded by equity. Accordingly, considering the same the weightage as above is arrived at for computing WACC of the SPV for CIL Claim.

6.15.4. **Beta:**

Beta is a measure of the sensitivity of a company's stock price to the movements of the overall market index. I have considered the solar beta as mentioned above in para 6.14.5.

I have further unlevered the beta of the above companies based on market debt-equity of the respective company using the following formula:

Unlevered Beta = Levered Beta / [1 + (Debt / Equity) *(1-T)]

As the Debt Equity is taken to be 0% in the CIL business, the unlevered beta is the same as the relevered beta *(Refer Appendix 2.1 and 2.3)*

6.15.5. **Company Specific Risk Premium ("CSRP"):**

Discount Rate is the return expected by a market participant from a particular investment and shall reflect not only the time value of money but also the risk inherent in the asset being valued as well as the risk inherent in achieving the future cash flows. In the present case, considering the SPV has received the interim order dated 19th December 2023 confirming the inflow of the CIL Claim and the final order pertaining to the Change in Law claim yet to be issued, creates an ambiguity regarding the outcome of the claim, including the date of receipt of the claim and the date of passing the final order. The uncertainty surrounding the final order's timing and content adds to the risk profile of the company.

Thus 1% company-specific risk premium for the Change in Law claim is justified by the interim order status, uncertainty of the final order, potential financial implications, regulatory and legal risks, market perception, and operational disruptions. This premium ensures that the valuation accurately reflects the risks associated with the unresolved claim.

6.15.6. **Weighted Average Cost of Capital (WACC):**

The discount rate, or the WACC, is the weighted average of the expected return on equity and the cost of debt. The weight of each factor is determined based on the company's optimal capital structure.

Formula for calculation of WACC:
WACC = [K(d) * Debt /(Debt + Equity)] + [K(e) * (1 - Debt /(Debt + Equity))]

Accordingly, as per above, I have arrived the WACC for the explicit period of the SPV.
(Refer Appendix 2.3).

6.15.7. **Cash Accrual Factor (CAF) and Discounting Factor**

Discounted cash flow requires to forecast cash flows in future and discount them to the present in order to arrive at present value of the asset as on the Valuation Date. To discount back the projections we take in use cash accrual factor. The Cash Accrual Factor refers to the duration between the Valuation date and the point at which each cash flow is expected to accrue. Since the cash inflows and outflows occur continuously year-round, it could be inaccurate to assume that the cash proceeds are all received at the end of each year. As a compromise, mid-year discounting is integrated into DCF models to assume that FCFs are received in the middle of the annual period.

Accordingly, the cash flows during each year of the projected period are discounted back from the mid-year to Valuation Date.

Discounted cash flow is equal to sum of the cash flow in each period divided by discounting factor, where the discounting factor is determined by raising one plus discount rate (WACC) to the power of the CAF.

$DCF = [CF_1 / (1+r)^{CAF1}] + [CF_2 / (1+r)^{CAF2}] + ... + [CF_n /(1+r)^{CAFn}]$

Where,

CF = Cash Flows,

CAF = Cash accrual factor for particular period

R = Discount Rate (i.e. WACC)

C. Key Assumptions for Cash Flows pertaining to Certified Emission Reduction ("CER"):

The SPV is currently not registered with a recognised CER authority and hence the value from the sales of CER units is considered to be NIL.

7. Valuation Conclusion

7.1. The current valuation has been carried out based on the discussed valuation methodology explained herein earlier. Further, various qualitative factors, the business dynamics and growth potential of the business, having regard to information base, management perceptions, key underlying assumptions and limitations were given due consideration.

7.2. I have been represented by the Investment Manager that there is no potential devolvement on account of the contingent liability as of valuation date; hence no impact has been factored in to arrive at fair EV of the SPV.

7.3. Based on the above analysis, the Fair EV as on the Valuation Date of the SPV is as mentioned below:

INR Mn

Sr No.	SPV	Projection Period (Balance Project Period)#	Capacity (AC)	Fair EV* (INR Mn)
1	RSWPL	~26 Years 4 Months	300 MW	16,385
Total				**16,385**

(Refer Appendix 1 & 2 for detailed workings)

** Enterprise Value ("**EV**") is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash or cash equivalents to meet those liabilities.*
** DSRA cash of approximately INR 319 Mn is there as on 30th June 2024.*
Fair EV includes CIL Value of INR 972 Mn, refer section 6B and Appendix 1 for details.
#Balance Project period is calculated as the weighted average balance period of the asset life from the Valuation date till the end date of the asset life developed on the leased (~70%) and owned land (~30%) as mentioned above

7.4. EV is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash or cash equivalents to meet those liabilities.

7.5. The EV as described above is not inclusive of cash and cash equivalents of the SPV as on the Valuation Date.

7.6. The fair EV of the SPV is estimated using DCF method. The valuation requires the Investment Manager to make certain assumptions about the model inputs including forecast cash flows, discount rate, and credit risk.

7.7. Valuation is based on estimates of future financial performance or opinions, which represent reasonable expectations at a particular point of time, but such information, estimates or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, a particular event will occur or that a particular price will be offered or accepted. Actual results achieved during the period covered by the prospective financial analysis will vary from these estimates and the variations may be material.

7.8. Accordingly, I have conducted sensitivity analysis on certain model inputs, the results of which are as indicated below:

1. Weighted Average Cost of Capital (WACC) by increasing / decreasing it by 0.5%
2. Weighted Average Cost of Capital (WACC) by increasing / decreasing it by 1.0%
3. PLF by increasing/decreasing it by 1.0%
4. Total Expenses considered during the projected period by increasing / decreasing it by 20%

1. Fair Enterprise Valuation Range based on WACC parameter (0.5%)

INR Mn

Sr No.	SPV	WACC +0.5%	EV*	Base WACC	EV*	WACC -0.5%	EV*
1	RSWPL	8.57%	15,769	8.07%	16,385	7.57%	17,044
Total			**15,769**		**16,385**		**17,044**

**CIL is discounted at a base WACC of 9.64% and similar sensitivity run is performed to the CIL value which is included in total EV value shown above. Accordingly CIL is discounted at 10.14% and 9.14% when WACC is increased and decreased by 0.5% respectively.*

2. Fair Enterprise Valuation Range based on WACC parameter (1.0%)

INR Mn

Sr No.	SPV	WACC +1.0%	EV*	Base WACC	EV*	WACC -1.0%	EV*
1	RSWPL	9.07%	15,193	8.07%	16,385	7.07%	17,750
Total			**15,193**		**16,385**		**17,750**

**CIL is discounted at a base WACC of 9.64% and similar sensitivity run is performed to the CIL value which is included in total EV value shown above. Accordingly CIL is discounted at 10.64% and 8.64% when WACC is increased and decreased by 1% respectively.*

3. PLF by increasing/decreasing it by 1.0%

INR Mn

Sr No.	SPV	EV -1.0% PLF	Base EV	EV +1.0% PLF
1	RSWPL	15,559	16,385	17,205
Total		**15,559**	**16,385**	**17,205**

4. Fair Enterprise Valuation Range based on Operating Expense parameter (20%)

INR Mn

Sr No.	SPV	EV at expenses +20%	EV at Base Expenses	EV at expenses -20%
1	RSWPL	15,877	16,385	16,873
Total		**15,877**	**16,385**	**16,873**

The above represents reasonable range of fair enterprise valuation of the SPV

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8. Additional Procedures to be complied with in accordance with InvIT regulations

Scope of Work

8.1 The Schedule V of the SEBI InvIT Regulations prescribes the minimum set of mandatory disclosures to be made in the valuation report. In this reference, the minimum disclosures in valuation report may include following information as well, so as to provide the investors with the adequate information about the valuation and other aspects of the underlying assets of the InvIT.

The additional set of disclosures, as prescribed under Schedule V of InvIT Regulations, to be made in the valuation report of the SPV are as follows:

- List of one-time sanctions/approvals which are obtained or pending;
- List of up to date/overdue periodic clearances;
- Statement of assets;
- Estimates of already carried as well as proposed major repairs and improvements along with estimated time of completion;
- Revenue pendencies including local authority taxes associated with InvIT asset and compounding charges, if any;
- On-going material litigations including tax disputes in relation to the assets, if any;
- Vulnerability to natural or induced hazards that may not have been covered in town planning/ building control.

Limitations

8.2 This Report is based on the information provided by the representatives of the Investment Manager. The exercise has been restricted and kept limited to and based entirely on the documents, records, files, registers and information provided to me. I have not verified the information independently with any other external source.

8.3 I have assumed the genuineness of all signatures, the authenticity of all documents submitted to me as original, and the conformity of the copies or extracts submitted to me with that of the original documents.

8.4 I have assumed that the documents submitted to me by the representatives of Investment Manager in connection with any particular issue are the only documents related to such issue.

8.5 I have reviewed the documents and records from the limited perspective of examining issues noted in the scope of work and I do not express any opinion as to the legal or technical implications of the same.

Analysis of Additional Set of Disclosures for the SPV

A. List of one-time sanctions/approvals which are obtained or pending:

The list of sanctions/ approvals obtained by the SPV till the date of this Report is provided in Appendix 4. As informed by the Investment Manager, there are no applications for government sanctions/ licenses by the SPV for which approval is pending as on 30th June 2024.

B. List of up to date/ overdue periodic clearances:

The list of clearances obtained by the SPV till the date of this Report is provided in Appendix 4. Investment Manager has confirmed that the SPV is not required to take any periodic clearances other than those mentioned in Appendix 4.

C. Statement of assets included:

The details of assets of the SPV as per the provisional financial statements as at 30th June 2024 are as mentioned below:

INR Mn

Sr. No.	SPV	Land	Net Fixed Assets	Non - Current Assets	Current Assets	Total Assets
1	RSWPL	189	12,259	285	2,747	15,480
Total		**189**	**12,259**	**285**	**2,747**	**15,480**

Estimates of already carried as well as proposed major repairs and improvements along with estimated time of completion:

I have been informed that the SPV will undergo repowering and capacity augmentation activities. For this purpose, there will be capex done to enhance the units generated by the Project.

The capex of incurred by the SPV for the entire project life is given in the below table:

INR Mn

SPV	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33	FY 34	FY 35
RSWPL	-	464	-	-	63	-	-	63	-	-	63

SPV	FY 36	FY 37	FY 38	FY 39	FY 40	FY 41	FY 42	FY 43	FY 44	FY 45	FY 46
RSWPL	-	-	63	-	-	63	-	-	63	-	-

SPV	FY 47	FY 48	FY 49	FY 50	FY 51	FY 52
RSWPL	63	-	-	-	-	-

D. Revenue pendencies including local authority taxes associated with InvIT asset and compounding charges, if any:

Investment Manager has informed me that there are no material dues including local authority taxes (such as Municipal Tax, Property Tax, etc.) pending to be payable to the government authorities with respect to the SPV.

E. On-going material litigations including tax disputes in relation to the assets, if any:

As informed by the Investment Manager, the status of ongoing litigations are updated in Appendix 5.

Investment Manager has informed us that it expects majority of the cases to be settled in favor of the SPV. Further, Investment Manager has informed us that majority of the cases are having low to medium risk and accordingly no material outflow is expected against the litigations.

F. Vulnerability to natural or induced hazards that may not have been covered in town planning/ building control:

Investment Manager has confirmed to me that there are no such natural or induced hazards which have not been considered in town planning/ building control.

9. Sources of Information

For the purpose of undertaking this valuation exercise, I have relied on the following sources of information provided by the Investment Manager:

9.1 Audited financial statements of the SPV for the Financial Year ("FY") ended 31st March 2021, 31st March 2022 31st March 2023 and 31st March 2024;

9.2 Provisional Financial Statements as on 30th June 2024

9.3 Projected financial information for the remaining project life of the SPV;

9.4 Details of projected Major Repairs & Capital Expenditure (Capex);

9.5 Details of brought forward losses and MAT credit (as per Income Tax Act) of the SPV as at 31st March 2024;

9.6 Details of Written Down Value (WDV) (as per Income Tax Act) of SPV as at 31st March 2024;

9.7 Income Tax Returns of the SPV for AY 2021-2022, AY 2022-2023 and AY 2023-2024;

9.8 Operation and Maintenance proposal agreement with Mahindra Teqo dated 25th September 2024;

9.9 PVSyst Report of the SPV as on 23rd January 2021;

9.10 Power Purchase Agreements (PPA) entered into by the SPV with SECI;

9.11 Project Summary Report issued in the month of September 2024 by M/s SgurrEnergy Private Limited

9.12 Generation data of the SPV including the Plant Availability, Grid Availaibility and CUF data points as on the Valuation date

9.13 List of licenses / approvals, details of tax litigations, civil proceeding and arbitrations of the SPV;

9.14 Management Representation Letter by the Investment Manager dated 24th December 2024;

9.15 Relevant data and information about the SPV provided to us by the Investment Manager either in written or oral form or in the form of soft copy;

9.16 Information provided by leading database sources, market research reports and other published data.

The information provided to me by the Investment Manager in relation to the SPV included but not limited to historical financial statements, forecasts/projections, other statements and assumptions about future matters like forward-looking financial information prepared by the Investment Manager. The forecasts and projections as supplied to me are based upon assumptions about events and circumstances which are yet to occur.

I have not tested individual assumptions or attempted to substantiate the veracity or integrity of such assumptions in relation to the forward-looking financial information, however, I have made sufficient enquiries to satisfy myself that such information has been prepared on a reasonable basis.

Notwithstanding anything above, I cannot provide any assurance that the forward looking financial information will be representative of the results which will actually be achieved during the cash flow forecast period.

10. Exclusions and Limitations

10.1. My Report is subject to the limitations detailed hereinafter. This Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.

10.2. Valuation analysis and results are specific to the purpose of valuation and is not intended to represent value at any time other than the valuation date of 30th June 2024 ("Valuation Date") mentioned in the Report and as per agreed terms of my engagement. It may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.

10.3. This Report, its contents and the results are specific to (i) the purpose of valuation agreed as per the terms of my engagements; (ii) the Valuation Date; and (iii) are based on the financial information of the SPV till 30th June 2024. The Investment Manager has represented that the business activities of the SPV have been carried out in normal and ordinary course between 30th June 2024 and the Report Date and that no material changes have occurred in the operations and financial position between 30th June 2024 and the Report date.

10.4. The scope of my assignment did not involve me performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information that was provided and used by me during the course of my work. The assignment did not involve me to conduct the financial or technical feasibility study. I have not done any independent technical valuation or appraisal or due diligence of the assets or liabilities of the SPV or any of other entity mentioned in this Report and have considered them at the value as disclosed by the SPV in their regulatory filings or in submissions, oral or written, made to me.

10.5. In addition, I do not take any responsibility for any changes in the information used by me to arrive at my conclusion as set out herein which may occur subsequent to the date of my Report or by virtue of fact that the details provided to me are incorrect or inaccurate.

10.6. I have assumed and relied upon the truth, accuracy and completeness of the information, data and financial terms provided to me or used by me; I have assumed that the same are not misleading and do not assume or accept any liability or responsibility for any independent verification of such information or any independent technical valuation or appraisal of any of the assets, operations or liabilities of the SPV or any other entity mentioned in the Report. Nothing has come to my knowledge to indicate that the material provided to me was misstated or incorrect or would not afford reasonable grounds upon which to base my Report.

10.7. This Report is intended for the sole use in connection with the purpose as set out above. It can however be relied upon and disclosed in connection with any statutory and regulatory filing in connection with the provision of SEBI InvIT Regulations. However, I will not accept any responsibility to any other party to whom this Report may be shown or who may acquire a copy of the Report, without my written consent.

10.8. It is clarified that this Report is not a fairness opinion under any of the stock exchange/ listing regulations. In case of any third party having access to this Report, please note this Report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose.

10.9. Further, this Report is necessarily based on financial, economic, monetary, market and other conditions as in effect on, and the information made available to me or used by me up to, the date hereof. Subsequent developments in the aforementioned conditions may affect this Report and the assumptions made in preparing this Report and I shall not be obliged to update, revise or reaffirm this Report if information provided to me changes.

10.10. This Report is based on the information received from the sources as mentioned in Section 9 of this Report and discussions with the Investment Manager. I have assumed that no information has been withheld that could have influenced the purpose of my Report.

10.11. Valuation is not a precise science and the conclusions arrived at in many cases may be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value. I have arrived at an indicative EV based on my analysis. While I have provided an assessment of the value based on an analysis of information available to me and within the scope of my engagement, others may place a different value on this business.

10.12. Any discrepancies in any table / appendix between the total and the sums of the amounts listed are due to rounding-off.

10.13. Valuation is based on estimates of future financial performance or opinions, which represent reasonable expectations at a particular point of time, but such information, estimates or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, a particular event will occur or that a particular price will be offered or accepted. Actual results achieved during the period covered by the prospective financial analysis will vary from these estimates and the variations may be material.

10.14. I do not carry out any validation procedures or due diligence with respect to the information provided/extracted or carry out any verification of the assets or comment on the achievability and reasonableness of the assumptions underlying the financial forecasts, save for satisfying ourselves to the extent possible that they are consistent with other information provided to me in the course of this engagement.

10.15. My conclusion assumes that the assets and liabilities of the SPV, reflected in their respective latest balance sheets remain intact as of the Report date, except for changes occurring due to ordinary course of business.

10.16. Whilst all reasonable care has been taken to ensure that the factual statements in the Report are accurate, neither myself, nor any of my associates, officers or employees shall in any way be liable or responsible either directly or indirectly for the contents stated herein. Accordingly, I make no representation or warranty, express or implied, in respect of the completeness, authenticity or accuracy of such factual statements. I expressly disclaim any and all liabilities, which may arise based upon the information used in this Report. I am not liable to any third party in relation to the issue of this Report.

10.17. The scope of my work has been limited both in terms of the areas of the business & operations which I have reviewed and the extent to which I have reviewed them. There may be matters, other than those noted in this Report, which might be relevant in the context of the transaction and which a wider scope might uncover.

10.18. For the present valuation exercise, I have also relied on information available in public domain; however the accuracy and timelines of the same has not been independently verified by me.

10.19. In the particular circumstances of this case, my liability (in contract or under any statute or otherwise) for any economic loss or damage arising out of or in connection with this engagement, however the loss or damage caused, shall be limited to the amount of fees actually received by me from the Investment Manager, as laid out in the engagement letter for such valuation work. However, such cap shall not be applicable to damages arising from fraud or willful default or gross negligence as established in civil or criminal proceedings.

10.20. In rendering this Report, I have not provided any legal, regulatory, tax, accounting or actuarial advice and accordingly I do not assume any responsibility or liability in respect thereof.

10.21. This Report does not address the relative merits of investing in InvIT as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

10.22. I am not an advisor with respect to legal, tax and regulatory matters for the proposed transaction. No investigation of the SPV’s claim to title of assets has been made for the purpose of this Report and the SPV’s claim to such rights have been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.

10.23. I have no present or planned future interest in the Trustee, Investment Manager or the SPV and the fee for this Report is not contingent upon the values reported herein. My valuation analysis should not be construed as investment advice; specifically, I do not express any opinion on the suitability or otherwise of entering into any financial or other transaction with the Investment Manager or SPV.

10.24. I have submitted the draft valuation report to the Trust & Investment Manager for confirmation of accuracy of factual data used in my analysis and to prevent any error or inaccuracy in this Report.

10.25. **Limitation of Liabilities**

i. It is agreed that, having regard to the RV's interest in limiting the personal liability and exposure to litigation of its personnel, the Sponsor, the Investment Manager and the Trust will not bring any claim in respect of any damage against the RV personally.

ii. In no circumstances RV shall be responsible for any consequential, special, direct, indirect, punitive or incidental loss, damages or expenses (including loss of profits, data, business, opportunity cost, goodwill or indemnification) in connection with the performance of the services whether such damages are based on breach of contract, tort, strict liability, breach of warranty, or otherwise, even if the Investment Manager had contemplated and communicated to RV the likelihood of such damages. Any decision to act upon the deliverables (including this Report) is to be made by the Investment Manager and no communication by RV should be treated as an invitation or inducement to engage the Investment Manager to act upon the deliverable(s).

iii. It is clarified that the Investment Manager will be solely responsible for any delays, additional costs, or other liabilities caused by or associated with any deficiencies in their responsibilities, misrepresentations, incorrect and incomplete information including information provided to determine the assumptions.

iv. RV will not be liable if any loss arises due to the provision of false, misleading or incomplete information or documentation by the Investment Manager.

10.26. Further, this Report is necessarily based on financial, economic, monetary, market and other conditions as in effect on, and the information made available to me or used by me up to, the date hereof. Subsequent developments in the aforementioned conditions may affect this Report and the assumptions made in preparing this Report and I shall not be obliged to update, revise or reaffirm this Report if information provided to me changes.

Yours faithfully,

SWAMINATHAN SUNDARARAMAN

Digitally signed by SWAMINATHAN SUNDARARAMAN
Date: 2024.12.25 14:27:37 +05'30'

S. Sundararaman
Registered Valuer
IBBI Registration No.: IBBI/RV/06/2018/10238
Asset Class: Securities or Financial Assets
Place: Chennai
UDIN: 24028423BKGABX8179

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Appendix 1 – Valuation of SPV as on 30th June 2024

Abbreviations	Meaning
EBITDA	Operating Earnings Before Interest, Taxes, Depreciation and Amortization
Capex	Capital Expenditure
WC	Working Capital
FCFF	Free Cash Flow to the Firm
CAF	Cash Accrual Factor
PV	Present value

Strictly Private and Confidential

Appendix 1.1 – Valuation of RSWPL as on 30th June 2024

INR Mn

	Cash flows pertaining to Sale of Electricity											Cash flows pertaining to CIL				
Year	Revenue	Expenses	EBITDA	Capex	Change in WC	Taxation	FCFF	CAF	WACC	DF	PV of Cashflows	Net CIL Cashflows	WACC	DF	PV of Cashflows	Total PV of Cash Flows
	A	B	C=(A-B)	D	E	F	G=(C-D-E-F)	H	I	J	K=(G*J)	L	M	N	O=(L*N)	P=(K+O)
FY25	1,376	157	1,219	-	199	-	1,020	0.38	8.07%	0.97	991	-	9.64%	0.97	-	991
FY26	1,861	192	1,669	464	3	-	1,202	1.25	8.07%	0.91	1,091	-	9.64%	0.89	-	1,091
FY27	1,918	201	1,717	-	6	-	1,712	2.25	8.07%	0.84	1,438	-	9.64%	0.81	-	1,438
FY28	1,916	217	1,699	-	(1)	-	1,700	3.25	8.07%	0.78	1,321	154	9.64%	0.74	114	1,435
FY29	1,921	222	1,699	63	1	-	1,635	4.25	8.07%	0.72	1,176	154	9.64%	0.68	104	1,280
FY30	1,913	227	1,686	-	(1)	-	1,687	5.25	8.07%	0.67	1,122	154	9.64%	0.62	95	1,217
FY31	1,906	233	1,673	-	(1)	-	1,674	6.25	8.07%	0.62	1,030	154	9.64%	0.56	87	1,117
FY32	1,921	239	1,682	63	1	357	1,261	7.25	8.07%	0.57	718	154	9.64%	0.51	79	797
FY33	1,908	245	1,664	-	(1)	407	1,258	8.25	8.07%	0.53	663	154	9.64%	0.47	72	735
FY34	1,900	251	1,649	-	(1)	408	1,242	9.25	8.07%	0.49	606	154	9.64%	0.43	66	672
FY35	1,910	257	1,653	63	1	407	1,182	10.25	8.07%	0.45	533	154	9.64%	0.39	60	593
FY36	1,908	264	1,643	-	(1)	407	1,237	11.25	8.07%	0.42	517	154	9.64%	0.36	55	571
FY37	1,894	271	1,624	-	(1)	405	1,220	12.25	8.07%	0.39	471	154	9.64%	0.32	50	521
FY38	1,904	278	1,626	63	1	402	1,160	13.25	8.07%	0.36	415	154	9.64%	0.30	45	460
FY39	1,896	285	1,611	-	(1)	400	1,212	14.25	8.07%	0.33	401	154	9.64%	0.27	41	443
FY40	1,893	293	1,600	-	(1)	399	1,202	15.25	8.07%	0.31	368	154	9.64%	0.25	38	406
FY41	1,898	301	1,597	63	1	395	1,138	16.25	8.07%	0.28	322	154	9.64%	0.22	34	357
FY42	1,889	309	1,581	-	(1)	392	1,189	17.25	8.07%	0.26	312	154	9.64%	0.20	31	343
FY43	1,881	317	1,564	-	(1)	390	1,174	18.25	8.07%	0.24	285	-	9.64%	0.19	-	285
FY44	1,896	327	1,569	63	1	388	1,117	19.25	8.07%	0.22	251	-	9.64%	0.17	-	251
FY45	1,882	335	1,547	-	(1)	384	1,164	20.25	8.07%	0.21	242	-	9.64%	0.16	-	242
FY46	1,874	344	1,530	-	(1)	382	1,149	21.25	8.07%	0.19	221	-	9.64%	0.14	-	221
FY47	1,883	354	1,529	63	1	378	1,087	22.25	8.07%	0.18	193	-	9.64%	0.13	-	193
FY48	1,880	365	1,515	-	(1)	376	1,140	23.25	8.07%	0.16	188	-	9.64%	0.12	-	188
FY49	1,867	374	1,492	-	(1)	372	1,120	24.25	8.07%	0.15	171	-	9.64%	0.11	-	171
FY50	1,858	385	1,473	-	(1)	369	1,105	25.25	8.07%	0.14	156	-	9.64%	0.10	-	156
FY51	879	183	696	-	(94)	174	616	26.25	8.07%	0.13	80	-	9.64%	0.09	-	80
FY52*	284	63	221	-	(31)	55	197	27.01	8.07%	0.12	24	-	9.64%	0.08	-	24
Present Value of Explicit Period Cash Flows																**16,277**
Adjustments:																
PV of Working Capital Released as on 4-10-2051																17
PV of Sale of Own Land - Net of Tax 4-10-2051																64
PV of ARO as on 30-06-2050																(60)
PV of Net Scrap (Terminal)																86
Enterprise Value																**16,385**

** 4th October 2051*

Appendix 2.1 – Calculation of Beta

a. Calculation of Unlevered Beta

Unlevered Beta = Levered Beta / [1 + (Debt / Equity)*(1-T)]

Particulars	Raw Beta	Debt to Market Capitalisation	Effective Tax Rate (%)	Unlevered Beta
NTPC Ltd	0.78	163%	17.47%	0.34
NLC India Ltd	0.70	262%	17.47%	0.22
PGCIL	0.51	111%	17.47%	0.27
PG InvIT	0.17	5%	25.17%	0.16
Average				**0.25**

b. Calculation of Re-levered Beta

Re-levered Beta = Unlevered Beta * [1 + (Debt/Equity) * (1-T)]

Particulars	RSWPL
Unlevered Beta	0.25
Debt Equity Ratio Considered	2.33
Effective Tax rate of SPV	19%
Relevered beta	**0.71**

Source: Information provided by database sources, market research, other published data and internal workings.

Appendix 2.2 – Weighted Average Cost of Capital of the SPV

Particulars	RSWPL	Remarks
Risk Free Rate (Rf)	6.92%	Risk Free Rate has been considered based on zero coupon yield curve as at 30th June 2024 of Government Securities having maturity period of 10 years, as quoted on CCIL's website.
Equity Risk Premium (ERP)	7.00%	Based on the historical realized returns on equity investments over a risk free rate of as represented by 10 year government bonds, a 7% equity risk premium is considered appropriate for India.
Beta (relevered)	0.71	Beta has been considered based on the beta of companies operating in the similar kind of business in India. **(Refer para 6.14.5)**
Base Cost of Equity	11.91%	Base Ke = Rf + (β x ERP)
Company Specific Risk Premium (CSRP)	0.00%	Risk Premium/ (Discount) Specific to the SPV **(Refer para 6.14.6)**
Adjusted Cost of Equity (Ke)	**11.91%**	**Adjusted Ke = Rf + (β x ERP) + CSRP**
Pre-tax Cost of Debt	7.91%	As represented by the Investment Manager
Effective tax rate of SPV	18.76%	Average tax rate for the life of the SPV have been considered
Post-tax Cost of Debt	**6.43%**	**Effective cost of debt. Kd = Pre tax Kd * (1-Effective Tax Rate)**
Debt/(Debt+Equity)	70.00%	The debt - equity ratio computed as [D/(D+E)] is considered as 70% as per industry standard**. (Refer para 6.14.4)**
WACC Adopted	**8.07%**	**WACC = [Ke*(1-D/(D+E))]+[Kd*(1-t)*(D/(D+E))]**

Appendix 2.3 – Weighted Average Cost of Capital for the CIL Income

Particulars	RSWPL	Remarks
Risk Free Rate (Rf)	6.92%	Risk Free Rate has been considered based on zero coupon yield curve as at 30th June 2024 of Government Securities having maturity period of 10 years, as quoted on CCIL's website.
Equity Risk Premium (ERP)	7.00%	Based on the historical realized returns on equity investments over a risk free rate of as represented by 10 year government bonds, a 7% equity risk premium is considered appropriate for India.
Beta (relevered=unlevered as D/(D+E) considered 0%)	0.25	Beta of solar has been considered **(Refer para 6.15.4)**
Base Cost of Equity	8.64%	Base Ke = Rf + (β x ERP)
Company Specific Risk Premium (CSRP)	1.00%	Risk Premium/ (Discount) Specific to the SPV **(Refer para 6.15.5)**
Adjusted Cost of Equity (Ke)	**9.64%**	**Adjusted Ke = Rf + (β x ERP) + CSRP**
Pre-tax Cost of Debt	7.91%	As represented by the Investment Manager
Effective tax rate of SPV	25.17%	Average tax rate CIL has been considered
Post-tax Cost of Debt	**NA**	**Effective cost of debt. Kd = Pre tax Kd * (1-Effective Tax Rate)**
Debt/(Debt+Equity)	0%	The debt - equity ratio computed as [D/(D+E)] is considered as 0% for CIL **(Refer para 6.15.3)**
WACC Adopted	**9.64%**	**WACC = Ke**

Appendix 3 – Inflation rate for expense

Nature	RSWPL FY25	Inflation
O&M Expenses	107.26	3.1%
Total expense without PM fees	**107.26**	

Appendix 4 – Summary of approvals and licences

Sr. No.	Approvals	Date of Issue	Issuing Authority
	Commissioning Related		
1	Commissioning Certificate-150MW	13-08-2021	Solar Energy Corporation of Ijndia
2	Commissioning Certificate-50MW	17-08-2021	Solar Energy Corporation of Ijndia
3	Commissioning Certificate-50MW	04-09-2021	Solar Energy Corporation of Ijndia
4	Commissioning Certificate-50MW	04-10-2021	Solar Energy Corporation of Ijndia
5	Extension of Time in due date of Financial Closure, Land Acquisition and Commissioning due to COVID-19	07-09-2020	Solar Energy Corporation of India
6	Registration of 300MW Solar PV Power Projected Selected through bidding conducted by SECI	16-12-2019	Rajasthan Renewable Energy Corporation Limited
7	Registration certificate	25-01-2021	Central Electricity Authority
	Power evacuation Related		
1	Grant of connectivity	16-06-2021	Central Transmission Utility of India Limited
2	Approval of Government of India for Connectivity system	14-12-2020	Central Electricity Authority, Ministry of Power
3	Extension of Approval for Energisation	24-08-2023	Central Electricity Authority, Ministry of Power
4	Approval of procurement of 300MW of solar power from SECI	04-08-2021	Bihar Electricity Regulatory Commission
5	Transfer of connective and LTA from ReNew Solar Energy (Jharkhand Four) Private Ltd to ReNew Sun Waves Private Limited	10-02-2023	Central Transmission Utility of India Limited
6	Grant of 300MW LTA to ReNew Solar Energy (Jharkhand Four) Private Limited for its proposed solar project	18-07-2019	Power Grid Corporation of India
7	Approval u/s 164 of the Electricity Act, 2003 to RSWPL for laying of the electric lines	02-03-2022	
8	Approval to Route of extra high tension power/telecom line	05-06-2021	Power and Telecom Coordination Committee
9	Operationalization of 250 MW Long Term Access Power for the project	22-09-2021	Central Transmission Utility of India Limited
10	Operationalization of 50 MW Long Term Access Power for the project	12-11-2021	Central Transmission Utility of India Limited
11	Grant of deemed GNA under regulation 18.1 of GNA Regulations	25-09-2023	Central Transmission Utility of India Limited
12	Corrigendum to grant of deemed GNA	11-01-2024	Central Transmission Utility of India Limited
13	Letter of Award	05-03-2019	Solar Energy Corporation of India
14	Approval for charging and trial operation (50MW)	10-08-2021	NRLDC
15	Approval for charging and trial operation (50MW)	02-09-2021	NRLDC
16	Approval for charging and trial operation (50MW)	02-10-2021	NRLDC
17	Approval for charging and trial operation (150MW)	10-08-2021	NRLDC
	Project Related		
1	No objection certificate	12-06-2021	Gram Panchayat of Chaudiya Vilage
2	Forest NOC	09-03-2021	Conservator of forests, Jodhpur Division
	Others		
1	Certificate of Importer Exporter Code	19-03-2020	Ministry of Commerce and Industry

Appendix 5 – Summary of Ongoing Litigations

Sr. No	Initiated by	Against	Pending Before	Details of the case
1	Kalu Singh vs. Bheru Singh S/o. Ganpath Singh	Kalu Singh vs. Bheru Singh S/o. Ganpath Singh	SDM, Fatehgarh,Jaisalmer	**Background of the case:** The revenue records for Sanwat year 2031-2036 records name of Ganpat Singh s/o. Mahadan Singh. Rectification in revenue records was made in Sanwat year 2037-39 and name was recorded as Ganpat Singh s/o. Aidan Singh. Upon demise of Ganpat Singh s/o. Aidan Singh, mutation no. 85 records devolution in the favour of his legal heirs Bhairo Singh s/o. Ganpant Singh. The applicant has alleged that he is the real legal heir of original land owner Ganpat Singh S/o. Mahadan Singh. It is alleged that without any valid mutation, name was altered in revenue record due to collusion of revenue officials. It is alleged that there was no person with the name of Ganpat Singh S/o. Aidan Singh and therefore subsequent mutation No. 85 is not valid. The Applicant has sought rectification and correction in the revenue records, cancellation of mutations recording subsequent transactions and for his name to be recorded as the owner. The Company was not made a party initially and it was added subsequently at the final stage. The Reply of the Defendant No.1 and report of the Tehsildar has already been filed. **Current Status:** The matter is currently pending.
2	RSWPL	CERC, SECI, Bihar State Power Holding Company Limited, North Bihar Power Distribution Company Limited and South Bihar Power Distribution Company Limited	APTEL/Delhi	**Background of the case:** Limited Appeal of CERC Order 19.12.2023 challenging the grant of carrying costs in change in law matter basis "lowest of three principle". Limited Appeal has been filed by ReNew challenging the order passed by CERC in Petition No. 171/MP/2021 to the extent 1) it has granted carrying cost on the basis of the "lowest of the three formula" 2) it has allowed the Annuity Rate at 9% P.A. instead of 14% as proposed by ReNew. **Current Status:** The matter is currently pending.
3	M.K. Ranjitsinh & Ors. vs. Union of India & Ors.	M.K. Ranjitsinh & Ors. vs. Union of India & Ors.	Supreme Court of India	**Background of the case:** A writ petition (W.P. (c) No. 838 of 2019) ('Writ Petition') in public interest under Article 32 of the Constitution of India was filed before the Supreme Court of India by certain environmentalists and conservations, seeking urgent directions to save the critically endangered birds, the Great Indian Bustard ('GIB') and the Lesser Florican. In the Writ Petition, the Petitioners, attribute the decline in the number of the said birds to, among other reasons, the development of wind turbines and overhead powerlines, more specifically, due to collision with the same. Private renewable energy developers were not party to the Writ petition. Only certain agencies/ instrumentalities of the Central Government and State Governments (more particularly the States of Gujarat and Rajasthan), were arrayed as Respondents in the Writ Petition. In view of the recent order dated 21.03.2024 passed by Supreme Court of India ("GIB Order") in respect of the Writ Petition, the injunction imposed vide order dated 19.04.2021 as regards the Potential Area, as referred to in the GIB Order, has been lifted (subject to the parameters which may be suggested by the new Expert Committee). As regards the Priority Area, as referred to in the GIB Order, the Expert Committee will determine the feasibility of overhead and underground lines as directed in the order dated 21.03.2024 of the Hon'ble Supreme Court. Vide directions passed by the Hon'ble Supreme Court, the Expert Committee's Report has now been analyzed to decide the further course of action. **Current Status:** The matter is currently pending.

ANNEXURE B - TECHNICAL REPORTS

The technical reports for each of the Portfolio Assets is available at https://www.anzenenergy.in/wp-content/uploads/2024/11/SEL-Trasmission-Line-and-Substation-Tech-Report-DMTCL.pdf and https://www.anzenenergy.in/wp-content/uploads/2024/11/SEL-Trasmission-Line-and-Substation-Tech-Report-NRSS.pdf. Additionally, please see below the technical report of the Target Asset.

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Anzen India Energy Yield Plus Trust

Renew 300MW(AC) Solar PV Power Plant

Project Summary Report

September 2024

Report Details

Prepared for:	Anzen India Energy Yield Plus Trust
Client Contact:	Ranjita Deo
Report Distribution	
SgurrEnergy:	Nazish Shaikh Jawwad Shaikh Saurabh Mhaske
Report Classification:	Confidential

	Name	**Job-Title**	**Signature**
Prepared by:	Advisory, EHV and PMC Teams		
Reviewed by:	Nazish Shaikh	Associate Director	
Authorised by:	Arif Aga	Director	
Date of Issue	30 September 2024		

Summary

SgurrEnergy has been appointed by Anzen India Energy Yield Plus Trust (the Client) to conduct a Technical Due Diligence of ReNew Sun Waves private Limited (the Developer) 300MW$_{AC}$ solar PV power plant. This report presents the details of the project site including access to project site, project components and design, and electrical evacuation scheme.

ReNew 300MW$_{AC}$ Solar PV Plant Details

The developer's PV plant in consideration is rated at 420MW$_{P}$ and 300MW$_{AC}$. The geographical details of the asset are tabulated in Table 0-1; whereas technology implemented for the project is presented in Table 0-2

Table 0-1: Geographical Details

Site	Latitude	Longitude	Elevation	State
ReNew 300MW$_{AC}$	26.66055°N	71.27416°E	290m	Rajasthan

Site Access

The project under evaluation is well connected through the Phalsund – Jaisalmer road to the Jaisalmer city.

Figure 0-1 shows the connectivity from Jaisalmer to the Project Site.

Figure 0-1: Preferred route

Figure 0-2: Phalsund – Jaisalmer road

The main access road to the plant is a *GSB road, which* connects to the Phalsund-Jaisalmer main road from the project site. This existing *chuck road* was noted to be fair for vehicle movement during O&M phase.

Figure 0-3: Plant Access Road

Project Details

The solar power project is situated in the Fatehgarh region of Jaisalmer District, Rajasthan, a location known for its abundant solar irradiance, making it ideal for large-scale solar energy generation. The project is approximately 60 kilometres from Jaisalmer city, enhancing its accessibility for operations and maintenance (O&M) activities.

The plant achieved its commercial operation on 05 October 2021 and is currently operated under a comprehensive operation and maintenance (O&M) contract by ReNew (the Developer) through the financial year 2023-2024. The project is owned and operated by Renew Sun Waves Pvt Ltd under the SECI-III (Solar Energy Corporation of India) scheme.

DC configuration

The Project utilizes advanced Mono-PERC (Passivated Emitter and Rear Cell) solar photovoltaic (PV) module technology with half-cut cell design, which enhances efficiency by reducing resistive losses and increasing power output. The PV modules, supplied by leading manufacturers Jinko and Longi, are rated between 450W_P to 465W_P. These modules are arranged in configurations of 2x14, 2x28, and 2x29 per table, with 28 to 29 modules connected in each string. This setup ensures optimal energy capture and conversion efficiency. The fixed tilt module mounting structure, oriented North-South, maximizes exposure to sunlight throughout the day, further enhancing the energy yield of the plant.

AC Configuration

The project features String Inverter technology, known for its modularity and ease of maintenance. The inverters, manufactured by Sungrow, specifically the SG250-HX-IN model with a capacity of 250kVA each, are capable of efficiently converting the DC power generated by the PV modules into AC power. With a total of 1500 inverters deployed, each inverter supports 21 to 22 strings of modules. The combined DC capacity of the project is 420 MW_P, while the AC capacity stands at 300MW_{AC}, reflecting the robust AC/DC ratio.

Power Evacuation

The 300MW_{AC} Solar PV plant comprises of total Thirty-Six (36) modular blocks with block size (IDT) rating of 8.34MVA each. All blocks are implemented with 200kW string inverters; total 1500 inverters are installed in plant to complete the total installed plant capacity of 300$MW_{AC.}$ Two such IDTs (Inverter Duty Transformers) are connected via an RMU (Ring main unit) to the MV switchgear in Main Control Room (MCR). In the MCR, the MV switchgear panel installed is a 10 input and two output unit. Incomers 01 and 06 of the MV switchgear panel are connected with two modular blocks each and the remaining incomer panels are connected with four modular blocks.

The 300MW_{AC} Solar PV plant has a dedicated 220/33kV switchyard, which comprises of two 120/150MVA, ONAN/ONAF, 33/220kVA power transformers and its associated metering and protection units as per the approved drawing.

The 220kV Pooling substation Main-I and Main-II busbar schemes have a rating of 2000A and a voltage level of 220kV each with AL59 Twin conductor. Transformer-1 is connected to Main bus-II while Transformer-2 is connected to Main bus-I. The bus coupler is in a closed condition. Additionally, the Line bay is connected to Main bus-I, and the total power of the transformer is being transferred from Main bus-II to Main bus-I via the bus coupler.

The power from the plant is evacuated to 220/400/765kV, Fatehgarh-II Grid substation (GSS). The total length of transmission line is 7.74km with thirty-three numbers of 220kV towers connecting from plant substation (PSS) to GSS.

During the inspection of the site, it was observed that the transmission line connecting PSS to the 5th tower was originally a single circuit. However, beyond the 5th tower the single circuit tower was transformed into a double circuit tower and extended all the way to the GSS. Additionally, it should be noted that the transmission line on the 5th tower belongs to another plant owned by Renew Power.

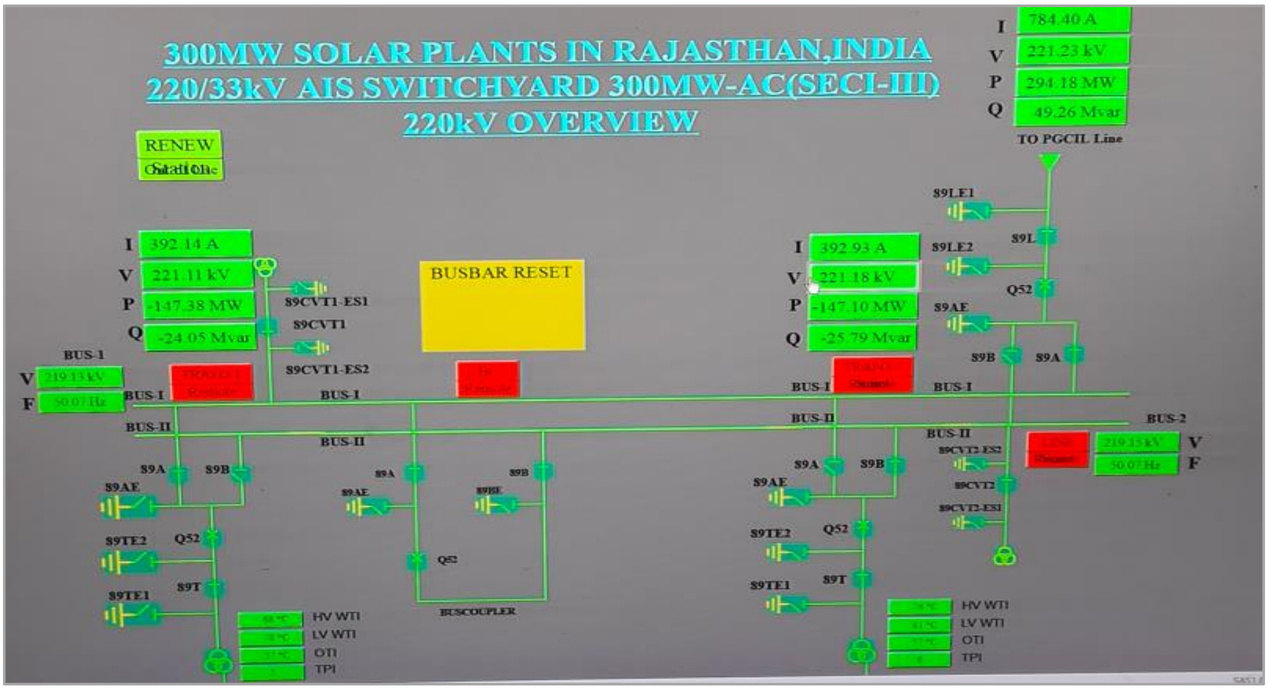

Figure 0-4: ReNew 300MW Evacuation Scheme

Table 0-2: Key Project Details

Project Details	
Location	*Tehsil: Fatehgarh*, Jaisalmer District, Rajasthan
Nearest City	Jaisalmer, which is approximately 60km away
COD	05 October 2021
Owners	Renew Sun Waves Pvt Ltd. SECI-III
O&M Contractor	Renew Sun Waves Pvt Ltd. SECI-III
PV module technology	Solar PV module based on Mono-perc with Half cut technology.
Inverter technology	String Inverters
DC capacity (MW_P)	420
AC capacity (MW_{AC})	300
PV Module	
PV module manufacturer	Jinko and Longi
Wattage (W_P)	460-465W_P and 450-455W_P
Number of modules per Table	2x14, 2x28 and 2x29
Number of modules per string	29 and 28
Warranties	Warrantied degradation for Longi modules is up to 0.55%/year for 25 years. Warrantied degradation for Jinko modules is 0.6%/year for 25 years.
Inverter	
Inverter manufacturer / model	Sungrow / SG250-HX-IN / 250kVA
Inverter nominal AC output (MW)	200kW

Number of Inverters	1500
Number of strings per inverter	21 and 22
Warranties	Warrantied performance of 99.5% uptime for 5 years
Module Mounting Structure (North South Orientation)	
Module mounting structure details (Total Tables)	2x14, 2x28 and 2x29
Orientation of modules	North- South
Installation type	Fixed Tilt
Power Evacuation	
Inverter Duty Transformer	36x8.34MVA
Power Transformer	2x150MVA
Metering	33/220kV PSS

Plant Performance Analysis

SgurrEnergy was provided with DGR records and a subset of SCADA recorded data to assess the plant's performance. A component level assessment of losses was carried out to identify the over/under performance of various components across the hierarchy of the plant. The performance of the plant is understood from the deviation of energy recorded from the energy generation predicted. A waterfall level correction of predicted energy must be undertaken to pragmatically compare the deviation of recorded energy in order to access the plant performance. The waterfall diagram highlighting this deviation is shown below in Figure 0-5; After comparing the actual plant's performance to the modelled simulation and adjusting the modelled generation according to the actual losses taking place, SgurrEnergy noted the plant to over perform by **1.58%**. SgurrEnergy noted that the plant was performing close to the P65 confidence interval and after correcting the correctible losses, the plant could perform close to the P50 confidence interval. SgurrEnergy has considered an annual **degradation of 0.55%** per year for the LTEY predictions.

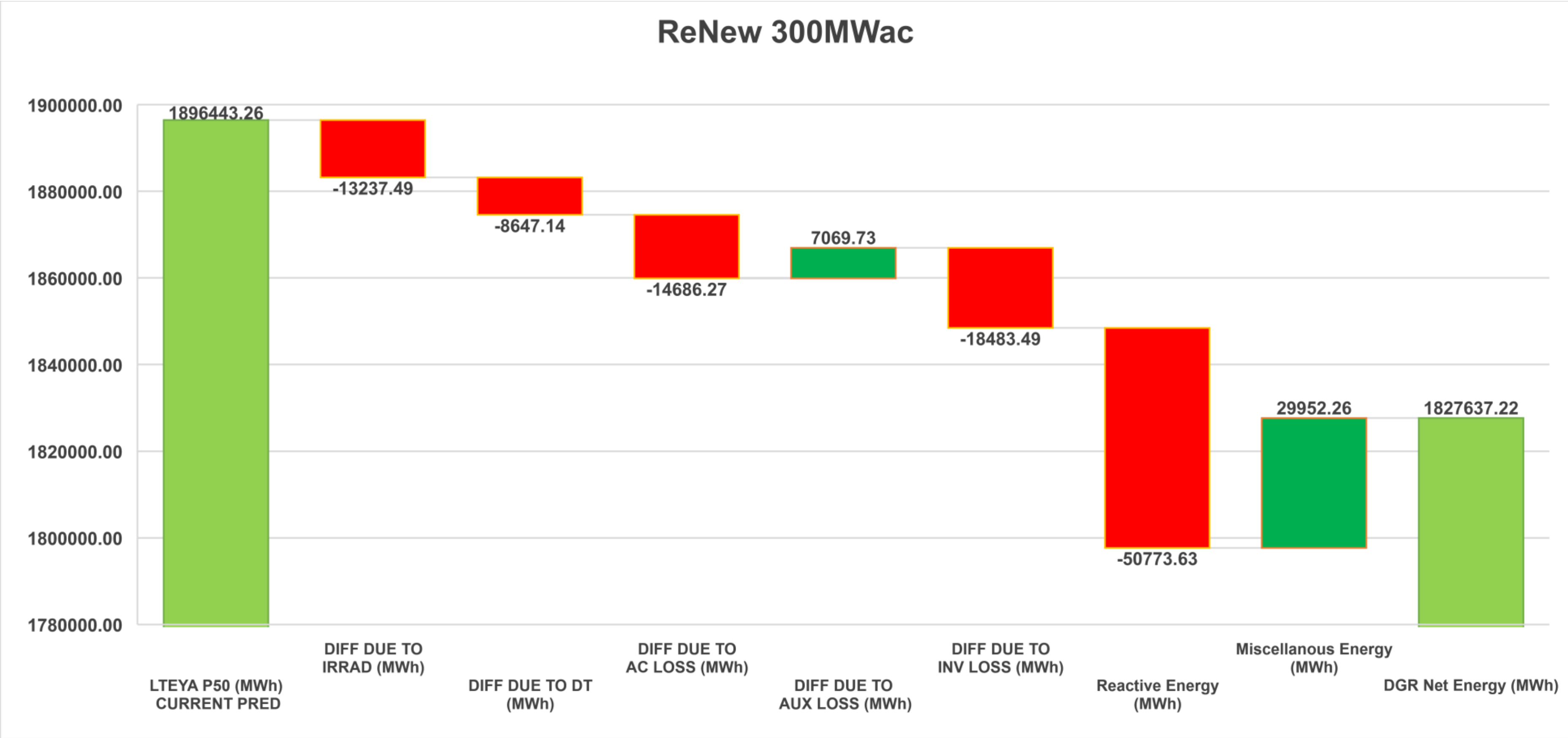

Figure 0-5: Gap Analysis Results

Table 0-3: Gap Analysis

Aspect	Magnitude (MWh)	Change (%)	Comments	Category
Base Case LTEYA P50 (MWh)	**1,896,443.26**	**–**	**–**	
Irradiation (MWh)	-13,237.49	-0.70%	0.70% of underperformance is observed due to shortfall of irradiation. The fact that irradiation is an ungovernable natural phenomenon, this underperformance can be assumed to be a near long-term average. Hence - no correction factor due to reduced irradiation can be applied.	Non-Correctable
Inverter Losses (MWh)	-18,483.49	-0.97%	The inverters are underperforming by 0.97% than the modelled loss assumption. This underperformance has been included in the correction factor.	Non-Correctable
AC Losses (MWh)	-14,686.27	-0.77%	The AC system comprising of transformers and LV, HV and MV lines are underperforming by 0.77% and accordingly has been included in the corrected LTEYA.	Non-Correctable
Auxiliary Consumption (MWh)	7,069.73	0.37%	Plant auxiliary loss is lesser than the assumed loss by 0.37%; however, a value of 0.4% is recommended for long term estimations.	Non-Correctable
Downtime (MWh)	-8,647.14	-0.46%	**Plant downtime:** SgurrEnergy notes the actual plant downtime to be 1.26% as opposed to the assumed value of 0.5%; SgurrEnergy has therefore not considered this loss in the correction factor since 0.5% can be assumed to be a near long-term average. **Grid downtime:** The actual grid downtime is noted to be 0.34% as opposed to the assumed value of 0.5%. The actual grid down time is noted to be within acceptable limits. Hence, since breakdowns on the grid side are not in the developer's scope, the grid down time is considered as a near long-term average and assumed as 0.5%."	Correctable
Reactive Energy (MWh)	-50,773.63	-2.68%	The underperformance due to reactive power consumption is noted to be 2.68%. This underperformance has not been considered in the correction factor as corrective equipment will be installed in the plant.	Correctable
Miscellaneous Causes (MWh)	29,952.26	1.58%	An over performance of 1.58% is seen due to miscellaneous factors. Considering the under-performance of inverters and balance AC system equipment offsets the over-	Non-Correctable

Aspect	Magnitude (MWh)	Change (%)	Comments	Category
			generation due to miscellaneous causes – SgurrEnergy recommends using the energy yields predicted in Table 0-4.	
DGR Net Energy (MWh)	**1,827,637.22**	**–**	**Based on the gap analysis conducted by SgurrEnergy for the period: October 2021 to March 2024 – the plant seems to be performing at a confidence level of P65. If the loss due to reactive energy compensation i.e 2.68% is nullified and plant availability is improved, the plant may perform at the P50 level on a long-term basis.**	

Table 0-4: P50 Generation Table

Year	FY	P50 (MWh/annum)	PLF AC (%)
2	2023	7,64,177	29.08%
3	2024	7,59,974	28.92%
4	2025	7,55,794	28.76%
5	2026	7,51,637	28.60%
6	2027	7,47,503	28.44%
7	2028	7,43,392	28.29%
8	2029	7,39,303	28.13%
9	2030	7,35,237	27.98%
10	2031	7,31,193	27.82%
11	2032	7,27,172	27.67%
12	2033	7,23,172	27.52%
13	2034	7,19,195	27.37%
14	2035	7,15,239	27.22%
15	2036	7,11,305	27.07%
16	2037	7,07,393	26.92%
17	2038	7,03,503	26.77%
18	2039	6,99,633	26.62%
19	2040	6,95,785	26.48%
20	2041	6,91,959	26.33%
21	2042	6,88,153	26.19%
22	2043	6,84,368	26.04%
23	2044	6,80,604	25.90%
24	2045	6,76,861	25.76%
25	2046	6,73,138	25.61%

Capacity Augmentation

A 65-acre land parcel located approximately 3km from the existing plant is being evaluated for capacity augmentation. Of this total area, around 26 acres are unsuitable for table installation due to shading from structures and the Right of Way (RoW) of transmission lines passing through the land. The proposed augmentation is planned with Waaree MonoPERC modules along with Sungrow SG-320HX string inverters.

In the usable area, tables with 2Px14 and 2Px28 configurations were placed as shown in Figure 0-6. The configuration was chosen to suit the string size and inverter compatibility. The pitch and tilt were considered to be 7.5m and 16° facing South based on preliminary assessments. The module used for repowering in the new land parcel is Waaree Bi-55-545 using MonoPERC technology.

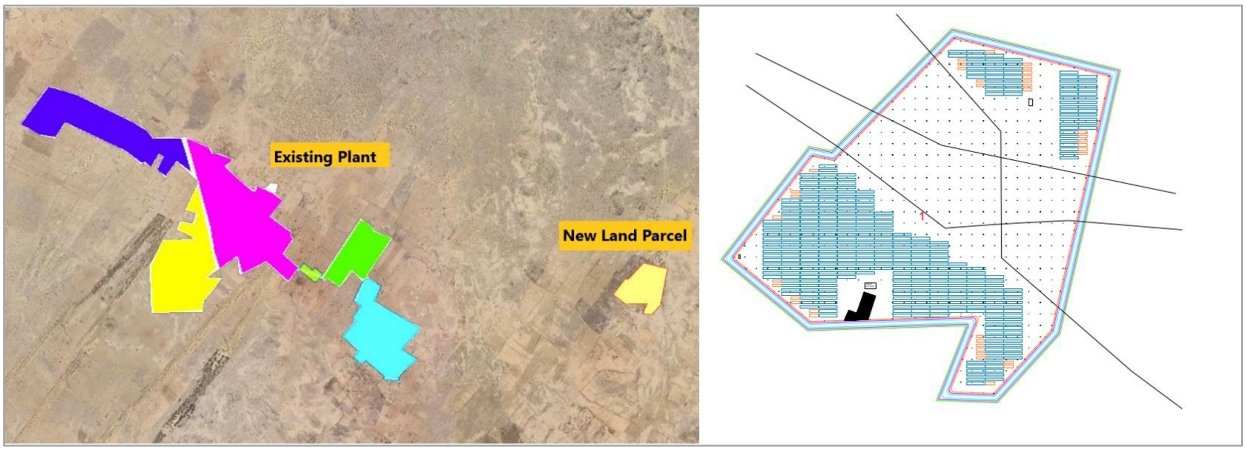

Figure 0-6: Land Parcels Considered

Table 0-5: Summary of Augmentation on the New Land Parcel

Table Type	No. of Modules per Table	Rating of PV Module (W_P)	No. of Tables	DC Capacity (MW_P)
2Px14	28	545	45	0.69
2Px28	56	545	354	10.80
			Total DC Capacity (MW_P)	**11.49**
			AC Capacity (MW_{AC})	**8.26**

It is important to note that in addition to the 11.49 MW_P, an extra 0.3MW_P can be accommodated on the site provided that the area used by the existing building on the Southern side of the plant is considered for the augmentation. The augmented capacity might undergo minor changes during project execution.

Preliminary Costing

The tentative cost in Table 0-6 shows the split for repowering the newly proposed land parcel, housing a total DC capacity of 11.50MW_P. The tentative cost is prepared as per the prevailing market rates and SgurrEnergy's expertise in the market. The cost per MW_P is expected to be approximately 3.20-3.80 Crore[1] Indian Rupees, excluding taxes, liasoning fees, etc.

Table 0-6 Per MWp Costing for 11.5MWp Augmentation

Sl. No.	Item	Cost (Crore Rupees per MW_P)
1.	PV Module	1.70
2.	Inverters	0.16
3.	BoS	0.80
4.	Transmission Line	0.40
5.	Installation and Commissioning	0.12
6.	Infrastructure	0.05
	Total	**3.23**

[1] This estimation is made as per the prices prevailing in the market. Any change in module, inverter and MMS prices in future may affect the overall project cost.

The tentative cost figure for repowering the existing 420.05MW_P Solar PV plant with an additional 0.992MW_P in the existing land boundary is approximately 2.26-2.40 Crore INR per MW_P. This includes the capital cost for modules, MMS, DC cable, and installation and commissioning costs. The split for the same is depicted in Table 0-7.

Table 0-7 Per MW Costing for 0.992MWp Augmentation

Sl. No.	Item	Cost (Crore Rupees per MW_P)
1.	PV Module	1.71
2.	MMS	0.36
3.	DC Cables	0.03
4.	Installation and Commissioning	0.15
	Total	**2.25**

Site Photographs

The Figures below illustrate the major aspects on projects site.

Figure 0-1: Existing land levelling and Grading

Figure 0-2: Entrance to the project Site

Figure 0-3: Module Mounting Systems Fixed Tilt at Site

Figure 0-4: Inverter Station and Transformer

Figure 0-5: SCADA Data System at Project Site

Figure 0-6: Robotic Cleaning System

Glossary

A	Ampere
ACDB	AC Distribution Board
BC	Bus Coupler
C	Cable
CT	Current Transformer
DIgSILENT	Digital Simulation and Electrical Network calculation program
E/F	Earth Fault
FLA	Full Load Current
I/C	Incomer
ICOG	Incomer outgoing
IDT	Inverter Duty Transformer
IEC	International Electro Technical Commission
IEEE	Institute of Electrical & Electronics Engineers
kA	Kilo Ampere
kV	Kilo Volt
kVA	Kilo Volt Ampere
kW	Kilo Watt
LF	Load Flow
MVA	Mega Volt Ampere
MVAr	Mega Volt Amps reactive
MW	Mega Watt
O/C	Over Current
OEM	Original equipment manufacturer
OG	Outgoing
ONAF	Oil Natural Air Forced

ONAN	Oil Natural Air Natural
PF	Power Factor
PN	Panel
POC	Point of connection
POI	Point of Interconnection
PSCAD	Power Systems Computer Aided Design
PSS/E	Power System Simulator
PV	Photovoltaic
RE	Renewable Energy
SEPL	SgurrEnergy Private Limited
SLD	Single Line Diagram
TR	Transformer

ANNEXURE C – FINANCIAL STATEMENTS

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S R B C & CO LLP
Chartered Accountants

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Independent Auditor's Review Report on the Quarterly and Year to Date Unaudited Consolidated Financial Information of Anzen India Energy Yield Plus Trust

To
The Board of Directors
EAAA Real Assets Managers Limited
(formerly known as Edelweiss Real Assets Managers Limited)
(as 'Investment Manager' of Anzen India Energy Yield Plus Trust)

1. We have reviewed the accompanying Statement of Unaudited Consolidated Financial Information of Anzen India Energy Yield Plus Trust (the "Trust") and its subsidiaries (the Trust and its subsidiaries together referred to as "the Group") consisting of the Consolidated Statement of profit and loss, explanatory notes thereto and the additional disclosures as stated in Chapter 4 of the Securities and Exchange Board of India ("SEBI") Master Circular No. SEBI/HO/DDHS-PoD-2/P/CIR/2024/44 dated May 15, 2024, as amended, including any guidelines and circulars issued thereunder (hereinafter collectively referred to as "SEBI Circulars") for the quarter ended December 31, 2024 and year to date from April 1, 2024 to December 31, 2024 (the "Statement") attached herewith, being submitted by EAAA Real Assets Managers Limited (the "Investment Manager") pursuant to the Investment Manager's requirement, as stated in Note 2 to the Statement, for voluntary submission to the designated stock exchanges as additional information to the unitholders of the Trust.

2. This Statement, which is the responsibility of the Management of the Investment Manager, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" as prescribed in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended), read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with the requirement of SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time, including any circulars, notifications, clarifications and guidelines issued thereunder (the "InvIT Regulations"). The Statement has been approved by the Board of Directors of EAAA Real Assets Managers Limited. Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. The Statement includes the results of the following entities:
   a. Darbhanga - Motihari Transmission Company Limited
   b. NRSS XXXI (B) Transmission Limited

S R B C & CO LLP
CHARTERED ACCOUNTANTS

5. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') as prescribed in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended), read with relevant rules issued thereunder and other accounting principles generally accepted in India, has not disclosed the information as stated in the SEBI Circulars, including the manner in which it is to be disclosed, or that it contains any material misstatement.

6. We draw attention to Note 6 of the Statement which describes the presentation/classification of "Unit Capital" as "Equity" instead of the applicable requirements of Ind AS 32 - Financial Instruments: Presentation, in order to comply with the relevant InvIT regulations. Our conclusion is not modified in respect of this matter.

For S R B C & CO LLP
Chartered Accountants
ICAI Firm registration number: 324982E/E300003

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

per Paul Alvares
Partner
Membership No.: 105754
UDIN: 25105754BMITHI3455
Place: Pune
Date: January 18, 2025

Anzen India Energy Yield Plus Trust

SEBI Registration Number : IN/InvIT/21-22/0020

STATEMENT OF UNAUDITED CONSOLIDATED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31 DECEMBER 2024

(All amounts in INR million, except as stated)

Sr. No	Particulars	Quarter ended (Refer note 2)			Nine months ended (Refer Note 2)		Year ended
		31-Dec-2024	30-Sep-2024	31-Dec-2023	31-Dec-2024	31-Dec-2023	31-Mar-2024
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	**Income**						
	Revenue from contracts with customers	611.54	611.55	610.27	1,828.02	1,823.25	2,426.41
	Income from investment in mutual funds	16.88	17.19	14.87	51.63	51.52	67.21
	Interest income on investment in fixed deposits	3.39	3.34	3.16	10.59	9.37	13.04
	Other income	0.59	0.33	1.35	18.88	13.93	14.44
	Total income	**632.40**	**632.41**	**629.65**	**1,909.12**	**1,898.07**	**2,521.10**
2	**Expenses**						
	Operation and maintenance expense	14.04	14.45	13.46	49.09	54.47	78.07
	Employee benefits expense	4.88	4.55	4.80	13.69	13.89	19.40
	Finance costs	161.03	160.74	160.31	480.62	479.18	637.87
	Depreciation expense	429.71	429.65	470.66	1,284.29	1,406.73	1,872.50
	Investment management fees	16.36	16.36	16.31	48.90	48.76	64.90
	Project management fees	4.18	4.27	4.30	13.64	15.34	20.66
	Insurance expenses	7.89	9.20	9.70	26.33	28.58	38.27
	Legal and professional fees	14.28	15.46	8.92	45.66	27.25	39.10
	Annual listing fees	0.56	0.56	0.52	1.67	1.56	2.08
	Rating fees	1.23	1.23	0.84	3.67	1.40	2.61
	Valuation expenses	-	-	-	-	-	0.85
	Trustee fees	0.46	0.46	0.46	1.38	1.38	1.83
	Audit fees						
	- Statutory Audit fees (including Limited review)	0.68	0.62	0.62	2.05	2.07	5.94
	- Other services (including certifications)	0.06	0.06	0.06	0.18	0.28	0.34
	Other expenses	6.76	4.82	4.16	15.41	13.64	18.87
	Total expenses	**662.12**	**662.43**	**695.12**	**1,986.58**	**2,094.53**	**2,803.29**
3	**Loss before tax (1-2)**	**(29.72)**	**(30.02)**	**(65.47)**	**(77.46)**	**(196.46)**	**(282.19)**
4	**Tax expense**						
	(i) Current tax	2.43	3.55	2.76	9.26	11.94	15.13
	(ii) Deferred tax	-	-	-	-	-	-
	(iii) Adjustment of tax relating to earlier periods	(0.25)	-	-	(0.25)	-	(0.05)
5	**Net loss for the period/year after tax (3 - 4)**	**(31.90)**	**(33.57)**	**(68.23)**	**(86.47)**	**(208.40)**	**(297.27)**
6	**Other Comprehensive Income**						
	Items that will not be reclassified to profit or loss in subsequent periods	(0.01)	(0.03)	0.02	(0.06)	0.04	(0.08)
7	**Total Comprehensive Income for the period/year (5 + 6)**	**(31.91)**	**(33.60)**	**(68.21)**	**(86.53)**	**(208.36)**	**(297.35)**
	Loss for the period/year						
	Attributable to :						
	Unit holders	(31.90)	(33.57)	(68.23)	(86.47)	(208.40)	(297.27)
	Non- Controlling interest	-	-	-	-	-	-
	Total comprehensive income for the period/year:						
	Attributable to :						
	Unit holders	(31.91)	(33.60)	(68.21)	(86.53)	(208.36)	(297.35)
	Non- Controlling interest	-	-	-	-	-	-
	Earnings per unit (INR per unit) (Face value of INR 100 per unit) (refer note G under additional disclosures)						
	-Basic	(0.20)	(0.21)	(0.43)	(0.55)	(1.32)	(1.88)
	-Diluted	(0.20)	(0.21)	(0.43)	(0.55)	(1.32)	(1.88)

Additional disclosure as required by Paragraph 18 of Chapter 4 of Securities and Exchange Board of India ("SEBI") Master Circular No. SEBI/HO/DDHS-PoD-2/P/CIR/2024/44 dated 15 May 2024

Sr. No.	Particulars	Quarter ended (Refer note 2)			Nine months ended (Refer Note 2)		Year ended
		31-Dec-2024	30-Sep-2024	31-Dec-2023	31-Dec-2024	31-Dec-2023	31-Mar-2024
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Asset Cover (in times) (Refer note 8)	2.64	2.69	2.83	2.64	2.83	2.81
2	Debt Equity Ratio (in times) (Refer note 8)	0.62	0.60	0.54	0.62	0.54	0.56
3	Debt Service Coverage Ratio (in times) (Refer note 8)	3.49	3.49	3.53	3.51	3.53	3.49
4	Interest Service Coverage Ratio (in times) (Refer note 8)	3.49	3.49	3.53	3.51	3.53	3.49
5	Net worth (INR in million) (Refer note 8)	12,020.76	12,439.77	13,744.68	12,020.76	13,744.68	13,268.59

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EAAA Real Assets Managers Limited (formerly known as Edelweiss Real Assets Managers Limited) Mumbai

Notes :

1 The above unaudited consolidated financial results for the quarter and nine months ended 31 December 2024 has been reviewed by the Audit Committee and approved by the Board of Directors of EAAA Real Assets Managers Limited (formerly known as Edelweiss Real Assets Managers Limited) ('Investment Manager') at their respective meetings held on 18 January 2025.

2 The unaudited consolidated financial results comprises the unaudited consolidated Statement of Profit and Loss, explanatory notes thereto and the additional disclosures as required in Chapter 4 of the Securities and Exchange Board of India ("SEBI") Master Circular No SEBI/HO/DDHS-PoD-2/P/CIR/2024/44 dated 15 May 2024, as amended, including any guidelines and circulars issued thereunder (hereinafter collectively referred to as "SEBI Circulars") of Anzen India Energy Yield Plus Trust (the "InvIT" or "Trust") and its subsidiaries (together the "Group") for the quarter and nine months ended 31 December 2024 ("consolidated financial results") being submitted by the Investment Manager to designated stock exchanges as additional information to the unitholders of the Trust on a voluntary basis in line with the requirements of Regulation 23 of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended (the "InvIT Regulations").

3 Pursuant to the approval of Board of Directors of the Investment Manager, the Trust has appointed SEPL Energy Private Limited (formerly known as Sekura Energy Private Limited) ('SEPL') as Project Manager for all Project SPVs. As per the Project Implementation and Management Agreement dated 1 November 2022, the Project Manager is entitled to fees at 15% of gross operation and maintenance expenses (excluding insurance and statutory costs) incurred by each SPV per annum plus Goods and Services Tax at rate as applicable. There are no changes in the methodology of computation of fees paid to Project Manager.

4 Investment manager fee has been considered based on the Investment Management Agreement dated 08 December 2021 and amended Investment Management Agreement dated 27 February 2024. The Investment manager fee is INR 55 million per annum plus Goods and Services Tax at rate as applicable which is allocated to each Project SPV equally. There are no changes in the methodology of computation of fees paid to Investment Manager.

5 The Board of Directors of the Investment Manager approved a distribution of INR 2.45 per unit for the quarter ended 31 December 2024 to be paid within five working days from the record date.

6 Under the provisions of the InvIT Regulations, the Trust is required to distribute to Unitholders not less than 90% of the Net Distributable Cash Flows of the Trust for each financial year. Accordingly, Unit Capital contains a contractual obligation to pay cash to the Unitholders. Thus, in accordance with the requirements of Ind AS 32 - Financial Instruments: Presentation, the Unit Capital contains a liability element which should have been classified and treated accordingly. However, the SEBI Circulars (Master Circular No. SEBI/HO/DDHS-PoD-2/P/CIR/2024/44 dated 15 May 2024, as amended from time to time) issued under the InvIT Regulations, and Section H of Chapter 3 of SEBI Circulars dealing with the minimum presentation and disclosure requirements for key financial statements, require the Unit Capital in entirety to be presented/classified as "Equity", which is at variance from the requirements of Ind AS 32. In order to comply with the aforesaid SEBI requirements, the Trust has presented Unit Capital as Equity.

7 The listed Non-Convertible Debentures are secured by the following

(a) a first pari passu charge by way of hypothecation on all the Issuer's current assets and other assets (excluding DSR and DSRA), both present and future, including: (i) all the receivables, right, title, interest, benefits, claims and demands whatsoever of the Issuer in, to and under all the loans and advances extended by the Issuer to the SPVs and HoldCo(s), present and future (collectively, the "Issuer Loans"); (ii) the receivables, right, title and interest and benefits of the Issuer in, to and under all the financing agreements, deeds, documents and agreements or any other instruments (both present and future) which are now executed or may hereafter be executed by the Issuer with respect to the Issuer Loans; Step in rights on the Loans shall be with the Common Security Trustee. (iii) all bank accounts of the Issuer, including but not limited to the Escrow Account and the Sub-Accounts (including Cash Trap Sub Account) (if any) (excluding the distribution account and the accounts opened to meet the debt service reserve requirements in respect of any Additional Debt) or any accounts in substitution thereof that may be opened in accordance with the Debt Securities Documents, and in all funds from time to time deposited therein (including the reserves), all designated account opened with designated banks and the Permitted Investments or other securities representing all amounts credited to the Escrow Account;

(b) a first and exclusive charge on the DSR and DSRA to be created in favour of the Common Security Trustee for benefit of Debt Securities under this Deed, and all amounts lying therein;

(c) a first pari passu pledge over 100% (one hundred percent) of the equity share capital, compulsorily convertible debentures, optionally convertible debentures, non-convertible debentures and securities held by the Issuer in all the Project SPVs.

(d) pari passu pledge over unencumbered equity share capital, compulsorily convertible debentures, optionally convertible debentures, non-convertible debentures and securities held by the Issuer and Holdco(s) in all the Other SPVs and Holdco(s) (as applicable).

8 Formulae for computation of ratios are as follows :

i. Asset cover = Total Assets/(Long Term Borrowings + Interest accrued on Long term debt)

ii. Debt Equity Ratio = Long Term Borrowings/ (Unitholders' Equity + Retained Earnings)

iii. Debt Service Coverage Ratio = Earnings before Interest, Depreciation and Tax / (Interest Expense + Principal Repayments made during the period)

iv. Interest Service Coverage Ratio = Earnings before Interest, Depreciation and Tax / Interest Expense

v. Net worth = Unitholders' Equity + Retained Earnings

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9 **ADDITIONAL DISCLOSURES AS REQUIRED BY PARAGRAPH 6 OF CHAPTER 4 TO THE MASTER CIRCULAR NO. SEBI/HO/DDHS-POD-2/P/CIR/2024/44 DATED 15 MAY 2024 AND AS AMENDED INCLUDING ANY GUIDELINES AND CIRCULARS ISSUED THEREUNDER ("SEBI CIRCULARS")**

The statement of Net Distributable Cash Flows (NDCFs) for the quarter ended 31 December 2024 and 30 September 2024 and nine months ended 31 December 2024 of the Group tabulated in Note 9A & 9B below is computed as per revised framework pursuant to SEBI master circular no. SEBI/HO/DDHS-PoD-2/P/CIR/2024/44 dated 15 May 2024 effective from 01 April 2024. The statement of NDCFs for the quarter and nine months ended 31 December 2023 and year ended 31 March 2024 of the Group as tabulated in Note 9C & 9D below is computed as per Final Placement Memorandum dated 11 November 2022.

A) Statement of Net Distributable Cash Flows (NDCFs) of Anzen India Energy Yield Plus Trust

(All amounts in INR million, except as stated)

Particulars	Quarter ended (Refer note 2)		Nine months ended (Refer Note 2)
	31-Dec-2024	30-Sep-2024	31-Dec-2024
	Unaudited	Unaudited	Unaudited
Cashflows from operating activities of the Trust	(9.94)	(21.54)	(32.64)
Add: Cash flows received from SPV's / Investment entities which represent distributions of NDCF computed as per relevant framework	535.97	554.50	1,621.14
Add:Treasury income / income from investing activities of the Trust	6.23	8.01	23.75
Add: Proceeds from sale of infrastructure investments, infrastructure assets or shares of SPVs/Holdcos or Investment Entity adjusted for the following • Applicable capital gains and other taxes • Related debts settled or due to be settled from sale proceeds • Directly attributable transaction costs • Proceeds reinvested or planned to be reinvested as per Regulation 18(7) of InvIT Regulations or any other relevant provisions of the InvIT Regulations	-	-	-
Add:Proceeds from sale of infrastructure investments, infrastructure assets or sale of shares of SPVs/ Hold cos or Investment Entity not distributed pursuant to an earlier plan to re-invest as per Regulation 18(7) of InvIT Regulations or any other relevant provisions of the InvIT Regulations, if such proceeds are not intended to be invested subsequently	-	-	-
Less:Finance cost on Borrowings, excluding amortisation of any transaction costs as per Profit and Loss account of the Trust	(153.50)	(153.50)	(458.83)
Less:Debt repayment at Trust level	-	-	
Less:any reserve required to be created under the terms of, or pursuant to the obligations arising in accordance with, any: (i) loan agreement entered with financial institution, or (ii) terms and conditions, covenants or any other stipulations applicable to debt securities issued by the Trust or any of its SPVs/ HoldCos,or (iii) terms and conditions, covenants or any other stipulations applicable to external commercial borrowings availed by the Trust or any of its SPVs/ HoldCos, or (iv) agreement pursuant to which the Trust operates or owns the infrastructure asset, or generates revenue or cashflows from such asset (such as, concession agreement, transmission services agreement, power purchase agreement, lease agreement, and any other agreement of a like nature, by whatever name called); or (v) statutory, judicial,regulatory, or governmental stipulations;	-	-	-
Less: any capital expenditure on existing assets owned / leased by the InvIT, to the extent not funded by debt / equity or from contractual reserves created in the earlier years	-	-	-
Net Distributable Cash Flows	378.76	387.47	1,153.42

INR 1,161.30 million distribution has been paid during the nine months ended 31 December 2024 of which INR 387.10 million is pertaining to quarter ended 31 March 2024 (FY 2023-24: INR 1,543.66 million)

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B) Statement of Net Distributable Cash Flows (NDCFs) of underlying SPV's :

i) Darbhanga - Motihari Transmission Company Limited ('DMTCL')

(All amounts in INR million, except as stated)

Particulars	Quarter ended (Refer note 2)		Nine months ended (Refer Note 2)
	31-Dec-2024	30-Sep-2024	31-Dec-2024
	Unaudited	Unaudited	Unaudited
Cash flow from operating activities as per Cash Flow Statement of SPV	311.35	329.97	934.95
Add:Treasury income / income from investing activities	8.55	5.88	19.94
Add:Proceeds from sale of infrastructure investments, infrastructure assets or shares of SPVs or Investment Entity adjusted for the following • Applicable capital gains and other taxes • Related debts settled or due to be settled from sale proceeds • Directly attributable transaction costs • Proceeds reinvested or planned to be reinvested as per Regulation 18(7) of InvIT Regulations or any other relevant provisions of the InvIT Regulations	-	-	-
Add:Proceeds from sale of infrastructure investments, infrastructure assets or sale of shares of SPVs or Investment Entity not distributed pursuant to an earlier plan to re-invest as per Regulation 18(7) of InvIT Regulations or any other relevant provisions of the InvIT Regulations, if such proceeds are not intended to be invested subsequently	-	-	-
Less:Finance cost on Borrowings, excluding amortisation of any transaction costs as per Profit and Loss Account and any shareholder debt / loan from Trust	-	-	-
Less:Debt repayment (to include principal repayments as per scheduled EMI's except if refinanced through new debt including overdraft facilities and to exclude any debt repayments / debt refinanced through new debt, in any form or equity raise as well as repayment of any shareholder debt / loan from Trust)	-	-	-
Less: any reserve required to be created under the terms of, or pursuant to the obligations arising in accordance with, any: (i) loan agreement entered with banks / financial institution from whom the Trust or any of its SPVs/ HoldCos have availed debt, or (ii) terms and conditions, covenants or any other stipulations applicable to debt securities issued by the Trust or any of its SPVs/ HoldCos, or (iii) terms and conditions, covenants or any other stipulations applicable to external commercial borrowings availed by the Trust or any of its SPVs/ HoldCos, (iv) agreement pursuant to which the SPV/ HoldCo operates or owns the infrastructure asset, or generates revenue or cashflows from such asset (such as, concession agreement, transmission services agreement, power purchase agreement, lease agreement, and any other agreement of a like nature, by whatever name called); or (v) statutory, judicial, regulatory, or governmental stipulations; or	-	-	-
Less:any capital expenditure on existing assets owned / leased by the InvIT, to the extent not funded by debt / equity or from contractual reserves created in the earlier years	(0.92)	0.08	(1.35)
Add: Surplus cash available in the SPV	-	-	14.92
Net Distributable Cash Flows	**318.98**	**335.93**	**968.46**

During the period, DMTCL has distributed at least 90% of the NDCF to Anzen.

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ii) NRSS XXX1(B) Transmission Limited ('NRSS')

(All amounts in INR million, except as stated)

Particulars	Quarter ended (Refer note 2)		Nine months ended (Refer Note 2)
	31-Dec-2024	30-Sep-2024	31-Dec-2024
	Unaudited	Unaudited	Unaudited
Cash flow from operating activities as per Cash Flow Statement of SPV	233.59	277.27	726.89
Add:Treasury income / income from investing activities	5.62	4.10	13.57
Add:Proceeds from sale of infrastructure investments, infrastructure assets or shares of SPVs or Investment Entity adjusted for the following • Applicable capital gains and other taxes • Related debts settled or due to be settled from sale proceeds • Directly attributable transaction costs • Proceeds reinvested or planned to be reinvested as per Regulation 18(7) of InvIT Regulations or any other relevant provisions of the InvIT Regulations	-	-	-
Add:Proceeds from sale of infrastructure investments, infrastructure assets or sale of shares of SPVs or Investment Entity not distributed pursuant to an earlier plan to re-invest as per Regulation 18(7) of InvIT Regulations or any other relevant provisions of the InvIT Regulations, if such proceeds are not intended to be invested subsequently	-	-	-
Less:Finance cost on Borrowings, excluding amortisation of any transaction costs as per Profit and Loss Account and any shareholder debt / loan from Trust	-	-	-
Less:Debt repayment (to include principal repayments as per scheduled EMI's except if refinanced through new debt including overdraft facilities and to exclude any debt repayments / debt refinanced through new debt, in any form or equity raise as well as repayment of any shareholder debt / loan from Trust)	-	-	-
Less: any reserve required to be created under the terms of, or pursuant to the obligations arising in accordance with, any: (i) loan agreement entered with banks / financial institution from whom the Trust or any of its SPVs/ HoldCos have availed debt, or (ii) terms and conditions, covenants or any other stipulations applicable to debt securities issued by the Trust or any of its SPVs/ HoldCos, or (iii) terms and conditions, covenants or any other stipulations applicable to external commercial borrowings availed by the Trust or any of its SPVs/ HoldCos, (iv) agreement pursuant to which the SPV/ HoldCo operates or owns the infrastructure asset, or generates revenue or cashflows from such asset (such as, concession agreement, transmission services agreement, power purchase agreement, lease agreement, and any other agreement of a like nature, by whatever name called); or (v) statutory, judicial, regulatory, or governmental stipulations; or	-	-	-
Less:any capital expenditure on existing assets owned / leased by the InvIT, to the extent not funded by debt / equity or from contractual reserves created in the earlier years	-	-	-
Net Distributable Cash Flows	239.21	281.37	740.46

During the period, NRSS has distributed at least 90% of the NDCF to Anzen.

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C) **Statement of Net Distributable Cash Flows (NDCFs) of Anzen India Energy Yield Plus Trust**

(All amounts in INR million, except as stated)

Particulars	Quarter ended (Refer note 2)	Nine months ended (Refer note 2)	Year ended
	31-Dec-2023	31-Dec-2023	31-Mar-2024
	Unaudited	Unaudited	Audited
Inflow from Project SPV Distributions			
Cash flows received from SPVs in the form of interest / accrued interest / additional interest	535.04	1,599.30	2,128.52
Add: Cash flows received from SPVs in the form of dividend	-	-	-
Add: Cash flows from the SPVs towards the repayment of the debt provided to the SPVs by the Anzen Trust and/ or redemption of debentures issued by SPVs to the Anzen Trust	-	-	-
Add: Cash flows from the SPVs through capital reduction by way of a buy back or any other means as permitted, subject to applicable law	-	-	-
Inflow from Investments / Assets			
Add: Cash flows from sale of equity shares or any other investments in SPVs adjusted for amounts reinvested or planned to be reinvested	-	-	-
Add: Cash flows from the sale of the SPVs not distributed pursuant to an earlier plan to reinvest, or if such proceeds are not intended to be invested subsequently	-	-	-
Inflow from Liabilities			
Add: Cash flows from additional borrowings (including debentures / other securities), fresh issuance of units, etc.	-	-	-
Other Inflows			
Add: Any other income accruing at the Anzen Trust and not captured above, as deemed necessary by the Investment Manager, including but not limited to interest / return on surplus cash invested by the Anzen Trust	8.58	32.71	40.08
Total cash inflow at the Anzen Trust level (A)	**543.62**	**1,632.01**	**2,168.60**
Outflow for Anzen Trust Expenses / Taxes			
Less: Any payment of fees, interest and expenses incurred at the Anzen Trust, including but not limited to the fees of the Investment Manager, Project Manager, Trustee, Auditor, Valuer, Credit Rating Agency, etc.	(19.05)	(311.68)	(606.77)
Less: Income tax (if applicable) for standalone Anzen Trust and / or payment of other statutory dues	(2.76)	(11.94)	(15.08)
Outflow for Liabilities			
Less: Repayment of third-party debt (principal) / redeemable preference shares / debentures, etc., net of any debt raised by refinancing of existing debt	-	-	-
Less: Net cash set aside to comply with borrowing requirements such as DSRA, minimum cash balance, etc.	-	-	-
Outflow for Assets			
Less: Amount invested in any of the SPVs	-	-	-
Less: Amounts set aside to be invested or planned to be invested, as deemed necessary by the Investment Manager in compliance with the InvIT Regulations	-	-	-
Less: Investments including acquisition of other SPVs	-	-	-
Other Outflows			
Less: Any provision or reserve deemed necessary by the Investment Manager for expenses which may be due in future	(137.77)	(157.09)	(22.28)
Add / Less: Amounts added/ retained in accordance with the transaction documents or the loan agreements in relation to the Anzen Trust	-	-	-
Less: Any other expense of the Anzen Trust not captured herein as deemed necessary by the Investment Manager	-	-	-
Add / Less: Any other adjustment to be undertaken by the Board to ensure that there is no double counting of the same item for the above calculations	-	-	-
Total cash outflow/retention at the Anzen Trust level (B)	**(159.58)**	**(480.71)**	**(644.13)**
Net Distributable Cash Flows (C) = (A+B)	**384.04**	**1,151.30**	**1,524.47**

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D Statement of Net Distributable Cash Flows (NDCFs) of underlying SPVs

i) Darbhanga - Motihari Transmission Company Limited ('DMTCL')

(All amounts in INR million, except as stated)

Particulars	Quarter ended (Refer note 2)	Nine months ended (Refer note 2)	Year ended
	31-Dec-2023	31-Dec-2023	31-Mar-2024
	Unaudited	Unaudited	Audited
Loss after tax as per profit and loss account (standalone) (A)	(139.90)	(424.47)	(574.17)
Reversal of Distributions charged to P&L	-	-	-
Add: Interest (including interest on unpaid interest, if any) on loans availed from / debentures issued to the Anzen Trust, as per profit and loss account	316.12	944.94	1,257.64
Adjustment of Non-cash items			
Add: Depreciation, impairment (in case of impairment reversal, same will be deducted) and amortisation as per profit and loss account.	147.22	439.94	585.78
Add / less: Any other item of non-cash expense / non-cash income (net of actual cash flows for these items), including but not limited to	-	-	-
• Any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	0.47	(3.92)	(3.57)
• Interest cost as per effective interest rate method (difference between accrued and actual paid);	-	-	-
• Deferred tax, lease rents, provisions, etc.	(0.75)	(0.87)	(1.05)
Adjustments for Assets on Balance Sheet			
Add / less: Decrease / increase in working capital	(15.66)	2.61	52.70
Add / less: Loss / gain on sale of assets / investments	(6.27)	(16.78)	(22.73)
Add: Net proceeds (after applicable taxes) from sale of assets / investments adjusted for proceeds reinvested or planned to be reinvested.	6.27	25.30	31.25
Add: Net proceeds (after applicable taxes) from sale of assets / investments not distributed pursuant to an earlier plan to reinvest, if such proceeds are not intended to be invested subsequently.	-	-	-
Less: Capital expenditure, if any.	(0.14)	(8.63)	(16.93)
Less: Investments made in accordance with the investment objective, if any.	-	-	-
Adjustments for Liabilities on Balance Sheet			-
Less: Repayment of third-party debt (principal) / redeemable preference shares / debentures, etc., net of any debt raised by refinancing of existing debt.	-	-	-
Less: Net cash set aside to comply with borrowing requirements such as DSRA, minimum cash balance, etc.	-	-	-
Add: Proceeds from additional borrowings (including debentures / other securities), fresh issuance of equity shares / preference shares, etc.	-	-	-
Less: Payment of any other liabilities (not covered under working capital)	-	-	-
Other Adjustments			-
Less: Any provision or reserve deemed necessary by the Investment Manager for expenses / liabilities which may be due in future.	-	(10.00)	(16.00)
Add / less: Amounts added or retained in accordance with the transaction documents or the loan agreements in relation to the SPVs.	-	-	-
Add / less: Any other adjustment to be undertaken by the Board to ensure that there is no double counting of the same item for the above calculations.	-	-	-
Add: Such portion of the existing cash balance available, if any, as deemed necessary by the Investment Manager in line with the InvIT Regulations.	-	-	-
Total Adjustments (B)	447.26	1,372.59	1,867.09
Net Distributable Cash Flows (C) = (A+B)	307.36	948.12	1,292.92

During the period/year, DMTCL has distributed at least 90% of the NDCF to Anzen.

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ii) NRSS XXX1(B) Transmission Limited ('NRSS')

(All amounts in INR million, except as stated)

Description	Quarter ended (Refer note 2)	Nine months ended (Refer note 2)	Year ended
	31-Dec-2023	31-Dec-2023	31-Mar-2024
	Unaudited	Unaudited	Audited
Loss after tax as per profit and loss account (standalone) (A)	(64.66)	(195.35)	(264.72)
Reversal of Distributions charged to P&L	-	-	-
Add: Interest (including interest on unpaid interest, if any) on loans availed from / debentures issued to the Anzen Trust, as per profit and loss account	218.90	654.34	870.88
Adjustment of Non-cash items			
Add: Depreciation, impairment (in case of impairment reversal, same will be deducted) and amortisation as per profit and loss account.	83.52	249.64	332.26
Add / less: Any other item of non-cash expense / non-cash income (net of actual cash flows for these items), including but not limited to	-	-	-
• Any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	(0.49)	(3.36)	(1.16)
• Interest cost as per effective interest rate method (difference between accrued and actual paid);	-	-	-
• Deferred tax, lease rents, provisions, etc.	(0.16)	(0.40)	(1.26)
Adjustments for Assets on Balance Sheet			
Add / less: Decrease / increase in working capital	(21.00)	(10.80)	35.85
Add / less: Loss / gain on sale of assets / investments	(4.30)	(11.58)	(18.29)
Add: Net proceeds (after applicable taxes) from sale of assets / investments adjusted for proceeds reinvested or planned to be reinvested.	4.30	17.93	24.64
Add: Net proceeds (after applicable taxes) from sale of assets / investments not distributed pursuant to an earlier plan to reinvest, if such proceeds are not intended to be invested subsequently.	-	-	-
Less: Capital expenditure, if any.	(0.09)	(0.09)	(0.09)
Less: Investments made in accordance with the investment objective, if any.	-	-	-
Adjustments for Liabilities on Balance Sheet			-
Less: Repayment of third-party debt (principal) / redeemable preference shares / debentures, etc., net of any debt raised by refinancing of existing debt.	-	-	-
Less: Net cash set aside to comply with borrowing requirements such as DSRA, minimum cash balance, etc.	-	-	-
Add: Proceeds from additional borrowings (including debentures / other securities), fresh issuance of equity shares / preference shares, etc.	-	-	-
Less: Payment of any other liabilities (not covered under working capital)	-	-	-
Other Adjustments			-
Less: Any provision or reserve deemed necessary by the Investment Manager for expenses / liabilities which may be due in future.	-	(25.00)	(65.00)
Add / less: Amounts added or retained in accordance with the transaction documents or the loan agreements in relation to the SPVs.	-	-	-
Add / less: Any other adjustment to be undertaken by the Board to ensure that there is no double counting of the same item for the above calculations.	-	-	-
Add: Such portion of the existing cash balance available, if any, as deemed necessary by the Investment Manager in line with the InvIT Regulations.	-	-	-
Total Adjustments (B)	280.68	870.68	1,177.83
Net Distributable Cash Flows (C) = (A+B)	216.02	675.33	913.11

During the period/year, NRSS has distributed at least 90% of the NDCF to Anzen.

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E) Statement of Contingent liabilities

Particulars	As at 31-Dec-2024 Unaudited	As at 30-Sep-2024 Unaudited	As at 31-Dec-2023 Unaudited	As at 31-Mar-2024 Audited
Other matters (refer note below)	75.69	75.69	78.43	78.43

i) During the financial year 2016-17, land owners have filed a case with the District Court, Ludhiana, Punjab towards compensation amounting to INR 61.65 million (September 30, 2024: INR 61.65 million, March 31, 2024:INR 61.65 million and December 31, 2023 : INR 61.65 million) for the value of land over which the transmission line is passing. The Group is of the view that required amount of compensation to these landowners have already been paid and no further compensation is payable.

ii) During the financial year 2020-21, landowners have filed a case with the Civil Court, Pehowa, Haryana towards right of way compensation amounting to INR 2 million (September 30, 2024: INR 2 million, March 31, 2024: INR 2 million and December 31, 2023 : INR 2 million) for laying transmission lines. The Group is of the view that required amount of compensation to these landowners have already been paid and no further compensation is payable.

iii) During the financial year FY 2018-19 and FY 2019-20, Power Grid Corporation of India Limited claimed recovery of Interest During Construction ("IDC"), Incidental Expenses During Construction ("IEDC") and transmission charges respectively amounting to INR 12.04 million (September 30, 2024: INR 12.04 million, March 31, 2024: INR 14.78 million and December 31, 2023 : INR 14.78 million) on account of delay in commissioning of transmission lines by the Group. The Group is of the view that the delay in commissioning of transmission lines was due to force majeure events which were beyond the control of the Group. The matter is pending before Appellate Tribunal for Electricity (APTEL).

The outcome of the all above claims are uncertain and accordingly, disclosed as contingent liabilities.

F) Statement of Commitments

i) The Group has entered into transmission services agreement (TSA) with long term transmission customers pursuant to which the Group has to transmit power of contracted capacity and ensure minimum availability of transmission line over the period of the TSA. The TSA contains provision for penalties in case of certain defaults.

ii) The Trust has executed a share purchase agreement on December 19, 2024 for acquisition of 100% shareholding and economic interest, in one or more tranches, in ReNew Sun Waves Private Limited ("RSWPL"), a wholly owned subsidiary of ReNew Private Limited. RSWPL owns a 300 MW (~420 MWp) solar project located in Jaisalmer, Rajasthan, operational for ~3 years (since Oct-2021) and had signed a 25-year Power Purchase Agreement with Solar Energy Corporation of India at a fixed tariff of INR 2.55/unit. The share purchase agreement is subject to fulfilment of various conditions.

iii) Other capital commitments (net of advances) as at December 31, 2024 are INR 1.82 million (September 30, 2024: Nil, March 31, 2024: Nil and December 31, 2023 : Nil)

G) Statement of Earnings per unit:

Basic earnings per unit amounts are calculated by dividing the loss for the period/year attributable to Unit holders by the weighted average number of units outstanding during the period/year.

Diluted earnings per unit amounts are calculated by dividing the loss attributable to unit holders by the weighted average number of units outstanding during the period/year plus the weighted average number of units that would be issued on conversion of all the dilutive potential units into unit capital.

Particulars	Quarter ended			Nine months ended		Year ended
	31-Dec-2024 Unaudited	30-Sep-2024 Unaudited	31-Dec-2023 Unaudited	31-Dec-2024 Unaudited	31-Dec-2023 Unaudited	31-Mar-2024 Audited
Loss after tax for calculating basic and diluted EPU attributable to unit holders	(31.90)	(33.57)	(68.23)	(86.47)	(208.40)	(297.27)
Weighted average number of units in calculating basic and diluted EPU (No. in million)	158.00	158.00	158.00	158.00	158.00	158.00
Earnings Per Unit Basic and Diluted (Rupees/unit) (Not annualised for the quarter/nine months)	(0.20)	(0.21)	(0.43)	(0.55)	(1.32)	(1.88)

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H) **Statement of Related Party Transactions:**

I. **List of related parties as per the requirements of Ind-AS 24 - Related Party Disclosures**

a) **Entity with control over the Trust**
Edelweiss Infrastructure Yield Plus

b) **Entity with significant influence over the Trust**
SEPL Energy Private Limited (formerly known as Sekura Energy Private Limited) (SEPL) - Sponsor and Project Manager
EAAA Real Assets Managers Limited (formerly known as Edelweiss Real Assets Managers Limited) (ERAML) - Investment Manager

II. **List of related parties as per Regulation 2(1)(zv) of the InvIT Regulations with whom transactions have taken place during the period / year.**

a) **Parties to Anzen**
SEPL Energy Private Limited (formerly known as Sekura Energy Private Limited) (SEPL) - Sponsor and Project manager
EAAA Real Assets Managers Limited (formerly known as Edelweiss Real Assets Managers Limited) (ERAML) - Investment Manager
Axis Trustee Services Limited (ATSL) - Trustee of Anzen India Energy Yield Plus Trust

b) **Promoters of the parties to Anzen**

Edelweiss Infrastructure Yield Plus	Promoters of SEPL
Axis Bank Limited	Promoters of ATSL

III. **Directors and Key Managerial Personnel of Investment Manager**

i) **Directors**
Venkatchalam Ramaswamy
Subahoo Chordia
Sunil Mitra
Prabhakar Panda (up to 1 April 2023)
Ranjita Deo
Shiva Kumar
Bala C Deshpande
Nupur Garg (w.e.f. 23 May 2023)

ii) **Key Managerial Personnel**
Ranjita Deo (Whole Time Director and Chief Investment Officer)
Vaibhav Doshi (Chief Financial Officer)
Jalpa Parekh (Company Secretary)

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IV. Related party transactions:

(All amounts in INR million, except as stated)

Particulars	Quarter ended (Refer note 2)			Nine months ended (Refer note 2)		Year ended
	31-Dec-2024	30-Sep-2024	31-Dec-2023	31-Dec-2024	31-Dec-2023	31-Mar-2024
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Interest income on investment in fixed deposits						
Axis Bank Limited	3.13	3.14	2.99	9.93	9.07	12.56
Investment in fixed deposits						
Axis Bank Limited	10.00	-	10.00	10.00	41.71	161.71
Redemption of fixed deposits						
Axis Bank Limited	10.00	-	10.00	130.00	52.94	52.94
Interest expense on Non Convertible Debentures (NCD)						
Axis Bank Limited	60.40	60.40	60.57	180.55	181.05	240.79
Project Implementation and Management						
SEPL Energy Private Limited	4.18	4.27	4.30	13.64	15.34	20.66
Shared service cost						
SEPL Energy Private Limited	5.90	5.90	5.90	17.70	17.70	23.60
Distribution to unit holders						
Edelweiss Infrastructure Yield Plus	216.58	216.58	229.81	649.74	686.62	908.10
SEPL Energy Private Limited	58.31	58.31	58.31	174.93	174.22	232.53
Axis Bank Limited	-	-	-	-	14.12	14.12
Reimbursement of expenses from						
Axis Bank Limited	-	-	-	-	4.05	4.05
Edelweiss Infrastructure Yield Plus	-	-	-	-	1.31	1.31
Reimbursement of expenses to						
SEPL Energy Private Limited	-	0.12	0.54	0.12	0.72	1.98
EAAA Real Assets Managers Limited	0.93	-	-	0.93	-	-
Investment management fees						
EAAA Real Assets Managers Limited	16.36	16.36	16.31	48.90	48.76	64.90
Trustee fees						
Axis Trustee Services Limited	0.18	0.17	0.18	0.53	0.53	0.71

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Mumbai

V. **Related party balances:**

Particulars	As at 31-Dec-2024 (Receivable/ (payable)) Unaudited	As at 30-Sep-2024 (Receivable/ (payable)) Unaudited	As at 31-Dec-2023 (Receivable/ (payable)) Unaudited	As at 31-Mar-2024 (Receivable/ (payable)) Audited
Trade payables				
SEPL Energy Private Limited	(0.12)	(1.93)	(2.55)	(2.25)
FAAA Real Assets Managers Limited	(6.45)	(5.33)	(5.50)	(5.50)
Balances with banks in current accounts				
Axis Bank Limited	7.08	14.25	143.77	48.92
Fixed deposits				
Axis Bank Limited	165.00	165.00	165.00	285.00
Interest accrued on fixed deposits				
Axis Bank Limited	0.12	0.60	0.10	0.63
Advance to related party				
SEPL Energy Private Limited	0.31	-	-	-
Other financial liabilities				
Edelweiss Infrastructure Yield Plus	(17.72)	(17.72)	(59.61)	(59.61)
Interest accrued but not due on borrowings				
Axis Bank Limited	(0.66)	(0.66)	(61.23)	(0.66)
Outstanding NCD				
Axis Bank Limited	(3,000.00)	(3,000.00)	(3,000.00)	(3,000.00)

Details in respect of related party transactions involving acquisition of InvIT assets as required by Para 4.6.6 of Chapter 4 of SEBI Master Circular No. SEBI/HO/DDHS-PoD-2/P/CIR/2024/44 dated 15 May 2024 as amended including any guidelines and circulars issued thereunder ("SEBI Circulars") are as follows:

For the quarter and nine months ended 31 December 2024:
No acquisition during the quarter and nine months ended 31 December 2024.

For the quarter and nine months ended 31 December 2023:
No acquisition during the quarter and nine months ended 31 December 2023.

For the quarter ended 30 September 2024:
No acquisition during the quarter ended 30 September 2024.

For the year ended 31 March 2024:
No acquisition during the year ended 31 March 2024.

10 The Trust's activities comprise of owning and investing in transmission and renewable energy assets in India to generate cash flows for distribution to unitholders. Based on the guiding principles given in Ind AS - 108 "Operating Segments", this activity falls within a single operating segment and accordingly the disclosures of Ind AS -108 have not separately been given.

11 **Changes in Accounting policies**
There is no change in the Accounting policy of the Group for the quarter and nine months ended 31 December 2024.

12 Figures for previous periods have been regrouped / reclassified wherever considered necessary.

For and behalf of the Board of Directors of EAAA Real Assets Managers Limited (formerly known as Edelweiss Real Assets Managers Limited) (as Investment Manager of Anzen India Energy Yield Plus Trust)

Ranjita Deo
Whole Time Director and Chief Investment Officer
DIN No. : 09609160
Place: Mumbai
Date: 18 January 2025

EAAA Real Assets Managers Limited (formerly known as Edelweiss Real Assets Managers Limited) Mumbai

INITIAL FOR IDENTIFICATION
BY
SRBC & CO LLP

S R B C & CO LLP
Chartered Accountants

Ground Floor
Panchshil Tech Park, Yerwada
(Near Don Bosco School)
Pune - 411 006, India
Tel : +91 20 6603 6000

INDEPENDENT AUDITOR'S REPORT

To the Unit holders of Anzen India Energy Yield Plus Trust

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Anzen India Energy Yield Plus Trust (hereinafter referred to as "the InvIT") and its subsidiaries (the InvIT and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31, 2024, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Statement of Cash Flow, the consolidated Statement of Changes in Unit Holders' Equity for the year then ended, the consolidated Statement of Net Assets at fair value as at March 31, 2024, the consolidated Statement of Total Returns at fair value, the Statement of Net Distributable Cash Flows ('NDCFs') of the InvIT and each of its subsidiaries for the year then ended, and a summary of material accounting policies and other explanatory notes (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended including any guidelines and circulars issued thereunder (together referred as the "InvIT Regulations") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, as at March 31, 2024, its consolidated loss including other comprehensive income, its consolidated cash movements and its consolidated movement of the unit holders' funds for the year ended March 31, 2024, its consolidated net assets at fair value as at March 31, 2024, its consolidated total returns at fair value and the net distributable cash flows of the InvIT and each of its subsidiaries for the year ended March 31, 2024.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the InvIT Regulations and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matter

We draw attention to Note 9(c)(i) which describes the classification of "Unit Capital" as "Equity" instead of the applicable requirements of Ind AS 32 - Financial Instruments: Presentation, in order to comply with the relevant InvIT Regulations. Our opinion is not modified in respect of this matter.

S R B C & CO LLP
CHARTERED ACCOUNTANTS

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matters	How our audit addressed the key audit matter
Applicability of Appendix D of Ind AS 115 'Service Concession Arrangement' *(as described in Note 30 of the consolidated financial statements)*	
The Group through its subsidiaries acts as a transmission licensee under the Electricity Act, 2003 holding valid licenses for 25 years. Generally, the subsidiaries have entered into Transmission Services Agreements ("TSA") with Long Term Transmission Customers ("LTTC") through a tariff-based bidding process to Build, Own, Operate and Maintain ("BOOM") the transmission infrastructure for a period of 35 years. The Management of Investment Manager ("management") is of the view that the grantor as defined under Appendix D of Ind AS 115 ("Appendix D") requires transmission licensee to obtain various approvals under the regulatory framework to conduct its operations both during the period of the license as well as at the end of the license period. In the view of management, generally the grantor's involvement and approvals are to protect public interest and are not intended to control, through ownership, beneficial entitlement or otherwise, any significant residual interest in the transmission infrastructure at the end of the term of the arrangement.	Our audit procedures included, among others, the following: • Obtained and read the TSAs to understand roles and responsibilities of the grantor. • Evaluated the TSAs to understand whether the grantor controls significant residual interest in the infrastructure at the end of the term of the arrangement through ownership, beneficial ownership or otherwise. • Discussed with management regarding the extent of grantor's involvement in the transmission assets and grantor's intention not to control the significant residual interest through ownership, beneficial entitlement or otherwise. • Assessed the positions taken by other entities in India with similar projects/TSAs as to the extent of involvement of the grantor and the consequent evaluation of the applicability of Appendix D for such entities and confirmed our understanding. • Read and assessed the disclosures included in the consolidated financial statements for

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

Key audit matters	How our audit addressed the key audit matter
transmission infrastructure at the end of the term of the arrangement. Accordingly, management is of the view that Appendix D is not applicable to the Group. Considering the judgement involved in determining the grantor's involvement and whether the grantor controls, through ownership, beneficial entitlement or otherwise, and any significant residual interest in the transmission infrastructure at the end of the term of the arrangement, this is considered as a key audit matter.	• Read and assessed the disclosures included in the consolidated financial statements for compliance with the relevant accounting standards requirements.
Impairment of property, plant and equipment *(as described in Note 3 and 30 of the consolidated financial statements)*	
The Group owns and operates various power transmission assets. The carrying value of the power transmission assets as at March 31, 2024, included under property, plant and equipment INR 19,121.15 million. In accordance with Ind AS 36, at each reporting period end, management assesses the existence of impairment indicators of property, plant and equipment. In case of existence of impairment indicators, property, plant and equipment and balances are subjected to impairment test. The processes and methodologies for assessing and determining the fair value is based on complex assumptions, that by their nature imply the use of 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, debt equity ratio, cost of debt, cost of equity, residual value, etc. 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.	Our audit procedures included, among others, the following: • Read the policy, evaluated the design and tested the operating effectiveness of controls over assessment of impairment of property, plant and equipment and the assumptions used by management. • Obtained and read the valuation report of the Group's independent valuation expert, and assessed the expert's competence, capability and objectivity. • Involved our subject matter experts to perform an independent review of methodology, estimates and key assumptions (weighted average cost of capital, debt equity ratio, forecast period, terminal growth rate) used in the valuation by the Company's independent valuation expert. • Tested on sample basis that the tariff revenues considered in the respective valuation models are in agreement with TSAs/tariff orders and evaluated the reasonableness of cost and revenue attributes considered in forecast. • Tested completeness, arithmetical accuracy and validity of the data used in the calculations.

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Key audit matters	How our audit addressed the key audit matter
	• Evaluated the adequacy of disclosures included in the consolidated financial statements
<u>Acquisition of Transmission Special Purpose Vehicles ("SPVs") classified as asset acquisitions</u> *(as described in Note 30 of the consolidated financial statements)*	
The Group acquires operational transmission SPVs from the Sponsor or from third parties. The purchase consideration primarily pertains to the fair value of the transmission assets. All such assets are operational assets with fixed tariff revenues under the Transmission Services Agreements (TSAs) for 35 years. The only key activity for these SPVs is the maintenance of the transmission assets which is outsourced to third parties. There are very few employees in these entities and no other significant processes are performed for earning tariff revenues in any of the SPVs. Based on evaluation of the above fact pattern vis-a-vis the guidance on definition of business under Ind AS, including evaluation under the optional concentration test, and also keeping in view the relevant guidance on similar fact pattern available under accounting standards applicable in other jurisdictions, management classified the acquisition of transmission SPVs as asset acquisition. Considering the judgement involved in determining if the acquisition of transmission SPVs constitute business or asset, it is considered as a key audit matter.	Our audit procedures included, among others, the following: • Read the relevant guidance under Ind AS on determining if the acquired SPVs constitutes a business. • Assessed the activities of the transmission SPVs. • Read and assessed the Group's accounting policy for recognition and classification on the acquisition of transmission SPVs. • Discussed with management the key assumption underlying the Group's assessment and tested the underlying data used for classification made by the Group. • Read and assessed the disclosures in the consolidated financial statements for compliance with the relevant accounting standards requirement.
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 30 of the consolidated financial statements)*	
The Group 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 Group.	Our audit procedures included, among others the following: • 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.

Key audit matters	How our audit addressed the key audit matter
For the purpose of the above, fair value is determined by forecasting and discounting future cash flows. The processes and methodologies for assessing and determining the fair value is based on complex assumptions, that by their nature imply the use of 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, debt equity ratio, cost of debt, cost of equity, residual value, etc. 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.	• Read the policy, evaluated the design and tested the operating effectiveness of controls over assessment of fair value and the assumptions used by management. • Read the policy, evaluated the design and tested the operating effectiveness of controls over preparation statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value as per InvIT regulations and the assumption used by management. • Obtained and read the valuation report by the InvIT's independent valuation expert, and assessed the expert's competence, capability and objectivity. • Involved our subject matter experts to perform an independent review of methodology, estimates and key assumptions (weighted average cost of capital, debt equity ratio, forecast period, terminal growth rate) used in the valuation by the Company's independent valuation expert. • Tested on sample basis that the tariff revenues considered in the respective valuation models are in agreement with TSAs/tariff orders and evaluated the reasonableness of cost and revenue attributes considered in forecast. • Tested completeness, arithmetical accuracy and validity of the data used in the calculations. • Evaluated the adequacy of disclosures included in the consolidated financial statements.

Other Information

The management of Edelweiss Real Assets Managers Limited (the "Investment Manager") is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

S R B C & CO LLP ★ CHARTERED ACCOUNTANTS ★

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management for the Consolidated Financial Statements

The Management of the Investment Manager ('the Management') is responsible for the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash movements and the consolidated movement of the unit holders' funds for the year ended March 31, 2024, the consolidated net assets at fair value as at March 31, 2024, the consolidated total returns at fair value of the InvIT and the net distributable cash flows of the InvIT and each of its subsidiaries in accordance with the requirements of the InvIT Regulations, the Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended), and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the management, as aforesaid.

In preparing the consolidated financial statements, the Board of Directors of the Investment Manager and the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Management and respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial

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statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the InvIT and such other entities included in the consolidated financial statements of which we are the independent auditors 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 consolidated financial statements for

S R B C & CO LLP ★ CHARTERED ACCOUNTANTS ★

the financial year ended March 31, 2024 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 of the aforesaid consolidated financial statements;

(b) The Consolidated Balance Sheet and the Consolidated Statement of Profit and Loss are in agreement with the books of account;

(c) In our opinion, the aforesaid consolidated 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.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

per Amit Singh
Partner
Membership Number: 408869
UDIN: 24408869BKBTQE4920
Place of Signature: Mumbai
Date: May 24, 2024

Anzen India Energy Yield Plus Trust
Consolidated Balance Sheet as at March 31, 2024
All amounts in Rupees million unless otherwise stated

Particulars	Notes	As at March 31, 2024	As at March 31, 2023
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	(3)	19,121.15	20,976.72
(b) Financial assets			
(i) Other financial assets	(4)	6.19	7.37
(c) Income tax assets (net)		18.07	24.36
Total non-current assets		**19,145.41**	**21,008.45**
(2) Current assets			
(a) Financial assets			
(i) Investments	(5)	681.56	1,306.42
(ii) Trade receivables	(7)	-	12.03
(iii) Cash and cash equivalents	(8A)	228.40	65.35
(iv) Bank balances other than disclosed in note 8A above	(8B)	155.00	176.24
(v) Other financial assets	(4)	689.21	656.62
(b) Other current assets	(6)	30.87	31.13
		1,785.04	**2,247.79**
Total assets		**20,930.45**	**23,256.24**
EQUITY AND LIABILITIES			
EQUITY			
(a) Unit capital	(9)	15,624.79	15,624.79
(b) Other equity	(10)	(2,356.20)	(515.19)
Total equity		**13,268.59**	**15,109.60**
LIABILITIES			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	(11)	7,441.81	7,416.24
(b) Provisions	(12)	2.34	1.89
Total non-current liabilities		**7,444.15**	**7,418.13**
(2) Current liabilities			
(a) Financial liabilities			
(i) Trade payables	(13)		
(a) total outstanding dues of micro and small enterprises		0.12	4.72
(b) total outstanding dues of creditors other than micro enterprises and small enterprise		26.48	58.42
(ii) Other financial liabilities	(14)	63.52	632.99
(b) Other current liabilities	(15)	126.88	31.75
(c) Provisions	(12)	0.71	0.63
Total current liabilities		**217.71**	**728.51**
Total equity and liabilities		**20,930.45**	**23,256.24**

Summary of material accounting policies 2

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
Firm Registration No: 324982E/E300003

per Amit Singh
Partner
Membership Number : 408869
Place : Mumbai
Date : May 24, 2024

For and on behalf of the Board of Directors of Edelweiss Real Assets Managers Limited
(As Investment Manager to Anzen India Energy Yield Plus Trust)

Ranjita Deo
CIO & Whole-time Director
DIN No. : 09609160

Vaibhav Doshi
Chief Financial Officer

Jalpa Parekh
Company Secretary
Membership Number : A44507

Place : Mumbai
Date : May 24, 2024

Anzen India Energy Yield Plus Trust
Consolidated Statement of Profit and Loss for the year ended March 31, 2024
All amounts in Rupees million unless otherwise stated

Particulars	Notes	Year ended March 31, 2024	Year ended March 31, 2023
INCOME			
Revenue from contract with customers	(16)	2,426.41	936.69
Income from investment in mutual fund		67.21	51.37
Interest income on investment in fixed deposits		13.04	8.62
Other income		14.44	2.52
Total income		**2,521.10**	**999.20**
EXPENSES			
Operation and maintenance expense		78.07	30.60
Employee benefit expense	(17)	19.40	6.79
Depreciation expense	(3)	1,872.50	770.13
Finance costs	(18)	637.87	439.20
Investment management fees (refer note 19 (a))		64.90	24.18
Project management fees (refer note 19(b))		20.66	10.53
Insurance expenses		38.27	20.87
Legal and professional fees		39.10	35.59
Annual listing fee		2.08	2.62
Rating fee		2.61	2.66
Valuation expenses		0.85	0.90
Trustee fee		1.83	0.64
Payment to auditors			
- Statutory audit fees (including limited review)		5.94	3.73
- Other services (including certifications)		0.34	0.02
Other expenses	(19)	18.87	7.82
Total expenses		**2,803.29**	**1,356.28**
Loss before tax		**(282.19)**	**(357.08)**
Tax expense:			
(1) Current tax	(26)	15.13	(37.84)
(2) Deferred tax	(26)	-	-
(3) Adjustment of tax relating to earlier periods	(26)	(0.05)	-
Loss for the year [A]		**(297.27)**	**(319.24)**
Other Comprehensive Income			
Items that will not be reclassified to profit or loss in subsequent periods		(0.08)	(0.03)
Items that will be reclassified to profit or loss in subsequent periods		-	-
Total other comprehensive income for the year, net of tax [B]		**(0.08)**	**(0.03)**
Total comprehensive income for the year, net of tax [A+B]		**(297.35)**	**(319.27)**
Loss for the year			
Attributable to :			
Unit holders		(297.27)	(319.24)
Non- Controlling interest		-	-
Total comprehensive income for the year:			
Attributable to :			
Unit holders		(297.35)	(319.27)
Non- Controlling interest		-	-
Earnings per unit (Rs. per unit)	(28)		
Basic and diluted		(1.88)	(5.23)

Summary of material accounting policies 2

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
Firm Registration No: 324982E/E300003

per Amit Singh
Partner
Membership Number : 408869
Place : Mumbai
Date : May 24, 2024

S R B C & CO LLP CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of Edelweiss Real Assets Managers Limited (As Investment Manager to Anzen India Energy Yield Plus Trust)

Ranjita Deo
CIO & Whole-time Director
DIN No. : 09609160

Vaibhav Doshi
Chief Financial Officer

Jalpa Parekh
Company Secretary
Membership Number : A44507

Place : Mumbai
Date : May 24, 2024

Edelweiss Real Assets Managers Limited

Anzen India Energy Yield Plus Trust
Consolidated Statement of Cash Flow for the year ended March 31, 2024
All amounts in Rupees million unless otherwise stated

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Cash flow from operating activities		
Loss before tax	(282.19)	(357.08)
Adjustments to reconcile loss before tax to net cash flows:		
Depreciation expense	1,872.50	770.13
Interest income on investment in fixed deposits	(13.04)	(8.62)
Interest income on income tax refund	(0.99)	-
Income from investment in mutual fund	(67.21)	(51.37)
Liabilities no longer required written back	(0.26)	-
Finance costs	637.87	439.20
Operating profit before working capital changes	**2,146.68**	**792.26**
Working capital adjustment		
(Increase) / Decrease in other assets	0.26	(10.17)
(Increase) / Decrease in other financial assets	(10.59)	(313.68)
(Increase) / Decrease in trade receivables	12.03	1,407.59
Increase / (Decrease) in trade payables	(36.26)	32.19
Increase / (Decrease) in provisions	0.45	(0.16)
Increase / (Decrease) in other liabilities	95.13	29.35
Increase / (Decrease) in other financial liabilities	(569.39)	(994.78)
Cash flow generated from operations	**1,638.31**	**942.60**
Direct taxes paid (net of refunds)	(7.80)	(60.89)
Net cash flow from operating activities [A]	**1,630.51**	**881.71**
Cash flow from investing activities		
Purchase of property, plant and equipment(including capital work-in-progress and capital advances)	(17.03)	-
Acquisition of property, plant and equipment#	-	(13,446.85)
Acquisition of other assets (net of other liabilities)#	-	(1,811.45)
Investment in fixed deposits	(61.70)	(9,426.33)
Proceeds from maturity of fixed deposits	62.94	10,424.36
Investment in mutual funds	(3,987.75)	(8,693.97)
Proceeds from sale of investment in mutual funds	4,679.82	8,006.51
Interest income on investment in fixed deposits	12.22	8.46
Net cash flow from/(used in) investing activities [B]	**688.50**	**(14,939.27)**
Cash flow from financing activities		
Proceeds from issue of Unit capital*	-	7,500.00
Payment of unit issue expenses	-	(175.21)
Proceeds from non convertible debentures (secured)	-	7,500.00
Repayment of non convertible debentures (secured)	-	(12,294.00)
Acquisition of borrowings#	-	12,160.67
Payment of distributions to unit holders	(1,543.66)	(195.92)
Payment of interest on NCD	(611.90)	(296.33)
Payment of other finance costs	(0.40)	-
Payment of upfront fees for NCD	-	(91.63)
Net cash flow from/ (used in) financing activities [C]	**(2,155.96)**	**14,107.58**
Net increase / (decrease) in cash and cash equivalents [A+B+C]	**163.05**	**50.02**
Cash and cash equivalents at the beginning of the year (refer Note 8A)	65.35	-
Cash and cash equivalents on acquisition	-	15.33
Cash and cash equivalents at the end of the year (refer Note 8A)	228.40	65.35

*Trust has purchased 16.30 million and 9.83 million equity shares issued by Darbhanga - Motihari Transmission Company Limited ('DMTCL') and NRSS XXXI(B) Transmission Limited ('NRSS') in exchange of issue if its 83.00 million units. The same has not been reflected in cash flow being a non- cash transaction.

Pertains to projects acquired in previous year viz. DMTCL and NRSS- Refer Note 32

Components of cash and cash equivalents:	As at March 31, 2024	As at March 31, 2023
Balances with banks :		
- On current accounts	108.40	65.35
- Deposit with original maturity of less than 3 months	120.00	-
Total cash and cash equivalents (refer note 8A)	**228.40**	**65.35**

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

Edelweiss Real Assets Managers Limited *

Anzen India Energy Yield Plus Trust
Consolidated Statement of Cash Flow for the year ended March 31, 2024
All amounts in Rupees million unless otherwise stated

Reconciliation between opening and closing balances for liabilities arising from financing activities (including current maturities)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Opening total borrowings (including interest accrued but not due)	**7,417.91**	-
Cash flow		
- Interest paid	(611.90)	(296.33)
- Proceeds/(repayments)	-	7,500.00
Interest accrued	611.90	298.00
Others (ancillary borrowing cost)	25.57	(83.76)
Closing total borrowings (including interest accrued but not due)	**7,443.48**	**7,417.91**

Summary of material accounting policies 2

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
Firm Registration No: 324982E/E300003

per Amit Singh
Partner
Membership Number : 408869
Place : Mumbai
Date : May 24, 2024

S R B C & CO LLP CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of
Edelweiss Real Assets Managers Limited
(As Investment Manager to Anzen India Energy Yield Plus Trust)

Ranjita Deo
CIO & Whole-time Director
DIN No. : 09609160

Vaibhav Doshi
Chief Financial Officer

Jalpa Parekh
Company Secretary
Membership Number : A44507

Place : Mumbai
Date : May 24, 2024

Edelweiss Real Assets Managers Limited

Anzen India Energy Yield Plus Trust
Consolidated Statement of Changes in Unit holders' Equity for the year ended March 31, 2024
All amounts in Rupees million unless otherwise stated

A. Unit capital

Particulars	No. of units in million	Amount
As at April 01, 2022	-	-
Units issued during the year [refer note 9(a)]	158.00	15,800.00
Less: Issue expenses [refer note 9(b)]		(175.21)
As at March 31, 2023	**158.00**	**15,624.79**
Units issued during the year [refer note 9(a)]	-	-
As at March 31, 2024	**158.00**	**15,624.79**

B. Other equity

Particulars	Reserves and Surplus	Other comprehensive income	Total
	Retained Earnings	Actuarial gain/(loss) on defined liabilities	
As at April 01, 2022	-	-	-
Loss for the year	(319.24)	-	(319.24)
Other comprehensive income for the year	-	(0.03)	(0.03)
Less: Distribution during the year	(195.92)		(195.92)
As at March 31, 2023	**(515.16)**	**(0.03)**	**(515.19)**
Loss for the year	(297.27)	-	(297.27)
Other comprehensive income for the year	-	(0.08)	(0.08)
Less: Distribution during the year	(1,543.66)	-	(1,543.66)
As at March 31, 2024	**(2,356.09)**	**(0.11)**	**(2,356.20)**

Note:

The distribution during the year does not include the distribution relating to last quarter of FY 2023-24 which will be paid after March 31, 2024.

The distributions made by Anzen to its unitholders are based on the Net Distributable Cash Flows (NDCF) of Anzen under the InvIT Regulations and hence part of the same includes repayment of capital as well.

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
Firm Registration No: 324982E/E300003

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

per Amit Singh
Partner
Membership Number : 408869
Place : Mumbai
Date : May 24, 2024

For and on behalf of the Board of Directors of
Edelweiss Real Assets Managers Limited
(As Investment Manager to Anzen India Energy Yield Plus Trust)

Ranjita Deo
CIO & Whole time Director
DIN No. : 09609160

Vaibhav Doshi
Chief Financial Officer

Jalpa Parekh
Company Secretary
Membership Number : A44507

Place : Mumbai
Date : May 24, 2024

Edelweiss Real Assets Managers Limited *

Anzen India Energy Yield Plus Trust
Notes to consolidated financial statements for the year ended March 31, 2024
Disclosures Pursuant To SEBI Circulars
(SEBI MASTER CIRCULAR NO. SEBI/HO/DDHS-PoD-2/P/CIR/2023/115 DATED 06 JULY 2023 issued under the InvIT Regulations)

A. Statement of Net Assets at Fair Value as at March 31, 2024 (refer note 2 below)

(Rs. in million)

Particulars	March 31, 2024		March 31, 2023	
	Book Value	Fair Value	Book Value	Fair Value
A. Assets	20,930.45	24,261.46	23,256.24	24,840.40
B. Liabilities (at book value)	7,661.86	7,661.86	8,146.64	8,146.64
C . Net Asset Value (A-B)	13,268.59	16,599.60	15,109.60	16,693.76
D . Number of units	158.00	158.00	158.00	158.00
E. NAV (C/D)	83.98	105.06	95.63	105.66

Notes:

1. Project wise break up of Fair value of Assets as at March 31, 2024 (Rs. in million)

Particulars	March 31, 2024	March 31, 2023
Darbhanga - Motihari Transmission Company Limited ("DMTCL")	13,494.55	13,849.80
NRSS XXXI (B) Transmission Limited ("NRSS")	10,155.85	10,337.42
Sub total	**23,650.40**	**24,187.22**
InvIT Assets	611.06	653.18
Total Assets	**24,261.46**	**24,840.40**

2. Fair values of total assets (including project wise break up for DMTCL and NRSS of fair value of total assets) as at March 31, 2024 and March 31, 2023 as disclosed above are based solely on the fair valuation report May 20, 2024 dated and May 23, 2023 respectively of the independent valuer appointed by the Investment manager under the InvIT Regulations.

B. Statement of Total Return at Fair Value (refer note 1 below)

(Rs. in million)

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Total Comprehensive Income (as per the Statement of Profit and Loss)	(297.35)	(319.27)
Add/(less): Other Changes in Fair Value (e.g., in investment property, property, plant & equipment (if cost model is followed)) not recognized in Total Comprehensive Income (refer note 1 below)	1,746.85	1,584.16
Total Return	1,449.50	1,264.89

Notes:

1. Fair value of assets as at March 31, 2024 and as at March 31, 2023 and other changes in fair value for the year then ended as disclosed in the above tables are based on fair valuation report of the independent valuer appointed by the Investment manager under the InvIT Regulations.
2. Sensitivity analysis with respect to significant unobservable inputs used in the fair value measurement has been disclosed in Note 23.

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
Firm Registration No: 324982E/E300003

per Amit Singh
Partner
Membership Number : 408869
Place : Mumbai
Date : May 24, 2024

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

For and on behalf of the Board of Directors of
Edelweiss Real Assets Managers Limited
(As Investment Manager to Anzen India Energy Yield Plus Trust)

Ranjita Deo
CIO & Whole-time Director
DIN No. : 09609160

Vaibhav Doshi
Chief Financial Officer

Jalpa Parekh
Company Secretary
Membership Number : A44507

Place : Mumbai
Date : May 24, 2024

Edelweiss Real Assets Managers Limited *

Anzen India Energy Yield Plus Trust
Notes to Consolidated Financial Statements for the year ended March 31, 2024
Disclosures Pursuant To SEBI Circulars
(SEBI MASTER CIRCULAR NO. SEBI/HO/DDHS-PoD-2/P/CIR/2023/115 DATED 06 JULY 2023 issued under the InvIT Regulations)

ADDITIONAL DISCLOSURES AS REQUIRED BY PARAGRAPH 4.6 OF CHAPTER 4 TO THE SEBI CIRCULAR NO. SEBI/HO/DDHS-PoD-2/P/CIR/2023/115

A) Statement of Net Distributable Cash Flows (NDCFs) of Anzen India Energy Yield Plus Trust

(Rs. in Million)

Description	Year ended March 31, 2024	Year ended March 31, 2023
Inflow from Project SPV Distributions		
Cash flows received from SPVs in the form of interest / accrued interest / additional interest	2,128.52	712.87
Add: Cash flows received from SPVs in the form of dividend	-	-
Add: Cash flows from the SPVs towards the repayment of the debt provided to the SPVs by the Anzen Trust and/ or redemption of debentures issued by SPVs to the Anzen Trust	-	626.00
Add: Cash flows from the SPVs through capital reduction by way of a buy back or any other means as permitted, subject to applicable law	-	-
Inflow from Investments / Assets	-	-
Add: Cash flows from sale of equity shares or any other investments in SPVs adjusted for amounts reinvested or planned to be reinvested	-	-
Add: Cash flows from the sale of the SPVs not distributed pursuant to an earlier plan to reinvest, or if such proceeds are not intended to be invested subsequently	-	-
Inflow from Liabilities	-	-
Add: Cash flows from additional borrowings (including debentures / other securities), fresh issuance of units, etc.	-	15,000.00
Other Inflows	-	-
Add: Any other income accruing at the Anzen Trust and not captured above, as deemed necessary by the Investment Manager, including but not limited to interest / return on surplus cash invested by the Anzen Trust	40.08	35.09
Total cash inflow at the Anzen Trust level (A)	**2,168.60**	**16,373.96**
Outflow for Anzen Trust Expenses / Taxes		
Less: Any payment of fees, interest and expenses incurred at the Anzen Trust, including but not limited to the fees of the Investment Manager, Project Manager, Trustee, Auditor, Valuer, Credit Rating Agency, etc.	(606.77)	(438.76)
Less: Income tax (if applicable) for standalone Anzen Trust and / or payment of other statutory dues	(15.08)	(15.05)
Outflow for Liabilities	-	-
Less: Repayment of third-party debt (principal) / redeemable preference shares / debentures, etc., net of any debt raised by refinancing of existing debt	-	-
Less: Net cash set aside to comply with borrowing requirements such as DSRA, minimum cash balance, etc.	-	(155.00)
Outflow for Assets	-	-
Less: Amount invested in any of the SPVs	-	(15,071.00)
Less: Amounts set aside to be invested or planned to be invested, as deemed necessary by the Investment Manager in compliance with the InvIT Regulations	-	-
Less: Investments including acquisition of other SPVs	-	-
Other Outflows	-	-
Less: Any provision or reserve deemed necessary by the Investment Manager for expenses which may be due in future	(22.28)	(102.47)
Add / Less: Amounts added/ retained in accordance with the transaction documents or the loan agreements in relation to the Anzen Trust	-	-
Less: Any other expense of the Anzen Trust not captured herein as deemed necessary by the Investment Manager	-	-
Add / Less: Any other adjustment to be undertaken by the Board to ensure that there is no double counting of the same item for the above calculations	-	-
Total cash outflow/retention at the Anzen Trust level (B)	(644.13)	(15,782.28)
Net Distributable Cash Flows (C) = (A+B)	1,524.47	591.68

INR 1,543.66 million distribution has been paid during the year ended March 31, 2024. (FY 2022-23: INR 195.92 million)

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Edelweiss Real Assets Managers Limited *

Anzen India Energy Yield Plus Trust
Notes to Consolidated Financial Statements for the year ended March 31, 2024
Disclosures Pursuant To SEBI Circulars
(SEBI MASTER CIRCULAR NO. SEBI/HO/DDHS-PoD-2/P/CIR/2023/115 DATED 06 JULY 2023 issued under the InvIT Regulations)

B) Statement of Net Distributable Cash Flows (NDCFs) of underlying SPVs

i) Darbhanga - Motihari Transmission Company Limited ('DMTCL')

(Rs. in Million)

Description	Year ended March 31, 2024	Year ended March 31, 2023
Profit after tax as per profit and loss account (standalone) (A)	(574.17)	(248.70)
Reversal of Distributions charged to P&L	-	-
Add: Interest (including interest on unpaid interest, if any) on loans availed from / debentures issued to the Anzen Trust, as per profit and loss account	1,257.64	391.94
Adjustment of Non-cash items	-	-
Add: Depreciation, impairment (in case of impairment reversal, same will be deducted) and amortisation as per profit and loss account.	585.78	246.96
Add / less: Any other item of non-cash expense / non-cash income (net of actual cash flows for these items), including but not limited to	-	-
• Any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	(3.57)	(8.81)
• Interest cost as per effective interest rate method (difference between accrued and actual paid);	-	73.58
• Deferred tax, lease rents, provisions, etc.	(1.05)	3.50
Adjustments for Assets on Balance Sheet	-	-
Add / less: Decrease / increase in working capital	52.70	388.98
Add / less: Loss / gain on sale of assets / investments	(22.73)	(8.52)
Add: Net proceeds (after applicable taxes) from sale of assets / investments adjusted for proceeds reinvested or planned to be reinvested.	31.25	-
Add: Net proceeds (after applicable taxes) from sale of assets / investments not distributed pursuant to an earlier plan to reinvest, if such proceeds are not intended to be invested subsequently.	-	-
Less: Capital expenditure, if any.	(16.93)	(7.02)
Less: Investments made in accordance with the investment objective, if any.	-	-
Adjustments for Liabilities on Balance Sheet	-	-
Less: Repayment of third-party debt (principal) / redeemable preference shares / debentures, etc., net of any debt raised by refinancing of existing debt.	-	-
Less: Net cash set aside to comply with borrowing requirements such as DSRA, minimum cash balance, etc.	-	-
Add: Proceeds from additional borrowings (including debentures / other securities), fresh issuance of equity shares / preference shares, etc.	-	-
Less: Payment of any other liabilities (not covered under working capital)	-	-
Other Adjustments	-	-
Less: Any provision or reserve deemed necessary by the Investment Manager for expenses / liabilities which may be due in future.	(16.00)	-
Add / less: Amounts added or retained in accordance with the transaction documents or the loan agreements in relation to the SPVs.	-	(385.33)
Add / less: Any other adjustment to be undertaken by the Board to ensure that there is no double counting of the same item for the above calculations.	-	-
Add: Such portion of the existing cash balance available, if any, as deemed necessary by the Investment Manager in line with the InvIT Regulations.	-	-
Total Adjustments (B)	1,867.09	695.28
Net Distributable Cash Flows (C) = (A+B)	1,292.92	446.58

During the year, amount being at least 90% has already been distributed to Anzen.

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Anzen India Energy Yield Plus Trust
Notes to Consolidated Financial Statements for the year ended March 31, 2024
Disclosures Pursuant To SEBI Circulars
(SEBI MASTER CIRCULAR NO. SEBI/HO/DDHS-PoD-2/P/CIR/2023/115 DATED 06 JULY 2023 issued under the InvIT Regulations)

ii) NRSS XXX1(B) Transmission Limited ('NRSS')

(Rs. in Million)

Description	Year ended March 31, 2024	Year ended March 31, 2023
Profit after tax as per profit and loss account (standalone) (A)	(264.72)	(167.36)
Reversal of Distributions charged to P&L	-	-
Add: Interest (including interest on unpaid interest, if any) on loans availed from / debentures issued to the Anzen Trust, as per profit and loss account	870.88	287.47
Adjustment of Non-cash items	-	-
Add: Depreciation, impairment (in case of impairment reversal, same will be deducted) and amortisation as per profit and loss account.	332.26	140.08
Add / less: Any other item of non-cash expense / non-cash income (net of actual cash flows for these items), including but not limited to	-	-
• Any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	(1.16)	(3.36)
• Interest cost as per effective interest rate method (difference between accrued and actual paid);	-	58.50
• Deferred tax, lease rents, provisions, etc.	(1.26)	1.06
Adjustments for Assets on Balance Sheet	-	-
Add / less: Decrease / increase in working capital	35.85	199.07
Add / less: Loss / gain on sale of assets / investments	(18.29)	(6.35)
Add: Net proceeds (after applicable taxes) from sale of assets / investments adjusted for proceeds reinvested or planned to be reinvested.	24.54	-
Add: Net proceeds (after applicable taxes) from sale of assets / investments not distributed pursuant to an earlier plan to reinvest, if such proceeds are not intended to be invested subsequently.	-	-
Less: Capital expenditure, if any.	(0.09)	-
Less: Investments made in accordance with the investment objective, if any.	-	-
Adjustments for Liabilities on Balance Sheet	-	-
Less: Repayment of third-party debt (principal) / redeemable preference shares / debentures, etc., net of any debt raised by refinancing of existing debt.	-	-
Less: Net cash set aside to comply with borrowing requirements such as DSRA, minimum cash balance, etc.	-	-
Add: Proceeds from additional borrowings (including debentures / other securities), fresh issuance of equity shares / preference shares, etc.	-	-
Less: Payment of any other liabilities (not covered under working capital)	-	-
Other Adjustments	-	-
Less: Any provision or reserve deemed necessary by the Investment Manager for expenses / liabilities which may be due in future.	(65.00)	-
Add / less: Amounts added or retained in accordance with the transaction documents or the loan agreements in relation to the SPVs.	-	(196.63)
Add / less: Any other adjustment to be undertaken by the Board to ensure that there is no double counting of the same item for the above calculations.	-	-
Add: Such portion of the existing cash balance available, if any, as deemed necessary by the Investment Manager in line with the InvIT Regulations.	-	-
Total Adjustments (B)	1,177.83	479.84
Net Distributable Cash Flows (C) = (A+B)	913.11	312.48

During the year, amount being at least 90% has already been distributed to Anzen.

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1. **Group information**

The consolidated financial statements comprise financial statements of Anzen India Energy Yield Plus Trust ("the Trust" or "Anzen") and its subsidiaries (collectively, the Group). Anzen is an irrevocable trust settled by Sekura Energy Private Limited(the "Sponsor") on November 01, 2021 pursuant to the Trust Deed under the provisions of the Indian Trusts Act, 1882 and registered with Securities Exchange Board of India ("SEBI") under the SEBI (Infrastructure Investment Trust) Regulations, 2014 as an Infrastructure Investment Trust on January 18, 2022 having registration number IN/InvIT/21-22/0020. The Trustee of Anzen is Axis Trustee Services Limited (the "Trustee"). The Investment manager for Anzen is Edelweiss Real Assets Managers Limited (the "Investment Manager" or the "Management"). The objectives of Anzen are to undertake activities as an infrastructure investment trust in accordance with the provisions of the InvIT Regulations and the Trust Deed. The principal activity of Anzen is to own and invest in power transmission assets and renewable energy assets in India with the objective of producing stable and sustainable distributions to unitholders.

As at March 31, 2024, Anzen has following project entities ("Special Purpose Vehicles" or "SPVs") which are transmission infrastructure projects developed on Build, Own, Operate and Maintain ('BOOM') basis:
(a) Darbhanga - Motihari Transmission Company Limited ("DMTCL")
(b) NRSS XXXI (B) Transmission Limited ("NRSS")
These SPVs have executed Transmission Services Agreements ("TSAs") with Long term transmission customers under which the SPVs have to maintain the transmission infrastructure for 35 years post commissioning.

The address of the registered office of the Investment Manager is Plot 294/3, Edelweiss House, off CST Road, Kalina, Santacruz - East, Mumbai 400098, Maharashtra, India.
The financial statements were authorised for issue in accordance with resolution of Board of Directors of the Investment Manager on May 24, 2024.

2. **BASIS OF PREPARATION, MEASUREMENT AND MATERIAL ACCOUNTING POLICIES**

2.1 **Basis of preparation of financial statements**

The consolidated financial statements comprise of the Consolidated Balance Sheet as at March 31, 2024, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Unit Holders' Equity for the year then ended and the Consolidated Statement of Net Assets at fair value as at March 31, 2024 and the Consolidated Statement of Total Returns at fair value and the Statement of Net Distributable Cash Flows ('NDCFs') of the Trust, the underlying holding company ("HoldCo") and each of its subsidiaries for the year then ended and a summary of material accounting policies and other explanatory notes prepared in accordance with Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended), prescribed under Section 133 of the Companies Act, 2013 ("Ind AS") read with SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended and Master Circular No. SEBI/HO/DDHS-PoD-2/P/CIR/2023/115 dated 06 July 2023 issued thereunder ("InvIT Regulations"). The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments
- Certain financial assets measured at fair value (e.g. Liquid mutual funds)

The consolidated financial statements are presented in Indian Rupees Million, except when otherwise indicated.

As per regulation 20 of INVIT regulations 2014, the Group is eligible for a total debt (net of cash and cash equivalents) of 70% to AUM. As at March 31, 2024, the total debt (net of cash and cash equivalents) to AUM is within the prescribed limits.

These financial statements for the year ended March 31, 2024 have been prepared in accordance with Ind AS, except classification of unit capital which is made in accordance with the InvIT Regulations as more fully described in Note 9(c)(i) to the financial statements.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Trust and its subsidiaries as at March 31, 2024. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent, i.e., period ended on March 31.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full).

Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the unit holders of the Trust and to the non controlling interests (if any), even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

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2.2 Summary of material accounting policies

The following is the summary of material accounting policies applied by the Group in preparing its consolidated financial statements:

a) Acquisition of Transmission SPVs classified as asset acquisitions

The Group acquires operational transmission and Solar Project SPVs from the Sponsor or from third party. The purchase consideration primarily pertains to the fair value of the transmission assets. All such assets are operational assets with fixed tariff revenues under the Transmission Services Agreements (TSAs) for 35 years . The only key activity for these SPVs is the maintenance of the transmission assets which is outsourced to third parties and partially done in house. There are few employees in these entities and no other significant processes are performed for earning tariff revenues.

Based on evaluation of the above fact pattern vis-a-vis the guidance on definition of business under Ind AS and also keeping in view the relevant guidance on similar fact pattern available under accounting standards applicable in other jurisdictions, the management has classified the acquisition of transmission SPVs as asset acquisition.

b) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting year, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting year

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting year, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting year

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.
The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

c) Fair value measurement

The Group measures financial instruments such as mutual funds at fair value at each balance sheet date.
Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
In the principal market for the asset or liability, or
In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.
A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.
All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
Level 3 -Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.
For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.
In estimating the fair value of transmission assets/projects, the Group engages independent qualified external valuers to perform the valuation. The management works closely with the external valuers to establish the appropriate valuation techniques and inputs to the model. The management in conjunction with the external valuers also compares the change in fair value with relevant external sources to determine whether the change is reasonable. The management reports the valuation report and findings to the Board of the Investment Manager annually to explain the cause of fluctuations in the fair value of the transmission projects.

At each reporting date, the management analyses the movement of assets and liabilities which are required to be remeasured or reassessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.
For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures of Statement of Net Assets at fair value and Statement of Total Returns at fair value
- Quantitative disclosures of fair value measurement hierarchy (note 23)
- Investment in quoted mutual fund (note 5)
- Financial instruments (including those carried at amortised cost) (note 22)

d) Revenue from contracts with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has concluded that it is the principal in its revenue arrangements because it typically controls the services before transferring them to the customer.

Power transmission services

Revenue from contracts with customers comprises of revenue from power transmission services rendered in India to Long Term Transmission Customers (LTTCs) pursuant to the respective Transmission Services Agreements (TSAs) executed by the Group with LTTCs for years of 35 years. The Group is required to ensure that the transmission assets meet the minimum availability criteria under the respective TSAs. The Group's performance obligation vide the TSAs is to provide power transmission services. The performance obligation is satisfied over time as the customers receive and consume the benefits provided by the Group's performance as the Group performs. Accordingly, the revenue from power transmission services is recognised over time based on the transmission asset availabilities and the tariff charges approved under the respective CERC tariff orders and includes unbilled revenues accrued up to the end of the accounting year. The payment is generally due within 60 days.

Operation and maintenance service

Revenue from operation and maintenance contracts are recognised pro-rata over the year of the contract as and when services are rendered.

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Contract balances

Contract assets

A receivable represents the Group's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due). Amounts which have been billed to the customers are disclosed as Trade receivables and amounts which are to be billed to the customers (and not conditional on the group's future performance) are disclosed under Other financial assets. Refer accounting policies for financial assets in Financial instruments – initial recognition and subsequent measurement.

Contract liabilities

A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the Group transfers the related goods or services. Contract liabilities are recognised as revenue when the Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Interest income

Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend

Income from dividend on investments is accrued in the year in which generally it is approved by the shareholders, whereby the Group's right to receive is established.

e) **Taxes**

Tax expense comprises current tax expense and deferred tax

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside statement of profit or loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.
Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.
Deferred tax liabilities are recognised for all taxable temporary differences, except:
• When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
• In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses.
Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:
• When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences;
• In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside statement of profit or loss is recognised outside statement of profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable group and the same taxation authority.

Sales/value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/value added taxes paid, except:
• When the tax incurred on a purchase of assets or services is not recoverable from the tax authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
• When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the tax authority is included as part of receivables or payables in the balance sheet.

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f) Property, plant and equipment

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. No decommissioning liabilities are expected or be incurred on the assets of plant and equipment.

Expenditure directly relating to construction activity is capitalised. Indirect expenditure incurred during construction period is capitalised as part of the construction costs to the extent the expenditure can be attributable to construction activity or is incidental there to. Income earned during the construction period is deducted from the total of the indirect expenditure.

Depreciation is calculated on pro-rata basis on a written down value. Freehold land is not depreciated. The Group is providing depreciation at the following useful life:

Asset class	Useful lives
Plant and equipment	5 - 35 years
Office equipments	5 - 7 years
Furniture and fixtures	10 years
Computers	3 years

The Group, based on technical assessment made by technical expert and management estimate, depreciates certain items of plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013 which is applicable to the subsidiary companies. The management believes that these estimated useful lives are realistic and reflect fair approximation of the year over which the assets are likely to be used.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

g) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial year of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the year in which they occur. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

h) Impairment of non current financial assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculations on detailed budget and forecast calculations. These budgets are prepared for the entire project life.

Impairment losses of continuing operations are recognised in the statement of profit and loss.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

In determining fair value measurement, the impact of potential climate-related matters, including legislation, which may affect the fair value measurement of assets and liabilities in the financial statements has been considered. These risks in respect of climate-related matters are included as key assumptions where they materially impact the measure of recoverable amount. These assumptions have been included in the cash-flow forecasts in assessing value-in-use amounts.

At present, the impact of climate-related matters is not material to the Group's financial statements.

i) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is-

(a) a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Trust or

(b) a present obligation that arises from past events but is not recognized because

- it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or
- the amount of the obligation cannot be measured with sufficient reliability.

The Trust does not recognize a contingent liability but discloses the same as per the requirements of Ind AS 37.

Contingent assets are not recognised in the financial statements.

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j) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the year in which they occur. Remeasurements are not reclassified to profit or loss in subsequent years.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the Consolidated statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non routine settlements; and
- Net interest expense or income

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Group recognizes expected cost of short-term employee benefit as an expense, when an employee renders the related service.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

The group operates defined benefit gratuity plan in india.

k) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

i. Debt instruments at amortised cost
ii. Debt instruments at fair value through other comprehensive income (FVTOCI)
iii. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
iv. Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Financial assets at amortised cost (debt instruments)

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss.

Financial assets at fair value through OCI (FVTOCI) (debt instruments)

A 'financial asset' is classified as the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit or loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit or loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's Consolidated balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

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Impairment of financial assets
Majority of the financial assets of the Group pertain to Trade and other receivables. Considering the nature of business, the Group does not foresee any credit risk on its trade and other receivables which may cause an impairment. As per the TSA, the receivables are covered by clause of payment security mechanism which ensures receipt of all trade receivables. Also, the Group does not have any past history of impairment of Trade and other receivables.

Financial liabilities
Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.
All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.
The Group's financial liabilities include borrowings and related costs, trade and other payables, and derivative financial instruments.

Subsequent measurement
For purposes of subsequent measurement, financial liabilities are classified in two categories:
• Financial liabilities at fair value through profit or loss
• Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities at amortised cost (Loans and borrowings)
This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.
Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.
This category generally applies to borrowings. For more information refer Note 11.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Reclassification of financial assets
The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting year following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in profit or loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss the reclassification date.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the Consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

l) **Cash and cash equivalents**
Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.
For the purpose of the Consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

m) **Cash distribution to unit holders**
The Group recognises a liability to make cash distributions to unit holders when the distribution is authorised and a legal obligation has been created. As per the InvIT Regulations, a distribution is authorised when it is approved by the Board of Directors of the Investment Manager. A corresponding amount is recognised directly in equity.

n) **Earnings per unit**
Basic earnings per unit is calculated by dividing the net profit or loss attributable to unit holders of the Trust (after deducting preference dividends and attributable taxes if any) by the weighted average number of units outstanding during the period. The weighted average number of units outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, split, and reverse split (consolidation of units) that have changed the number of units outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per unit, the net profit or loss for the period attributable to unit holders of the Trust and the weighted average number of units outstanding during the period are adjusted for the effects of all dilutive potential units.

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o) Recent accounting pronouncements

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated March 31, 2023 to amend the following Ind AS which are effective for annual periods beginning on or after April 1, 2023. The Group applied for the first-time these amendments.

i. Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates. The amendments had no impact on the Group's consolidated financial statements.

ii. Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's consolidated financial statements.

iii. Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases. The amendments had no impact on the Group's consolidated financial statements.

Apart from these, consequential amendments and editorials have been made to other Ind AS like Ind AS 101, Ind AS 102, Ind AS 103, Ind AS 107, Ind AS 109, Ind AS 115 and Ind AS 34.
For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Group.

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All amounts in Rupees million unless otherwise stated

(3) Property, plant and equipment

Particulars	Freehold land	Plant and equipment	Furniture and fixtures	Office equipment	Computers	Total
Gross Block (at cost)						
As at April 01, 2022	-	-	-	-	-	-
Addition on account of acquisition (refer note 32)	78.39	21,664.80	0.60	2.39	0.58	21,746.76
Additions during the period	-	-	-	0.09	-	0.09
Disposals during the period	-	-	-	-	-	-
As at March 31, 2023	**78.39**	**21,664.80**	**0.60**	**2.48**	**0.58**	**21,746.85**
Additions during the year	5.72	10.67	-	0.36	0.18	16.93
Disposals during the year	-	-	-	-	-	-
As at March 31, 2024	**84.11**	**21,675.47**	**0.60**	**2.84**	**0.76**	**21,763.78**
Accumulated depreciation						
As at April 01, 2022	-	-	-	-	-	-
Depreciation for the period	-	769.33	0.07	0.54	0.19	770.13
Disposals during the period	-	-	-	-	-	-
As at March 31, 2023	-	**769.33**	**0.07**	**0.54**	**0.19**	**770.13**
Depreciation for the year	-	1,871.10	0.13	0.99	0.28	1,872.50
Disposals during the year	-	-	-	-	-	-
As at March 31, 2024	-	**2,640.43**	**0.20**	**1.53**	**0.47**	**2,642.63**
Net Block						
As at March 31, 2023	78.39	20,895.47	0.53	1.94	0.39	20,976.72
As at March 31, 2024	84.11	19,035.04	0.40	1.31	0.29	19,121.15

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All amounts in Rupees million unless otherwise stated

(4) **Other financial assets**

Non - Current

Particulars	As at March 31, 2024	As at March 31, 2023
(Unsecured, considered good)		
Security deposits	5.83	7.37
Fixed deposit having remaining maturity of more than twelve months	0.36	-
Total	6.19	7.37
Current		
(Unsecured, considered good)		
Unbilled revenue*	660.36	655.45
Interest accrued on fixed deposit	0.98	0.16
Insurance proceeds receivable	7.22	-
Fixed deposit having remaining maturity of less than twelve months	20.00	0.36
Othe receivables	0.65	0.65
Total	689.21	656.62

*Unbilled revenue is the transmission charges for the last quarter of period and incentive billed to transmission utilities in the next month subsequent to year end.

(5) **Investments**

Current

Particulars	As at March 31, 2024	As at March 31, 2023
Investments in mutual funds (valued at fair value through Profit or Loss)		
ICICI Prudential Liquid fund-Direct Plan Growth - 933,046.69 Units (March 31, 2023 - 1,904,747.21 Units)	333.47	634.54
ABSL Liquid fund-Growth-Direct Plan - 576,290.52 Units (March 31, 2023 - 900,428.32 Units)	224.57	325.93
Axis Liquid Fund-Direct Growth - 30,431.60 Units (March 31, 2023 - 120,494.91 Units)	81.68	301.34
Kotak Liquid fund - Direct growth - 8,573.97 Units (March 31, 2023 - Nil)	41.84	-
ICICI Prudential Liquid Fund - Direct Plan -Growth - overnight - Nil (March 31, 2023 - 25,088.68 Units)	-	30.32
ABSL Overnight Fund-Growth-Direct Plan- Nil (March 31, 2023 - 10,879.30 Units)	-	13.19
Total	681.56	1,306.42

Aggregate value of quoted investments	681.56	1,306.42
Aggregate value of unquoted investments	-	-

(6) **Other assets**

Current

Particulars	As at March 31, 2024	As at March 31, 2023
(Unsecured, considered good)		
Prepaid expenses	29.77	30.98
Advances recoverable in cash or in kind	0.04	0.15
Balances with government authorities	1.06	-
Total	30.87	31.13

(7) **Trade receivables**

Particulars	As at March 31, 2024	As at March 31, 2023
(Unsecured, considered good)		
Trade receivables	-	12.03
Total	-	12.03

No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a memeber.

Trade receivables are non-interest bearing and are generally on terms of 60 days.

See Note 24(a) on credit risk of trade receivables, which explains how the Group manages and measures credit quality of trade receivables that are neither past due nor impaired.

Trade Receivables ageing schedule as at March 31, 2024:

Ageing Schedule as at 31 March 2024	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables - considered good	-	-	-	-	-	-
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-
Total	-	-	-	-	-	-

Trade Receivables ageing schedule as at March 31, 2023:

Ageing Schedule as at 31 March 2023	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables - considered good	12.03	-	-	-	-	12.03
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-
Total	12.03	-	-	-	-	12.03

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All amounts in Rupees million unless otherwise stated

(8A) Cash and cash equivalents

Particulars	As at March 31, 2024	As at March 31, 2023
Cash and cash equivalents		
Balances with banks in current accounts	108.40	65.35
Deposits with original maturity of less than three months	120.00	-
Total	**228.40**	**65.35**

Balances with bank on current account does not earn interest.

(8B) Bank balances other than disclosed in note 8A above

Particulars	As at March 31, 2024	As at March 31, 2023
Other bank balances		
Deposits with original maturity more than 3 months but less than 12 months	-	21.24
Balances with bank held as margin money or security against borrowings, guarantees and other commitments#	155.00	155.00
Total	**155.00**	**176.24**

#Fixed deposits with banks of Rs. 155.00 million as at March 31, 2024 (March 31, 2023: Rs. 155.00 million) and interest accrued thereon of Rs. Nil are lien marked with Catalyst Trusteeship Limited (debenture trustee).

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the trust, and earn interest at the respective short-term deposit rates.

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(9) Unit capital

Reconciliation of units outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of units in million	Amount	No. of units in million	Amount
At the beginning of the year	158.00	15,624.79	-	-
Add : Issued during the year	-	-	158.00	15,800.00
Less: Issue expenses (refer note (b) below)	-	-	-	(175.21)
Outstanding at the end of the year	**158.00**	**15,624.79**	**158.00**	**15,624.79**

Note:

(a) Anzen India Energy Yield Plus Trust has made an initial issue of 75,000,000 units, for cash at a price of Rs 100.00 per unit, aggregating to Rs. 7500 Million to the eligible unitholders (as defined in the Final Placement Memorandum) (the "Issue") on private placement basis, in accordance with the Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014 including the circulars and guidelines issued thereunder. The issue opened on November 10, 2022 and closed on November 11,2022. Additionally, pursuant to the share purchase agreement with Edelweiss Infrastructure Yield Plus Trust ("EIYP"), EIYP was allotted 83,000,000 units of Anzen.

The InvIT Committee of Edelweiss Real Assets Managers Limited (Investment Manager of Anzen), considered and approved allotment of 1,58,000,000 units to the eligible unitholders of Anzen on November 11, 2022.

(b) Issue expenses of Rs.175.21 Million incurred in connection with issue of units have been reduced from the Unitholders capital in accordance with Ind AS 32 Financial Instruments: Presentation

(c) Terms/Rights attached to the Units

(i) The Trust has only one class of Units. Each Unit represents an undivided beneficial interest in the Trust. Each holder of Unit is entitled to one vote per unit. The Unitholders have the right to receive at least 90% of the Net Distributable Cash Flows of the Trust at least once in every financial year in accordance with the InvIT Regulations. The Board of Directors of the Investment Manager approves distributions. The distribution will be in proportion to the number of Units held by the Unitholders. The Trust declares and pays distributions in Indian Rupees.

Under the provisions of the InvIT Regulations, the Trust is required to distribute to Unitholders not less than 90% of the Net Distributable Cash Flows of the Trust for each financial year. Accordingly, Unit Capital contains a contractual obligation to pay cash to the Unitholders. Thus, in accordance with the requirements of Ind AS 32 - Financial Instruments: Presentation, the Unit Capital contains a liability element which should have been classified and treated accordingly. However, the SEBI Circulars (SEBI/HO/DDHS-PoD-2/P/CIR/2023/115 dated July 06, 2023 issued under the InvIT Regulations, and Section H of Chapter 3 to the SEBI Circular dated July 06, 2023 dealing with the minimum presentation and disclosure requirements for key financial statements, require the Unit Capital in entirety to be presented/classified as "Equity", which is at variance from the requirements of Ind AS 32. In order to comply with the aforesaid SEBI requirements, the Trust has presented unit capital as equity in these financial statements. Consistent with Unit Capital being classified as equity, any distributions to Unitholders are also being presented in the Statement of Changes in Unitholders' Equity when the distributions are approved by the Board of Directors of the Investment Manager.

(ii) A Unitholder has no equitable or proprietary interest in the projects of the Trust and is not entitled to any share in the transfer of the projects (or any part thereof) or any interest in the projects (or any part thereof) of the Trust. A Unitholder's right is limited to the right to require due administration of the Trust in accordance with the provisions of the Trust Deed and the Investment Management Agreement.

(d) Details of Unitholders holding more than 5% units in the Trust

Particulars	As at March 31, 2024		As at March 31, 2023	
	No. of units in million	% holding	No. of units in million	% holding
Edelweiss Infrastructure Yield Plus	88.40	55.95%	93.80	59.37%
Sekura Energy Private Limited	23.80	15.06%	23.80	15.06%
Larsen & Toubro Limited	15.40	9.75%	15.20	9.62%
	127.60	**80.76%**	**132.80**	**84.05%**

The Trust has acquired the entire equity share capital of Darbhanga - Motihari Transmission Company Limited ('DMTCL') and NRSS XXXI(B) Transmission Limited ('NRSS') from Edelweiss Infrastructure Yield Plus ('EIYP') pursuant to share purchase agreement dated on November 01, 2022 and subsequent closing on November 11, 2022. The Trust issued its units amounting to Rs. 4,700 million and Rs. 3,600 million to EIYP in exchange of 100% equity stake in DMTCL and NRSS respectively.

(e) The Trust has not allotted any fully paid up units by way of bonus units nor has it bought back any class of units from the date of incorporation till the balance sheet date.

(10) Other equity

Particulars	As at March 31, 2024	As at March 31, 2023
Retained Earnings/ (Accumulated deficit)		
Balance as at the beginning of the year	(515.19)	-
Loss for the year	(297.27)	(319.24)
Other comprehensive income	(0.08)	(0.03)
Less: Distribution to Unit Holders	(1,543.66)	(195.92)
Closing balance	**(2,356.20)**	**(515.19)**
Total	**(2,356.20)**	**(515.19)**

Retained earnings are the profits earned by the Trust till date, less distribution paid to unitholders, if any.

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Edelweiss Real Assets Managers Limited

All amounts in Rupees million unless otherwise stated

(11) Borrowings

Non - current:

Particulars	Effective Interest Rate	As at March 31, 2024	As at March 31, 2023
Borrowings at amortised cost			
A. Secured			
8.01% Series A Non convertible debentures (4,500 debentures of Rs.1,000,000 each fully paid up) **	8.47%	4,467.52	4,450.33
8.34% Series B Non convertible debentures (3,000 debentures of Rs.1,000,000 each fully paid up) **	8.70%	2,974.29	2,965.91
Less: current maturities of debentures		-	-
		7,441.81	**7,416.24**

**Net of ancillary borrowing costs amounting to Rs. 58.19 million (March 31, 2023: Rs. 83.76 million) for Series A and Series B.

Aggregate non-current borrowings	**7,441.81**	**7,416.24**
Aggregate current borrowings	-	-

(a) Terms of borrowings

On December 01, 2022 the Trust has issued and allotted 7,500 secured, rated, listed, redeemable, non-convertible debentures of face value of Rs. 1,000,000 each for an aggregate consideration of Rs. 7,500 million on private placement basis.

Repayment schedule of NCD

Particulars	Amount	Maturity date
Series A	4,500.00	01-12-25
Series B	3,000.00	01-12-27

(b) Security

(i) a first pari passu charge by way of hypothecation on all the Issuer's current assets and other assets (excluding DSR and DSRA), both present and future, including: (i) all the receivables, right, title, interest, benefits, claims and demands whatsoever of the Issuer in, to and under all the loans and advances extended by the Issuer to the SPVs and HoldCo(s), present and future (collectively, the "Issuer Loans"); (ii) the receivables, right, title and interest and benefits of the Issuer in, to and under all the financing agreements, deeds, documents and agreements or any other instruments (both present and future) which are now executed or may hereafter be executed by the Issuer with respect to the Issuer Loans; Step in rights on the Loans shall be with the Common security Trustee. (iii) all bank accounts of the Issuer, including but not limited to the Escrow Account and the Sub-Accounts (including Cash Trap Sub Account) (if any) (excluding the distribution account and the accounts opened to meet the debt service reserve requirements in respect of any Additional Debt) or any accounts in substitution thereof that may be opened in accordance with the Debt Securities Documents, and in all funds from time to time deposited therein (including the reserves), all designated account opened with designated banks and the Permitted Investments or other securities representing all amounts credited to the Escrow Account;

(ii) a first and exclusive charge on the DSR and DSRA to be created in favour of the Common Security Trustee for benefit of Debt Securities under this Deed, and all amounts lying therein;

(iii) a first pari passu pledge over 100% (one hundred percent) of the equity share capital, compulsorily convertible debentures, optionally convertible debentures, non-convertible debentures and securities held by the Issuer in all the Project SPVs.

(iv) pari passu pledge over unencumbered equity share capital, compulsorily convertible debentures, optionally convertible debentures, non-convertible debentures and securities held by the Issuer and Holdco(s) in all the Other SPVs and Holdco(s) (as applicable).

(c) Interest

Interst shall accrue at the end of every quarter and shall be payable on the last date of each quarter.

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Anzen India Energy Yield Plus Trust
Notes to consolidated financial statements for the year ended March 31, 2024
All amounts in Rupees million unless otherwise stated

(12) Provisions

Particulars	As at March 31, 2024	As at March 31, 2023
Non-current :		
Provision for employee benefits		
Gratuity (refer note 31)	1.78	1.31
Compensated absences	0.56	0.58
Total	**2.34**	**1.89**

Particulars	As at March 31, 2024	As at March 31, 2023
Current :		
Provision for employee benefits		
Gratuity (refer note 31)	0.21	0.16
Compensated absences	0.50	0.47
Total	**0.71**	**0.63**

(13) Trade payables

Particulars	As at March 31, 2024	As at March 31, 2023
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	0.12	4.72
Total outstanding dues of creditors other than micro enterprises and small enterprises	26.48	58.42
	26.60	**63.14**
Trade payables		
- to related parties	7.75	42.65
- to others	18.85	20.49
	26.60	**63.14**

Trade payables ageing schedule:

Particulars	Outstanding for following years from the date of transaction				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2024					
Total outstanding dues of micro and small enterprises	0.12	-	-	-	0.12
Total outstanding dues of creditors other than micro enterprises and small enterprises	26.17	0.09	0.22	-	26.48
Disputed dues of micro and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Total	26.29	0.09	0.22	-	26.60
As at March 31, 2023					
Total outstanding dues of micro and small enterprises	4.72	-	-	-	4.72
Total outstanding dues of creditors other than micro enterprises and small enterprises	58.19	0.21	-	0.02	58.42
Disputed dues of micro and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Total	62.91	0.21	-	0.02	63.14

Details of dues to Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) :

Particulars	As at March 31, 2024	As at March 31, 2023
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	0.12	4.72
Principal amount due to micro and small enterprises	-	-
Interest due on above	-	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-	-

Trade payables are not- interest bearing and are normally settled on 30-90 days terms

For explanation on the Group's risk management policies, refer note 24

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All amounts in Rupees million unless otherwise stated

(14) Other financial liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Payable to related parties (refer note 29)	59.61	628.93
Interest accrued but not due on borrowings	1.67	1.67
Payable for purchase of property, plant and equipment	0.19	0.28
Payable to employees	2.05	2.11
	63.52	**632.99**

(15) Other current liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Advance from customer	109.19	1.55
Statutory dues	17.69	30.20
	126.88	**31.75**

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All amounts in Rupees million unless otherwise stated

(16) Revenue from contracts with customers

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Income from transmission charges	2,410.29	930.64
Income from operation and maintenance	16.12	6.05
	2,426.41	936.69

Revenue from contracts with customers comprises of revenue from power transmission services rendered in India to Long Term Transmission Customers (LTTCs) pursuant to the respective Transmission Services Agreements (TSAs) executed by the respective SPVs with LTTCs. The TSAs are executed for a period of 35 years and have fixed tariff charges as approved by CERC (except some incentives/penalties relating to transmission assets availabilities). Under the TSAs, the Group's performance obligation is to provide power transmission services. The Group is required to ensure that the transmission assets meet the minimum availability criteria under the respective TSAs failing which could result in certain disincentives/penalties. The performance obligation is satisfied over-time as the customers receive and consume the benefits provided by the Group's' performance as the Group perform. The payment is generally due within 60 days upon receipt of quarterly invoice by the customer. The Group receives payments as per the pooling arrangements specified under the Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations ('Pooling Regulations'). In the Point of Connection (PoC) mechanism, the transmission charges to be recovered from the entire system are allocated between users based on their location in the grid. Under the PoC mechanism, all the charges collected by the Central Transmission Utility (i.e. Power Grid Corporation of India Limited) from LTTCs are disbursed pro-rata to all Transmission Service Providers from the pool in proportion of the respective billed amount.

Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the remaining performance obligation related disclosures since the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date.

(a) Disaggregated revenue information

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Income from transmission charges	2,410.29	930.64
Income from operation and maintenance	16.12	6.05
Total	2,426.41	936.69

(b) Assets and liabilities related to contracts with customers

Particulars	As at March 31, 2024	As at March 31, 2023
Trade receivable	-	12.03
Unbilled revenue	660.36	655.45
Contract liabilities	109.19	1.55

Trade receivables are non-interest bearing and are generally on terms of 60 days. Contract liabilities include advances

(c) Project wise break up of revenue from contracts with customers

Particulars	As at March 31, 2024	As at March 31, 2023
Darbhanga - Motihari Transmission Company Limited	1,410.70	544.51
NRSS XXXI (B) Transmission Limited	1,015.71	392.18
Total	2,426.41	936.69

(d) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Revenue as per contracted price	2,426.02	936.69
Add : Surcharge	13.56	-
Less : Rebate	(13.17)	-
	2,426.41	936.69

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All amounts in Rupees million unless otherwise stated

(e) Reconciliation of contract assets and liabilities

Particulars		Year ended March 31, 2024	Year ended March 31, 2023
Opening balance			
Unbilled revenue		655.45	-
Trade receivable		12.03	-
Contract liabilities		(1.55)	-
	(A)	**665.93**	-
Amounts billed to customers		(655.45)	12.03
Power transmission services provided, but remaining unbilled as at year end		660.36	655.45
Collection from customer		(12.03)	-
Advance received from customer adjusted against billing		1.55	-
Advance received from customer		(109.19)	(1.55)
	(B)	**(114.76)**	**665.93**
Closing balance			
Unbilled revenue		660.36	655.45
Trade receivable		-	12.03
Contract liabilities		(109.19)	(1.55)
	(A + B)	**551.17**	**665.93**

(17) Employee benefit expense

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Salaries, wages and bonus	16.96	5.99
Gratuity expenses (refer note 31)	0.42	0.16
Contribution to provident and other funds (refer note 31)	0.80	0.28
Staff welfare expenses	1.22	0.36
	19.40	**6.79**

(18) Finance costs

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Interest on		
Secured Non-convertible debentures	637.47	439.20
Interest on late payment of tax	0.40	-
	637.87	**439.20**

(19) Other expenses

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Rates and taxes	3.66	1.05
Membership charges	0.87	0.27
Power and fuel	5.88	1.69
Travelling and conveyance expenses	5.44	1.77
Rent (Expense relating to leases of low-value assets)	0.53	0.20
Miscellaneous expenses	2.49	2.84
	18.87	**7.82**

(a) Pursuant to the amended Investment Management Agreement dated February 27, 2024, Investment Manager is entitled to fees of Rs. 55 million per annum plus Goods and Service tax at rate as applicable which is allocated to each project SPV equally. Consolidated statement of Profit and Loss for the year ended March 31, 2024 includes amount of Rs. 64.90 Million (March 31, 2023: Rs.24.18 million) towards Investment Manager Fees. There are no changes during the year in the methodology for computation of fees paid to Investment Manager.

(b) Pursuant to the Project Implementation and Management Agreement dated November 1, 2022, Project Manager is entitled to fees @ 15% of gross operation and maintenance expenses (excluding insurance and statutory costs) incurred by each SPV per annum plus Goods and Service tax at rate as applicable effective from November 11, 2022. Consolidated Statement of Profit and Loss for the year ended March 31, 2024 includes amount of Rs 20.66 Million (March 31, 2023: Rs.10.53 million) towards Project Manager fees. There are no changes during the year in the methodology for computation of fees paid to Project Manager.

All amounts in Rupees million unless otherwise stated

(20) Capital and other commitments

(a) Capital Commitments

The Group has no capital commitments as on March 31, 2024 (March 31, 2023: Nil).

(b) Other Commitments

The Group has entered into transmission services agreements (TSA) with long term transmission customers for the period of 35 (thirty five) years pursuant to which the Group have committed to transmit power of contracted capacity and ensure minimum availability of transmission line over the period of TSA. The TSA contains provision for penalties in case of certain defaults.

(21) Contingent liabilities

Particulars	As at March 31, 2024	As at March 31, 2023
Other matters	78.43	78.43
Total	**78.43**	**78.43**

i. During the financial year 2016-17, land owners have filed a case with the District Court, Ludhiana, Punjab towards compensation amounting to INR 61.65 million (March 31, 2023:INR 61.65 million) for the value of land over which the transmission line is passing. The Group is of the view that required amount of compensation to these landowners have already been paid and no further compensation is payable.

ii. During the financial year 2020-21, land owners have filed a case with the Civil Court, Pehowa, Haryana towards compensation amounting to INR 2 million (March 31, 2023:INR 2 million) for costs incurred on account of transmission line passing. The Group is of the view that required amount of compensation to these landowners have already been paid and no further compensation is payable.

iii. During the financial year FY 2018-19 and FY 2019-20, Power Grid Corporation of India Limited claimed recovery of Interest During Construction ("IDC"), Incidental Expenses During Construction ("IEDC") and transmission charges respectively amounting to INR 14.78 million (March 31, 2023:INR 14.78 million) on account of delay in commissioning of transmission lines by the Group. The Group is of the view that the delay in commissioning of transmission lines was due to force majeure events which were beyond the control of the Group. The Central Electricity Regulatory Commission concluded in another matter through order dated 29/03/2019 passed in Petition No. 195/MP/2017 that delay in commissioning was not due to reasons attributable to the Group.

The outcome of the all above claims are uncertain and accordingly, disclosed as contingent liabilities.

(22) Financial Instruments by category

Set out below is a comparison, by class, of the carrying amounts and fair value of the Group's financial instruments as of March 31, 2024 :

Particulars	Amortised cost	Fair value through profit and loss	Fair value through other comprehensive income	Total carrying value	Total fair value
Financial assets					
Cash and cash equivalents	228.40	-	-	228.40	228.40
Investments in mutual funds	-	681.56	-	681.56	681.56
Other bank balances	155.00	-	-	155.00	155.00
Other financial assets	695.40	-	-	695.40	695.40
Total	**1,078.80**	**681.56**	-	**1,760.36**	**1,760.36**
Financial liabilities					
Borrowings	7,441.81	-	-	7,441.81	7,466.44
Trade payables	26.60	-	-	26.60	26.60
Other financial liabilities	63.52	-	-	63.52	63.52
Total	**7,531.93**	-	-	**7,531.93**	**7,556.56**

Set out below is a comparison, by class, of the carrying amounts and fair value of the Trust's financial instruments as of March 31, 2023 :

Particulars	Amortised cost	Fair value through profit and loss	Fair value through other comprehensive income	Total carrying value	Total fair value
Financial assets					
Cash and cash equivalents	65.35	-	-	65.35	65.35
Investments in mutual funds	-	1,306.42	-	1,306.42	1,306.42
Other bank balances	176.24	-	-	176.24	176.24
Trade receivables	12.03	-	-	12.03	12.03
Other financial assets	663.99	-	-	663.99	663.99
Total	**917.61**	**1,306.42**	-	**2,224.03**	**2,224.03**
Financial liabilities					
Borrowings	7,416.24	-	-	7,416.24	7,394.03
Trade payables	63.14	-	-	63.14	63.14
Other financial liabilities	632.99	-	-	632.99	632.99
Total	**8,112.37**	-	-	**8,112.37**	**8,090.16**

Carrying values of trade receivables, other financial assets, trade payables and other financial liabilities approximate their fair values.

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(23) Fair value hierarchy

The following table presents fair value hierarchy of assets and liabilities as of

Particulars	Fair value measurement at end of the reporting year using		
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value			
March 31, 2024			
Quoted investments - Investment in mutual funds	681.56	-	-
March 31, 2023			
Quoted investments - Investment in mutual funds	1,306.42	-	-
Asset for which fair value disclosures are given			
March 31, 2024			
Property, plant and equipment*	-	-	22,452.16
March 31, 2023			
Property, plant and equipment*	-	-	22,560.88
Liabilities for which fair value disclosures are given			
March 31, 2024			
Borrowings	-	7,466.44	-
March 31, 2023			
Borrowings	-	7,394.03	-

There have been no transfers among Level 1, Level 2 and Level 3.
Investment in mutual funds though unlisted, are quoted on recognised stock exchanges at their previous day NAVs which is the quote for the day.

*Statement of net asset at fair value and statement of total returns at fair value require disclosures regarding fair value of assets (liabilities at considered at book values). Since the fair values of assets other than property, plant and equipment approximate their book values, hence only property, plant and equipment has been disclosed above.

The Trust is required to present the Statement of total assets at fair value and Statement of total returns at fair value as per SEBI Master circular No. SEBI/HO/DDHS-PoD-2/P/CIR/2023/115 dated 06 July 2023 as a part of these financial statements - Refer Statement of Net assets at fair value and Statement of Total Returns at fair value.

The inputs to the valuation models for computation of fair value of transmission assets for the above mentioned statements are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as WACC, Tax rates, Inflation rates, etc.

The significant unobservable inputs used in the fair value measurement required for disclosures categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at March 31, 2024 are as shown below:

Description of significant unobservable inputs to valuation:

Significant unobservable inputs	Input for March 31, 2024	Input for March 31, 2023	Sensitivity of input to the fair value	Increase /(decrease) in fair value	
				March 31, 2024	March 31, 2023
WACC	8.02% to 8.07%	7.50% to 8.55%	0.50%	(1,197.50)	(1,204.00)
			-0.50%	1,348.68	1,355.00
Tax rate (normal tax and MAT)	MAT - 17.47%	MAT - 17.47%	2.00%	(79.57)	(402.00)
	Normal tax - 25.17%	Normal tax - 25.17%	-2.00%	55.45	389.00
Inflation rate for expenses	2.5% to 5%	2.5% to 5%	20.00%	(546.50)	(220.02)
			-20.00%	520.65	184.42

(24) Financial risk management objectives and policies

The Group's principal financial liabilities comprise borrowings, trade and other payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include investments, loans, trade receivables, cash and short-term deposits and other financial assets that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Investment manager oversees the management of these risks. The management reviews and agrees policies for managing each of these risks, which are summarised below.

The Risk Management policies of the Group are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

Management has overall responsibility for the establishment and oversight of the Group's risk management framework.

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(a) Credit risk on financial assets

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments. As at March 31, 2024 the credit risk is considered low since substantial transactions of the group are with its subsidiaries.

The Group through its subsidiaries is engaged in transmission business under BOOM (Build, Own, Operate and Maintain) model and currently derive its revenue primarily from BOOM contracts with long term transmission customers ('LTTC'). Being transmission licensee, the Group receives payments as per the pooling arrangements specified under the Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2010 ('Pooling Regulations'). In the PoC method, the transmission charges to be recovered from the entire system are allocated between users based on their location in the grid. Under the PoC mechanism, all the charges collected by the Central Transmission Utility ('CTU') from LTTC's are disbursed pro-rata to all Transmission Service Providers ('TSPs') from the pool in proportion of the respective billed amount. Due to this, the TSPs are shielded against any potential default by a particular customer. If a particular customer delays or defaults, the delay or shortfall is prorated amongst all the TSPs. Based on past history of payments, payments due have always been paid and there have been no write-off's for due amounts.

Due to the payment mechanism explained above as well as due to no history of any write-off's of payments which were due, the Group has not considered any expected

Credit risk from balances deposited/invested with banks as well as investments made in mutual funds, is managed by the Group's senior management in accordance with the Group's Treasury policy approved by the Board of Directors. Investments of surplus funds are made only with approved counterparties and within limits assigned to each counterparty. Counterparty limits are reviewed by the top management on an annual basis, and may be updated throughout the year subject to approval of the Board of Directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments. Based on this policy, the Group does not foresee any risk on account of credit losses, either in the scheduled commercial bank deposits which are made with AA+ rated banks and also in regard to mutual funds which is primarily debt oriented funds. No loss allowances have been provided for any trade receivables, or other receivables from financing activities like cash and bank deposits, mutual funds and other similar deposits. Also, there have been no modifications in contractual cash flows on financial assets.

The Group's maximum exposure to credit risk for the components of the Balance Sheet as at March 31, 2024 is the carrying amounts of Investments, Trade Receivables, Cash and bank balances and Other Assets as disclosed in Note 5, 7, 8, and 4 respectively. However, the credit risk is low due to reasons mentioned above.

(b) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk such as equity price risk. Financial instruments affected by market risk include loans and borrowings and investments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Trust's borrowings are at fixed rate, hence the Trust is not exposed to Interest rate risk.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Trust did not have any exposure in foreign currency as at March 31, 2024.

Equity price risk

The Trust's investments in equity shares of subsidiaries are susceptible to market price risk arising from uncertainties about future values of those investments. Reports on the equity portfolio are submitted to the senior management on a regular basis. The Board of Directors of the Investment Manager reviews and approves all equity investment decisions. The Trust did not have any exposure of equity price risk as at March 31, 2024.

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All amounts in Rupees million unless otherwise stated

(c) **Liquidity risk**

Liquidity risk is the risk that the Group may encounter difficulty in meeting its present and future obligations associated with financial liabilities that are required to be settled by delivering cash or another financial asset. The Trust's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral obligations. The Group requires funds both for short term operational needs as well as for long term investment programs mainly in growth projects. The Group closely monitors its liquidity position and deploys a robust cash management system. It aims to minimise these risks by generating sufficient cash flows from its current operations, which in addition to the available cash and cash equivalents, liquid investments and sufficient committed fund facilities, will provide liquidity.

The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The average credit year taken to settle trade payables is about 30 days. The other payables are with short term durations. The carrying amounts are assumed to be reasonable approximation of fair value. The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

Particulars	On demand	Less than 3 months	3 months to 1 year	1 year to 5 years	More than 5 years	Total
As at March 31, 2024						
Non convertible debentures (Secured)	-	-	-	7,441.81	-	7,441.81
Trade payables	-	26.60	-	-	-	26.60
Other financial liabilities	-	63.52	-	-	-	63.52
Interest on borrowings	-	151.83	457.56	921.57	-	1,530.96
	-	241.95	457.56	8,363.38	-	9,062.89
As at March 31, 2023						
Non convertible debentures (Secured)	-	-	-	7,416.24	-	7,416.24
Trade payables	-	63.14	-	-	-	63.14
Other financial liabilities	-	511.18	121.81	-	-	632.99
Interest on borrowings	-	152.24	459.66	1,530.96	-	2,142.86
	-	726.56	581.47	8,947.20	-	10,255.23

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All amounts in Rupees million unless otherwise stated

(25) Capital management

For the purpose of the Group's capital management, capital includes issued unit capital and all other equity reserves attributable to the unit holders of the Trust. The primary objective of the Trust's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise unitholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Trust may adjust the distribution to unitholders (subject to the provisions of InvIT regulations which require distribution of at least 90% of the net distributable cash flows of the Trust to unit holders), return capital to unitholders or issue new units. The Trust monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Trust's policy is to keep the gearing ratio optimum. The Trust includes within net debt, interest bearing loans and borrowings, trade and other payables less cash and cash equivalents, other bank balances excluding discontinued operations.

Particulars	As At March 31, 2024	As at March 31, 2023
Borrowings	7,441.81	7,416.24
Trade Payables	26.60	63.14
Other financial liabilities	63.52	632.99
Less: Cash and other bank balances	(383.40)	(241.59)
Net debt [A]	**7,148.53**	**7,870.78**
Unit capital	15,624.79	15,624.79
Other equity	(2,356.20)	(515.19)
Total equity capital [B]	**13,268.59**	**15,109.60**
Capital and net debt [C=A+B]	**20,417.12**	**22,980.38**
Gearing ratio (%) [A/C]	**0.35**	**0.34**

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of the Non convertible debentures.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2024.

(26) Tax expense

The major components of income tax expense for the year are:

Profit or loss section

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Current income tax:		
Current income tax charge	15.13	(37.84)
Adjustments in respect of current income tax of previous year	(0.05)	-
Deferred tax:		
MAT credit entitlement for current year	-	-
Relating to origination and reversal of temporary differences	-	-
Income tax expense reported in the statement of profit or loss	**15.08**	**(37.84)**

The reconciliation between the provision of income tax and amounts computed by applying the Indian statutory income tax rate to profit before tax is as follows:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Loss before tax	(282.19)	(357.08)
Enacted income tax rate in India	25.17%	25.17%
Computed expected tax	(71.03)	(89.88)
Effect of:		
Impact of exemption u/s 10(23FC) of the Income Tax Act, 1961 available to the Trust		
Non recognition of deferred tax on unabsorbed depreciation and other timing differences	86.16	52.04
Adjustment of tax relating to earlier periods	(0.05)	-
Income tax expense recognised in the statement of profit and loss	**15.08**	**(37.84)**

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Edelweiss Real Assets Managers Limited *

(27) Deferred Tax Liability (net)

Particulars	As at March 31, 2024	As at March 31, 2023
Deferred Tax Assets		
Tax losses	2,513.91	2,292.38
Gratuity payable	0.58	0.43
Leave encashment payable	0.30	0.31
Total	**2,514.79**	**2,293.12**
Deferred Tax Liabilities		
Property, plant and equipment : Impact of difference between tax depreciation and depreciation for	1,548.79	1,567.11
Ancillary borrowing cost	-	-
Total	**1,548.79**	**1,567.11**
Net deferred tax asset recognised (DTA restricted to the extent of DTL)	-	-

For the computation of deferred tax assets/liabilities, the Group has not considered tax holiday available under the Income Tax Act. The management based on estimated cash flow workings, believes that since there will be losses in the initial years of the SPVs, no benefit under the Income tax Act would accrue to in respect of the tax holiday. Management will re-assess this position at each balance sheet date. Tax losses represents unabsorbed depreciation. Unabsorbed depreciation can be carried forward indefinitely.

(28) Earnings per unit

Basic EPU amounts are calculated by dividing the profit for the year attributable to unit holders by the weighted average number of units outstanding during the year.

Diluted EPU amounts are calculated by dividing the profit for the year attributable to unit holders by the weighted average number of units outstanding during the year plus the weighted average number of units that would be issued on conversion of all the dilutive potential units into unit capital.

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Loss after tax for calculating basic and diluted earnings per unit attributable to unitholders (Rs. million)	(297.27)	(319.24)
Weighted average number of units in calculating basic and diluted earnings per unit (No. in million)	158.00	61.04
Face value per unit (In Rs.)	100	100
Basic and diluted earnings per unit (In Rs.)	(1.88)	(5.23)

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Edelweiss Real Assets Managers Limited ★

All amounts in Rupees million unless otherwise stated

(29) Related Party Disclosures

I. List of related parties as per the requirements of Ind-AS 24 - Related Party Disclosures

a) Entity with control over the Trust
Edelweiss Infrastructure Yield Plus (EIYP)

b) Entity with significant influence over the Trust
Sekura Energy Private Limited (SEPL) - Sponsor and Project Manager
Edelweiss Real Assets Managers Limited (ERAML) - Investment Manager
Edelweiss Financial Services Limited - Ultimate holding company of ERAML

II. List of related parties as per Regulation 2(1)(zv) of the InvIT Regulations

a) Parties of Anzen India Energy Yield Plus Trust
Sekura Energy Private Limited (SEPL) - Sponsor and Project manager
Edelweiss Real Assets Managers Limited (ERAML) - Investment Manager
Axis Trustee Services Limited (ATSL) - Trustee of Anzen India Energy Yield Plus Trust

b) Promoters of the parties to specified in (a) above

Edelweiss Infrastructure Yield Plus	Promoters of SEPL
Edelweiss Alternative Asset Advisors Limited (w.e.f. 29 March 2023)	Promoters of ERAML
Edelweiss Securities and Investments Private Limited (upto 28 March 2023)	Promoters of ERAML
Axis Bank Limited	Promoters of ATSL

c) Directors of the parties specified in (a) above

i) Directors of SEPL
Vijayanand Semletty (w.e.f. 2 August 2023)
Avinash Prabhakar Rao (upto 2 August 2023)
Sushant Sujir Nayak
Tharuvai Venugopal Rangaswami

ii) Directors of ERAML
Venkatchalam Ramaswamy
Subahoo Chordia
Sunil Mitra
Prabhakar Panda (upto 1 April 2023)
Ranjita Deo
Shiva Kumar
Bala C Deshpande (w.e.f. 1 April 2023)
Nupur Garg (w.e.f. 23 May 2023)

iii) Key Managerial Personnel of ERAML
Ranjita Deo (Whole Time Director and Chief Investment Officer)
Vaibhav Doshi (Chief Financial Officer) (w.e.f. 1 February 2023)
Jalpa Parekh (Company Secretary)

iv) Directors of ATSL
Deepa Rath
Prashant Ramrao Joshi (w.e.f. 16 January 2024)
Sumit Bali (w.e.f. 16 January 2024)
Rajesh Kumar Dahiya (upto 15 January 2024)
Ganesh Sankaran (upto 15 January 2024)

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All amounts in Rupees million unless otherwise stated

III. Related party transactions:

Particulars	Year ended March 31, 2024	Year ended March 31, 2023
Issue of units		
Edelweiss Infrastructure Yield Plus	-	9,380.00
Sekura Energy Private Limited	-	2,380.00
Axis Bank Limited	-	500.00
Issue of NCD		
Axis Bank Limited	-	3,000.00
Interest income on investment in fixed deposits		
Axis Bank Limited	12.56	8.43
Investment in fixed deposits		
Axis Bank Limited	161.71	3,955.96
Redemption of fixed deposits		
Axis Bank Limited	52.94	4,450.46
Interest expense on NCD		
Axis Bank Limited	240.79	79.66
Project Implementation and Management		
Sekura Energy Private Limited	20.66	10.53
Shared service cost		
Sekura Energy Private Limited	23.60	18.83
Unit placement fees		
Edelweiss Financial Services Limited	-	11.09
Arranger fees for NCD facilities		
Axis Bank Limited	-	8.89
Distribution to unit holders		
Edelweiss Infrastructure Yield Plus	908.10	116.31
Sekura Energy Private Limited	232.53	29.51
Axis Bank Limited	14.12	3.97
Reimbursement of expenses from		
Axis Bank Limited	4.05	-
Edelweiss Infrastructure Yield Plus	1.31	-
Reimbursement of expenses to		
Sekura Energy Private Limited	1.98	102.45
Edelweiss Alternative Asset Advisors Limited	-	0.05
Avinash Prabhakar Rao	-	0.07
Investment management fees		
Edelweiss Real Assets Managers Limited	64.90	24.18
Trustee fees		
Axis Trustee Services Limited	0.71	0.26

IV. Related party balances:

Particulars	As at March 31, 2024 (Receivable/ (payable))	As at March 31, 2023 (Receivable/ (payable))
Trade payables		
Sekura Energy Private Limited	(2.25)	(31.85)
Edelweiss Real Assets Managers Limited	(5.50)	(10.49)
Axis Trustee Services Limited	-	(0.26)
Edelweiss Alternative Asset Advisors Limited	-	(0.05)
Balances with banks in current accounts		
Axis Bank Limited	48.92	31.07
Fixed deposits		
Axis Bank Limited	285.00	176.24
Interest accrued on fixed deposits		
Axis Bank Limited	0.63	0.11
Other financial liabilities		
Edelweiss Infrastructure Yield Plus	(59.61)	(628.93)
Interest accrued but not due on borrowings		
Axis Bank Limited	(0.66)	(0.66)
Outstanding NCD		
Axis Bank Limited	(3,000.00)	(3,000.00)

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Edelweiss Real Assets Managers Limited

All amounts in Rupees million unless otherwise stated

Details in respect of related party transactions involving acquisition of InvIT assets as required by Para 4.6.6 of Chapter 4 of SEBI Master Circular No. SEBI/HO/DDHS-PoD-2/P/CIR/2023/115 dated 06 July 2023 as amended including any guidelines and circulars issued thereunder ("SEBI Circulars") are as follows:

For the year ended March 31, 2024:
No acquisition during the year ended 31 March 2024.

For the year ended March 31, 2023:
Anzen India Energy Yield Plus Trust has acquired Darbhanga - Motihari Transmission Company Limited ('DMTCL') and NRSS XXXI(B) Transmission Limited ('NRSS') from Edelweiss Infrastructure Yield Plus ('EIYP') pursuant to share purchase agreement dated on 1 November 2022 and subsequent closing on 11 November 2022. The Trust issued its units amounting to INR 4,700 million and INR 3,600 million to EIYP in exchange of 100% equity stake in DMTCL and NRSS respectively.

Summary of valuation report

Particulars	DMTCL	NRSS
Enterprise value as at 30 June 2022	12,907.00	9,897.00
Method of valuation	Discounted Cash Flow	Discounted Cash Flow
Discount rate (WACC)	8.45%	8.24%

Enterprise value as disclosed above are based solely on the fair valuation report dated 18 October 2022 of the independent valuer appointed by the Investment manager under the InvIT Regulations.

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(30) Significant accounting judgements, estimates and assumptions

The preparation of the Trust's Consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

Judgements

In the process of applying the Trust's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

(a) Applicability of Appendix D - Service Concession Arrangements of Ind AS 115 Revenue from contracts with customers

The Group through its subsidiaries acts as a transmission licensee under the Electricity Act, 2003 holding valid licenses for 25 years. The subsidiaries have entered into Transmission Services Agreements ("TSA") with Long Term Transmission Customers ("LTTC") through a tariff based bidding process to Build, Own, Operate and Maintain ("BOOM") the transmission infrastructure for a period 35 years. The management of the Company is of the view that the grantor as defined under Appendix D of Ind AS 115 ("Appendix D") requires transmission licensee to obtain various approvals under the regulatory framework to conduct its operations both during the period of the license as well as at the end of the license period. However, in the view of management, the grantor's involvement and approvals are to protect public interest and are not intended to control, through ownership, beneficial entitlement or otherwise, any significant residual interest in the transmission infrastructure at the end of the term of the arrangement. Accordingly, management is of the view that Appendix D to Ind AS 115 is not applicable to the Group.

(b) Acquisition of Transmission SPVs classified as asset acquisitions

The Group acquires operational transmission SPVs. The purchase consideration primarily pertains to the fair value of the transmission assets. All such assets are operational assets with fixed tariff revenues under the Transmission Services Agreements (TSAs) for 35 years. The only key activity for these SPVs is the maintenance of the transmission assets which is outsourced to third parties. There are few employees in these entities and no other significant processes are performed for earning tariff revenues.

Based on evaluation of the above fact pattern vis-a-vis the guidance on definition of business under Ind AS and also keeping in view the relevant guidance on similar fact pattern available under accounting standards applicable in other jurisdictions, the management has classified the acquisition of transmission SPVs as asset acquisition.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Trust based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Trust. Such changes are reflected in the assumptions when they occur.

(a) Fair valuation and disclosures

SEBI Circulars issued under the InvIT Regulations require disclosures relating to net assets at fair value and total returns at fair value. In estimating the fair value of investments in subsidiaries (which constitute substantial portion of the net assets), the Trust engages independent qualified external valuers to perform the valuation. The management works closely with the valuers to establish the appropriate valuation techniques and inputs to the model. The management reports the valuation report and findings to the Board of the Investment Manager quarterly to explain the cause of fluctuations in the fair value of the transmission projects. The inputs to the valuation models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as WACC, Tax rates, Inflation rates, etc. Changes in assumptions about these factors could affect the fair value.

(b) Defined benefit plans

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.
Further details about gratuity obligation are given in Note 31.

(c) Impairment of non-financial assets

Non-financial assets of the Trust primarily comprise of property, plant and equipment. The provision for impairment/(reversal) of impairment of property, plant & equipment and service concession receivable is made based on the difference between the carrying amounts and the recoverable amounts. The recoverable amount of the property, plant & equipment and service concession receivable has been computed by external independent valuation

experts based on value in use calculation for the underlying projects (based on discounted cash flow model). On a periodic basis, according to the recoverable amounts of individual portfolio assets computed by the valuation experts, the Trust tests impairment on the amounts invested in the respective subsidiary companies. The valuation exercise so carried out considers various factors including cash flow projections, changes in interest rates, discount rates, risk premium for market conditions. Based on the valuation exercise so carried out, there is no impairment for the year ended March 31, 2024. The key assumptions used to determine the recoverable amount for the underlying projects are disclosed and further explained in

(d) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. For the calculation of deferred tax assets/liabilities, the Trust has not considered tax holiday available under the Income Tax Act. The management based on estimated cash flow workings for the SPVs, believes that since there will be losses in the initial years of the SPVs, no benefit under the Income tax Act would accrue to those SPVs in respect of the tax holiday.

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Edelweiss Real Assets Managers Limited *

All amounts in Rupees million unless otherwise stated

(31) Disclosures for Employee Benefits

a. Defined benefit plan - gratuity

The Trust has a defined benefit plan (Gratuity) for its employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn) for each completed year of service as per the provisions of the Payment of Gratuity Act, 1972. The said gratuity plan is unfunded.
The Trust performs actuarial valuation of gratuity liability on an annual basis.

The following table sets out the components of net gratuity benefit expense recognised in Statement of Profit and Loss and amounts recognised in the Balance Sheet for the respective plans:

	Particulars	Year ended March 31, 2024	Year ended March 31, 2023
i	**Expense recognized in Statement of Profit & Loss for the year (included in Note 17 Employee Benefit Expense)**		
	Service cost:		
	Current service cost	0.31	0.12
	Interest cost	0.11	0.04
	Total expense charged to Statement of Profit and Loss	**0.42**	**0.16**
ii	**Expense recognized in Other Comprehensive Income for the year**		
	Components of actuarial losses / (gains) on obligations:		
	Due to changes in demographic assumptions	-	-
	Due to changes in financial assumptions	0.01	-
	Due to changes in experience adjustments	0.07	0.03
	Total expense recognised in Other Comprehensive Income	**0.08**	**0.03**
iii	**Reconciliation of defined benefit obligation**		
	Opening Balance of defined benefit obligation on account of acquisition	1.49	1.32
	Current service cost	0.31	0.12
	Interest cost	0.11	0.04
	Benefits paid	-	-
	Actuarial loss / (gain) from changes in demographic assumptions	-	-
	Actuarial loss / (gain) from changes in financial assumption	-	0.01
	Actuarial loss / (gain) from experience over past years	0.08	-
	Closing Balance of defined benefit obligation	**1.99**	**1.49**
iv	**The principal assumptions used in determining above defined benefit obligations for the Group's plan are as under:**	**Year ended March 31, 2024**	**Year ended March 31, 2023**
	Discount Rate (p.a)	7.00%	7.10%
	Expected rate of increase in salary (p.a)	10.00%	10.00%
	Withdrawal rates	15.00%	15.00%
	Mortality Rates	Indian Assured Lives Mortality (2012-14) ULT	Indian Assured Lives Mortality (2012-14) ULT
	Expected average remaining working life	5 years	5.5 years
v	**Sensitivity analysis of impact on Defined benefit obligation (DBO) for changes in significant assumptions is as under:**	**Year ended March 31, 2024**	**Year ended March 31, 2023**
	Expected rate of increase in salary		
	100 basis point increase	0.14	0.10
	100 basis point decrease	(0.12)	(0.09)
	Discount Rate		
	100 basis point increase	(0.13)	(0.10)
	100 basis point decrease	0.14	0.11
	Withdrawal rate		
	100 basis point increase	(0.03)	(0.02)
	100 basis point decrease	0.03	0.02
	Mortality (increase in expected life)		
	increase in expected life by 1 year	Negligible change	Negligible change
	increase in expected life by 3 years	Negligible change	Negligible change

b. Defined Contribution Plans

The Group makes Provident Fund to defined contribution plans for qualifying employees. Under the schemes, the group is required to contribute a specified percentage of payroll costs to fund the benefits. The Group has recognised provident fund contribution including administration charges for the year ended March 31, 2024 of Rs. 0.61 million (March 31, 2023: Rs. 0.21 million) as expense and contribution to pension fund for the year ended March 31, 2024 of Rs. 0.19 million (March 31, 2023: Rs. 0.07 million) in Note 17 under the head 'Contributions to Provident and Other Funds'.

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Edelweiss Real Assets Managers Limited *

All amounts in Rupees million unless otherwise stated

(32) List of subsidiaries which are included in consolidation and Anzen's effective holding therein are as under:

Name of subsidiary	Country of incorporation	Ownership interest%	
		As At March 31, 2024	As At March 31, 2023
Directly held by the Trust:			
Darbhanga - Motihari Transmission Company Limited ("DMTCL")	India	100%	100%
NRSS XXXI (B) Transmission Limited ("NRSS")	India	100%	100%

Acquisition of Transmission Assets

(a) In previous year, Anzen acquired 100% of the equity share capital of DMTCL and NRSS pursuant to the Securities Purchase Agreement dated November 01, 2022 viz.1,62,96,667 equity shares of face value Rs. 10 each of DMTCL and 98,32,143 equity shares of face value Rs. 10 each of NRSS from EIYP in exchange of 83 million units issued by Anzen to EIYP and subsequent closing on November 11, 2022.

(b) As per the Securities Purchase Agreement, any amounts due to Darbhanga - Motihari Transmission Company Limited ('DMTCL') and NRSS XXXI(B) Transmission Limited ('NRSS') pursuant to any future order passed by any competent authority pursuant to claims or appeals filed by Darbhanga - Motihari Transmission Company Limited ('DMTCL') and NRSS XXXI(B) Transmission Limited ('NRSS') until the Closing Date (including any claims or appeals filed in relation to the CERC Order such as the appeal filed by DMTCL dated June 24, 2022) ("Future Receivables") Anzen India Energy Yield Plus Trust/Darbhanga - Motihari Transmission Company Limited ('DMTCL') and NRSS XXXI(B) Transmission Limited ('NRSS') shall pursuant to the receipt of final, non-appealable orders of a court of competent jurisdiction, be transferred to Edelweiss Infrastructure Yield Plus. Based on the management assessment of the possible outcome of these matters and timing thereof, the same is not considered as contingent consideration as per Ind AS 103 Business Combination.

(33) Hon'ble Central Electricity Regulatory Commission ("CERC") in its order dated December 27, 2023 ("the Order") passed the judgement in favour of NRSS, granting them in – principle approval of the additional costs incidental to laying optical ground wire ("OPGW") by replacing the earth-wire on the transmission towers under the provisions of 'Change in law' as stated in Transmission Service Agreement. NRSS would run the bidding process as directed in the Order and approach CERC to get the cost and mechanism for recovery of the capital expenditure to be incurred. Considering the process is not yet completed and due to uncertainty with respect to the amounts of additional cost and compensation receivable, the consequent effect of the Order has not been given in these financial statements.

(34) Segment reporting

The Trust's activities comprise of owning and investing in transmission and renewable energy assets to generate cash flows for distribution to unitholders. Based on the guiding principles given in Ind AS - 108 "Operating Segments", this activity falls within a single operating segment and accordingly the disclosures of Ind AS -108 have not separately been given.

Under Point of Connection (PoC) mechanism, Power Grid Corporation of India Limited ('PGCIL') is designated as central transmission utility with the responsibility for billing and collecting of usage charges from Inter-State Transmission Services (ISTS) users. Hence the entire amount of trade receivables pertaining to transmission charges is receivable from PGCIL.

(35) Subsequent event

On May 24, 2024, the Board of directors of the Investment Manager approved a dividend of Rs. 2.45 per unit for the period January 1 , 2024 to March 31, 2024 to be paid on or before 15 days from the date of declaration.

(36) Previous year figures

Previous period/year's figures have been regrouped / rearranged wherever necessary to confirm the current period classification.

For S R B C & CO LLP
Chartered Accountants
Firm Registration No: 324982E/E300003

per Amit Singh
Partner
Membership Number : 408869
Place : Mumbai
Date : May 24, 2024

S R B C & CO LLP CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of Edelweiss Real Assets Managers Limited (As Investment Manager to Anzen India Energy Yield Plus Trust)

Ranjita Deo
CIO & Whole-time Director
DIN No. : 09609160

Vaibhav Doshi
Chief Financial Officer

Jalpa Parekh
Company Secretary
Membership Number : A44507

Place : Mumbai
Date : May 24, 2024

Edelweiss Real Assets Managers Limited

Ground Floor
Panchshil Tech Park, Yerwada
(Near Don Bosco School)
Pune - 411 006, India
Tel : +91 20 6603 6000

INDEPENDENT AUDITOR'S REPORT

To the Unit holders of Anzen India Energy Yield Plus Trust

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Anzen India Energy Yield Plus Trust (hereinafter referred to as "the InvIT") and its subsidiaries (the InvIT and its subsidiaries together referred to as "the Group") comprising of the consolidated Balance sheet as at March 31 2023, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Statement of Changes in Unit Holders' Equity, the consolidated Statement of Cash Flow for the year then ended, the consolidated Statement of Net Assets at fair value as at March 31, 2023, the consolidated Statement of Total Returns at fair value, the Statement of Net Distributable Cash Flows ('NDCFs') of the InvIT and each of its subsidiaries for the year then ended, and a summary of significant accounting policies and other explanatory notes (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us the aforesaid consolidated financial statements give the information required by the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended including any guidelines and circulars issued thereunder (together referred as the "InvIT Regulations") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, to the extent not inconsistent with InvIT Regulations, of the consolidated state of affairs of the Group as at March 31, 2023, its consolidated loss including other comprehensive income, its consolidated cash movements and its consolidated movement of the unit holders' funds for the year ended March 31, 2023, its consolidated net assets at fair value as at March 31, 2023, its consolidated total returns at fair value and the net distributable cash flows of the InvIT and each of its subsidiaries for the year ended March 31, 2023.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the InvIT Regulations and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

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Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matters	How our audit addressed the key audit matter
Applicability of Appendix D of Ind AS 115 'Service Concession Arrangement' *(as described in Note 30 of the consolidated financial statements)*	
The Group through its subsidiaries acts as a transmission licensee under the Electricity Act, 2003 holding valid licenses for 25 years. Generally, the subsidiaries have entered into Transmission Services Agreements ("TSA") with Long Term Transmission Customers ("LTTC") through a tariff-based bidding process to Build, Own, Operate and Maintain ("BOOM") the transmission infrastructure for a period of 35 years. The Management of Investment Manager ("management") is of the view that the grantor as defined under Appendix D of Ind AS 115 ("Appendix D") requires transmission licensee to obtain various approvals under the regulatory framework to conduct its operations both during the period of the license as well as at the end of the license period. In the view of management, generally the grantor's involvement and approvals are to protect public interest and are not	Our audit procedures included, among others, the following: • Obtained and read the TSAs to understand roles and responsibilities of the grantor. • Evaluated the TSAs to understand whether the grantor controls significant residual interest in the infrastructure at the end of the term of the arrangement through ownership, beneficial ownership or otherwise. • Discussed with management regarding the extent of grantor's involvement in the transmission assets and grantor's intention not to control the significant residual interest through ownership, beneficial entitlement or otherwise. • Assessed the positions taken by other entities in India with similar projects/TSAs as to the extent of involvement of the grantor and the

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Key audit matters	How our audit addressed the key audit matter
intended to control, through ownership, beneficial entitlement or otherwise, any significant residual interest in the transmission infrastructure at the end of the term of the arrangement. Accordingly, management is of the view that Appendix D is not applicable to the Group. Considering the judgement involved in determining the grantor's involvement and whether the grantor controls, through ownership, beneficial entitlement or otherwise, and any significant residual interest in the transmission infrastructure at the end of the term of the arrangement, this is considered as a key audit matter.	consequent evaluation of the applicability of Appendix D for such entities and confirmed our understanding. • Read and assessed the disclosures included in the consolidated financial statements for compliance with the relevant accounting standards requirements.
<u>Impairment of property, plant and equipment</u> *(as described in Note 3 and 30 of the consolidated financial statements)*	
The Group owns and operates various power transmission assets. The carrying value of the power transmission assets as at March 31, 2023, included under property, plant and equipment INR 20,976.72 million. In accordance with Ind AS 36, at each reporting period end, management assesses the existence of impairment indicators of property, plant and equipment. In case of existence of impairment indicators, property, plant and equipment and balances are subjected to impairment test. The processes and methodologies for assessing and determining the fair value is based on complex assumptions, that by their nature imply the use of 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, debt	Our audit procedures included, among others, the following: • Read the policy, evaluated the design and tested the operating effectiveness of controls over assessment of impairment of property, plant and equipment and the assumptions used by management. • Obtained and read the valuation report of the Group's independent valuation expert, and assessed the expert's competence, capability and objectivity. • Involved our subject matter experts to perform an independent review of methodology, estimates and key assumptions (weighted average cost of capital, debt equity ratio, forecast period, terminal growth rate) used in the valuation by the Company's independent valuation expert. • Tested on sample basis that the tariff revenues considered in the respective

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Key audit matters	How our audit addressed the key audit matter
equity ratio, cost of debt, cost of equity, residual value, etc. 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.	valuation models are in agreement with TSAs/tariff orders and evaluated the reasonableness of cost and revenue attributes considered in forecast. • Tested completeness, arithmetical accuracy and validity of the data used in the calculations. • Evaluated the adequacy of disclosures included in the consolidated financial statements
<u>Classification of unit holders' funds as equity</u> *(as described in Note 30 of the consolidated financial statements)*	
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 InvIT 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. Considering the judgment required for classification of unit holders' funds as equity, this is considered as a key audit matter.	Our audit procedures included, among others the following: • Obtained and read the requirements for classification of financial liability and equity under Ind AS 32 - Financial Instruments: Presentation and evaluated the provisions of SEBI Circulars for classification/presentation of unit holders' funds in the financial statements of an Infrastructure Investment Trust. • Evaluated the disclosures included in the consolidated financial statements for compliance with the relevant requirements of InvIT regulations.

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<table>
<tr><th>Key audit matters</th><th>How our audit addressed the key audit matter</th></tr>
<tr><td colspan="2"><u>Acquisition of Transmission Special Purpose Vehicles ("SPVs") classified as asset acquisitions</u> (as described in Note 30 of the consolidated financial statements)</td></tr>
<tr><td>The Group acquires operational transmission SPVs from the Sponsor or from third parties. The purchase consideration primarily pertains to the fair value of the transmission assets. All such assets are operational assets with fixed tariff revenues under the Transmission Services Agreements (TSAs) for 35 years. The only key activity for these SPVs is the maintenance of the transmission assets which is outsourced to third parties. There are very few employees in these entities and no other significant processes are performed for earning tariff revenues in any of the SPVs.

Based on evaluation of the above fact pattern vis-a-vis the guidance on definition of business under Ind AS, including evaluation under the optional concentration test, and also keeping in view the relevant guidance on similar fact pattern available under accounting standards applicable in other jurisdictions, management classified the acquisition of transmission SPVs as asset acquisition.

Considering the judgement involved in determining if the acquisition of transmission SPVs constitute business or asset, it is considered as a key audit matter.</td><td>Our audit procedures included, among others, the following:

• Read the relevant guidance under Ind AS on determining if the acquired SPVs constitutes a business.

• Assessed the activities of the transmission SPVs.

• Read and assessed the Group's accounting policy for recognition and classification on the acquisition of transmission SPVs.

• Discussed with management the key assumption underlying the Group's assessment and tested the underlying data used for classification made by the Group.

• Read and assessed the disclosures in the consolidated financial statements for compliance with the relevant accounting standards requirement.</td></tr>
<tr><td colspan="2">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 30 of the consolidated financial statements)</td></tr>
<tr><td>The Group is required to disclose Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value pursuant to SEBI circulars issued</td><td>Our audit procedures included, among others the following:</td></tr>
</table>

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Key audit matters	How our audit addressed the key audit matter
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 Group. For the purpose of the above, fair value is determined by forecasting and discounting future cash flows. The processes and methodologies for assessing and determining the fair value is based on complex assumptions, that by their nature imply the use of 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, debt equity ratio, cost of debt, cost of equity, residual value, etc. 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.	• 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. • Read the policy, evaluated the design and tested the operating effectiveness of controls over assessment of fair value and the assumptions used by management. • Read the policy, evaluated the design and tested the operating effectiveness of controls over preparation statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value as per InvIT regulations and the assumption used by management. • Obtained and read the valuation report by the InvIT's independent valuation expert, and assessed the expert's competence, capability and objectivity. • Involved our subject matter experts to perform an independent review of methodology, estimates and key assumptions (weighted average cost of capital, debt equity ratio, forecast period, terminal growth rate) used in the valuation by the Company's independent valuation expert. • Tested on sample basis that the tariff revenues considered in the respective valuation models are in agreement with TSAs/tariff orders and evaluated the reasonableness of cost and revenue attributes considered in forecast. • Tested completeness, arithmetical accuracy and validity of the data used in the calculations. • Evaluated the adequacy of disclosures included in the consolidated financial statements.

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Other Information

The management of Edelweiss Real Assets Managers Limited (the "Investment Manager") is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual report is expected to be made available to us after the date of this auditor's report.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management for the Consolidated Financial Statements

The Management of the Investment Manager ('the Management') is responsible for the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash movements and the consolidated movement of the unit holders' funds for the year ended March 31, 2023, the consolidated net assets at fair value as at March 31, 2023, the consolidated total returns at fair value of the InvIT and the net distributable cash flows of the InvIT and each of its subsidiaries in accordance with the requirements of the InvIT Regulations, the Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended), and other accounting principles generally accepted in India, to the extent not inconsistent with InvIT Regulations. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the management, as aforesaid.

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In preparing the consolidated financial statements, the Board of Directors of the Investment Manager and the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
The Management and respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements

S R B C & CO LLP CHARTERED ACCOUNTANTS

represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the InvIT and such other entities included in the consolidated financial statements of which we are the independent auditors 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 consolidated financial statements for the financial year ended March 31, 2023 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.

Other Matter

The financial statements of the InvIT for the period ended from November 1, 2021 to March 31, 2022 included as comparative financial information in the accompanying consolidated financial statements, have been approved by the Investment Manager's Board of Directors, but have not been subject to audit.

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 of the aforesaid consolidated financial statements;

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(b) The Consolidated Balance Sheet and the Consolidated Statement of Profit and Loss are in agreement with the books of account;

(c) In our opinion, the aforesaid consolidated 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 Amit Singh
Partner
Membership Number: 408869
UDIN: 23408869BGXKKU8210
Place of Signature: Pune
Date: May 25, 2023

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

Anzen India Energy Yield Plus Trust
Consolidated Balance Sheet as at March 31, 2023
All amounts in Rupees million unless otherwise stated

Particulars	Notes	As at March 31, 2023	As at March 31, 2022 (Refer Note 35)
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	(3)	20,976.72	-
(i) Other financial assets	(4)	7.37	-
(b) Income tax assets (net)		24.36	-
Total non-current assets		**21,008.45**	-
(2) Current assets			
(a) Financial assets			
(i) Investments	(5)	1,306.42	-
(ii) Trade receivables	(7)	12.03	-
(iii) Cash and cash equivalents	(8A)	65.35	-
(iv) Bank balances other than disclosed in note 8A above	(8B)	176.24	-
(v) Other financial assets	(4)	656.62	-
(b) Other current assets	(6)	31.13	-
Total current assets		**2,247.79**	-
Total assets		**23,256.24**	-
EQUITY AND LIABILITIES			
EQUITY			
(a) Unit capital	(9)	15,624.79	-
(b) Other equity	(10)	(515.19)	-
Total equity		**15,109.60**	-
LIABILITIES			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	(11)	7,416.24	-
(b) Provisions	(12)	1.89	-
Total non-current liabilities		**7,418.13**	-
(2) Current liabilities			
(a) Financial liabilities			
(i) Trade payables	(13)		
(a) total outstanding dues of micro and small enterprises		4.72	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		58.42	-
(ii) Other financial liabilities	(14)	632.99	-
(b) Other current liabilities	(15)	31.75	-
(c) Provisions	(12)	0.63	-
Total current liabilities		**728.51**	-
Total equity and liabilities		**23,256.24**	-

Summary of significant accounting policies 2

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
Firm Registration No: 324982E/E300003

per Amit Singh
Partner
Membership Number : 408869
Place : Pune
Date : May 25, 2023

S R B C & CO LLP ★ CHARTERED ACCOUNTANTS ★

For and on behalf of the Board of Directors of
Edelweiss Real Assets Managers Limited
(As Investment Manager to Anzen India Energy Yield Plus Trust)

Ranjita Deo
CIO & Whole-time Director
DIN No. : 09609160

Vaibhav Doshi
Chief Financial Officer

Jalpa Parekh
Company Secretary
Membership Number : A44507

Place : Mumbai
Date : May 25, 2023

Edelweiss Real Assets Managers Limited ★

Anzen India Energy Yield Plus Trust
Consolidated Statement of Profit and Loss for the year ended March 31, 2023
All amounts in Rupees million unless otherwise stated

Particulars	Notes	Year ended March 31, 2023	For the period from November 01, 2021 to March 31, 2022 (Refer Note 35)
INCOME			
Revenue from contract with customers	(16)	936.69	-
Income from investment in mutual fund		51.37	-
Interest income on investment in fixed deposits		8.62	-
Other income		2.52	-
Total income		999.20	-
EXPENSES			
Operation and maintenance expense		30.60	-
Employee benefit expense	(17)	6.79	-
Depreciation expense	(3)	770.13	-
Finance costs	(18)	439.20	-
Investment management fees (refer Note 19)		24.18	-
Project management fees (refer Note 19)		10.53	-
Insurance expenses		20.87	-
Legal and professional fees		35.59	-
Annual listing fee		2.62	-
Rating fee		2.66	-
Valuation expenses		0.90	-
Trustee fee		0.64	-
Payment to auditors			
- Statutory audit fees		3.73	-
- Other services (including certifications)		0.02	-
Other expenses	(19)	7.82	-
Total expenses		1,356.28	-
Loss before tax		(357.08)	-
Tax expense:			
(1) Current tax	(26)	(37.84)	-
(2) Deferred tax	(26)	-	-
Loss for the year/period (A)		(319.24)	-
Other Comprehensive Income			
Items that will not be reclassified to profit or loss in subsequent periods		(0.01)	-
Items that will be reclassified to profit or loss in subsequent periods		-	-
Total other comprehensive income for the year/period, net of tax (B)		(0.01)	-
Total comprehensive income for the year/period, net of tax (A+B)		(319.25)	-
Loss for the year/period			
Attributable to :			
Unit holders		(319.24)	-
Non- Controlling interest		-	-
Total comprehensive income for the year/period:			
Attributable to :			
Unit holders		(319.25)	-
Non- Controlling interest		-	-
Earnings per unit (Rs. per unit)	(28)		
Basic and diluted		(5.23)	-

Summary of significant accounting policies 2

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
Firm Registration No: 324982E/E300003

per Amit Singh
Partner
Membership Number : 408869
Place : Pune
Date : May 25, 2023

S R B C & CO LLP CHARTERED ACCOUNTANTS

For and on behalf of the Board of Directors of
Edelweiss Real Assets Managers Limited
(As Investment Manager to Anzen India Energy Yield Plus Trust)

Ranjita Deo
CIO & Whole-time Director
DIN No. : 09609160

Vaibhav Doshi
Chief Financial Officer

Jalpa Parekh
Company Secretary
Membership Number : A44507

Place : Mumbai
Date : May 25, 2023

Edelweiss Real Assets Managers Limited

Anzen India Energy Yield Plus Trust
Consolidated Cash Flow Statement for the year ended March 31, 2023
All amounts in Rupees million unless otherwise stated

Particulars	Year ended March 31, 2023	For the period from November 01, 2021 to March 31, 2022 (Refer Note 35)
Cash flow from operating activities		
Loss before tax	(357.08)	-
Adjustments to reconcile loss before tax to net cash flows:		
Depreciation expenses	770.13	-
Interest income on investment in fixed deposits	(8.62)	-
Income from investment in mutual fund	(51.37)	-
Finance costs	439.20	-
Operating profit before working capital changes	**792.26**	-
Working capital adjustment		
(Increase) / Decrease in other assets	(10.17)	-
(Increase) / Decrease in other financial assets	(313.68)	-
(Increase) / Decrease in trade receivables	1,407.59	-
Increase / (Decrease) in trade payables	32.19	-
Increase / (Decrease) in provisions	(0.16)	-
Increase / (Decrease) in other liabilities	29.35	-
Increase / (Decrease) in other financial liabilities	(994.78)	-
Cash flow generated from operations	**942.60**	-
Direct taxes paid (net of refunds)	(60.89)	-
Net cash flow from operating activities [A]	**881.71**	-
Cash flow from investing activities		
Acquisition of property, plant and equipment#	(13,446.85)	-
Acquisition of other assets (net of other liabilities)#	(1,811.45)	-
Investment in fixed deposits	(9,426.33)	-
Proceeds from maturity of fixed deposits	10,424.36	-
Investment in mutual funds	(8,693.97)	-
Proceeds from sale of investment in mutual funds	8,006.51	-
Interest income on investment in fixed deposits	8.46	-
		-
Net cash flow used in investing activities [B]	**(14,939.27)**	-
Cash flow from financing activities		
Proceeds from issue of Unit capital*	7,500.00	-
Payment of unit issue expenses	(175.21)	-
Proceeds from non convertible debentures (secured)	7,500.00	-
Repayment of non convertible debentures (secured)	(12,294.00)	-
Acquisition of borrowings#	12,160.67	-
payment of distributions to unit holders	(195.92)	-
Payment of interest on NCD	(296.33)	-
Payment of upfront fees for NCD	(91.63)	-
Net cash flow from financing activities [C]	**14,107.58**	-
Net increase / (decrease) in cash and cash equivalents [A+B+C]	**50.02**	-
Cash and cash equivalents at the beginning of the year (refer Note 8A)	-	-
Cash and cash equivalents on acquisition	15.33	-
Cash and cash equivalents at the end of the year (refer Note 8A)	65.35	-

*Trust has purchased for 16.30 million and 9.83 million equity shares issued by Darbhanga - Motihari Transmission Company Limited ('DMTCL') and NRSS XXXI(B) Transmission Limited ('NRSS') in exchange of issue if its 83.00 million units. The same has not been reflected in cash flow being a non- cash transaction.

Pertains to projects acquired during the year viz. DMTCL and NRSS- Refer Note 32

Components of cash and cash equivalents:	As at March 31, 2023
Balances with banks :	
- On current accounts	65.35
- Deposit with original maturity of less than 3 months	-
Total cash and cash equivalents (refer note 8A)	**65.35**

S R B C & CO LLP ★ CHARTERED ACCOUNTANTS ★

Edelweiss Real Assets Managers Limited ★

Anzen India Energy Yield Plus Trust
Consolidated Cash Flow Statement for the year ended March 31, 2023
All amounts in Rupees million unless otherwise stated

Reconciliation between opening and closing balances for liabilities arising from financing activities (including current maturities)

Particulars	Year ended March 31, 2023
Opening total borrowings (including interest accrued but not due)	-
Cash flow	
- Interest paid	(296.33)
- Proceeds/(repayments)	7,500.00
Interest accrued	298.00
Others (ancillary borrowing cost)	(83.76)
Closing total borrowings (including interest accrued but not due)	**7,417.91**

Summary of significant accounting policies

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
Firm Registration No: 324982E/E300003

per Amit Singh
Partner
Membership Number : 408869
Place : Pune
Date : May 25, 2023

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

For and on behalf of the Board of Directors of
Edelweiss Real Assets Managers Limited
(As Investment Manager to Anzen India Energy Yield Plus Trus

Ranjita Deo
CIO & Whole-time Director
DIN No. : 09609160

Vaibhav Doshi
Chief Financial Officer

Jalpa Parekh
Company Secretary
Membership Number : A44507

Place : Mumbai
Date : May 25, 2023

Edelweiss Real Assets Managers Limited *

Anzen India Energy Yield Plus Trust
Consolidated Statement of Changes in Unit holders' Equity for the year ended March 31, 2023
All amounts in Rupees million unless otherwise stated

A. Unit capital

Particulars	No. of units in million	Amount
As at November 01, 2021 (Refer Note 35)	-	-
Units issued during the year (refer note 8)	-	-
As at March 31, 2022	-	-
Units issued during the year [refer note 9(a)]	158.00	15,800.00
Less: Issue expenses [refer note 9(b)]		(175.21)
As at March 31, 2023	**158.00**	**15,624.79**

B. Other equity

Particulars	Reserves and Surplus	Other comprehensive income	Total
	Retained Earnings	Actuarial gain/(loss) on defined liabilities	
As at November 01, 2021 (Refer Note 35)	-	-	-
Profit for the period	-	-	-
Other comprehensive income for the period	-	-	-
As at March 31, 2022	-	-	-
Loss for the year	(319.26)	-	(319.26)
Other comprehensive income for the year	-	(0.01)	(0.01)
Less: Distribution during the year	(195.92)	-	(195.92)
As at March 31, 2023	**(515.18)**	**(0.01)**	**(515.19)**

Note:

The distribution during the year does not include the distribution relating to last quarter of FY 2022-23 which will be paid after March 31, 2023.

The distributions made by Anzen to its unitholders are based on the Net Distributable Cash Flows (NDCF) of Anzen under the InvIT Regulations and hence part of the same includes repayment of capital as well.

The accompanying notes are an integral part of the consolidated financial statements.

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
Firm Registration No: 324982E/E300003

per Amit Singh
Partner
Membership Number : 408869
Place : Pune
Date : May 25, 2023

For and on behalf of the Board of Directors of
Edelweiss Real Assets Managers Limited
(As Investment Manager to Anzen India Energy Yield Plus Trust)

Ranjita Deo
CIO & Whole-time Director
DIN No. : 09609160

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Chief Financial Officer

Jalpa Parekh
Company Secretary
Membership Number : A44507

Place : Mumbai
Date : May 25, 2023

S R B C & CO LLP ★ CHARTERED ACCOUNTANTS ★

Edelweiss Real Assets Managers Limited ★

Anzen India Energy Yield Plus Trust
Notes to consolidated financial statements for the year ended March 31, 2023
Disclosures Pursuant To SEBI Circulars
(SEBI Circular No. CIR/IMD/DF/114/2016 dated October 20, 2016 and No. CIR/IMD/DF/127/2016 dated November 29, 2016 issued under the InvIT Regulations)

A. Statement of Net Assets at Fair Value as at March 31, 2023 (refer note 2 below)

(Rs. in million)

Particulars	Book Value	Fair Value
A. Assets	23,256.24	24,840.40
B. Liabilities (at book value)	8,146.64	8,146.64
C . Net Asset Value (A-B)	15,109.60	16,693.76
D . Number of units	158.00	158.00
E. NAV (C/D)	95.63	105.66

Notes:

1. Project wise break up of Fair value of Assets as at March 31, 2023

(Rs. in million)

Particulars	Fair Value
Darbhanga - Motihari Transmission Company Limited ("DMTCL")	13,849.80
NRSS XXXI (B) Transmission Limited ("NRSS")	10,337.42
Sub total	24,187.22
InvIT Assets	653.18
Total Assets	24,840.40

2. Fair values of total assets (including project wise break up for DMTCL and NRSS of fair value of total assets) as at March 31, 2023 as disclosed above are based solely on the fair valuation report dated May 23, 2023 of the independent valuer appointed by the Investment manager under the InvIT Regulations.

B. Statement of Total Return at Fair Value (refer note 1 below)

(Rs. in million)

Particulars	Year ended March 31, 2023
Total Comprehensive Income (as per the Statement of Profit and Loss)	(319.25)
Add/(less): Other Changes in Fair Value (e.g., in investment property, property, plant & equipment (if cost model is followed)) not recognized in Total Comprehensive Income (refer note 1 below)	1,584.16
Total Return	1,264.91

Notes:

1. Fair value of assets as at March 31, 2023 and other changes in fair value for the year then ended as disclosed in the above tables are based on fair valuation report issued by the independent valuer appointed under the InvIT regulations.
2. Sensitivity analysis with respect to significant unobservable inputs used in the fair value measurement has been disclosed in Note 23.

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
Firm Registration No: 324982E/E300003

per Amit Singh
Partner
Membership Number : 408869
Place : Pune
Date : May 25, 2023

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For and on behalf of the Board of Directors of
Edelweiss Real Assets Managers Limited
(As Investment Manager to Anzen India Energy Yield Plus Trust)

Ranjita Deo
CIO & Whole-time Director
DIN No. : 09609160

Vaibhav Doshi
Chief Financial Officer

Jalpa Parekh
Company Secretary
Membership Number : A44507

Place : Mumbai
Date : May 25, 2023

Edelweiss Real Assets Managers Limited ★

Anzen India Energy Yield Plus Trust
Notes to Consolidated Financial Statements for the period ended March 31, 2023
Disclosures Pursuant To SEBI Circulars
(SEBI Circular No. CIR/IMD/DF/114/2016 dated October 20, 2016 and No. CIR/IMD/DF/127/2016 dated November 29, 2016 issued under the InvIT Regulations)

ADDITIONAL DISCLOSURES AS REQUIRED BY PARAGRAPH 6 OF ANNEXURE A TO THE SEBI CIRCULAR NO. CIR/IMD/DF/127/2016

A) Statement of Net Distributable Cash Flows (NDCFs) of Anzen India Energy Yield Plus Trust

(Rs. in Million)

Description	Year ended March 31, 2023
Inflow from Project SPV Distributions	
Cash flows received from SPVs in the form of interest / accrued interest / additional interest	712.87
Add: Cash flows received from SPVs in the form of dividend	-
Add: Cash flows from the SPVs towards the repayment of the debt provided to the SPVs by the Anzen Trust and/ or redemption of debentures issued by SPVs to the Anzen Trust	626.00
Add: Cash flows from the SPVs through capital reduction by way of a buy back or any other means as permitted, subject to applicable law	-
Inflow from Investments / Assets	-
Add: Cash flows from sale of equity shares or any other investments in SPVs adjusted for amounts reinvested or planned to be reinvested	-
Add: Cash flows from the sale of the SPVs not distributed pursuant to an earlier plan to reinvest, or if such proceeds are not intended to be invested subsequently	-
Inflow from Liabilities	-
Add: Cash flows from additional borrowings (including debentures / other securities), fresh issuance of units, etc.	15,000.00
Other Inflows	-
Add: Any other income accruing at the Anzen Trust and not captured above, as deemed necessary by the Investment Manager, including but not limited to interest / return on surplus cash invested by the Anzen Trust	35.09
Total cash inflow at the Anzen Trust level (A)	16,373.96
Outflow for Anzen Trust Expenses / Taxes	
Less: Any payment of fees, interest and expenses incurred at the Anzen Trust, including but not limited to the fees of the Investment Manager, Project Manager, Trustee, Auditor, Valuer, Credit Rating Agency, etc.	(438.76)
Less: Income tax (if applicable) for standalone Anzen Trust and / or payment of other statutory dues	(15.05)
Outflow for Liabilities	-
Less: Repayment of third-party debt (principal) / redeemable preference shares / debentures, etc., net of any debt raised by refinancing of existing debt	-
Less: Net cash set aside to comply with borrowing requirements such as DSRA, minimum cash balance, etc.	(155.00)
Outflow for Assets	-
Less: Amount invested in any of the SPVs	(15,071.00)
Less: Amounts set aside to be invested or planned to be invested, as deemed necessary by the Investment Manager in compliance with the InvIT Regulations	-
Less: Investments including acquisition of other SPVs	-
Other Outflows	-
Less: Any provision or reserve deemed necessary by the Investment Manager for expenses which may be due in future	(102.47)
Add / Less: Amounts added/ retained in accordance with the transaction documents or the loan agreements in relation to the Anzen Trust	-
Less: Any other expense of the Anzen Trust not captured herein as deemed necessary by the Investment Manager	-
Add / Less: Any other adjustment to be undertaken by the Board to ensure that there is no double counting of the same item for the above calculations	-
Total cash outflow/retention at the Anzen Trust level (B)	(15,782.28)
Net Distributable Cash Flows (C) = (A+B)	591.68

* Rs 195.92 million distribution has been made during the year.

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B) Statement of Net Distributable Cash Flows (NDCFs) of underlying SPVs

i) Darbhanga - Motihari Transmission Company Limited ('DMTCL')

Description	Year ended March 31, 2023
Profit after tax as per profit and loss account (standalone) (A)	(248.70)
Reversal of Distributions charged to P&L	-
Add: Interest (including interest on unpaid interest, if any) on loans availed from / debentures issued to the Anzen Trust, as per profit and loss account	391.94
Adjustment of Non-cash items	-
Add: Depreciation, impairment (in case of impairment reversal, same will be deducted) and amortisation as per profit and loss account.	246.96
Add / less: Any other item of non-cash expense / non-cash income (net of actual cash flows for these items), including but not limited to	-
• Any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	(8.81)
• Interest cost as per effective interest rate method (difference between accrued and actual paid);	73.58
• Deferred tax, lease rents, provisions, etc.	3.50
Adjustments for Assets on Balance Sheet	-
Add / less: Decrease / increase in working capital	388.98
Add / less: Loss / gain on sale of assets / investments	(8.52)
Add: Net proceeds (after applicable taxes) from sale of assets / investments adjusted for proceeds reinvested or planned to be reinvested.	-
Add: Net proceeds (after applicable taxes) from sale of assets / investments not distributed pursuant to an earlier plan to reinvest, if such proceeds are not intended to be invested subsequently.	-
Less: Capital expenditure, if any.	(7.02)
Less: Investments made in accordance with the investment objective, if any.	-
Adjustments for Liabilities on Balance Sheet	-
Less: Repayment of third-party debt (principal) / redeemable preference shares / debentures, etc., net of any debt raised by refinancing of existing debt.	-
Less: Net cash set aside to comply with borrowing requirements such as DSRA, minimum cash balance, etc.	-
Add: Proceeds from additional borrowings (including debentures / other securities), fresh issuance of equity shares / preference shares, etc.	-
Less: Payment of any other liabilities (not covered under working capital)	-
Other Adjustments	-
Less: Any provision or reserve deemed necessary by the Investment Manager for expenses / liabilities which may be due in future.	-
Add / less: Amounts added or retained in accordance with the transaction documents or the loan agreements in relation to the SPVs.	(385.33)
Add / less: Any other adjustment to be undertaken by the Board to ensure that there is no double counting of the same item for the above calculations.	-
Add: Such portion of the existing cash balance available, if any, as deemed necessary by the Investment Manager in line with the InvIT Regulations.	-
Total Adjustments (B)	695.28
Net Distributable Cash Flows (C) = (A+B)	446.58

During the period, amount being at least 90% has already been distributed to Anzen.

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Anzen India Energy Yield Plus Trust
Notes to Consolidated Financial Statements for the period ended March 31, 2023
Disclosures Pursuant To SEBI Circulars
(SEBI Circular No. CIR/IMD/DF/114/2016 dated October 20, 2016 and No. CIR/IMD/DF/127/2016 dated November 29, 2016 issued under the InvIT Regulations)

ii) NRSS XXX1(B) Transmission Limited ('NRSS')

Description	Year ended March 31, 2023
Profit after tax as per profit and loss account (standalone) (A)	(167.36)
Reversal of Distributions charged to P&L	-
Add: Interest (including interest on unpaid interest, if any) on loans availed from / debentures issued to the Anzen Trust, as per profit and loss account	287.47
Adjustment of Non-cash items	-
Add: Depreciation, impairment (in case of impairment reversal, same will be deducted) and amortisation as per profit and loss account.	140.08
Add / less: Any other item of non-cash expense / non-cash income (net of actual cash flows for these items), including but not limited to	-
• Any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	(3.36)
• Interest cost as per effective interest rate method (difference between accrued and actual paid);	58.50
• Deferred tax, lease rents, provisions, etc.	1.06
Adjustments for Assets on Balance Sheet	-
Add / less: Decrease / increase in working capital	199.07
Add / less: Loss / gain on sale of assets / investments	(6.35)
Add: Net proceeds (after applicable taxes) from sale of assets / investments adjusted for proceeds reinvested or planned to be reinvested.	-
Add: Net proceeds (after applicable taxes) from sale of assets / investments not distributed pursuant to an earlier plan to reinvest, if such proceeds are not intended to be invested subsequently.	-
Less: Capital expenditure, if any.	-
Less: Investments made in accordance with the investment objective, if any.	-
Adjustments for Liabilities on Balance Sheet	-
Less: Repayment of third-party debt (principal) / redeemable preference shares / debentures, etc., net of any debt raised by refinancing of existing debt.	-
Less: Net cash set aside to comply with borrowing requirements such as DSRA, minimum cash balance, etc.	-
Add: Proceeds from additional borrowings (including debentures / other securities), fresh issuance of equity shares / preference shares, etc.	-
Less: Payment of any other liabilities (not covered under working capital)	-
Other Adjustments	-
Less: Any provision or reserve deemed necessary by the Investment Manager for expenses / liabilities which may be due in future.	-
Add / less: Amounts added or retained in accordance with the transaction documents or the loan agreements in relation to the SPVs.	(196.63)
Add / less: Any other adjustment to be undertaken by the Board to ensure that there is no double counting of the same item for the above calculations.	-
Add: Such portion of the existing cash balance available, if any, as deemed necessary by the Investment Manager in line with the InvIT Regulations.	-
Total Adjustments (B)	**479.84**
Net Distributable Cash Flows (C) = (A+B)	**312.48**

During the period, amount being at least 90% has already been distributed to Anzen.

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Anzen India Energy Yield Plus Trust
Notes to consolidated financial statements for the year ended March 31, 2023
All amounts in Rupees million unless otherwise stated

1. **Group information**

The consolidated financial statements comprise financial statements of Anzen India Energy Yield Plus Trust ("the Trust" or "Anzen") and its subsidiaries (collectively, the Group). Anzen is an Irrevocable trust settled by Sekura Energy Private Limited(the "Sponsor") on November 01, 2021 pursuant to the Trust Deed under the provisions of the Indian Trusts Act, 1882 and registered with Securities Exchange Board of India ("SEBI") under the SEBI (Infrastructure Investment Trust) Regulations, 2014 as an Infrastructure Investment Trust on January 18, 2022 having registration number IN/InvIT/21-22/0020. The Trustee of Anzen is Axis Trustee Services Limited (the "Trustee"). The investment manager for Anzen is Edelweiss Real Assets Managers Limited (the "Investment Manager" or the "Management"). The objectives of Anzen are to undertake activities as an infrastructure investment trust in accordance with the provisions of the InvIT Regulations and the Trust Deed. The principal activity of Anzen is to own and invest in power transmission assets and renewable energy assets in India with the objective of producing stable and sustainable distributions to unitholders.

As at March 31, 2023, Anzen has following project entities ("Special Purpose Vehicles" or "SPVs") which are transmission infrastructure projects developed on Build, Own, Operate and Maintain ('BOOM') basis:

(a) Darbhanga - Motihari Transmission Company Limited ("DMTCL")
(b) NRSS XXXI (B) Transmission Limited ("NRSS")

These SPVs have executed Transmission Services Agreements ("TSAs") with Long term transmission customers under which the SPVs have to maintain the transmission infrastructure for 35 years post commissioning.

The address of the registered office of the Investment Manager is Plot 294/3, Edelweiss House, off CST Road, Kalina, Santacruz - East. Mumbai 400098. Maharashtra. India.
The financial statements were authorised for issue in accordance with resolution of Board of Directors of the Investment Manager on May 25, 2023

2. **BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES**

2.1 **Basis of preparation of financial statements**

The consolidated financial statements comprise of the Consolidated Balance Sheet as at March 31, 2023, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Unit Holders' Equity for the year then ended and the Consolidated Statement of Net Assets at fair value as at March 31, 2023 and the Consolidated Statement of Total Returns at fair value and the Statement of Net Distributable Cash Flows ('NDCFs') of the Trust, the underlying holding company ("HoldCo") and each of its subsidiaries for the year then ended and a summary of significant accounting policies and other explanatory notes prepared in accordance with Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015(as amended), prescribed under Section 133 of the Companies Act, 2013 ("Ind AS") read with SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended and the circulars issued thereunder ("InvIT Regulations"). The consolidated financial statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments
- Certain financial assets measured at fair value (e.g. Liquid mutual funds)

The consolidated financial statements are presented in Indian Rupees Million, except when otherwise indicated.

As per regulation 20 of INVIT regulations 2014, the Group is eligible for a total debt (net of cash and cash equivalents) of 70% to AUM. As at March 31, 2023, the total debt (net of cash and cash equivalents) to AUM is within the prescribed limits.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Trust and its subsidiaries as at March 31, 2023. Control is achieved when the Group is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Group has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including:

- The contractual arrangement with the other vote holders of the investee
- Rights arising from other contractual arrangements
- The Group's voting rights and potential voting rights
- The size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders

The Group re-assesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. If a member of the group uses accounting policies other than those adopted in the consolidated financial statements for like transactions and events in similar circumstances, appropriate adjustments are made to that group member's financial statements in preparing the consolidated financial statements to ensure conformity with the group's accounting policies.

The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent, i.e., period ended on March 31.

Consolidation procedure:

(a) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.

(b) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary.

(c) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full).

Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the unit holders of the Trust and to the non controlling interests (if any), even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. If the Group loses control over a subsidiary, it:

- Derecognises the assets (including goodwill) and liabilities of the subsidiary
- Derecognises the carrying amount of any non-controlling interests
- Derecognises the cumulative translation differences recorded in equity
- Recognises the fair value of the consideration received
- Recognises the fair value of any investment retained
- Recognises any surplus or deficit in profit or loss
- Reclassifies the parent's share of components previously recognised in OCI to profit or loss or retained earnings, as appropriate, as would be required if the Group had directly disposed of the related assets or liabilities.

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2.2 Summary of significant accounting policies

The following is the summary of significant accounting policies applied by the Group in preparing its Consolidated financial statements:

a) Acquisition of Transmission SPVs classified as asset acquisitions

The Group acquires operational transmission and Solar Project SPVs from the Sponsor or from third party. The purchase consideration primarily pertains to the fair value of the transmission assets. All such assets are operational assets with fixed tariff revenues under the Transmission Services Agreements (TSAs) for 35 years . The only key activity for these SPVs is the maintenance of the transmission assets which is outsourced to third parties and partially done in house. There are few employees in these entities and no other significant processes are performed for earning tariff revenues.

Based on evaluation of the above fact pattern vis-a-vis the guidance on definition of business under Ind AS and also keeping in view the relevant guidance on similar fact pattern available under accounting standards applicable in other jurisdictions, the management has classified the acquisition of transmission SPVs as asset acquisition.

b) Current versus non-current classification

The Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:
• Expected to be realised or intended to be sold or consumed in normal operating cycle
• Held primarily for the purpose of trading
• Expected to be realised within twelve months after the reporting year, or
• Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting year
All other assets are classified as non-current.

A liability is current when:
• It is expected to be settled in normal operating cycle
• It is held primarily for the purpose of trading
• It is due to be settled within twelve months after the reporting year, or
• There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting year
The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.
The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has identified twelve months as its operating cycle.

c) Foreign currencies

The Group's Consolidated financial statements are presented in INR, which is its functional currency. The Group does not have any foreign operation.

Transactions and balances
Transactions in foreign currencies are initially recorded by the Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

d) Fair value measurement

The Group measures financial instruments such as mutual funds at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
In the principal market for the asset or liability, or
In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the Group.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.
A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.
All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
Level 3 -Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.
For assets and liabilities that are recognised in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.
In estimating the fair value of transmission assets/projects, the Group engages independent qualified external valuers to perform the valuation. The management works closely with the external valuers to establish the appropriate valuation techniques and inputs to the model. The management in conjunction with the external valuers also compares the change in fair value with relevant external sources to determine whether the change is reasonable. The management reports the valuation report and findings to the Board of the Investment Manager annually to explain the cause of fluctuations in the fair value of the transmission projects.

At each reporting date, the management analyses the movement of assets and liabilities which are required to be remeasured or reassessed as per the Group's accounting policies. For this analysis, the management verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.
For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.
• Disclosures of Statement of Net Assets at fair value and Statement of Total Returns at fair value
• Quantitative disclosures of fair value measurement hierarchy (note 23)
• Investment in quoted mutual fund (note 5)
• Financial instruments (including those carried at amortised cost) (note 24)

e) Revenue from contracts with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. The Group has concluded that it is the principal in its revenue arrangements because it typically controls the services before transferring them to the customer.

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Power transmission services
Revenue from contracts with customers comprises of revenue from power transmission services rendered in India to Long Term Transmission Customers (LTTCs) pursuant to the respective Transmission Services Agreements (TSAs) executed by the Group with LTTCs for years of 35 years. The Group is required to ensure that the transmission assets meet the minimum availability criteria under the respective TSAs. The Group's performance obligation vide the TSAs is to provide power transmission services. The performance obligation is satisfied over time as the customers receive and consume the benefits provided by the Group's performance as the Group performs. Accordingly, the revenue from power transmission services is recognised over time based on the transmission asset availabilities and the tariff charges approved under the respective CERC tariff orders and includes unbilled revenues accrued up to the end of the accounting year. The payment is generally due within 60 days.

Operation and maintenance service
Revenue from operation and maintenance contracts are recognised pro-rata over the year of the contract as and when services are rendered.

Contract balances
A receivable represents the Group's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due). Amounts which have been billed to the customers are disclosed as trade receivables and amounts which are to be billed to the customers (and not conditional on the group's future performance) are disclosed under "Other financial assets". Refer accounting policies for financial assets in Financial instruments - initial recognition and subsequent measurement.

Interest income
Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend
Income from dividend on investments is accrued in the year in which generally it is approved by the shareholders, whereby the Group's right to receive is established.

f) Taxes
Current income tax
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside statement of profit or loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.
Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax
Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.
Deferred tax liabilities are recognised for all taxable temporary differences, except:
• When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
• In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses.
Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:
• When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
• In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside statement of profit or loss is recognised outside statement of profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable group and the same taxation authority.
Sales/value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/value added taxes paid, except:
• When the tax incurred on a purchase of assets or services is not recoverable from the tax authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
• When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the tax authority is included as part of receivables or payables in the balance sheet.

g) Property, plant and equipment
Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. No decommissioning liabilities are expected or be incurred on the assets of plant and equipment.

Expenditure directly relating to construction activity is capitalised. Indirect expenditure incurred during construction period is capitalised as part of the construction costs to the extent the expenditure can be attributable to construction activity or is incidental there to. Income earned during the construction period is deducted from the total of the indirect expenditure.

Depreciation is calculated on pro-rata basis on a written down value. Freehold land is not depreciated. The Group is providing depreciation at the following useful life:

Asset class	Useful lives
Plant and equipment	5 - 35 years
Office equipments	5 - 7 years
Furniture and fixtures	10 years
Computers	3 years

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The Group, based on technical assessment made by technical expert and management estimate, depreciates certain items of plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013 which is applicable to the subsidiary companies. The management believes that these estimated useful lives are realistic and reflect fair approximation of the year over which the assets are likely to be used.
An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

h) Borrowing costs
Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial year of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the year in which they occur. Borrowing costs consist of interest and other costs that the Group incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

i) Impairment of non current financial assets
The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Group bases its impairment calculations on detailed budget and forecast calculations. These budgets are prepared for the entire project life.
Impairment losses of continuing operations are recognised in the statement of profit and loss.
An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.
In determining fair value measurement, the impact of potential climate-related matters, including legislation, which may affect the fair value measurement of assets and liabilities in the financial statements has been considered. These risks in respect of climate-related matters are included as key assumptions where they materially impact the measure of recoverable amount. These assumptions have been included in the cash-flow forecasts in assessing value-in-use amounts.
At present, the impact of climate-related matters is not material to the Group's financial statements.

j) Provisions, contingent liabilities and contingent assets
Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.
If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed for, (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Group, or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised in the financial statements.

k) Retirement and other employee benefits
Retirement benefit in the form of provident fund is a defined contribution scheme. The Group has no obligation, other than the contribution payable to the provident fund. The Group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the year in which they occur. Remeasurements are not reclassified to profit or loss in subsequent years.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Group recognises the following changes in the net defined benefit obligation as an expense in the Consolidated statement of profit and loss:
• Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
• Net interest expense or income
Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The Group recognizes expected cost of short-term employee benefit as an expense, when an employee renders the related service.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.
The group operates defined benefit gratuity plan in India.
The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent on 28 September 2020. The Code has been published in the Gazette of India. While section 142 of the Code pertaining to mandatorily registering Aadhar by beneficiaries has come into force on 03 May 2021, however, the date on which the entire Code will come into effect has not been notified and the final rules/interpretation have not yet been issued. The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

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I) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

i. Debt instruments at amortised cost
ii. Debt instruments at fair value through other comprehensive income (FVTOCI)
iii. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
iv. Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Financial assets at amortised cost (debt instruments)

A 'financial asset' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss.

Financial assets at fair value through OCI (FVTOCI) (debt instruments)

A 'financial asset' is classified as the FVTOCI if both of the following criteria are met:

a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and

b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit or loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit or loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL.

Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the Group's Consolidated balance sheet) when:

• The rights to receive cash flows from the asset have expired, or

• The Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Group has transferred substantially all the risks and rewards of the asset, or (b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Group continues to recognise the transferred asset to the extent of the Group's continuing involvement. In that case, the Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Group has retained.

Impairment of financial assets

Majority of the financial assets of the Group pertain to Trade and other receivables. Considering the nature of business, the Group does not foresee any credit risk on its trade and other receivables which may cause an impairment. As per the TSA, the receivables are covered by clause of payment security mechanism which ensures receipt of all trade receivables. Also, the Group does not have any past history of impairment of Trade and other receivables.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include borrowings and related costs, trade and other payables, and derivative financial instruments.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:

• Financial liabilities at fair value through profit or loss
• Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities at amortised cost (Loans and borrowings)

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to borrowings. For more information refer Note 11.

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Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Reclassification of financial assets
The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Group's senior management determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting year following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in profit or loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss the reclassification date.

Offsetting of financial instruments
Financial assets and financial liabilities are offset and the net amount is reported in the Consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

m) **Cash and cash equivalents**
Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.
For the purpose of the Consolidated statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

n) **Cash distribution to unit holders**
The Group recognises a liability to make cash distributions to unit holders when the distribution is authorised and a legal obligation has been created. As per the InvIT Regulations, a distribution is authorised when it is approved by the Board of Directors of the Investment Manager. A corresponding amount is recognised directly in equity.

o) **Earnings per unit**
Basic earnings per unit is calculated by dividing the net profit or loss attributable to unit holders of the Trust (after deducting preference dividends and attributable taxes if any) by the weighted average number of units outstanding during the period. The weighted average number of units outstanding during the period is adjusted for events such as bonus issue, bonus element in a rights issue, split, and reverse split (consolidation of units) that have changed the number of units outstanding, without a corresponding change in resources.

For the purpose of calculating diluted earnings per unit, the net profit or loss for the period attributable to unit holders of the Trust and the weighted average number of units outstanding during the period are adjusted for the effects of all dilutive potential units.

p) **Recent accounting pronouncements**
The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2022 having material impact on these financial statements. There is no impact of standard or amendment that has been issued but is not yet effective.

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All amounts in Rupees million unless otherwise stated

(3) Property, plant and equipment

Particulars	Freehold land	Plant and equipment	Furniture and fixtures	Office equipment	Computers	Total
Gross Block						
As at November 01, 2021 (Refer Note 35)	-	-	-	-	-	-
Additions during the period	-	-	-	-	-	-
Disposals during the period	-	-	-	-	-	-
As at March 31, 2022	-	-	-	-	-	-
Addition on account of acquisition (refer note 32)	78.39	21,664.80	0.60	2.39	0.58	21,746.76
Additions during the year	-	-	-	0.09	-	0.09
Disposals during the year	-	-	-	-	-	-
As at March 31, 2023	78.39	21,664.80	0.60	2.48	0.58	21,746.85
Accumulated depreciation						
As at November 01, 2021 (Refer Note 35)	-	-	-	-	-	-
Depreciation for the period	-	-	-	-	-	-
Disposals during the period	-	-	-	-	-	-
As at March 31, 2022	-	-	-	-	-	-
Depreciation for the year	-	769.33	0.07	0.54	0.19	770.13
Disposals during the year	-	-	-	-	-	-
As at March 31, 2023	-	769.33	0.07	0.54	0.19	770.13
Net Block						
As at March 31, 2022	-	-	-	-	-	-
As at March 31, 2023	78.39	20,895.47	0.53	1.94	0.39	20,976.72

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All amounts in Rupees million unless otherwise stated

(4) Other financial assets
Non - Current

Particulars	As at March 31, 2023	As at March 31, 2022 (Refer Note 35)
(Unsecured, considered good)		
Security deposits	7.37	-
Total	7.37	-
Current		
(Unsecured, considered good)		
Unbilled revenue*	655.45	-
Interest accrued on fixed deposit	0.16	-
Fixed deposit having remaining maturity of less than twelve months	0.36	-
Othe receivables	0.65	-
Total	656.62	-

*Unbilled revenue is the transmission charges for the last quarter of period and incentive billed to transmission utilities in the next month subsequent to year end.

(5) Investments
Current

Particulars	As at March 31, 2023	As at March 31, 2022 (Refer Note 35)
Investments in mutual funds (valued at fair value through Profit or Loss)		
ICICI Prudential Liquid fund-Direct Plan Growth(1,904,747.211 units)	634.64	-
ABSL Liquid fund-Growth-Direct Plan(900,428.322 units)	326.93	-
Axis Liquid Fund-Direct Growth(120,494.916 units)	301.34	-
ICICI Prudential Liquid Fund - Direct Plan -Growth - overnight(25,088.682 units)	30.32	-
ABSL Overnight Fund-Growth-Direct Plan(10,879.295 units)	13.19	-
Total	1,306.42	-

Aggregate value of quoted investments	1,306.42	-
Aggregate value of unquoted investments	-	-

(6) Other assets
Current

Particulars	As at March 31, 2023	As at March 31, 2022 (Refer Note 35)
(Unsecured, considered good)		
Prepaid expenses	30.98	-
Advances recoverable in cash or in kind	0.15	-
Total	31.13	-

(7) Trade receivables

Particulars	As at March 31, 2023	As at March 31, 2022 (Refer Note 35)
(Unsecured, considered good)		
Trade receivables	12.03	-
Total	12.03	-

No trade or other receivable are due from directors or other officers of the Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies respectively in which any director is a partner, a director or a memeber.
Trade receivables are non-interest bearing and are generally on terms of 60 days.
See Note 24(a) on credit risk of trade receivables, which explains how the Group manages and measures credit quality of trade receivables that are neither past due nor impaired.

Trade Receivables ageing schedule as at March 31, 2023:

Ageing Schedule as at 31 March 2023	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
Undisputed Trade Receivables - considered good	12.03	-	-	-	-	12.03
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-
Disputed Trade receivables – which have significant increase in credit risk	-	-	-	-	-	-
Disputed Trade receivables – credit impaired	-	-	-	-	-	-
Total	12.03	-	-	-	-	12.03

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All amounts in Rupees million unless otherwise stated

(8A) Cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022 (Refer Note 35)
Cash and cash equivalents		
Cash in hand	-	-
Balances with banks in current accounts	65.35	-
Total	65.35	-

Balances with bank on current account does not earn interest.

(8B) Balances with bank on current account does not earn interest. Short-term deposits are made for

Particulars	As at March 31, 2023	As at March 31, 2022 (Refer Note 35)
Other bank balances		
Deposits with original maturity more than 3 months but less than 12 months	21.24	-
Balances with bank held as margin money or security against borrowings, guarantees and other commitments#	155.00	-
Total	176.24	-

#Fixed deposits with banks of Rs. 155.00 million as at March 31, 2023 (March 31, 2022: Nil) and interest accrued thereon of Rs. Nil are lien marked with Catalyst Trusteeship Limited (debenture trustee).

Short-term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirements of the trust, and earn interest at the respective short-term deposit rates.

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(9) Unit capital

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of units in million	Amount	No. of units in million	Amount
Issued, subscribed and fully paid up:				
Units of Rs. 100 each	158.00	15,800.00	-	-
Less: Issue expenses		(175.21)		-
		15,624.79		-

Note:

(a) Anzen India Energy Yield Plus Trust has made an initial issue of 75,000,000 units, for cash at a price of Rs 100.00 per unit, aggregating to Rs. 7500 Million to the eligible unitholders (as defined in the Final Placement Memorandum) (the "Issue") on private placement basis, in accordance with the Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014 including the circulars and guidelines issued thereunder. The issue opened on November 10, 2022 and closed on November 11,2022. Additionally, pursuant to the share purchase agreement with Edelweiss Infrastructure Yield Plus Trust ("EIYP"), EIYP was allotted 83,000,000 units of Anzen.
The InvIT Committee of Edelweiss Real Assets Managers Limited (Investment Manager of Anzen), considered and approved allotment of 1,58,000,000 units to the eligible unitholders of Anzen on November 11, 2022.

(b) Issue expenses of Rs.175.21 Million incurred in connection with issue of units have been reduced from the Unitholders capital in accordance with Ind AS 32 Financial Instruments: Presentation

(i) Terms/Rights attached to the equity capital

The Trust has only one class of Units having a par value of Rs. 100 per Unit. Each Unit represents an undivided beneficial interest in the Trust. Each holder of unit is entitled to one vote per unit. The Unitholders have the right to receive at least 90% of the Net Distributable Cash Flows of the Trust at least once in every year in accordance with the InvIT Regulations. The Investment Manager approves dividend distributions. The distribution will be in proportion to the number of units held by the unitholders. The Trust declares and pays dividends in Indian rupees.

A Unitholder has no equitable or proprietary interest in the projects of the Trust and is not entitled to any share in the transfer of the projects (or any part thereof) or any interest in the projects (or any part thereof) of the Trust. A Unitholder's right is limited to the right to require due administration of the Trust in accordance with the provisions of the Trust Deed and the Investment Management Agreement.

(ii) Details of Unitholders holding more than 5% units in the Trust

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of units in million	% holding	No. of units in million	% holding
Edelweiss Infrastructure Yield Plus	93.80	59.37%	-	-
Sekura Energy Private Limited	23.80	15.06%	-	-
Larsen & Toubro Limited	15.20	9.62%	-	-
	132.80	84.05%	-	-

(iii) Reconciliation of units outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of units in million	Amount	No. of units in million	Amount
At the beginning of the year	-	-	-	-
Add : Issued during the year	158.00	15,800.00	-	-
Less: Issue expenses (refer note (b) above)	-	(175.21)	-	-
Outstanding at the end of the year	158.00	15,624.79	-	-

The Trust issued its units amounting to Rs.8,300 million to EIYP in exchange of 100% equity stake in DMTCL and NRSS respectively and Rs. 7,500 million for Cash consideration.

(iv) The Trust has not allotted any fully paid up units by way of bonus units nor has it bought back any class of units from the date of incorporation till the balance sheet date.

(10) Other equity

Particulars	As at March 31, 2023	As at March 31, 2022
Loss for the year	(319.26)	-
Other comprehensive income	(0.01)	-
Less: Distribution to Unit Holders	(195.92)	-
Closing balance	(515.19)	-
Total	(515.19)	-

Retained earnings are the profits earned by the Trust till date, less distribution paid to unitholders, if any.

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Anzen India Energy Yield Plus Trust
Notes to consolidated financial statements for the year ended March 31, 2023
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(11) Borrowings
Non - current:

Particulars	Effective Interest Rate	As at March 31, 2023	As at March 31, 2022 (Refer Note 35)
Borrowings at amortised cost			
A. Secured			
8.01% Series A Non convertible debentures (4,500 debentures of Rs.1,000,000 each fully paid up) **	8.47%	4,450.33	-
8.34% Series B Non convertible debentures (3,000 debentures of Rs.1,000,000 each fully paid up) **	8.70%	2,965.91	-
Less: current maturities of debentures		-	-
		7,416.24	-

**Net of ancillary borrowing costs amounting to Rs. 83.76 million for Series A and Series B.

Aggregate non-current borrowings	**7,416.24**	-
Aggregate current borrowings	-	-

(a) Terms of borrowings

On December 01, 2022 the Trust has issued and allotted 7,500 secured, rated, listed, redeemable, non-convertible debentures of face value of Rs. 1,000,000 each for an aggregate consideration of Rs. 750.00 million on private placement basis.

Repayment schedule of NCD

Particulars	Amount	Maturity date
Series A	4,500.00	01-12-2025
Series B	3,000.00	01-12-2027

(b) Security

(i) a first pari passu charge by way of hypothecation on all the Issuer's current assets and other assets (excluding DSR and DSRA), both present and future, including: (i) all the receivables, right, title, interest, benefits, claims and demands whatsoever of the Issuer in, to and under all the loans and advances extended by the Issuer to the SPVs and HoldCo(s), present and future (collectively, the "Issuer Loans"); (ii) the receivables, right, title and interest and benefits of the Issuer in, to and under all the financing agreements, deeds, documents and agreements or any other instruments (both present and future) which are now executed or may hereafter be executed by the Issuer with respect to the Issuer Loans; Step in rights on the Loans shall be with the Common security Trustee. (iii) all bank accounts of the Issuer, including but not limited to the Escrow Account and the Sub-Accounts (including Cash Trap Sub Account) (if any) (excluding the distribution account and the accounts opened to meet the debt service reserve requirements in respect of any Additional Debt) or any accounts in substitution thereof that may be opened in accordance with the Debt Securities Documents, and in all funds from time to time deposited therein (including the reserves), all designated account opened with designated banks and the Permitted Investments or other securities representing all amounts credited to the Escrow Account;

(ii) a first and exclusive charge on the DSR and DSRA to be created in favour of the Common Security Trustee for benefit of Debt Securities under this Deed, and all amounts lying therein;

(iii) a first pari passu pledge over 100% (one hundred percent) of the equity share capital, compulsorily convertible debentures, optionally convertible debentures, non-convertible debentures and securities held by the Issuer in all the Project SPVs.

(iv) pari passu pledge over unencumbered equity share capital, compulsorily convertible debentures, optionally convertible debentures, non-convertible debentures and securities held by the Issuer and Holdco(s) in all the Other SPVs and Holdco(s) (as applicable).

(c) Interest

Interst shall accrue at the end of every quarter and shall be payable on the last date of each quarter.

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All amounts in Rupees million unless otherwise stated

(12) Provisions

Particulars	As at March 31, 2023	As at March 31, 2022 (Refer Note 35)
Non-current :		
Provision for employee benefits		
Gratuity (refer note 31)	1.31	-
Compensated absences	0.58	-
Total	1.89	-

Particulars	As at March 31, 2023	As at March 31, 2022 (Refer Note 35)
Current :		
Provision for employee benefits		
Gratuity (refer note 31)	0.16	-
Compensated absences	0.47	-
Total	0.63	-

(13) Trade payables

Particulars	As at March 31, 2023	As at March 31, 2022 (Refer Note 35)
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	4.72	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	58.42	-
	63.14	-
Trade payables		
- to related parties	42.65	-
- to others	20.49	-
	63.14	-

Trade payables ageing schedule as at March 31, 2023:

Particulars	Outstanding for following years from the date of transaction				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at March 31, 2023					
Total outstanding dues of micro and small enterprises	4.72	-	-	-	4.72
Total outstanding dues of creditors other than micro enterprises and small enterprises	58.19	0.21	-	0.02	58.42
Disputed dues of micro and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Total	62.91	0.21	-	0.02	63.14
As at March 31, 2022					
Total outstanding dues of micro and small enterprises	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Disputed dues of micro and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Total	-	-	-	-	-

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All amounts in Rupees million unless otherwise stated

Details of dues to Micro, Small, and Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) :

Particulars	As at March 31, 2023
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	4.72
Principal amount due to micro and small enterprises	-
Interest due on above	-
The amount of interest paid by the buyer in terms of section 16 of the MSMED Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act 2006.	-
The amount of interest accrued and remaining unpaid at the end of each accounting year	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSMED Act 2006	-

Trade payables are not- interest bearing and are normally settled on 30-90 days terms

For explanation on the Group's risk management policies, refer note 24

(14) Other financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022 (Refer Note 35)
Current		
Payable to related parties (refer note 29)	628.93	-
Interest accrued but not due on borrowings	1.67	-
Payable for purchase of property, plant and equipment	0.28	-
Payable to employees	2.11	-
	632.99	-

(15) Other liabilities

Particulars	As at March 31, 2023	As at March 31, 2022 (Refer Note 35)
Current		
Advance from customer	1.55	-
Statutory dues	30.20	-
	31.75	-

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All amounts in Rupees million unless otherwise stated

(16) Revenue from contracts with customers

Particulars	Year ended March 31, 2023	For the period from November 01, 2021 to March 31, 2022 (Refer Note 35)
Income from transmission charges	930.64	-
Income from operation and maintenance	6.05	-
	936.69	-

Revenue from contracts with customers comprises of revenue from power transmission services rendered in India to Long Term Transmission Customers (LTTCs) pursuant to the respective Transmission Services Agreements (TSAs) executed by the respective SPVs with LTTCs. The TSAs are executed for a period of 35 years and have fixed tariff charges as approved by CERC (except some incentives/penalties relating to transmission assets availabilities). Under the TSAs, the Group's performance obligation is to provide power transmission services. The Group is required to ensure that the transmission assets meet the minimum availability criteria under the respective TSAs failing which could result in certain disincentives/penalties. The performance obligation is satisfied over-time as the customers receive and consume the benefits provided by the Group's' performance as the Group perform. The payment is generally due within 60 days upon receipt of quarterly invoice by the customer. The Group receives payments as per the pooling arrangements specified under the Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations ('Pooling Regulations'). In the Point of Connection (PoC) mechanism, the transmission charges to be recovered from the entire system are allocated between users based on their location in the grid. Under the PoC mechanism, all the charges collected by the Central Transmission Utility (i.e. Power Grid Corporation of India Limited) from LTTCs are disbursed pro-rata to all Transmission Service Providers from the pool in proportion of the respective billed amount.
Applying the practical expedient as given in Ind AS 115, the Group has not disclosed the remaining performance obligation related disclosures since the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date.

(a) Disaggregated revenue information

Particulars	Year ended March 31, 2023	For the period from November 01, 2021 to March 31, 2022
Income from transmission charges	930.64	-
Income from operation and maintenance	6.05	-
Total	936.69	-

(b) Assets and liabilities related to contracts with customers

Particulars	As at March 31, 2023	As at March 31, 2022 (Refer Note 35)
Trade receivable	12.03	-
Unbilled revenue	655.45	-
Contract liabilities	1.55	-

Trade receivables are non-interest bearing and are generally on terms of 60 days. Contract liabilities include advances

(c) Project wise break up of revenue from contracts with customers

Particulars	As at March 31, 2023	As at March 31, 2022 (Refer Note 35)
Darbhanga - Motihari Transmission Company Limited	544.51	-
NRSS XXXI (B) Transmission Limited	392.18	-
Total	936.69	-

(d) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Particulars	Year ended March 31, 2023	For the period from November 01, 2021 to March 31, 2022 (Refer Note 35)
Revenue as per contracted price	936.69	-
Add : Surcharge	-	-
Less : Rebate	-	-
	936.69	-

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(e) Reconciliation of contract assets and liabilities

Particulars	Year ended March 31, 2023	For the period from November 01, 2021 to March 31, 2022 (Refer Note 35)
Opening balance		
Unbilled revenue	-	-
Trade receivable	-	-
Contract liabilities	-	-
(A)	-	-
Amounts billed to customers	12.03	-
Power transmission services provided, but remaining unbilled as at year end	655.45	-
Advance received from customer	(1.55)	-
(B)	665.93	-
Closing balance		
Unbilled revenue	655.45	-
Trade receivable	12.03	-
Contract liabilities	(1.55)	-
(A + B)	665.93	-

(17) Employee benefit expense

Particulars	Year ended March 31, 2023	For the period from November 01, 2021 to March 31, 2022 (Refer Note 35)
Salaries, wages and bonus	5.99	-
Gratuity expenses (refer note 31)	0.16	-
Contribution to provident and other funds (refer note 31)	0.28	-
Staff welfare expenses	0.36	-
	6.79	-

(18) Finance costs

Particulars	Year ended March 31, 2023	For the period from November 01, 2021 to March 31, 2022 (Refer Note 35)
Interest on		
Secured Non-convertible debentures	439.20	-
	439.20	-

(19) Other expenses

Particulars	Year ended March 31, 2023	For the period from November 01, 2021 to March 31, 2022 (Refer Note 35)
Rates and taxes	1.05	-
Membership charges	0.27	-
Power and fuel	1.69	-
Travelling and conveyance expenses	1.77	-
Rent (Expense relating to leases of low-value assets)	0.20	-
Miscellaneous expenses	2.84	-
	7.82	-

(a) Pursuant to the Project Implementation and Management Agreement dated November 1, 2022, Project Manager is entitled to fees @ 15% of gross operation and maintenance expenses (excluding insurance and statutory costs) incurred by each SPV per annum plus Goods and Service tax at rate as applicable effective from November 11, 2022. Consolidated Statement of Profit and Loss for the year ended March 31, 2023 includes amount of Rs 10.53 Million towards Project Manager fees. There are no changes during the year in the methodology for computation of fees paid to Project Manager.

(b) Pursuant to the Investment Management Agreement dated December 8, 2021, Investment Manager is entitled to fees of Rs. 55 million per annum plus Goods and Service tax at rate as applicable which is allocated to each project SPV equally. Consolidated statement of Profit and Loss for the year ended March 31, 2023 includes amount of Rs. 24.18 Million towards Investment Manager Fees. There are no changes during the year in the methodology for computation of fees paid to Investment Manager.

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All amounts in Rupees million unless otherwise stated

(20) Capital and other commitments

(a) Capital Commitments
The Group has no capital commitments for the year ended March 31, 2023.

(b) Other Commitments
The Group has entered into transmission services agreements (TSA) with long term transmission customers for the period of 35 (thirty five) years pursuant to which the Group have committed to transmit power of contracted capacity and ensure minimum availability of transmission line over the period of TSA. The TSA contains provision for penalties in case of certain defaults.

(21) Contingent liabilities

Particulars	As at March 31, 2023	As at March 31, 2022 (Refer Note 35)
Other matters	78.43	-
Total	78.43	-

i. During the financial year 2016-17, land owners had filed a case with the District Court, Ludhiana, Punjab towards compensation for the value of land over which the transmission line is passing. The Group is of the view that required amount of compensation to these landowners have already been paid and no further compensation is payable. Based on the legal advice, the Group does not anticipate any liability against the same and has disclosed a contingent liability of Rs. 61.65 million. Accordingly, no provision for any liability has been made in these financial statements.

ii. During the financial year 2020-21, land owners had filed a case with the Civil Court, Pehowa, Haryana towards compensation for costs incurred on account of transmission line passing. The Group is of the view that required amount of compensation to these landowners have already been paid and no further compensation is payable. Based on the legal advice, the Group does not anticipate any liability against the same and has disclosed a contingent liability of Rs. 2.00 million. Accordingly, no provision for any liability has been made in these financial statements.

iii. During the financial year FY 2018-19 and FY 2019-20, Power Grid Corporation of India Limited claimed recovery of Interest During Construction ("IDC"), Incidental Expenses During Construction ("IEDC") and transmission charges respectively on account of delay in commissioning of transmission lines by the Group. The Group is of the view that the delay in commissioning of transmission lines was due to force majeure events which were beyond the control of the Company. Central Electricity Regulatory Commission concluded in another matter through order dated 29/03/2019 passed in Petition No. 195/MP/2017 that delay in commissioning was not due to reasons attributable to the Company. Based on the legal advice, the Group does not anticipate any liability against the same and has disclosed a contingent liability of Rs. 14.78 million. Accordingly, no provision for any liability has been made in these financial statements.

(22) Financial Instruments by category

Set out below is a comparison, by class, of the carrying amounts and fair value of the Group's financial instruments as of March 31, 2023 :

Particulars	Amortised cost	Fair value through profit and loss	Fair value through other comprehensive income	Total carrying value	Total fair value
Financial assets					
Cash and cash equivalents	65.35	-	-	65.35	65.35
Investments in mutual funds	-	1,306.42	-	1,306.42	1,306.42
Other bank balances	176.24	-	-	176.24	176.24
Trade receivables	12.03	-	-	12.03	12.03
Other financial assets	663.99	-	-	663.99	663.99
Total	**917.61**	**1,306.42**	-	**2,224.03**	**2,224.03**
Financial liabilities					
Borrowings	7,416.24	-	-	7,416.24	7,394.03
Trade payables	63.14	-	-	63.14	63.14
Other financial liabilities	632.99	-	-	632.99	632.99
Total	**8,112.37**	-	-	**8,112.37**	**8,090.16**

Set out below is a comparison, by class, of the carrying amounts and fair value of the Trust's financial instruments as of March 31, 2022 :

Particulars	Amortised cost	Fair value through profit and loss	Fair value through other comprehensive income	Total carrying value	Total fair value
Financial assets					
Cash and cash equivalents	-	-	-	-	-
Investments	-	-	-	-	-
Loans	-	-	-	-	-
Other bank balances	-	-	-	-	-
Other financial assets	-	-	-	-	-
Total	-	-	-	-	-
Financial liabilities					
Borrowings	-	-	-	-	-
Trade payables	-	-	-	-	-
Other financial liabilities	-	-	-	-	-
Total	-	-	-	-	-

Carrying values of trade receivables, other financial assets, trade payables and other financial liabilities approximate their fair values.

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(23) Fair value hierarchy

The following table presents fair value hierarchy of assets and liabilities as of

Particulars	Fair value measurement at end of the reporting year using		
	Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)
Assets measured at fair value			
March 31, 2022			
Quoted investments - Investment in mutual funds	-	-	-
March 31, 2023			
Quoted investments - Investment in mutual funds	1,306.42	-	-
Asset for which fair value disclosures are given			
March 31, 2022			
Property, plant and equipment*	-	-	-
March 31, 2023			
Property, plant and equipment*	-	-	22,560.88
Liabilities for which fair value disclosures are given			
March 31, 2022			
Borrowings	-	-	-
March 31, 2023			
Borrowings	-	7,394.03	-

There have been no transfers among Level 1, Level 2 and Level 3.
Investment in mutual funds though unlisted, are quoted on recognised stock exchanges at their previous day NAVs which is the quote for the day.

*Statement of net asset at fair value and statement of total returns at fair value require disclosures regarding fair value of assets (liabilities at considered at book values). Since the fair values of assets other than property, plant and equipment approximate their book values, hence only property, plant and equipment has been disclosed above.

The Trust is required to present the Statement of total assets at fair value and Statement of total returns at fair value as per SEBI Circular No. CIR/IMD/DF/114/2016 dated 20 October 2016 as a part of these financial statements - Refer Statement of Net assets at fair value and Statement of Total Returns at fair value.

The inputs to the valuation models for computation of fair value of transmission assets for the above mentioned statements are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as WACC, Tax rates, Inflation rates, etc.

The significant unobservable inputs used in the fair value measurement required for disclosures categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at March 31, 2023 are as shown below:

Description of significant unobservable inputs to valuation:

Significant unobservable inputs	Input for March 31, 2023	Sensitivity of input to the fair value	Increase /(decrease) in fair value
			March 31, 2023
WACC	7.50% to 8.55%	0.50%	(1,204.00)
		-0.50%	1,355.00
Tax rate (normal tax and MAT)	MAT - 17.47%	2.00%	(402.00)
	Normal tax - 25.17%	-2.00%	389.00
Inflation rate for expenses	2.5% to 5%	20.00%	(220.02)
		-20.00%	184.42

(24) Financial risk management objectives and policies

The Group's principal financial liabilities comprise borrowings, trade and other payables and other financial liabilities. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include investments, loans, trade receivables, cash and short-term deposits and other financial assets that derive directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Investment manager oversees the management of these risks. The management reviews and agrees policies for managing each of these risks, which are summarised below.

The Risk Management policies of the Group are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities.

Management has overall responsibility for the establishment and oversight of the Group's risk management framework.

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(a) Credit risk on financial assets

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments. As at March 31, 2023 the credit risk is considered low since substantial transactions of the group are with its subsidiaries.

The Group through its subsidiaries is engaged in transmission business under BOOM (Build, Own, Operate and Maintain) model and currently derive its revenue primarily from BOOM contracts with long term transmission customers ('LTTC'). Being transmission licensee, the Group receives payments as per the pooling arrangements specified under the Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations, 2010 ('Pooling Regulations'). In the PoC method, the transmission charges to be recovered from the entire system are allocated between users based on their location in the grid. Under the PoC mechanism, all the charges collected by the Central Transmission Utility ('CTU') from LTTC's are disbursed pro-rata to all Transmission Service Providers ('TSPs') from the pool in proportion of the respective billed amount. Due to this, the TSPs are shielded against any potential default by a particular customer. If a particular customer delays or defaults, the delay or shortfall is prorated amongst all the TSPs. Based on past history of payments, payments due have always been paid and there have been no write-off's for due amounts.

Due to the payment mechanism explained above as well as due to no history of any write-off's of payments which were due, the Group has not considered any expected credit loss on the financial assets in the nature of trade receivables. During the various periods presented, there has been no change in the credit risk of trade receivables.

Credit risk from balances deposited/invested with banks as well as investments made in mutual funds, is managed by the Group's senior management in accordance with the Group's Treasury policy approved by the Board of Directors. Investments of surplus funds are made only with approved counterparties and within limits assigned to each counterparty. Counterparty limits are reviewed by the top management on an annual basis, and may be updated throughout the year subject to approval of the Board of Directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments. Based on this policy, the Group does not foresee any risk on account of credit losses, either in the scheduled commercial bank deposits which are made with AA+ rated banks and also in regard to mutual funds which is primarily debt oriented funds. No loss allowances have been provided for any trade receivables, or other receivables from financing activities like cash and bank deposits, mutual funds and other similar deposits. Also, there have been no modifications in contractual cash flows on financial assets.

The Group's maximum exposure to credit risk for the components of the Balance Sheet as at March 31, 2023 is the carrying amounts of Investments, Trade Receivables, Cash and bank balances and Other Assets as disclosed in Note 5, 7, 8, and 4 respectively. However, the credit risk is low due to reasons mentioned above.

(b) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk such as equity price risk. Financial instruments affected by market risk include loans and borrowings and investments.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Trust's borrowings are at fixed rate, hence the Trust is not exposed to Interest rate risk.

Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Trust did not have any exposure in foreign currency as at March 31, 2023.

Equity price risk

The Trust's investments in equity shares of subsidiaries are susceptible to market price risk arising from uncertainties about future values of those investments. Reports on the equity portfolio are submitted to the senior management on a regular basis. The Board of Directors of the Investment Manager reviews and approves all equity investment decisions. The Trust did not have any exposure of equity price risk as at March 31, 2023.

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(c) Liquidity risk

Liquidity risk is the risk that the Group may encounter difficulty in meeting its present and future obligations associated with financial liabilities that are required to be settled by delivering cash or another financial asset. The Trust's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral obligations. The Group requires funds both for short term operational needs as well as for long term investment programs mainly in growth projects. The Group closely monitors its liquidity position and deploys a robust cash management system. It aims to minimise these risks by generating sufficient cash flows from its current operations, which in addition to the available cash and cash equivalents, liquid investments and sufficient committed fund facilities, will provide liquidity.

The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The average credit year taken to settle trade payables is about 30 days. The other payables are with short term durations. The carrying amounts are assumed to be reasonable approximation of fair value. The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

Particulars	On demand	Less than 3 months	3 months to 1 year	1 year to 5 years	more than 5 years	Total
As at March 31, 2023						
Non convertible debentures (Secured)	-	-	-	7,416.24	-	7,416.24
Trade payables	-	63.14	-	-	-	63.14
Other financial liabilities	-	511.18	121.81	-	-	632.99
Interest on borrowings		152.24	459.66	1,530.96	-	2,142.86
	-	726.56	581.47	8,947.20	-	10,255.23
As at March 31, 2022						
Non convertible debentures (Secured)	-	-	-	-	-	-
Trade payables	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-
	-	-	-	-	-	-

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All amounts in Rupees million unless otherwise stated

(25) Capital management

For the purpose of the Group's capital management, capital includes issued unit capital and all other equity reserves attributable to the unit holders of the Trust. The primary objective of the Trust's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise unitholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Trust may adjust the distribution to unitholders (subject to the provisions of InvIT regulations which require distribution of at least 90% of the net distributable cash flows of the Trust to unit holders), return capital to unitholders or issue new units. The Trust monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Trust's policy is to keep the gearing ratio optimum. The Trust includes within net debt, interest bearing loans and borrowings, trade and other payables less cash and cash equivalents, other bank balances excluding discontinued operations.

Particulars	As At March 31, 2023	As at March 31, 2022 (Refer Note 35)
Borrowings	7,416.24	-
Trade Payables	63.14	-
Other financial liabilities	632.99	-
Less: Cash and other bank balances	(241.59)	-
Net debt [A]	**7,870.78**	**-**
Unit capital	15,624.79	-
Other equity	(515.19)	-
Total equity capital [B]	**15,109.60**	**-**
Capital and net debt [C=A+B]	**22,980.38**	**-**
Gearing ratio (%) [A/C]	**0.34**	**-**

In order to achieve this overall objective, the Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. There have been no breaches in the financial covenants of the Non convertible debentures.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2023.

(26) Tax expense

The major components of income tax expense for the year are:

Profit or loss section

Particulars	Year ended March 31, 2023	For the period from November 01, 2021 to March 31, 2022 (Refer Note 35)
Current income tax:		
Current income tax charge	(37.84)	-
Adjustments in respect of current income tax of previous year	-	-
Deferred tax:		
MAT credit entitlement for current year	-	-
Relating to origination and reversal of temporary differences	-	-
Income tax expense reported in the statement of profit or loss	(37.84)	-

The reconciliation between the provision of income tax and amounts computed by applying the Indian statutory income tax rate to profit before tax is as follows:

Particulars	Year ended March 31, 2023	For the period from November 01, 2021 to March 31, 2022 (Refer Note 35)
Loss before tax	(357.08)	-
Enacted income tax rate in India	25.17%	-
Computed expected tax	(89.88)	-
Effect of:		
Impact of exemption u/s 10(23FC) of the Income Tax Act, 1961 available to the Trust		
Non recognition of deferred tax on unabsorbed depreciation and other timing differences	52.04	-
Income tax expense recognised in the statement of profit and loss	(37.84)	-

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(27) Deferred Tax Liability (net)

Particulars	As at 31 March 2023	As at March 31, 2022 (Refer Note 35)
Deferred Tax Assets		
Tax losses	2,292.38	-
Gratuity payable	0.43	-
Leave encashment payable	0.31	-
Total	**2,293.12**	-
Deferred Tax Liabilities		
Property, plant and equipment : Impact of difference between tax depreciation and depreciation for	1,567.11	-
Ancillary borrowing cost	-	-
Total	**1,567.11**	-
Net deferred tax asset recognised (DTA restricted to the extent of DTL)	-	-

For the computation of deferred tax assets/liabilities, the Group has not considered tax holiday available under the Income Tax Act. The management based on estimated cash flow workings, believes that since there will be losses in the initial years of the SPVs, no benefit under the Income tax Act would accrue to in respect of the tax holiday. Management will re-assess this position at each balance sheet date. Tax losses represents unabsorbed depreciation. Unabsorbed depreciation can be carried forward indefinitely.

(28) Earnings per unit

Basic EPU amounts are calculated by dividing the profit for the year attributable to unit holders by the weighted average number of units outstanding during the year.

Diluted EPU amounts are calculated by dividing the profit for the year attributable to unit holders by the weighted average number of units outstanding during the year plus the weighted average number of units that would be issued on conversion of all the dilutive potential units into unit capital.

Particulars	Year ended March 31, 2023	For the period from November 01, 2021 to March 31, 2022 (Refer Note 35)
Loss after tax for calculating basic and diluted earnings per unit attributable to unitholders (Rs. million)	(319.25)	-
Weighted average number of units in calculating basic and diluted earnings per unit (No. in million)	61.04	-
Face value per unit (in Rs.)	100	-
Basic and diluted earnings per unit (In Rs.)	(5.23)	-

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(29) Related Party Disclosures

I. List of related parties as per the requirements of Ind-AS 24 - Related Party Disclosures

a) Entity with control over the Trust
Edelweiss Infrastructure Yield Plus (EIYP)

b) Entity with significant influence over the Trust
Sekura Energy Private Limited (SEPL) - Sponsor and Project Manager
Edelweiss Real Assets Managers Limited (ERAML) - Investment Manager
Edelweiss Financial Services Limited - Ultimate holding company of ERAML

II. List of related parties as per Regulation 2(1)(zv) of the InvIT Regulations

a) Parties of Anzen India Energy Yield Plus Trust
Sekura Energy Private Limited (SEPL) - Sponsor and Project manager
Edelweiss Real Assets Managers Limited (ERAML) - Investment Manager
Axis Trustee Services Limited (ATSL) - Trustee of Anzen India Energy Yield Plus Trust

b) Promoters of the parties to specified in (a) above

Edelweiss Infrastructure Yield Plus	Promoters of SEPL
Edelweiss Alternative Asset Advisors Limited (wef March 29, 2023)	Promoters of ERAML
Edelweiss Securities and Investments Private Limited (upto March 29, 2023)	Promoters of ERAML
Axis Bank Limited	Promoters of ATSL

c) Directors of the parties specified in (a) above

i) Directors of SEPL
Avinash Prabhakar Rao
Sushant Sujir Nayak
Tharuvai Venugopal Rangaswami

ii) Directors of ERAML
Venkatchalam Ramaswamy
Subahoo Chordia
Sunil Mitra
Prabhakar Panda (ceased to be director w.e.f. April 1, 2023)
Ranjita Deo
Shiva Kumar
Bala C Deshpande (appointed as director w.e.f. April 1, 2023)

iii) Key Managerial Personnel of ERAML
Ranjita Deo (Whole Time Director and Chief Investment Officer)
Vaibhav Doshi (Chief Financial Officer) (w.e.f. 1 February 2023)
Jalpa Parekh (Company Secretary)

iv) Directors of ATSL
Deepa Rath
Rajesh Kumar Dahiya
Ganesh Sankaran

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All amounts in Rupees million unless otherwise stated

III. Related party transactions:

Particulars	Year ended March 31, 2023	For the period from November 01, 2021 to March 31, 2022 (Refer Note 35)
Issue of units		
Edelweiss Infrastructure Yield Plus	9,380.00	-
Sekura Energy Private Limited	2,380.00	-
Axis Bank Limited	500.00	-
Issue of NCD		
Axis Bank Limited	3,000.00	-
Interest expense on NCD		
Axis Bank Limited	79.66	-
Project Implementation and Management		
Sekura Energy Private Limited	10.53	-
Shared service cost		
Sekura Energy Private Limited	18.83	-
Unit placement fees		
Edelweiss Financial Services Limited	11.09	-
Arranger fees for NCD facilities		
Axis Bank Limited	8.89	-
Distribution to unit holders		
Edelweiss Infrastructure Yield Plus	116.31	-
Sekura Energy Private Limited	29.51	-
Axis Bank Limited	3.97	-
Reimbursement of expenses		
Sekura Energy Private Limited	102.45	-
Edelweiss Alternative Asset Advisors Limited	0.05	-
Avinash Prabhakar Rao	0.07	-
Investment management fees		
Edelweiss Real Assets Managers Limited	24.18	-
Trustee fees		
Axis Trustee Services Limited	0.26	-

IV. Related party balances:

Particulars	As at March 31, 2023 (Receivable/ (payable))	As at March 31, 2022 (Refer Note 35)
Trade payables		
Sekura Energy Private Limited	(31.85)	-
Edelweiss Real Assets Managers Limited	(10.49)	-
Axis Trustee Services Limited	(0.26)	-
Edelweiss Alternative Asset Advisors Limited	(0.05)	-
Other financial liabilities		
Edelweiss Infrastructure Yield Plus	(628.93)	-
Interest accrued but not due on borrowings		
Axis Bank Limited	(0.66)	-

Details in respect of related party transactions involving acquisition of InvIT assets as required by Para 4.4(b)(iv) of Section A of Annexure A to SEBI Circular dated 20 October 2016 are as follow:

For the year ended March 31, 2023:
No acquisition during the year ended 31 March 2023.

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(30) Significant accounting judgements, estimates and assumptions

The preparation of the Trust's Consolidated financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future years.

Judgements

In the process of applying the Trust's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the financial statements.

(a) Applicability of Appendix D - Service Concession Arrangements of Ind AS 115 Revenue from contracts with customers

The Group through its subsidiaries acts as a transmission licensee under the Electricity Act, 2003 holding valid licenses for 25 years. The subsidiaries have entered into Transmission Services Agreements ("TSA") with Long Term Transmission Customers ("LTTC") through a tariff based bidding process to Build, Own, Operate and Maintain ("BOOM") the transmission infrastructure for a period 35 years. The management of the Company is of the view that the grantor as defined under Appendix D of Ind AS 115 ("Appendix D") requires transmission licensee to obtain various approvals under the regulatory framework to conduct its operations both during the period of the license as well as at the end of the license period. However, in the view of management, the grantor's involvement and approvals are to protect public interest and are not intended to control, through ownership, beneficial entitlement or otherwise, any significant residual interest in the transmission infrastructure at the end of the term of the arrangement. Accordingly, management is of the view that Appendix D to Ind AS 115 is not applicable to the Group.

(b) Classification of Unitholders' funds

Under the provisions of the InvIT Regulations, Anzen is required to distribute to Unitholders not less than ninety percent of the net distributable cash flows of Anzen 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 contain 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 20-Oct-2016 and No. CIR/IMD/DF/127/2016 dated 29-Nov-2016) 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 20-Oct-2016 dealing with the minimum disclosures for key financial statements. In line with the above, the dividend payable to unit holders is recognised as liability when the same is approved by the Investment Manager.

(c) Acquisition of Transmission SPVs classified as asset acquisitions

The Group acquires operational transmission SPVs. The purchase consideration primarily pertains to the fair value of the transmission assets. All such assets are operational assets with fixed tariff revenues under the Transmission Services Agreements (TSAs) for 35 years. The only key activity for these SPVs is the maintenance of the transmission assets which is outsourced to third parties. There are few employees in these entities and no other significant processes are performed for earning tariff revenues.

Based on evaluation of the above fact pattern vis-a-vis the guidance on definition of business under Ind AS and also keeping in view the relevant guidance on similar fact pattern available under accounting standards applicable in other jurisdictions, the management has classified the acquisition of transmission SPVs as asset acquisition.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Trust based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Trust. Such changes are reflected in the assumptions when they occur.

(a) Fair valuation and disclosures

SEBI Circulars issued under the InvIT Regulations require disclosures relating to net assets at fair value and total returns at fair value (refer note 23A and 23B). In estimating the fair value of investments in subsidiaries (which constitute substantial portion of the net assets), the Trust engages independent qualified external valuers to perform the valuation. The management works closely with the valuers to establish the appropriate valuation techniques and inputs to the model. The management reports the valuation report and findings to the Board of the Investment Manager quarterly to explain the cause of fluctuations in the fair value of the transmission projects. The inputs to the valuation models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as WACC, Tax rates, Inflation rates, etc. Changes in assumptions about these factors could affect the fair value.

(b) Defined benefit plans

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.
Further details about gratuity obligation are given in Note 31.

(c) Impairment of non-financial assets

Non-financial assets of the Trust primarily comprise of property, plant and equipment. The provision for impairment/(reversal) of impairment of property, plant & equipment and service concession receivable is made based on the difference between the carrying amounts and the recoverable amounts. The recoverable amount of the property, plant & equipment and service concession receivable has been computed by external independent valuation
experts based on value in use calculation for the underlying projects (based on discounted cash flow model). On a periodic basis, according to the recoverable amounts of individual portfolio assets computed by the valuation experts, the Trust tests impairment on the amounts invested in the respective subsidiary companies. The valuation exercise so carried out considers various factors including cash flow projections, changes in interest rates, discount rates, risk premium for market conditions. Based on the valuation exercise so carried out, there is no impairment for the year ended March 31, 2023. The key assumptions used to determine the recoverable amount for the underlying projects are disclosed and further explained in Note

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Edelweiss Real Assets Managers Limited *

All amounts in Rupees million unless otherwise stated

(d) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. For the calculation of deferred tax assets/liabilities, the Trust has not considered tax holiday available under the Income Tax Act. The management based on estimated cash flow workings for the SPVs, believes that since there will be losses in the initial years of the SPVs, no benefit under the Income tax Act would accrue to those SPVs in respect of the tax holiday.

(31) Disclosures for Employee Benefits

a. Defined benefit plan - gratuity

The Trust has a defined benefit plan (Gratuity) for its employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn) for each completed year of service as per the provisions of the Payment of Gratuity Act, 1972. The said gratuity plan is unfunded.
The Trust performs actuarial valuation of gratuity liability on an annual basis.

The following table sets out the components of net gratuity benefit expense recognised in Statement of Profit and Loss and amounts recognised in the Balance Sheet for the respective plans:

Particulars	Year ended March 31, 2023	For the period from November 01, 2021 to March 31, 2022 (Refer Note 35)
i **Expense recognized in Statement of Profit & Loss for the year (included in Note 20 Employee Benefit Expense)**		
Service cost:		
Current service cost	0.12	-
Interest cost	0.04	-
Total expense charged to Statement of Profit and Loss	**0.16**	**-**
ii **Expense recognized in Other Comprehensive Income for the year**		
Components of actuarial losses / (gains) on obligations:		
Due to changes in demographic assumptions	-	-
Due to changes in financial assumptions	-	-
Due to changes in experience adjustments	0.01	-
Total expense recognised in Other Comprehensive Income	**0.01**	**-**
iii **Reconciliation of defined benefit obligation**		
Opening Balance of defined benefit obligation on account of acquisition	1.32	-
Current service cost	0.12	-
Interest cost	0.04	-
Benefits paid	-	-
Actuarial loss / (gain) from changes in demographic assumptions	-	-
Actuarial loss / (gain) from changes in financial assumption	(0.01)	-
Actuarial loss / (gain) from experience over past years	-	-
Closing Balance of defined benefit obligation	**1.47**	**-**
iv **The principal assumptions used in determining above defined benefit obligations for the Group's plan are as under:**	**Year ended March 31, 2023**	**For the period from November 01, 2021 to March 31, 2022 (Refer Note 35)**
Discount Rate (p.a)	7.10%	-
Expected rate of increase in salary (p.a)	10.00%	-
Withdrawal rates	15.00%	-
Mortality Rates	Indian Assured Lives Mortality (2012-14) ULT	-
Expected average remaining working life	5.5 years	-
v **Sensitivity analysis of impact on Defined benefit obligation (DBO) for changes in significant assumptions is as under:**	**Year ended March 31, 2023**	**For the period from November 01, 2021 to March 31, 2022 (Refer Note 35)**
Expected rate of increase in salary		
100 basis point increase	0.10	-
100 basis point decrease	(0.09)	-
Discount Rate		
100 basis point increase	(0.10)	-
100 basis point decrease	0.11	-
Withdrawal rate		
100 basis point increase	(0.02)	-
100 basis point decrease	0.02	-
Mortality (increase in expected life)		
increase in expected life by 1 year	Negligible change	Negligible change
increase in expected life by 3 years	Negligible change	Negligible change

b. Defined Contribution Plans

The Group makes Provident Fund to defined contribution plans for qualifying employees. Under the schemes, the group is required to contribute a specified percentage of payroll costs to fund the benefits. The Group has recognised provident fund contribution including administration charges for the year ended March 31, 2023 of Rs. 0.21 million as expense and contribution to pension fund for the year ended March 31, 2023 of Rs. 0.07 million in Note 17 under the head 'Contributions to Provident and Other Funds'.

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Edelweiss Real Assets Managers Limited *

Anzen India Energy Yield Plus Trust
Notes to consolidated financial statements for the year ended March 31, 2023
All amounts in Rupees million unless otherwise stated

(32) List of subsidiaries which are included in consolidation and Anzen's effective holding therein are as under:

Name of subsidiary	Country of Incorporation	Ownership interest%	
		As At March 31, 2023	As at March 31, 2022 (Refer Note 35)
Directly held by the Trust:			
Darbhanga - Motihari Transmission Company Limited ("DMTCL")	India	100%	-
NRSS XXXI (B) Transmission Limited ("NRSS")	India	100%	-

Acquisition of Transmission Assets

(a) During the year, Anzen acquired 100% of the equity share capital of DMTCL and NRSS pursuant to the Securities Purchase Agreement dated November 01, 2022 viz.1,62,96,667 equity shares of face value Rs. 10 each of DMTCL and 98,32,143 equity shares of face value Rs. 10 each of NRSS from EIYP in exchange of 83 million units issued by Anzen to EIYP and subsequent closing on November 11, 2022.

(b) As per the Securities Purchase Agreement, any amounts due to Darbhanga - Motihari Transmission Company Limited ('DMTCL') and NRSS XXXI(B) Transmission Limited ('NRSS') pursuant to any future order passed by any competent authority pursuant to claims or appeals filed by Darbhanga - Motihari Transmission Company Limited ('DMTCL') and NRSS XXXI(B) Transmission Limited ('NRSS') until the Closing Date (including any claims or appeals filed in relation to the CERC Order such as the appeal filed by DMTCL dated June 24, 2022) ("Future Receivables") Anzen India Energy Yield Plus Trust/Darbhanga - Motihari Transmission Company Limited ('DMTCL') and NRSS XXXI(B) Transmission Limited ('NRSS') shall pursuant to the receipt of final, non-appealable orders of a court of competent jurisdiction, be transferred to Edelweiss Infrastructure Yield Plus. Based on the management assessment of the possible outcome of these matters and timing thereof, the same is not considered as contingent consideration as per Ind AS 103 Business Combination.

(33) Segment reporting

The Trust's activities comprise of owning and investing in transmission and renewable energy assets to generate cash flows for distribution to unitholders. Based on the guiding principles given in Ind AS - 108 "Operating Segments", this activity falls within a single operating segment and accordingly the disclosures of Ind AS -108 have not separately been given.

Under Point of Connection (PoC) mechanism, Power Grid Corporation of India Limited ('PGCIL') is designated as central transmission utility with the responsibility for billing and collecting of usage charges from Inter-State Transmission Services (ISTS) users. Hence the entire amount of trade receivables pertaining to transmission charges is receivable from PGCIL.

(34) Subsequent event

On May 25, 2023, the Board of directors of the Investment Manager approved a dividend of Rs. 2.42 per unit for the period January 1, 2023 to March 31, 2023 to be paid on or before 15 days from the date of declaration.

(35) Previous year figures

The Trust was registered as on irrevocable trust under the Indian Trusts Act, 1882 on November 1, 2021 and as an Infrastructure Investment Trust under the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 on January 18, 2022. However there were no transactions during the period ended November 1, 2021 to March 31, 2022. The financial statements of the Trust for the year ended March 31, 2022 included as comparative financial information in these financial statements, have been approved by the Investment Manager's Board of Directors, but have not been subject to audit.

For S R B C & CO LLP
Chartered Accountants
Firm Registration No: 324982E/E300003

per Amit Singh
Partner
Membership Number : 408869
Place : Pune
Date : May 25, 2023

For and on behalf of the Board of Directors of
Edelweiss Real Assets Managers Limited
(As Investment Manager to Anzen India Energy Yield Plus Trust)

Ranjita Deo
CIO & Whole-time Director
DIN No. : 09609160

Vaibhav Doshi
Chief Financial Officer

Jalpa Parekh
Company Secretary
Membership Number : A44507

Place : Mumbai
Date : May 25, 2023

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INDEPENDENT AUDITORS' REPORT

The Board of Directors
Edelweiss Real Assets Managers Limited
(As the Investment Manager of Anzen India Energy Yield Plus Trust)
Plot 294/3, Edelweiss House, Off CST Road, Kalina,
Santacruz East, Mumbai 400098
Maharashtra, India

Opinion

We have audited the accompanying Special Purpose Combined Financial Statements of NRSS XXXI (B) Transmission Limited and Darbhanga-Motihari Transmission Company Limited (individually referred to as "SPVs" and together referred to as the "SPV Group") which comprise the Combined Balance Sheet as at March 31, 2023, the Combined Statement of Profit and Loss (including Other Comprehensive Income), the Combined Cash Flow Statement, the Combined Statement of Changes in Equity for the year ended March 31, 2023, the Combined Statement of Net Assets at Fair Value as at March 31, 2023, the Combined Statement of Total Returns at Fair Value for the year ended March 31, 2023 and a Summary of Significant Accounting Policies and Other Explanatory Information (collectively, the "Combined Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the Combined Financial Statements give a true and fair view of the combined state of affairs of the SPV Group as at March 31, 2023, its combined profit including other comprehensive income, its combined cash flows and its combined changes in equity for the year ended March 31, 2023, its combined net assets at fair value as at March 31, 2023, and its combined total returns at fair value for the year ended March 31, 2023 in accordance with the basis of preparation as set out in note 2.1 to the Combined Financial Statements.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Combined Financial Statements section of our report. We are independent of Anzen India Energy Yield Plus Trust (the "InvIT") in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Combined Financial Statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Combined Financial Statements.

Emphasis of matter - Basis of Accounting

We draw attention to Note 2.1 to the Combined Financial Statements, which describes that the SPV Group has not formed a separate legal group of entities for the year ended March 31, 2023 and which also describes the basis of preparation of the Combined Financial Statements, including the approach to and the purpose for preparing them. Consequently, the SPV Group's Combined Financial Statements may not necessarily be indicative of the financial performance and financial position of the SPV Group that would have occurred if it had operated as a separate standalone group of entities during the period presented. The Combined Financial Statements have been prepared by the Investment Manager solely for inclusion in Preliminary Placement Document and the Placement Document in accordance with the requirements of Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time including any circulars issued thereunder (together referred to as 'InvIT Regulations') in connection with the

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proposed institutional placement of units by the InvIT. As a result, the Combined Financial Statements may not be suitable for another purpose.

Our opinion is not modified in respect of this matter.

Management's Responsibility for the Combined Financial Statements

The Investment Manager of the InvIT is responsible for the preparation of these Combined Financial Statements that give a true and fair view of the combined financial position, combined financial performance including other comprehensive income, combined cash flows, combined statement of change in equity in accordance with the basis of preparation specified in note 2.1 to the Combined Financial Statements. The respective Board of Directors of the SPVs are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013; for safeguarding the assets of the SPVs and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of these Combined Financial Statements by the Investment Manager, as aforesaid.

In preparing the Combined Financial Statements, the Board of Directors of the Investment Manager and the respective Board of Directors of the SPVs are responsible for assessing the ability of the SPVs to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the SPVs or to cease operations or has no realistic alternative but to do so. The Board of Directors of the Investment Manager and the respective Board of Directors of the SPVs are also responsible for overseeing the financial reporting process of the SPVs.

Auditor's Responsibility for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the Combined Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Combined Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Combined Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the internal control.

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- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the SPVs' ability to continue as going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Combined Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the SPVs to cease to continue as going concern.

- Evaluate the overall presentation, structure and content of the Combined Financial Statements, including the disclosures, and whether the Combined 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.

Other Matter – Restriction on distribution and use

This report is addressed to and is provided to the Investment Manager solely for the purpose of inclusion in the Preliminary Placement Document and Placement Document in connection with the proposed institutional placement of units by the InvIT. Our report should not be used, referred to or distributed for any other purpose or to any other party. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come.

Report on Other Legal and Regulatory Requirements

As required by the InvIT Regulations, we report that:

a. we have obtained all information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;

b. The Combined Balance Sheet, Combined Statement of Profit and Loss (including Other Comprehensive Income), Combined Cash Flow Statement and Combined Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Combined Financial Statements;

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S R B C & CO LLP
CHARTERED ACCOUNTANTS

c. In our opinion, the aforesaid Combined Financial Statements comply with the basis of preparation as stated in note 2.1 to the Combined Financial Statements.

For S R B C & CO LLP
Chartered Accountants
Firm registration number: 324982E/E300003

per Paul Alvares
Partner
Membership No.: 105754
UDIN: 25105754BMITJA4231
Place: Pune
Date: February 22, 2025

S R B C & CO LLP * CHARTERED ACCOUNTANTS

SPV Group
(As defined in Note 1 - Corporate Information)
All amounts in Rupees millions unless otherwise stated
Combined Balance Sheet as at March 31, 2023

Particulars	**Notes**	**As at March 31, 2023**	**As at March 31, 2022**
ASSETS			
(1) Non-current assets			
(a) Property, plant and equipment	(3A)	11,151.00	12,097.19
(b) Capital work-in-progress	(33)	-	46.59
(c) Goodwill	(3B)	1,371.22	1,371.22
(d) Financial assets			
(i) Other financial assets	(4)	6.62	6.96
(e) Income tax assets (net)		22.44	11.40
Total non-current assets		**12,551.28**	**13,533.36**
(2) Current assets			
(a) Financial assets			
(i) Investments	(5)	833.59	272.37
(ii) Trade receivables	(7)	12.03	-
(iii) Cash and cash equivalents	(8A)	61.25	43.53
(iv) Bank balances other than disclosed in note 8A above	(8B)	-	1,231.97
(v) Other financial assets	(4)	656.51	603.45
(b) Other current assets	(6)	31.15	18.60
Total current assets		**1,594.53**	**2,169.92**
Total assets		**14,145.81**	**15,703.28**
EQUITY AND LIABILITIES			
EQUITY			
Net shareholder's fund	(9)	343.35	952.23
Total Equity		**343.35**	**952.23**
LIABILITIES			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	(10)	13,114.54	13,757.23
(b) Provisions	(11)	1.90	1.86
Total non-current liabilities		**13,116.44**	**13,759.09**
(2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	(10)	-	456.00
(ii) Trade and other payables	(12)	39.27	20.93
(iii) Other financial liabilities	(13)	631.32	427.41
(b) Other current liabilities	(14)	14.81	77.08
(c) Provisions	(11)	0.62	0.54
Total current liabilities		**686.02**	**991.96**
Total equity and liabilities		**14,145.81**	**15,703.28**

Summary of significant accounting policies 2

The accompanying notes form an integral part of the combined financial statements.

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
Firm Registration No: 324982E/E300003

per Paul Alvares
Partner
Membership Number : 105754
Place : Pune
Date : February 22, 2025

S R B C & CO LLP ★ CHARTERED ACCOUNTANTS ★

For and on behalf of the Board of Directors of
EAAA Real Assets Managers Limited
(formerly known as Edelweiss Real Assets Managers Limited)
(as Investment Manager of Anzen India Energy Yield Plus Trust)

Ranjita Deo
CIO & Whole-time Director
DIN No. : 09609160

Vaibhav Doshi
Chief Financial Officer

Jalpa Parekh
Company Secretary
Membership Number : A44507
Place : Mumbai
Date : February 22, 2025

EAAA Real Assets Managers Limited (formerly known as Edelweiss Real Assets Managers Limited) ★

SPV Group
(As defined in Note 1 - Corporate Information)
All amounts in Rupees millions unless otherwise stated
Combined Statement of Profit and Loss for the year ended March 31, 2023

Particulars	Notes	Year ended March 31, 2023	Year ended March 31, 2022
INCOME			
Revenue from contract with customers	(15)	3,619.37	2,218.01
Other income	(16)	39.22	25.07
Finance income	(17)	35.03	60.30
Total		**3,693.62**	**2,303.38**
EXPENSES			
Operation and maintenance expense	(18)	71.22	65.62
Employee benefit expense	(19)	16.75	14.95
Depreciation expense	(3A)	998.50	1,073.75
Finance costs	(20)	1,808.48	1,498.53
Other expenses	(21)	221.07	162.78
Total		**3,116.02**	**2,815.63**
Profit/(Loss) before tax		**577.60**	**(512.25)**
Tax expense:			
Current tax	(28)	68.02	-
Profit/(Loss) for the year [A]		**509.58**	**(512.25)**
Other Comprehensive Income			
Other Comprehensive Income not to be reclassified to profit or loss in subsequent period			
Re-measurement of defined benefit plans (net of tax)		0.05	0.10
Total other comprehensive income for the year, net of tax [B]		**0.05**	**0.10**
Total comprehensive income/(loss) for the year, net of tax [A+B]		**509.63**	**(512.15)**
Profit/(Loss) for the year			
Attributable to :			
Unit holders		509.63	(512.15)
Earnings per unit	(29)	-	-

Summary of significant accounting policies 2

The accompanying notes form an integral part of the combined financial statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
Firm Registration No: 324982E/E300003

per Paul Alvares
Partner
Membership Number : 105754
Place : Pune
Date : February 22, 2025

S R B C & CO LLP ★ CHARTERED ACCOUNTANTS ★

For and on behalf of the Board of Directors of
EAAA Real Assets Managers Limited
(formerly known as Edelweiss Real Assets Managers Limited)
(as Investment Manager of Anzen India Energy Yield Plus Trust)

Ranjita Deo
Director
DIN No. : 09609160

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Membership Number : A44507
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Date : February 22, 2025

EAAA Real Assets Managers Limited (formerly known as Edelweiss Real Assets Managers Limited) ★

SPV Group
(As defined in Note 1 - Corporate Information)
All amounts in Rupees millions unless otherwise stated
Combined Statement of Cash Flow for the year ended March 31, 2023

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Cash flow from operating activities		
Profit/(Loss) before tax	577.60	(512.25)
Adjustments to reconcile profit/(loss) before tax to net cash flows:		
Depreciation expenses	998.50	1,073.75
Finance income	(35.03)	(60.30)
Fair value gain on financial instrument at fair value through profit or loss	(15.24)	(1.38)
Net gain on sale of investment in mutual funds	(20.00)	(13.23)
Loss on disposal of property, plant and equipment	-	4.66
Income from insurance claim	-	(8.77)
Liabilities no longer required written back	-	(0.03)
Finance costs	1,808.48	1,498.53
Operating profit before working capital changes	**3,314.31**	**1,980.98**
Working capital adjustment		
(Increase) / Decrease in other assets	(12.55)	1.06
(Increase) / Decrease in other financial assets	(93.65)	(27.05)
(Increase) / Decrease in trade receivables	(6.50)	-
Increase / (Decrease) in trade payables	18.34	(27.13)
Increase / (Decrease) in provisions	0.17	0.43
Increase / (Decrease) in other liabilities	(62.27)	(52.94)
Increase / (Decrease) in other financial liabilities	(487.65)	0.16
Cash flow generated from operations	**2,670.20**	**1,875.51**
Income tax paid (net of refund)	(79.06)	0.93
Net cash flow from operating activities [A]	**2,591.14**	**1,876.44**
Cash flow from investing activities		
Purchase of property, plant and equipment (including capital work-in-progress and capital advances)	(42.97)	(179.69)
Investment in fixed deposits with banks having maturity more than 3 months	(1,622.71)	(1,742.26)
Proceeds from maturity of fixed deposits with banks having maturity more than 3 months	2,860.67	1,765.33
Investment in mutual funds	(3,732.11)	(1,947.90)
Proceeds from sale of investment in mutual funds	3,208.15	2,015.80
Insurance claim received on disposal / discard of property, plant and equipment	-	44.02
Interest received (finance income)	75.96	49.41
Net cash flow from investing activities [B]	**738.99**	**4.71**
Cash flow from financing activities		
Repayment of non convertible debentures (secured)	(12,524.00)	(429.00)
Repayment of non convertible debentures (unsecured)	(40.00)	-
Proceeds from term loan (unsecured)	11,940.00	-
Repayment of term loan (unsecured)	(626.00)	-
Payment of interest on term loan	(556.74)	-
Payment of interest on NCD and OCD	(1,503.80)	(1,489.03)
Payment of other finance costs	(1.87)	(0.71)
Net cash flow used in financing activities [C]	**(3,312.41)**	**(1,918.74)**
Net increase / (decrease) in cash and cash equivalents [A+B+C]	**17.72**	**(37.59)**
Cash and cash equivalents at the beginning of the year (refer Note 8A)	43.53	81.12
Cash and cash equivalents at the end of the year (refer Note 8A)	61.25	43.53

Summary of significant accounting policies 2

The accompanying notes form an integral part of the combined financial statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
Firm Registration No: 324982E/E300003

per Paul Alvares
Partner
Membership Number : 105754
Place : Pune
Date : February 22, 2025

S R B C & CO LLP ★ CHARTERED ACCOUNTANTS ★

For and on behalf of the Board of Directors of
EAAA Real Assets Managers Limited
(formerly known as Edelweiss Real Assets Managers Limited)
(as Investment Manager of Anzen India Energy Yield Plus Trus

Ranjita Deo
Director
DIN No. : 09609160

Vaibhav Doshi
Chief Financial Officer

Jalpa Parekh
Company Secretary
Membership Number : A44507
Place : Mumbai
Date : February 22, 2025

EAAA Real Assets Managers Limited (formerly known as Edelweiss Real Assets Managers Limited) ★

SPV Group
(As defined in Note 1 - Corporate Information)
All amounts in Rupees millions unless otherwise stated
Combined Statement of Changes in Equity

Net shareholder's fund

Particulars	Amount
As at April 1, 2021	1,464.38
Loss for the year	(512.25)
Other comprehensive income/(loss) for the year	0.10
As at March 31, 2022	**952.23**
Profit for the year	509.58
Distribution to shareholders (Refer Note 35)	(1,118.51)
Other comprehensive income/(loss) for the year	0.05
As at March 31, 2023	**343.35**

The accompanying notes form an integral part of the combined financial statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
Firm Registration No: 324982E/E300003

S R B C & CO LLP ★ CHARTERED ACCOUNTANTS ★

per Paul Alvares
Partner
Membership Number : 105754
Place : Pune
Date : February 22, 2025

For and on behalf of the Board of Directors of
EAAA Real Assets Managers Limited
(formerly known as Edelweiss Real Assets Managers Limited)
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Ranjita Deo
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DIN No. : 09609160

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Chief Financial Officer

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Membership Number : A44507
Place : Mumbai
Date : February 22, 2025

EAAA Real Assets Managers Limited (formerly known as Edelweiss Real Assets Managers Limited) ★

SPV Group
(As defined in Note 1 - Corporate Information)
All amounts in Rupees millions unless otherwise stated

A. Statement of Net Assets at Fair Value as at March 31, 2023 (refer note 3 below)

Particulars	Book Value	Fair Value
A. Assets	14,145.81	24,187.22
B. Liabilities (at book value)	13,802.46	13,802.46
C. Net Asset Value (A-B)	343.35	10,384.76

Notes:

1. Anzen India Energy Yield Plus Trust is not part of the SPV Group. Hence, the disclosures in respect of Net Asset Value (NAV) per Unit has not been disclosed.

2. **Project wise break up of Fair value of Assets as at March 31, 2023**

Particulars	Fair Value
Darbhanga - Motihari Transmission Company Limited ("DMTCL")	13,849.80
NRSS XXXI (B) Transmission Limited ("NRSS")	10,337.42

3. Fair values of total assets (including project wise break up for DMTCL and NRSS of fair value of total assets) as at March 31, 2023 as disclosed above are based solely on the fair valuation report dated May 23, 2023 of the independent valuer appointed by the Investment manager under the InvIT Regulations.

B. Statement of Total Return at Fair Value (refer note 1 below)

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Total Comprehensive Income (As per the Statement of Profit and Loss)	509.63	(512.15)
Add/(less): Other Changes in Fair Value (e.g., in investment property, property, plant & equipment (if cost model is followed)) not recognized in Total Comprehensive Income (refer note 1 below)	821.69	2,946.15
Total Return	1,331.32	2,434.00

Notes:

1. In the above statement, Other changes in fair value for the year ended March 31, 2023 and year ended March 31, 2022 has been computed based on the fair values of total assets as at March 31, 2023, March 31, 2022 and as at March 31, 2021. The fair values of total assets as at March 31, 2023, March 31, 2022 and March 31, 2021 are based solely on the valuation report dated May 23, 2023, July 14, 2022 and July 15, 2022 of the independent valuer appointed by the Investment manager under the InvIT Regulations and an independent external valuer engaged by the management respectively.

2. Sensitivity analysis with respect to significant unobservable inputs used in the fair value measurement has been disclosed in Note 25.

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
Firm Registration No: 324982E/E300003

per Paul Alvares
Partner
Membership Number : 105754
Place : Pune
Date : February 22, 2025

S R B C & CO LLP ★ CHARTERED ACCOUNTANTS ★

For and on behalf of the Board of Directors of
EAAA Real Assets Managers Limited
(formerly known as Edelweiss Real Assets Managers Limited)
(as Investment Manager of Anzen India Energy Yield Plus Trust)

Ranjita Deo
CIO & Whole-time Director
DIN No. : 09609160

Vaibhav Doshi
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Jalpa Parekh
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Membership Number : A44507
Place : Mumbai
Date : February 22, 2025

EAAA Real Assets Managers Limited (formerly known as Edelweiss Real Assets Managers Limited) ★

SPV Group
(as defined in Note 1 - Corporate Information)
All amounts in Rupees millions unless otherwise stated
Notes to combined financial statements

1. **Corporate Information**

The special purpose combined financial statements comprises of financial statements of Darbhanga - Motihari Transmission Company Limited ("DMTCL") and NRSS XXXI (B) Transmission Limited ("NRSS") (individually referred to as "SPV" and together referred to as "SPV Group"). The SPVs are companies domiciled in India and having their registered office at 504 & 505, 5th Floor, Windsor, Off CST Road, Kalina, Santacruz (East), Mumbai 400098.

DMTCL and NRSS are developers for the designing, construction and maintenance of power transmission lines and substations on Build Own Operate and Maintain ('BOOM') basis and are required to operate and maintain the transmission systems for a period of 35 years.

SEPL Energy Private Limited (formerly known as Sekura Energy Private Limited) (the "Sponsor") settled Anzen India Energy Yield Plus Trust (the "Trust" or the "InvIT") on November 01, 2021 as an irrevocable trust, pursuant to the Trust Deed, under the provisions of the Indian Trusts Act, 1882 and registered with SEBI as an Infrastructure Investment Trust under Regulation 3(1) of the Securities Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014. The Sponsor has transferred to the Trustee a sum of INR 10,000 towards the initial settlement of Trust. The Trustee to Trust is Axis Trustee Services Limited (the "Trustee") and the Investment Manager for Trust is EAAA Real Assets Managers Limited (formerly known as Edelweiss Real Assets Managers Limited) (the "Investment Manager"). As required by the Guidance Note on Combined and Carve Out Financial Statements issued by the Institute of Chartered Accountants of India, the details of various entities comprised in the combined financial statements is as given below:

Name of SPV	Principal activities	Shareholding by Trust	Status
Darbhanga - Motihari Transmission Company Limited ("DMTCL")	Developer on Build Own Operate and Maintain ('BOOM') basis, for the designing, construction and maintenance of power transmission lines. The Company is required to operate and maintain the transmission system for a period of 35 years.	100%	Operating
NRSS XXXI (B) Transmission Limited ("NRSS")	Developer on Build Own Operate and Maintain ('BOOM') basis, for the designing, construction and maintenance of power transmission lines. The Company is required to operate and maintain the transmission system for a period of 35 years.	100%	Operating

2. **BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES**

2.1 **Basis of preparation of financial statements**

The Special Purpose Combined Financial Statements of NRSS XXXI (B) Transmission Limited ("NRSS") and Darbhanga-Motihari Transmission Company Limited ("DMTCL") (individually referred to as "SPVs" and together referred to as the "SPV Group") comprise the Combined Balance Sheet as at March 31, 2023, the Combined Statement of Profit and Loss (including Other Comprehensive Income), the Combined Cash Flow Statement, the Combined Statement of Changes in Equity for the year ended March 31, 2023, the Combined Statement of Net Assets at Fair Value as at March 31, 2023, the Combined Statement of Total Returns at Fair Value for the year ended March 31, 2023 and a Summary of Significant Accounting Policies and Other Explanatory Information (collectively, the "Special Purpose Combined Financial Statements" or the "combined financial statements").

The Special Purpose Combined Financial Statements were approved for issue in accordance with resolution passed by the Board of Directors of the Investment manager on February 22, 2025.

The Investment Manager had earlier prepared special purpose combined financial statements of the SPV Group for the three months ended June 30, 2022, and for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 which were approved for issuance on October 19, 2022 (the "IPO Combined Financial Statements") by the Board of Directors of the Investment Manager in connection with the proposed transfer of DMTCL and NRSS to Anzen India Energy Yield Plus Trust (the "Trust" or the "InvIT").

The SPV's were acquired by the Trust on November 11, 2022. Accordingly, the Trust prepared consolidated financial statements from the date of acquisition.

The Trust is currently proposing to raise funds through the Institutional Placement. In connection with the Institutional placement, the combined financial statements of the SPV Group for the year ended March 31, 2023 are required in the Placement Document, in addition to the IPO Combined Financial Statements of the SPV Group and the consolidated financial statements of the Trust for the year ended March 31, 2024. Accordingly, the Investment Manager of the Trust based on the InvIT regulations read together with SEBI circular no. CIR/IMD/DF/114/2016 dated 20 October 2016 has prepared special purpose combined financial statements of the SPV Group for the year ended March 31, 2023.

The Special Purpose Combined Financial Statements have been prepared in accordance with Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) prescribed under Section 133 of the Companies Act, 2013 ("Ind AS") except for Ind AS 33: Earning Per Share read with SEBI (Infrastructure Investment Trusts) Regulations, 2014 and the circulars issued thereunder ("InvIT Regulations") and the Guidance Note on Combined and Carve-Out Financial Statements issued by the Institute of Chartered Accountants of India ("Guidance Note"). The Special Purpose Combined Financial Statements are special purpose financial statements and have been prepared by the Investment manager to meet the requirements of the InvIT Regulations, as explained above, for the purpose of inclusion in the Preliminary Placement Document and Placement Document prepared by the Investment Manager in connection with the proposed Institutional placement of units by the InvIT. As a result, the Special Purpose Combined Financial Statements may not be suitable for another purpose. Further, the requirements of Schedule III notified under the Companies Act, 2013 are not applicable to InvITs and hence these financial statements are not prepared in accordance with those requirements.

The Special Purpose Combined Financial Statements are presented in Indian Rupees which is also the functional currency of the SPVs. All values are rounded to the nearest millions, unless otherwise indicated.

These Special Purpose Combined Financial Statements have been prepared on a historical cost convention and on an accrual basis except for certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments).

Basis of Combination

a. These Special Purpose Combined Financial Statements are prepared to present the combined financial position and performance of the SPV Group based on the line-by-line addition of the SPVs' separate financial statements for the respective financial years.

b. The Special Purpose Combined Financial Statements have been prepared using the principles of consolidation as per Ind AS 110 – Consolidated Financial Statements, to the extent applicable/ relevant for the combined financial statements.

c. Further, as required by Para 36 of the Guidance Note, in case the combining entities or any one of the combining entities are under common control, the carrying amounts pertaining to a subsidiary, as reflected in the consolidated financial statements of the parent, should be used for the purpose of preparing combined financial statements. Accordingly, for the purpose of Special Purpose Combined Financial Statements, the carrying amounts of SPVs have been considered as reflected in the consolidated financial statements of SEPL Energy Private Limited (formerly known as Sekura Energy Private Limited) (the "erstwhile Parent entity") from the respective dates of acquisition of such SPVs by the erstwhile Parent entity. The difference between the carrying amounts of such SPVs reflected in the consolidated financial statements of the erstwhile Parent entity and the separate financial statements of such SPVs has been credited to "Adjustment on combination of SPVs" which is disclosed under "Other Equity" in the Special Purpose Combined Financial Statements. Consequently, the depreciation charge for the respective years is also based on the carrying amounts of Property, plant and equipment pertaining to such SPVs as reflected in the consolidated financial statements of the erstwhile Parent entity. Related party relationships and transactions are also identified as per Ind AS 24 for SPV Group with respect to erstwhile Parent entity. The Special Purpose Combined Financial Statements do not take into account the accounting adjustments, changes in accounting policies, wherever necessary that have arisen on acquisition of NRSS and DMTCL by the InvIT with the accounting policy of the InvIT. Accordingly, these Special Purpose Combined Financial Statements are not indicative in any manner of the consolidated financial position, consolidated financial performance, consolidated cash flows and consolidated changes in equity of the InvIT and are not comparable with the consolidated financial statements of the InvIT post the issue of units and acquisition of NRSS and DMTCL. Further, these Special Purpose Combined Financial Statements may not necessarily be indicative of the financial performance, financial position, cash flows and changes in equity of the SPV Group that would have occurred if it had operated as a separate standalone group of entities during the periods presented or of the SPV Group's future performance.

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

EAAA Real Assets Managers Limited (formerly known as Edelweiss Real Assets Managers Limited) ★

2.2 Summary of significant accounting policies

The following is the summary of significant accounting policies applied by the SPV Group in preparing its combined financial statements:

a) Current versus non-current classification

The SPV Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:
• Expected to be realised or intended to be sold or consumed in normal operating cycle
• Held primarily for the purpose of trading
• Expected to be realised within twelve months after the reporting period, or
• Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
All other assets are classified as non-current.

A liability is current when:
• It is expected to be settled in normal operating cycle
• It is held primarily for the purpose of trading
• It is due to be settled within twelve months after the reporting period, or
• There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.
The SPV Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities. The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The SPV Group has identified twelve months as its operating cycle.

b) Foreign currencies

The SPV Group's combined financial statements are presented in INR, which is its functional currency. The SPV Group does not have any foreign operation and has assessed the functional currency of the SPVs to be INR.

Transactions and balances

Transactions in foreign currencies are initially recorded by the SPV Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

c) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
In the principal market for the asset or liability, or
In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the SPV Group.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.
A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
The SPV Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.
All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
Level 3 -Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.
For assets and liabilities that are recognised in the financial statements on a recurring basis, the SPV Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At each reporting date, the management of each SPV analyses the movement of assets and liabilities which are required to be remeasured or reassessed as per the SPV's accounting policies. For this analysis, the management of each SPV verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The management of each SPV also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.
For the purpose of fair value disclosures, the SPV Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.
• Disclosures of Statement of Net Assets at fair value and Statement of Total Returns at fair value
• Quantitative disclosures of fair value measurement hierarchy (note 25)
• Investment in quoted mutual fund (note 5)
• Financial instruments (including those carried at amortised cost) (note 24)

d) Revenue from contracts with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the SPV Group expects to be entitled in exchange for those goods or services. The SPV Group has concluded that it is the principal in its revenue arrangements because it typically controls the services before transferring them to the customer.

Power transmission services

Revenue from contracts with customers comprises of revenue from power transmission services rendered in India to Long Term Transmission Customers (LTTCs) pursuant to the respective Transmission Services Agreements (TSAs) executed by the SPV Group with LTTCs for periods of 35 years. The SPV Group is required to ensure that the transmission assets meet the minimum availability criteria under the respective TSAs. The Company's performance obligation vide the TSAs is to provide power transmission services. The performance obligation is satisfied over time as the customers receive and consume the benefits provided by the SPV Group's performance as the SPV Group performs. Accordingly, the revenue from power transmission services is recognised over time based on the transmission asset availabilities and the tariff charges approved under the respective CERC tariff orders and includes unbilled revenues accrued up to the end of the accounting period. The payment is generally due within 60 days.

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Operation and maintenance service
Revenue from operation and maintenance contracts are recognised pro-rata over the period of the contract as and when services are rendered.

Contract balances
Contract assets
A receivable represents the SPV Group's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due). Amounts which have been billed to the customers are disclosed as Trade receivables and amounts which are to be billed to the customers (and not conditional on the SPV group's future performance) are disclosed under Other financial assets. Refer accounting policies for financial assets in Financial instruments – initial recognition and subsequent measurement.

Contract liabilities
A contract liability is recognised if a payment is received or a payment is due (whichever is earlier) from a customer before the SPV Group transfers the related goods or services. Contract liabilities are recognised as revenue when the SPV Group performs under the contract (i.e., transfers control of the related goods or services to the customer).

Interest income
Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend
Income from dividend on investments is accrued in the year in which generally it is approved by the shareholders, whereby the SPV Group's right to receive is established.

e) Taxes
Tax expense comprises current tax expense and deferred tax

Current income tax
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside statement of profit or loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.
Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax
Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.
Deferred tax liabilities are recognised for all taxable temporary differences, except:
• When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
• In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses.
Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:
• When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
• In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside statement of profit or loss is recognised outside statement of profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable SPV Group and the same taxation authority.
Sales/value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/value added taxes paid, except:
• When the tax incurred on a purchase of assets or services is not recoverable from the tax authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
• When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the tax authority is included as part of receivables or payables in the balance sheet.

f) Property, plant and equipment
Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the SPV Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. No decommissioning liabilities are expected or be incurred on the assets of plant and equipment.
Depreciation is calculated on pro-rata basis on a written down value. Freehold land is not depreciated. The SPV Group is providing depreciation at the following useful life:

Asset class	Useful lives
Plant and equipment	5 - 35 years
Office equipments	5 - 7 years
Furniture and fixtures	10 years
Computers	3 years

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The SPV Group, based on technical assessment made by technical expert and management estimate, depreciates certain items of plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

g) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the SPV Group incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

h) Impairment of non-financial assets

The SPV Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the SPV Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The SPV Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These forecasts, especially for the transmission lines are based on the transmission services agreements (TSA) signed by the individual SPV's for their respective assets. Accordingly, a substantial part of the revenue considered for impairment calculations is based on the transmission services agreement. Rest of the items of these budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the SPV Group extrapolates cash flow projections (after factoring revenue as per TSA) in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products/industries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations are recognised in the statement of profit and loss.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the SPV Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU to which the goodwill relates. When the recoverable amount of the CGU is less than it's carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

i) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the SPV Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.

When the SPV Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed for, (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Company, or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised in the financial statements.

j) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The SPV Group has no obligation, other than the contribution payable to the provident fund. The SPV group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the year in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The SPV Group recognises the following changes in the net defined benefit obligation as an expense in the combined statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

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Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The SPV Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The SPV Group recognizes expected cost of short-term employee benefit as an expense, when an employee renders the related service.

The SPV Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

The SPV group operates defined benefit gratuity plan in India.

k) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the SPV Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:
i. Debt instruments at amortised cost
ii. Debt instruments at fair value through other comprehensive income (FVTOCI)
iii. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
iv. Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Financial assets at amortised cost (debt instruments)

A 'financial asset' is measured at the amortised cost if both the following conditions are met:
a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss.

Financial assets at fair value through OCI (FVTOCI) (debt instruments)

A 'financial asset' is classified as the FVTOCI if both of the following criteria are met:
a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b) The asset's contractual cash flows represent SPPI.
Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the SPV Group recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit or loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit or loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the SPV Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL.
Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the SPV Group's combined balance sheet) when:
• The rights to receive cash flows from the asset have expired, or
• The SPV Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the SPV Group has transferred substantially all the risks and rewards of the asset, or (b) the SPV Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
When the SPV Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the SPV Group continues to recognise the transferred asset to the extent of the SPV Group's continuing involvement. In that case, the SPV Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the SPV Group has retained.

Impairment of financial assets

Majority of the financial assets of the SPV Group pertain to Trade and other receivables. Considering the nature of business, the SPV Group does not foresee any credit risk on its trade and other receivables which may cause an impairment. As per the TSA, the receivables are covered by clause of payment security mechanism which ensures receipt of all trade receivables. Also, the SPV Group does not have any past history of impairment of Trade and other receivables.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.
All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.
The SPV Group's financial liabilities include borrowings and related costs, trade and other payables, and derivative financial instruments.

Subsequent measurement

For purposes of subsequent measurement, financial liabilities are classified in two categories:
• Financial liabilities at fair value through profit or loss
• Financial liabilities at amortised cost (loans and borrowings)

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Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the SPV Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities at amortised cost (Loans and borrowings)

This is the category most relevant to the SPV Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.

This category generally applies to borrowings. For more information refer Note 10.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Reclassification of financial assets

The SPV Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The SPV Group's senior management determines change in the business model as a result of external or internal changes which are significant to the SPV Group's operations. Such changes are evident to external parties. A change in the business model occurs when the SPV Group either begins or ceases to perform an activity that is significant to its operations. If the SPV Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The SPV Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in profit or loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss the reclassification date.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the combined balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

l) **Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the combined statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the SPV Group's cash management.

m) **Recent accounting pronouncements**

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2022 having material impact on these financial statements. There is no impact of standard or amendment that has been issued but is not yet effective.

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SPV Group
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(3A) Property, plant and equipment

Particulars	Freehold land	Plant and equipment	Furniture and fixtures	Office equipment	Computers	Total
Gross Block						
As at April 1, 2021	**78.39**	**17,931.26**	**2.65**	**1.64**	**1.30**	**18,015.24**
Additions during the year	-	121.98	-	2.46	0.45	124.89
Disposals during the year	-	7.00	-	-	-	7.00
Reclassification during the year	-	4.93	-	-	-	4.93
As at March 31, 2022	**78.39**	**18,041.31**	**2.65**	**4.10**	**1.75**	**18,128.20**
Additions during the year	-	56.26	0.19	1.03	0.36	57.84
Disposals during the year	-	5.53	-	-	-	5.53
As at March 31, 2023	**78.39**	**18,092.04**	**2.84**	**5.13**	**2.11**	**18,180.51**
Accumulated depreciation						
As at April 1, 2021	-	**4,955.60**	2.02	1.02	0.96	**4,959.60**
Depreciation for the year	-	1,072.46	0.16	0.86	0.27	1,073.75
Deductions for the year	-	2.34	-	-	-	2.34
As at March 31, 2022	-	**6,025.72**	**2.18**	**1.88**	**1.23**	**6,031.01**
Depreciation for the year	-	996.57	0.15	1.30	0.48	998.50
Deductions for the year	-	-	-	-	-	-
As at March 31, 2023	-	**7,022.29**	**2.33**	**3.18**	**1.71**	**7,029.51**
Net Block						
As at March 31, 2022	78.39	12,015.59	0.47	2.22	0.52	12,097.19
As at March 31, 2023	**78.39**	**11,069.75**	**0.51**	**1.95**	**0.40**	**11,151.00**

Note:
Certain property, plant and equipment of the SPV Group have been pledged for the borrowings taken by the SPV Group. Refer note 10.

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All amounts in Rupees millions unless otherwise stated

(3B) Goodwill

Goodwill acquired through business combinations has been allocated to the NRSS for impairment testing.
Carrying amount of goodwill:

As at March 31, 2023

Particulars	NRSS	Total
Balance at the beginning of the year	1,371.22	1,371.22
Add: Acquisitions during the year	-	-
Add/(less): Translation adjustment	-	-
Balance at the end of the year	**1,371.22**	**1,371.22**

As at March 31, 2022

Particulars	NRSS	Total
Balance at the beginning of the year	1,371.22	1,371.22
Add: Acquisitions during the year	-	-
Add/(less): Translation adjustment	-	-
Balance at the end of the year	**1,371.22**	**1,371.22**

The SPV Group performed its annual impairment test for year ended March 31, 2023 and March 31, 2022 respectively. The SPV Group considers the relationship between the fair value (based on DCF) and its book value, among other factors, when reviewing for indicators of impairment.

The recoverable amounts of each of the CGU, have been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management. As a result of the analysis, management did not identify impairment.

Key assumptions used for value in use calculations are as follows. The management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the cash generating unit.

CGU	Basis	March 31, 2023		March 31, 2022	
		Assumption used	Sensitivity	Assumption used	Sensitivity
NRSS (Recoverable amount in excess of carrying amount of the CGU is INR 5,677 million in March 31, 2023, INR 5,486 million in March 31, 2022))	WACC	8.00%	Increase by 12.65% would result in impairment	7.99%	Increase by 11.10% would result in impairment
	Tax rate (normal tax and MAT)	MAT - 17.47% Normal tax - 25.17%	Increase by 71.24% would result in impairment	MAT - 17.47% Normal tax - 25.17%	Increase by 71.10% would result in impairment
	Inflation rate for expenses	2.5% to 5%	Increase by 13.97% would result in impairment	1.37% to 2.19%	Increase by 11.15% would result in impairment

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(As defined in Note 1 - Corporate Information)
All amounts in Rupees millions unless otherwise stated
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(4) Other financial assets
Non - Current

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered good)		
Security deposits	6.62	6.57
Fixed deposit having remaining maturity of more than twelve months*	-	0.36
Interest accrued on fixed deposit*	-	0.03
	6.62	6.96

*Fixed deposits with banks of INR Nil as at March 31, 2023 (March 31, 2022: INR 0.36 millions) and interest accrued thereon of INR Nil as at March 31, 2023 (March 31, 2022: INR 0.03 millions) are lien marked with IDBI Trusteeship Services Limited and Axis Trustee Services Limited (debenture trustee).

Current

Particulars	As at March 31, 2023	As at March 31, 2022
(Unsecured, considered good)		
Unbilled revenue#	655.45	562.50
Interest accrued on fixed deposit (refer Note 8B)	0.05	40.95
Fixed deposit having remaining maturity of less than twelve months	0.36	-
Other receivables	0.65	-
	656.51	603.45

#Unbilled revenue is the transmission charges for the last quarter of year and incentive billed to transmission utilities in the next month subsequent to year end.

(5) Investments
Current

Particulars	As at March 31, 2023	As at March 31, 2022
Investments at fair value through Profit or Loss		
Investment in mutual funds		
Axis Liquid Fund-Direct Growth - 120,494.91 units (March 31, 2022 - 26,399.36 units)	301.35	62.41
ICICI Prudential Liquid Fund - Direct Growth - 1,506,414.30 units (March 31, 2022 - 665,999.12)	501.92	209.96
ICICI Prudential Liquid Fund - Direct Plan -Growth - overnight -25,088.68 Units (March 31, 2022 - Nil Units)	30.32	-
	833.59	272.37

Aggregate value of quoted investment	833.59	272.37
Aggregate value of unquoted investment	-	-

Investment in units of Mutual Funds of INR Nil (March 31, 2022: INR 272.37 millions) are lien marked with IDBI Trusteeship Services Limited and Axis Trustee Services Limited (debenture trustee)

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(6) Other assets

Current

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
(Unsecured, considered good)		
Prepaid expenses	30.98	18.51
Advance to employees	-	0.05
Advances recoverable in cash or in kind	0.17	0.04
	31.15	**18.60**

(7) Trade receivables

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
(Unsecured, considered good)		
Trade receivables	12.03	-
	12.03	-

No trade or other receivable are due from directors or other officers of the SPV Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies.

Trade receivables are non-interest bearing and are generally on terms of 60 days.

See Note 26(a) on credit risk of trade receivables, which explains how the SPV Group manages and measures credit quality of trade receivables that are neither past due nor impaired.

(8A) Cash and cash equivalents

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Cash and cash equivalents		
Balances with banks in current accounts	61.25	43.53
Total Cash and cash equivalents	61.25	**43.53**

(8B) Bank balances other than disclosed in note 8A above

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Other bank balances		
Balances with bank held as margin money or security against borrowings, guarantees and other commitments**	-	1,231.97
Total other bank balances	-	**1,231.97**

**Fixed deposits with banks of INR Nil as at March 31, 2023 (March 31, 2022: INR 1,231,97 millions) and interest accrued thereon of INR Nil (March 31, 2022: INR 40.95 millions) are lien marked with IDBI Trusteeship Services Limited and Axis Trustee Services Limited (debenture trustee).

(9) Net Shareholder's fund

As described in basis of preparation, these combined financial statements are prepared to present the combined financial position and performance of the SPV Group. The SPV Group is not a separate legal entity and accordingly does not have its own legal capital. Hence, as per para 37 of Guidance Note on Combined and Carve-out Financial Statements issued by ICAI the difference between the assets and liabilities of the combining entities, being the net asset value is presented as Capital in these special purpose combined financial statements.

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(10) Borrowings
Non - current:

Particulars	As at March 31, 2023	As at March 31, 2022
Borrowings at amortised cost		
A. Secured		
Nil (March 31, 2022: 12,524) Non convertible debentures (NCD) of INR 1,000,000 each (refer 10(A) below)**	-	12,382.69
Less: current maturities of debentures	-	466.00
	-	**11,916.69**
B. Unsecured		
291,000 (March 31, 2022: 331,000) Non convertible debentures (NCD) of INR 1,000 each (refer 10(B) below)	291.00	331.00
150,953,500 (March 31, 2022: 150,953,500) Optionally convertible debentures (OCD) of INR 10 each (refer 10(C) below)	1,509.54	1,509.54
Term loan (refer note 10 (D) below)	11,314.00	-
	13,114.54	**13,757.23**

**Net of ancillary borrowing costs amounting to INR Nil (March 31, 2022: INR 141.31 millions)

Aggregate non-current borrowings	13,114.54	13,757.23
Aggregate current borrowings	-	466.00

10(A) Non Convertible Debentures (secured)

(a) Terms of borrowings

The SPV Group had issued and allotted 15,400 (8,600 debentures on December 22, 2017 and 6,800 debentures on September 20, 2017) secured, rated, listed, redeemable, non-convertible debentures of face value of INR 1,000,000 each for an aggregate consideration of INR 15,400.00 millions on private placement basis.

During the financial year 2019 -2020, the SPV Group had restructured the NCDs. As per restructuring terms, the NCDs of INR 1,220 million were prepaid. Interest rate and repayment schedule were modified as per note (c) and (d) below.

During the year, all the non-convertible debentures are fully repaid.

(b) Security

i) All movable and immovable assets, both present and future, of the SPV Group (other than Current assets).
ii) A first charge on all present and future Current assets including all book debts, cash flows, commissions, revenues of whatsoever nature and wherever arising and movable fixed assets of the SPV Group and intangibles, present and future.
iii) A first charge on all receivables of the SPV Group.
iv) A first charge on the Letter of credit, the Escrow Account and its Sub-Accounts, Trust & Retention Account, Debt Service Reserve Account, other reserves and any other bank accounts of the SPV Group wherever maintained, present & future, monies standing to their credit and permitted investments.
v) All benefits, rights, titles, permits, approvals and interests of the SPV Group in, to and under all assets, Project Documents (including but not limited to Transmission License, Revenue Sharing Agreement, clearances, permits, approvals, consents) in favour of Debenture Trustee.
vi) Contractor guarantees, performance bonds, letter(s) of credit (including towards payment security mechanism) that may be provided by any party for the Project.
vii) All insurance policies taken by the SPV Group.

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viii) Fully paid up equity shares of DMTCL Nil as at March 31, 2023 (77% at March 31, 2022) and NRSS Nil as at March 31, 2023 (51% at March 31, 2022) were pledged against the secured NCDs.

(c) Interest clause

DMTCL - Annual Interest shall be payable on or before last day of the quarter in which the interest is due as per terms with respective debenture holders

NRSS - Interest amount shall accrue at the end of every quarter and shall be payable on or before last day of the every quarter.

Rate of Interest of DMTCL:

Particulars	Rate of interest for the year ended March 31, 2023	Rate of interest for the year ended March 31, 2022
STRPP 1-17	8.85% p.a.	8.85% p.a.
STRPP 18-37	9.15% p.a.	9.15% p.a.
STRPP 38-57	9.35% p.a.	9.35% p.a.
STRPP 58-81	9.50% p.a.	9.50% p.a.

Rate of Interest of NRSS:

Particulars	Rate of interest for the year ended March 31, 2023	Rate of interest for the year ended March 31, 2022
STRPP 1-11	8.34% p.a.	8.34% p.a.
STRPP 12-17	8.52% p.a.	8.52% p.a.
STRPP 18-37	9.18% p.a.	9.18% p.a.
STRPP 38-57	9.18% p.a.	9.18% p.a.
STRPP 58-84	9.18% p.a.	9.18% p.a.

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(d) Repayment schedule of NCD issued by DMTCL

Series No.	Amount	Maturity date
STRPP 11	65.00	30-06-21
STRPP 12	65.00	30-09-21
STRPP 13	65.00	31-12-21
STRPP 14	65.00	31-03-22
STRPP 15	70.00	30-06-22
STRPP 16	70.00	30-09-22
STRPP 17	70.00	31-12-22
STRPP 18	77.00	31-03-23
STRPP 19	84.00	30-06-23
STRPP 20	84.00	30-09-23
STRPP 21	84.00	30-12-23
STRPP 22	84.00	30-03-24
STRPP 23	91.00	29-06-24
STRPP 24	91.00	30-09-24
STRPP 25	93.00	31-12-24
STRPP 26	93.00	31-03-25
STRPP 27	99.00	30-06-25
STRPP 28	99.00	30-09-25
STRPP 29	99.00	31-12-25
STRPP 30	97.00	31-03-26
STRPP 31	102.00	30-06-26
STRPP 32	102.00	30-09-26
STRPP 33	111.00	31-12-26
STRPP 34	111.00	31-03-27
STRPP 35	116.00	30-06-27
STRPP 36	110.00	30-09-27
STRPP 37	116.00	31-12-27
STRPP 38	119.00	31-03-28
STRPP 39	119.00	30-06-28
STRPP 40	122.00	30-09-28
STRPP 41	122.00	30-12-28
STRPP 42	122.00	31-03-29
STRPP 43	124.00	30-06-29
STRPP 44	125.00	29-09-29
STRPP 45	125.00	31-12-29
STRPP 46	125.00	30-03-30
STRPP 47	110.00	29-06-30
STRPP 48	110.00	30-09-30
STRPP 49	110.00	31-12-30
STRPP 50	110.00	31-03-31
STRPP 51	115.00	30-06-31
STRPP 52	115.00	30-09-31
STRPP 53	120.00	31-12-31
STRPP 54	120.00	31-03-32
STRPP 55	120.00	30-06-32
STRPP 56	125.00	30-09-32
STRPP 57	125.00	31-12-32
STRPP 58	136.00	31-03-33
STRPP 59	135.00	30-06-33
STRPP 60	135.00	30-09-33
STRPP 61	135.00	31-12-33
STRPP 62	142.00	31-03-34
STRPP 63	155.00	30-06-34
STRPP 64	145.00	30-09-34
STRPP 65	140.00	30-12-34
STRPP 66	140.00	31-03-35
STRPP 67	127.00	30-06-35
STRPP 68	128.00	29-09-35
STRPP 69	128.00	31-12-35
STRPP 70	128.00	31-03-36
STRPP 71	90.00	30-06-36
STRPP 72	90.00	30-09-36
STRPP 73	90.00	31-12-36
STRPP 74	90.00	31-03-37
STRPP 75	42.00	30-06-37
STRPP 76	40.00	30-09-37
STRPP 77	40.00	31-12-37
STRPP 78	48.00	31-03-38
STRPP 79	48.00	30-06-38
STRPP 80	48.00	30-09-38
STRPP 81	48.00	31-12-38
Total	7,244.00	

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Repayment schedule of NCD issued by NRSS

Series No.	Amount	Maturity date
STRPP 12	37.00	30-06-21
STRPP 13	43.00	30-09-21
STRPP 14	43.00	31-12-21
STRPP 15	46.00	31-03-22
STRPP 16	46.00	30-06-22
STRPP 17	44.00	30-09-22
STRPP 18	44.00	31-12-22
STRPP 19	45.00	31-03-23
STRPP 20	51.00	30-06-23
STRPP 21	44.00	30-09-23
STRPP 22	50.00	31-12-23
STRPP 23	57.00	31-03-24
STRPP 24	53.00	30-06-24
STRPP 25	53.00	30-09-24
STRPP 26	60.00	31-12-24
STRPP 27	62.00	31-03-25
STRPP 28	55.00	30-06-25
STRPP 29	62.00	30-09-25
STRPP 30	62.00	31-12-25
STRPP 31	66.00	31-03-26
STRPP 32	62.00	30-06-26
STRPP 33	62.00	30-09-26
STRPP 34	62.00	31-12-26
STRPP 35	67.00	31-03-27
STRPP 36	71.00	30-06-27
STRPP 37	65.00	30-09-27
STRPP 38	68.00	31-12-27
STRPP 39	68.00	31-03-28
STRPP 40	68.00	30-06-28
STRPP 41	68.00	30-09-28
STRPP 42	70.00	31-12-28
STRPP 43	71.00	31-03-29
STRPP 44	71.00	30-06-29
STRPP 45	71.00	30-09-29
STRPP 46	70.00	31-12-29
STRPP 47	77.00	31-03-30
STRPP 48	77.00	30-06-30
STRPP 49	77.00	30-09-30
STRPP 50	80.00	31-12-30
STRPP 51	80.00	31-03-31
STRPP 52	80.00	30-06-31
STRPP 53	80.00	30-09-31
STRPP 54	80.00	31-12-31
STRPP 55	86.00	31-03-32
STRPP 56	86.00	30-06-32
STRPP 57	86.00	30-09-32
STRPP 58	43.00	31-12-32
STRPP 59	48.00	31-03-33
STRPP 60	73.00	30-06-33
STRPP 61	48.00	30-09-33
STRPP 62	95.00	31-12-33
STRPP 63	95.00	31-03-34
STRPP 64	95.00	30-06-34
STRPP 65	95.00	30-09-34
STRPP 66	100.00	31-12-34
STRPP 67	100.00	31-03-35
STRPP 68	101.00	30-06-35
STRPP 69	100.00	30-09-35
STRPP 70	100.00	31-12-35
STRPP 71	100.00	31-03-36
STRPP 72	108.00	30-06-36
STRPP 73	100.00	30-09-36
STRPP 74	100.00	31-12-36
STRPP 75	100.00	31-03-37
STRPP 76	108.00	30-06-37
STRPP 77	100.00	30-09-37
STRPP 78	100.00	31-12-37
STRPP 79	100.00	31-03-38
STRPP 80	120.00	30-06-38
STRPP 81	130.00	30-09-38
STRPP 82	130.00	31-12-38
STRPP 83	127.00	31-03-39
STRPP 84	267.00	30-06-39
Total	**5,709.00**	

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10(B) Non Convertible Debentures (unsecured)

(a) Terms of borrowings

The SPV Group issued and allotted unsecured, unrated, unlisted, redeemable, non-convertible debentures (NCD) of a face value of INR 1,000 each on private placement basis of INR 60.00 millions and INR 271.00 millions in financial year March 31, 2020 and March 31, 2021 respectively.

(b) Term

The term of the NCDs is 10 years i.e. till March 15, 2030 or such extended term as may be determined by the Board of the Company with the prior written consent of the lender.

(c) Interest

The NCD Holders are entitled to a cumulative interest of 9% p.a. up to November 15, 2022 and 16% p.a. w.e.f. November 16, 2022 (March 31, 2022: 9% p.a.) on the outstanding value of the NCDs after satisfaction of restricted payment conditions under agreements with Existing Lenders under financing documents and any limit permissible by law. Interest accrues for 6 months period and is payable on or before last day of the succeeding month of half financial year ending on 31st March and 30th September. From November 16, 2022, the Company accrued and paid interest on a quarterly basis or, on any such other period as mutually agreed between the Parties with a prior written notice of 30 days, on the last business day of each Interest Period.

In case of insufficiency of cash flow surplus to make full payment of interest, the same is carried forward in subsequent period up to the Final Redemption Date. Such carried forward interest does not earn any further interest. Any unpaid carried forward interest remaining outstanding post Final Redemption Date gets lapsed.

(d) Redemption

NCDs shall be redeemable, in full or part, at the option of the NCD Holder on the following terms :

(i) At any time out of cashflow surplus (after satisfaction of restricted payment conditions as defined under senior lenders' agreement) of the Borrower as allowed by the Existing Lenders under financing documents; or

(ii) With the prior consent of the Existing Lenders

Redemption amount will be the outstanding value of the NCDs or a part thereof as the case may be.

10(C) Optionally Convertible Debenture (OCD) (unsecured)

(a) Terms of borrowings

The SPV Group had issued and allotted unsecured optionally convertible OCD of a face value of INR 10 each for an aggregate consideration of INR 1,578.60 millions on private placement basis.

(b) Term

The term of the OCDs is 22 (twenty two) years from the Completion Date, or such extended term as may be determined by the Board with the prior written consent of the Lender (Final Redemption Date).

The OCDs are unsecured and shall not be rated.

(c) Interest

The OCD Holders are entitled to a non-cumulative interest at an annual coupon rate not exceeding 18% p.a. (March 31, 2022 : 18% p.a.) on the outstanding face value of the OCDs subject to maximum cashflow surplus (after satisfaction of restricted payment conditions as defined under agreements with Existing Lenders) of the Company as allowed by the senior lenders under financing documents and any limit permissible by law.

Interest accrues for 6 months period and is payable on or before last day of the succeeding month of half financial year ending on 31st March and 30th September. From November 16, 2022, interest accrues and paid on a quarterly basis or, on any such other period as mutually agreed between the Parties with a prior written notice of 30 days, on the last business day of each Interest Period.

(d) Conversion

The OCD Holders, subject to necessary approvals as needed and any shareholding restrictions under the TSA to which the Borrower is a party, have the option to convert the OCD at any time before the Final Redemption Date subject to the terms of this Agreement and valuation report and applicable law.

The conversion ratio shall be adjusted such that the Lender receives at the time of conversion such percentage of equity shares of the issued share capital of the Company as it would have received had the OCDs been converted as above on the date of this Agreement, notwithstanding any bonus issue, rights issue, further issuance of shares or other corporate actions.

The conversion of the OCDs shall be in consonance with the terms of the TSA.

The SPV Group had issued optionally convertible debentures ("OCDs") which are optionally convertible into equity shares as per the terms of the agreement entered into between the SPV Group and the OCD holder. Under Ind AS, the OCDs have been separated into liability and equity components. Since the interest rate on OCDs is comparable to market interest, the equity component is considered negligible.

(e) Redemption

OCDs are redeemable at the option of the Lender on the following terms:

(i) At any time out of cashflow surplus (after satisfaction of restricted payment conditions as defined under Existing Lenders under senior lenders' agreement) of the SPV Group as allowed by the existing lenders under financing documents; or

(ii) With the prior consent of the senior lenders

In case of any early redemption, the redemption will be at 4x or IRR of 25%, whichever is higher. The lender will have unilateral option to waive or lower the multiple or IRR in case of any early redemption. In case OCD holders do not opt to convert into equity shares or seek an early redemption as provided herein, the redemption will be at par i.e. at face value on maturity date.

(f) Optionally convertible debentures amounting to INR 69.06 millions have been early repaid on May 21, 2020.

10(D) Term loan

During the year, the SPV Group availed Indian rupee term loan from Anzen amounting to INR 11,940 million (March 31, 2022 - Nil) and carries fixed interest rate of 16% p.a. Interest is payable on a monthly/quarterly basis or, on any such other period as mutually agreed between the Parties and on any date falling within 30 (thirty) Business Days from the end of the relevant quarter/month or any other date as may be mutually agreed between the parties to the agreement.

Repayment of the Term Loan can be done at any time at the discretion of the Borrower without any pre-payment penalty or subject to mutual agreement between the Parties.

During the year, the Company repaid INR 626 million.

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(11) Provisions

Particulars	As at March 31, 2023	As at March 31, 2022
Non-current :		
Provision for employee benefits		
Gratuity (refer note 32)	1.32	1.05
Compensated absences	0.58	0.81
	1.90	**1.86**

Particulars	As at March 31, 2023	As at March 31, 2022
Current :		
Provision for employee benefits		
Gratuity (refer note 32)	0.15	0.12
Compensated absences	0.47	0.42
	0.62	**0.54**

(12) Trade and other payables

Particulars	As at March 31, 2023	As at March 31, 2022
Trade and other payables	39.27	20.93
	39.27	20.93

Trade payables are not-interest bearing and are normally settled on 30-90 days terms. For explanation on the SPV Group's risk management policies, refer note 26.

(13) Other financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Interest accrued but not due on borrowings (refer note 30)	-	395.25
Payable for purchase of property, plant and equipment	0.28	32.00
Payable to related party (refer note 30 and 35)	628.93	-
Payable to employees	2.11	0.16
	631.32	427.41

(14) Other liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Advance from customer*	1.55	73.54
Statutory dues payable	13.26	3.54
	14.81	**77.08**

*Advance received from customer is adjusted against subsequent billing.

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(15) Revenue from contracts with customers

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Income from transmission charges (refer note 35)	3,605.59	2,212.47
Income from operation and maintenance	13.78	5.54
	3,619.37	2,218.01

Revenue from contracts with customers comprises of revenue from power transmission services rendered in India to Long Term Transmission Customers (LTTCs) pursuant to the respective Transmission Services Agreements (TSAs) executed by the respective SPVs with LTTCs. The TSAs are executed for a period of 35 years and have fixed tariff charges as approved by CERC (except some incentives/penalties relating to transmission assets availabilities). Under the TSAs, the SPVs' performance obligation is to provide power transmission services. The SPVs are required to ensure that the transmission assets meet the minimum availability criteria under the respective TSAs failing which could result in certain disincentives/penalties. The performance obligation is satisfied over-time as the customers receive and consume the benefits provided by the SPVs' performance as the SPVs' perform. The payment is generally due within 60 days upon receipt of quarterly invoice by the customer. The Group receives payments as per the pooling arrangements specified under the Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations ('Pooling Regulations') In the Point of Connection (PoC) mechanism, the transmission charges to be recovered from the entire system are allocated between users based on their location in the grid. Under the PoC mechanism, all the charges collected by the Central Transmission Utility (i.e. Power Grid Corporation of India Limited) from LTTCs are disbursed pro-rata to all Transmission Service Providers from the pool in proportion of the respective billed amount.

Applying the practical expedient as given in Ind AS 115, the SPV Group has not disclosed the remaining performance obligation related disclosures since the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date.

(a) Disaggregated revenue information

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Income from transmission charges	3,605.59	2,212.47
Income from operation and maintenance	13.78	5.54
Total	3,619.37	2,218.01

(b) Assets and liabilities related to contracts with customers

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Trade receivable	12.03	-
Unbilled revenue	655.45	562.50
Contract liabilities	1.55	73.54

Trade receivables are non-interest bearing and are generally on terms of 60 days. Contract liabilities include advances received from customers.

(c) Project wise break up of revenue from contracts with customers

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Darbhanga - Motihari Transmission Company Limited	2,213.47	1,262.13
NRSS XXXI (B) Transmission Limited	1,405.90	956.88
Total	3,619.37	2,218.01

(d) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Revenue as per contracted price	3,611.55	2,176.75
Add : Surcharge	17.34	49.86
Less : Rebate	(9.52)	(8.60)
	3,619.37	2,218.01

(e) Reconciliation of contract assets and liabilities

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Opening balance		
Unbilled revenue	562.50	535.40
Trade receivable	-	-
Contract liabilities	(73.54)	(126.83)
(A)	488.96	408.57
Amounts billed to customers	(562.50)	(535.40)
Power transmission services provided, but remaining unbilled as at year end	655.45	562.50
Power transmission services provided, but collection pending	12.03	-
Collection from customer	-	-
Advance received from customer adjusted against billing	73.54	126.83
Advance received from customer	(1.55)	(73.54)
(B)	176.97	80.39
Closing balance		
Unbilled revenue	655.45	562.50
Trade receivable	12.03	-
Contract liabilities	(1.55)	(73.54)
(A + B)	665.93	488.96

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(16) Other income

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Net gain on sale of investment in mutual funds	20.00	13.23
Fair value gain on financial instrument at fair value through profit or loss	15.24	1.38
Miscellaneous income	3.98	1.66
Liabilities no longer required written back	-	0.03
Income from insurance claims	-	8.77
	39.22	25.07

(17) Finance income

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest income on :		
Fixed deposits	34.32	59.89
Income tax refund	0.71	0.41
	35.03	60.30

(18) Operation and maintenance expense

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Operation and maintenance expense	71.22	65.62
	71.22	65.62

(19) Employee benefit expense

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Salaries, wages and bonus	14.90	13.32
Gratuity expenses (refer note 32)	0.36	0.33
Contribution to provident and other funds (refer note 32)	0.68	0.57
Staff welfare expenses	0.81	0.73
	16.75	14.95

(20) Finance costs

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Interest on		
Non-convertible debentures	978.15	1,226.80
Term loan	556.74	-
Optionally convertible debentures	271.72	271.72
Late payment of tax	1.87	0.01
	1,808.48	1,498.53

(21) Other expenses

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
Rates and taxes	2.31	3.26
Membership charges	0.87	2.88
Power and fuel	3.31	2.91
Travelling and conveyance expenses	5.21	4.39
Insurance	47.54	50.30
Legal and professional fees	156.45	89.48
Loss on disposal of property, plant and equipment	-	4.66
Rent (Expense relating to leases of low-value assets)	0.56	0.52
Miscellaneous expenses	4.32	4.38
	221.07	162.78

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(22) Statement of Capital and other commitments

(a) Capital Commitments

Particulars	As at March 31, 2023	As at March 31, 2022
Commitment relating to property, plant and equipment, net of capital advances	-	6.79
Total	-	6.79

(b) Other Commitments

The SPVs have entered into transmission services agreements (TSA) with long term transmission customers for the period of 35 (thirty five) years pursuant to which the SPVs have committed to transmit power of contracted capacity and have also committed minimum availability of transmission line over the life of the TSA period. The TSA contains provision for penalties in case of certain defaults.

(23) Statement of Contingent liabilities

Particulars	As at March 31, 2023	As at March 31, 2022
Other matters	78.43	84.43
Total	78.43	84.43

i. During the financial year 2016-17, land owners have filed a case with the District Court, Ludhiana, Punjab towards compensation for the value of land over which the transmission line is passing. The SPV group is of the view that required amount of compensation to these landowners have already been paid and no further compensation is payable. Based on the legal advice, the SPV group does not anticipate any liability against the same and has disclosed a contingent liability of INR 61.65 million (March 31, 2022 : INR 61.65 million). Accordingly, no provision for any liability has been made in these financial statements.

ii. During the financial year 2020-21, landowners have filed a case with the Civil Court, Pehowa, Haryana towards right of way compensation for laying transmission lines. The SPV group is of the view that required amount of compensation to these landowners have already been paid and no further compensation is payable. Based on the legal advice, the SPV group does not anticipate any liability against the same and has disclosed a contingent liability of INR 2 million (March 31, 2022 : INR 2 million). Accordingly, no provision for any liability has been made in these financial statements.

iii. During the financial year 2020-21, land owners have filed a case with the Court of Commissioner, Darbhanga Division towards higher compensation on account of cutting of his trees over which the transmission line is passing. The SPV group was of the view that required amount of compensation to these landowners had already been paid and no further compensation is payable. Based on the legal advice, the SPV group did not anticipate any liability against the same and had disclosed as contingent liability of INR 6 million for year ended March 31, 2022. Pursuant to order dated July 28, 2022 the matter was disposed off in favour of the SPV group.

iv. During the financial year FY 2018-19 and FY 2019-20, Power Grid Corporation of India Limited claimed recovery of Interest During Construction ("IDC"), Incidental Expenses During Construction ("IEDC") and transmission charges respectively on account of delay in commissioning of transmission lines by the SPV group. The SPV group is of the view that the delay in commissioning of transmission lines was due to force majeure events which were beyond the control of the SPV group. Central Electricity Regulatory Commission concluded in another matter through order dated 29/03/2019 passed in Petition No. 195/MP/2017 that delay in commissioning was not due to reasons attributable to the SPV group. Based on the legal advice, the SPV group does not anticipate any liability against the same and has disclosed a contingent liability of INR 14.78 million (March 31, 2022 : INR 14.78 million). Accordingly, no provision for any liability has been made in these financial statements.

The outcome of all the above claims are uncertain and accordingly, disclosed as contingent liabilities.

(24) Financial Instruments by category

Set out below is a comparison, by class, of the carrying amounts and fair value of the SPV Group's financial instruments as of March 31, 2023 :

Particulars	Amortised cost	Fair value through profit and loss	Fair value through other comprehensive income	Total carrying value	Total fair value
Financial assets					
Cash and cash equivalents	61.25	-	-	61.25	61.25
Investments	-	833.59	-	833.59	833.59
Trade receivables	12.03	-	-	12.03	12.03
Other financial assets	663.13	-	-	663.13	663.13
Total	736.41	833.59	-	1,570.00	1,570.00
Financial liabilities					
Borrowings	13,114.54	-	-	13,114.54	13,065.46
Trade payables	39.27	-	-	39.27	39.27
Other financial liabilities	631.32	-	-	631.32	631.32
Total	13,785.13	-	-	13,785.13	13,736.05

Set out below is a comparison, by class, of the carrying amounts and fair value of the SPV Group's financial instruments as of March 31, 2022 :

Particulars	Amortised cost	Fair value through profit and loss	Fair value through other comprehensive income	Total carrying value	Total fair value
Financial assets					
Cash and cash equivalents	43.53	-	-	43.53	43.53
Investments	-	272.37	-	272.37	272.37
Other bank balances	1,231.97	-	-	1,231.97	1,231.97
Other financial assets	610.41	-	-	610.41	610.41
Total	1,885.91	272.37	-	2,158.28	2,158.28
Financial liabilities					
Borrowings	14,223.23	-	-	14,223.23	14,672.84
Trade payables	20.93	-	-	20.93	20.93
Other financial liabilities	427.41	-	-	427.41	427.41
Total	14,671.57	-	-	14,671.57	15,121.18

Carrying values of trade receivables, other financial assets, trade payables and other financial liabilities approximate their fair values.

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All amounts in Rupees millions unless otherwise stated

(25) Fair value hierarchy

The following table presents fair value hierarchy of assets and liabilities as of

Particulars	Fair value measurement at end of the reporting year using		
	Level 1	Level 2	Level 3
Assets measured at fair value			
March 31, 2022			
Quoted investments - Investment in mutual funds	272.37	-	-
March 31, 2023			
Quoted investments - Investment in mutual funds	833.59	-	-
Asset for which fair value disclosures are given			
March 31, 2022			
Total assets	-	-	24,923.00
March 31, 2023			
Total assets	-	-	24,187.22
Liabilities for which fair value disclosures are given			
March 31, 2022			
Borrowings	-	14,672.84	-
March 31, 2023			
Borrowings	-	13,065.46	-

Investment in mutual funds though unlisted, are quoted on recognised stock exchanges at their previous day NAVs which is the quote for the day.

The SPV Group is required to present the Statement of total assets at fair value and Statement of total returns at fair value as per SEBI circular no. CIR/IMD/DF/114/2016 dated 20 October 2016 as a part of these combined financial statements - Refer Statement of Net assets at fair value and Statement of Total Returns at fair value.

The inputs to the valuation models for computation of fair value of transmission assets for the above mentioned statements are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as WACC, Tax rates, Inflation rates, etc.

The significant unobservable inputs used in the fair value measurement required for disclosures as above categorised within Level 3 of the fair value hierarchy as above together with a quantitative sensitivity analysis as at March 31, 2023 and March 31, 2022 are as shown below:

Description of significant unobservable inputs to valuation:

Significant unobservable inputs	Input for March 31, 2023	Input for March 31, 2022	Sensitivity of input to the fair value	Increase / (decrease) in fair value	
				As at March 31, 2023	As at March 31, 2022
WACC	8.00% to 8.05%	7.99% to 8.20%	0.50%	(1,204.00)	(1,205.39)
			-0.50%	1,355.00	1,356.11
Tax rate (normal tax and MAT)	MAT - 17.47%	MAT - 17.47%	2.00%	(96.12)	(86.93)
	Normal tax - 25.17%	Normal tax - 25.17%	-2.00%	83.86	75.99
Inflation rate for expenses	2.5% to 5%	1.37% to 2.19%	1.00%	(262.46)	(382.52)
			-1.00%	218.74	315.31

(26) Financial risk management objectives and policies

The SPV Group's principal financial liabilities comprise borrowings, trade and other payables and other financial liabilities. The main purpose of these financial liabilities is to finance the SPV Group's operations. The SPV Group's principal financial assets include investments, loans, trade receivables, cash and short-term deposits and other financial assets that derive directly from its operations.

The SPV Group is exposed to market risk, credit risk and liquidity risk. The SPV Group's senior management oversees the management of these risks. The SPV Group reviews and agrees policies for managing each of these risks, which are summarised below.

The Risk Management policies of the SPV Group are established to identify and analyse the risks faced by the SPV Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the SPV Group's activities.

Management has overall responsibility for the establishment and oversight of the SPV Group's risk management framework.

(a) Credit risk on financial assets

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The SPV Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

Trade receivables

DMTCL and NRSS are engaged in transmission infrastructure development business under BOOM (Build, Own, Operate and Maintain) and currently derive its revenue primarily from BOOM contracts with long term transmission customers ('LTTC'). DMTCL and NRSS being transmission licensees receive payments as per the pooling arrangements specified under the Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations ('Pooling Regulations'). In the PoC method, the transmission charges to be recovered from the entire system are allocated between users based on their location in the grid. Under the PoC mechanism, all the charges collected by the Central Transmission Utility ('CTU') from LTTC's are disbursed pro-rata to all Transmission Service Providers ('TSPs') from the pool in proportion of the respective billed amount. Due to this, the TSPs are shielded against any potential default by a particular customer. If a particular customer delays or defaults, the delay or shortfall is prorated amongst all the TSPs. Based on past history of payments, payments due have always been paid and there have been no write-off's for due amounts. Due to the payment mechanism explained above as well as due to no history of any write-off's of payments which were due, the SPV Group has not considered any expected credit loss on the financial assets in the nature of trade receivables. During the various periods presented, there has been no change in the credit risk of trade receivables.

Other financial assets

Credit risk from balances deposited/invested with banks as well as investments made in mutual funds, is managed by the SPV Group's senior management in accordance with the SPVs' Treasury policy approved by the Board of Directors. Investments of surplus funds are made only with approved counterparties and within limits assigned to each counterparty. Counterparty limits are reviewed by the top management on an annual basis, and may be updated throughout the year subject to approval of the Board of Directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments. Based on this policy, the SPV Group does not foresee any risk on account of credit losses, either in the scheduled commercial bank deposits which are made with AA+ rated banks and also in regard to mutual funds which is primarily debt oriented funds. No loss allowances have been provided for any trade receivables, or other receivables from financing activities like cash and bank deposits, mutual funds and other similar deposits. Also, there have been no modifications in contractual cash flows on financial assets.

The SPV Group's maximum exposure to credit risk for the components of the Balance Sheet as at March 31, 2023, March 31, 2022 is the carrying amounts of Investments, Trade Receivables, Cash and cash Equivalents and Other financial Assets as disclosed in Note 5, 7, 8A, and 4 respectively. However, the credit risk is low due to reasons mentioned above.

(b) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk . Financial instruments affected by market risk include borrowings, deposits and investments in short-term mutual funds. However, the SPV Group did not have currency risk as at March 31, 2023, March 31, 2022.

Interest rate risk

As at March 31, 2023, March 31, 2022, there are no borrowings having floating rate of interest. Accordingly, interest rate sensitivity is not disclosed.

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(c) Liquidity risk

Liquidity risk is the risk that the SPV Group may encounter difficulty in meeting its present and future obligations associated with financial liabilities that are required to be settled by delivering cash or another financial asset. The SPV Group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral obligations. The SPV Group requires funds both for short term operational needs as well as for long term investment programs mainly in growth projects. The SPV Group closely monitors its liquidity position and deploys a robust cash management system. It aims to minimise these risks by generating sufficient cash flows from its current operations, which in addition to the available cash and cash equivalents, liquid investments and sufficient committed fund facilities, will provide liquidity.

The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The average credit period taken to settle trade payables is about 30 days. The other payables are with short term durations. The carrying amounts are assumed to be reasonable approximation of fair value. The table below summarises the maturity profile of the SPV Group's financial liabilities based on contractual undiscounted payments:

Particulars	On demand	Less than 3 months	3 months to 1 year	1 year to 5 years	more than 5 years	Total
As at March 31, 2023						
Term loan	-	-	-	-	11,314.00	11,314.00
Optionally convertible debentures (Unsecured)	-	-	-	-	1,509.54	1,509.54
Non convertible debentures (Unsecured)	-	-	-	-	291.00	291.00
Trade and other payables	-	39.27	-	-	-	39.27
Other financial liabilities	-	631.32	-	-	-	631.32
Interest on borrowings	-	530.67	1,602.23	8,514.06	47,483.98	58,130.94
	-	1,201.26	1,602.23	8,514.06	60,598.52	71,916.67
As at March 31, 2022						
Non convertible debentures (Secured)	-	116.00	350.00	2,452.00	9,606.00	12,524.00
Optionally convertible debentures (Unsecured)	-	-	-	-	1,509.54	1,509.54
Non convertible debentures (Unsecured)	-	-	-	-	331.00	331.00
Trade and other payables	-	20.93	-	-	-	20.93
Other financial liabilities	-	306.19	121.22	-	-	427.41
Interest on borrowings	-	289.56	1,165.86	5,334.08	9,691.73	16,481.23
	-	732.68	1,637.08	7,786.08	21,138.27	31,294.11

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(27) Capital management

For the purpose of the SPV Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the SPV Group. The primary objective of the SPV Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The SPV Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the SPV Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The SPV Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The SPV Group's policy is to keep the gearing ratio optimum. The SPV Group includes within net debt, interest bearing loans and borrowings, trade and other payables less cash and cash equivalents, other bank balances excluding discontinued operations.

Particulars	As at March 31, 2023	As at March 31, 2022
Borrowings	13,114.54	14,223.23
Trade Payables	39.27	20.93
Other financial liabilities	631.32	427.41
Less: cash and other bank balances	(61.25)	(1,275.50)
Net debt (A)	13,723.88	13,396.07
Net shareholder's fund	343.35	952.23
Total equity capital (B)	343.35	952.23
Capital and net debt (C=A+B)	14,067.23	14,348.30
Gearing ratio (%) (A/C)	0.98	0.93

In order to achieve this overall objective, the SPV Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants for 4 consecutive financial covenant testing date would give Debenture Holders the right to call event of default. There have been no breaches in the financial covenants of the Non convertible debentures.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2023, March 31, 2022.

(28) Income tax

The major components of income tax expense for the year are:

Profit or loss section

Particulars	As at March 31, 2023	As at March 31, 2022
Current income tax:		
Current income tax charge	68.02	-
Deferred tax:		
Relating to origination and reversal of temporary differences	-	-
Income tax expense reported in the statement of profit or loss	68.02	-

The current tax has not been provided as the SPV Group has been incurring losses as per tax for the year ended March 31, 2022.

The reconciliation between the provision of income tax of the SPV Group and amounts computed by applying the Indian statutory income tax rate to profit before tax is as follows:

Particulars	As at March 31, 2023	As at March 31, 2022
Profit/(Loss) before tax	577.60	(512.25)
Enacted income tax rate in India	29.12%	29.12%
Computed expected tax	168.20	(149.17)
Effect of:		
Non recognition of deferred tax on unabsorbed depreciation and other timing differences	(100.18)	149.17
Income tax expense recognised in the statement of profit and loss	68.02	-

Deferred Tax Liability (net)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred Tax Assets		
Tax losses	2,292.38	2,500.61
Gratuity payable	0.42	0.34
Leave encashment payable	0.31	0.36
Total	2,293.11	2,501.31
Deferred Tax Liabilities		
Property, plant and equipment : Impact of difference between tax depreciation and depreciation for financial reporting	1,567.11	1,565.32
Ancillary borrowing costs	-	41.15
Total	1,567.11	1,606.47
Net deferred tax asset recognised (DTA restricted to the extent of DTL)	-	-

For the computation of deferred tax assets/liabilities, the SPV Group has not considered tax holiday available under the Income Tax Act for the project SPVs. The management based on estimated cash flow workings for these projects, believes that since there will be losses in the initial years of these projects, no benefit under the Income tax Act would accrue to these projects in respect of the tax holiday. Management will re-assess this position at each balance sheet date.

Tax losses represents unabsorbed depreciation. Unabsorbed depreciation can be carried forward indefinitely.

(29) Earnings per unit (EPU):

Anzen India Yield Plus Trust is not part of the SPV Group. Hence, earnings per unit has not been presented in these combined financial statements of SPV Group.

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(30) Related Party Disclosures

I. List of related parties as per the requirements of Ind-AS 24 as at March 31, 2023 - Related Party Disclosures:

Related parties where Control exists:

(a) **Ultimate Parent of the SPVs**
Edelweiss Infrastructure Yield Plus (up to June 29, 2022 and w.e.f. November 11, 2022)

(b) **Immediate Holding Company of the SPVs**
Anzen India Energy Yield Plus Trust (Anzen) (w.e.f. November 11, 2022)
Edelweiss Infrastructure Yield Plus (w.e.f. June 30, 2022 to November 10, 2022)
SEPL Energy Private Limited (formerly known as Sekura Energy Private Limited) (SEPL) (up to June 29, 2022)

(c) **Other related parties with whom transactions have taken place during the year**

(i) **Fellow Subsidiaries of the SPVs**
SEPL Energy Private Limited (formerly known as Sekura Energy Private Limited) (SEPL) (w.e.f. June 30, 2022 to November 10, 2022)
SRPL Roads Private Limited (formerly known as Sekura Roads Private Limited)

(ii) SEPL Energy Private Limited (formerly known as Sekura Energy Private Limited) (SEPL) - Entity under common control (from November 11, 2022)

(d) **Key management personnel of the SPVs and their relatives:**

Name of related parties	Relationship
Vijayanand Semletty*	Non- Executive Director
Jyoti Kumar	Manager
Raminder Singh*	Manager
Vaibhav Doshi	Chief Financial Officer (up to June 30, 2022)
Sadanandan Aattery Govindan Nair	Chief Financial Officer (w.e.f January 01, 2023)
Krishna Parekh	Company Secretary (up to June 30, 2022)
Rakesh Gangwani	Company Secretary (w.e.f August 12, 2022)
Surabhi Jain*	Company Secretary (w.e.f August 12, 2022)

II. List of related parties as per requirements of InvIT Regulations

(a) **Parties of Anzen India Energy Yield Plus Trust**
SEPL Energy Private Limited (formerly known as Sekura Energy Private Limited) - Sponsor and Project manager
EAAA Real Assets Managers Limited (formerly known as Edelweiss Real Assets Managers Limited) - Investment Manager
Axis Trustee Services Limited - Trustee of Anzen India Energy Yield Plus Trust

(b) **Promoters, Directors and Partners of the persons mentioned in clause (a)**

Particulars	SEPL Energy Private Limited (formerly known as Sekura Energy Private Limited) (SEPL) - Sponsor and Project manager	EAAA Real Assets Managers Limited (formerly known as Edelweiss Real Assets Managers Limited) - Investment Manager	Axis Trustee Services Limited - Trustee of Anzen India Energy Yield Plus Trust
Promoters	Edelweiss Infrastructure Yield Plus	Edelweiss Securities and Investments Private Limited (up to March 28, 2023) Edelweiss Alternative Asset Advisors Limited (w.e.f March 29, 2023)	Axis Bank Limited
Directors	Avinash Prabhakar Rao* Sushant Sujir Nayak Tharuvai Venugopal Rangaswami	Venkatchalam Ramaswamy Subahoo Chordia Sunil Mitra Prabhakar Panda* Ranjita Deo Shiva Kumar	Deepa Rath Rajesh Kumar Dahiya* Ganesh Sankaran*
Partners	Not applicable	Not applicable	Not applicable

(c) **Key Managerial Personnel of ERAML**
Ranjita Deo (Whole Time Director and Chief Investment Officer)
Vaibhav Doshi (Chief Financial Officer) (w.e.f. 1 February 2023)
Jalpa Parekh (Company Secretary)

* Subsequent to March 31, 2023, these KMPs / Directors have resigned and are no longer the KMPs /Directors.

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III. **Related party transactions:**

Particulars	Name of related party	Year ended March 31, 2023	Year ended March 31, 2022
Project management fees	SEPL Energy Private Limited	62.27	65.04
Operation and maintenance cost	SEPL Energy Private Limited	29.59	46.91
Reimbursement of expenses	SEPL Energy Private Limited	0.89	2.34
Shared Service Cost	SEPL Energy Private Limited	18.83	-
Investment management fees	EAAA Real Assets Managers Limited	24.18	-
Distribution to shareholders	Edelweiss Infrastructure Yield Plus	1,118.51	-
Term loan taken	Anzen India Energy Yield Plus Trust	11,340.00	-
Term loan repaid	Anzen India Energy Yield Plus Trust	626.00	-
Redemption of Non convertible debentures	Edelweiss Infrastructure Yield Plus	40.00	-
Reimbursement of expenses	SRPL Roads Private Limited	0.00**	0.01
Interest on Non convertible debentures	Edelweiss Infrastructure Yield Plus	13.71	29.79
Interest on Optionally convertible debentures	Edelweiss Infrastructure Yield Plus	136.24	271.72
Interest on Optionally convertible debentures	Anzen India Energy Yield Plus Trust	135.48	-
Interest on Term loan	Anzen India Energy Yield Plus Trust	556.74	-
Interest on Non convertible debentures	Anzen India Energy Yield Plus Trust	20.65	-
Interest on Non convertible debentures	Axis Bank Limited	0.69	1.01
Redemption of Non convertible debentures	Axis Bank Limited	11.00	-
Interest income on investment in fixed deposits	Axis Bank Limited	17.18	25.15
Investment in fixed deposits	Axis Bank Limited	1,168.05	819.84
Redemption of fixed deposits	Axis Bank Limited	1,233.17	699.43
Reimbursement of expenses	Jyoti Kumar	0.69	0.87
Reimbursement of expenses	Raminder Singh	0.72	0.50
Reimbursement of expenses	Vijayanand Semletty	0.01	0.02
Reimbursement of expenses	Krishna Parekh	0.00**	-
Remuneration*	Rakesh Gangwani	0.15	-
Remuneration*	Surabhi Jain	0.15	-
Reimbursement of expenses	Avinash Prabhakar Rao	0.22	-
Remuneration	Jyoti Kumar	1.87	1.57
Remuneration	Raminder Singh	2.89	2.59

* The above remuneration paid to KMP does not include :
(a) post-employment benefits
(b) Other long term benefits
(C) Termination benefits
(d) share based payments
**less than ₹ 0.01 million

IV. **Related party balances:**

Particulars	Name of related party	Year ended March 31, 2023 (Payables)/Receivables	Year ended March 31, 2022 (Payables)/Receivables
Trade and other payables	SEPL Energy Private Limited	(12.25)	(0.82)
Trade and other payables	EAAA Real Assets Managers Limited	(10.50)	-
Other Financial Liabilities	Edelweiss Infrastructure Yield Plus	(628.93)	-
Trade and other payables	SRPL Roads Private Limited	-	(0.01)
Payable to employees	Jyoti Kumar	(0.05)	(0.07)
Payable to employees	Rakesh Gangwani	(0.02)	-
Payable to employees	Raminder Singh	(0.06)	(0.05)
Payable to employees	Surabhi Jain	(0.02)	-
Interest accrued but not due on borrowings	Axis Bank Limited	-	(0.00)*
Balances with banks in current accounts	Axis Bank Limited	27.67	23.68
Fixed deposits	Axis Bank Limited	-	665.13
Interest accrued on fixed deposits	Axis Bank Limited	-	11.02
9.18% Non convertible debentures	Axis Bank Limited	-	(11.00)
Interest accrued but not due on borrowings	Edelweiss Infrastructure Yield Plus	-	(150.34)
9% Non convertible debentures	Edelweiss Infrastructure Yield Plus	-	(331.00)
18% Optionally convertible debentures	Edelweiss Infrastructure Yield Plus	-	(1,509.54)
16% Non convertible debentures	Anzen India Energy Yield Plus Trust	(291.00)	-
18% Optionally convertible debentures	Anzen India Energy Yield Plus Trust	(1,509.54)	-
16% Term Loan	Anzen India Energy Yield Plus Trust	(11,314.00)	-

* amounts below INR 0.01 millions
For pledge of shares by the SPV Group - Refer note 10A(b)(viii)

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

EAAA Real Assets Managers Limited (formerly known as Edelweiss Real Assets Managers Limited)

SPV Group
(As defined in Note 1 - Corporate Information)
All amounts in Rupees millions unless otherwise stated
Notes to combined financial statements

(31) Significant accounting judgements, estimates and assumptions

The preparation of the SPV Group's combined financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the SPV Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the combined financial statements.

(a) Applicability of Appendix D - Service Concession Arrangements of Ind AS 115 Revenue from contracts with customers

The SPVs act as transmission licensees under the Electricity Act, 2003 holding valid licenses for 25 years. The SPVs have entered into Transmission Services Agreements ("TSA") with Long Term Transmission Customers ("LTTC") through a tariff based bidding process to Build, Own, Operate and Maintain ("BOOM") the transmission infrastructure for a period of 35 years. The management is of the view that the grantor as defined under Appendix D of Ind AS 115 ("Appendix D") requires transmission licensee to obtain various approvals under the regulatory framework to conduct its operations both during the period of the license as well as at the end of the license period. However, in the view of management, the grantor's involvement and approvals are to protect public interest and are not intended to control, through ownership, beneficial entitlement or otherwise, any significant residual interest in the transmission infrastructure at the end of the term of the arrangement. Accordingly, management is of the view that Appendix D to Ind AS 115 is not applicable to the SPV Group.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the SPV Group. Such changes are reflected in the assumptions when they occur.

(a) Defined benefit plans

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.
Further details about gratuity obligation are given in Note 32.

(b) Impairment of non-financial assets

Non-financial assets of the Group primarily comprise of transmission assets (property, plant and equipment) and Goodwill. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The value in use calculation is based on a DCF model. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. Refer Note 38 for qualitative assumptions and Note 25 for quantitative assumptions.

(c) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. For the calculation of deferred tax assets/liabilities, the SPV Group has not considered tax holiday available under the Income Tax Act. The management based on estimated cash flow workings for the SPVs believes that since there will be losses in the initial years of the SPVs, no benefit under the Income tax Act would accrue to these SPVs in respect of the tax holiday.

(d) Classification of optionally convertible debentures

The Group has issued optionally convertible debentures ("OCDs") which are optionally convertible into equity shares as per the terms of the agreement entered into between the Group and the OCD holder. Under Ind AS, the OCDs have been classified as liability measured at fair value through profit and loss since the interest rate approximates to market interest rate and accordingly residual equity amount is nil.

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CHARTERED ACCOUNTANTS

EAAA Real Assets Managers Limited

SPV Group
(As defined in Note 1 - Corporate Information)
All amounts in Rupees millions unless otherwise stated
Notes to combined financial statements

(32) Disclosures for Employee Benefits

a. Defined benefit plan - gratuity

The SPV Group has a defined benefit plan (Gratuity) for its employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn) for each completed year of service as per the provisions of the Payment of Gratuity Act, 1972. The said gratuity plan is unfunded.

The following table sets out the components of net gratuity benefit expense recognised in Statement of Profit and Loss and amounts recognised in the Balance Sheet for the respective plans:

	Particulars	Year ended March 31, 2023	Year ended March 31, 2022
i	**Expense recognized in Statement of Profit & Loss for the year (included in Note 20 Employee Benefit Expense)**		
	Service cost:		
	Current service cost	0.27	0.27
	Interest cost	0.09	0.06
	Total expense charged to Statement of Profit and Loss	0.36	**0.33**
ii	**Expense recognized in Other Comprehensive Income for the year**		
	Components of actuarial losses / (gains) on obligations:		
	Due to changes in demographic assumptions	-	(0.14)
	Due to changes in financial assumptions	(0.08)	0.01
	Due to changes in experience adjustments	0.03	0.03
	Total expense recognised in Other Comprehensive Income	(0.05)	**(0.10)**
iii	**Reconciliation of defined benefit obligation**		
	Opening Balance of defined benefit obligation	1.17	0.95
	Current service cost	0.27	0.27
	Interest cost	0.09	0.06
	Benefits paid	-	-
	Actuarial loss / (gain) from changes in demographic assumptions	-	(0.14)
	Actuarial loss / (gain) from changes in financial assumption	(0.03)	0.01
	Actuarial loss / (gain) from experience over past years	(0.02)	0.03
	Closing Balance of defined benefit obligation	**1.47**	**1.17**
iv	**The principal assumptions used in determining above defined benefit obligations for the Group's plan are as under:**	**Year ended March 31, 2023**	**Year ended March 31, 2022**
	Discount Rate (p.a)	7.10%	6.40%
	Expected rate of increase in salary (p.a)	10.00%	10.00%
	Withdrawal rates	15.00%	15.00%
	Mortality Rates	Indian Assured Lives Mortality (2012-14) ULT	Indian Assured Lives Mortality (2012-14) ULT
	Expected average remaining working life	5.5 years	5.5 years
v	**Sensitivity analysis of impact on Defined benefit obligation (DBO) for changes in significant assumptions is as under:**	**Year ended March 31, 2023**	**Year ended March 31, 2022**
	Expected rate of increase in salary		
	100 basis point increase	0.11	0.09
	100 basis point decrease	(0.09)	(0.08)
	Discount Rate		
	100 basis point increase	(0.09)	(0.08)
	100 basis point decrease	0.11	0.09
	Withdrawal rate		
	100 basis point increase	(0.03)	(0.03)
	100 basis point decrease	0.03	0.03
	Mortality (increase in expected life)		
	increase in expected life by 1 year	Negligible change	Negligible change
	increase in expected life by 3 years	Negligible change	Negligible change

Note: The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant. There are no changes from the previous period to the methods and assumptions underlying the sensitivity analysis.

b. Defined Contribution Plans

The SPV Group makes Provident Fund to defined contribution plans for qualifying employees. Under the schemes, the SPV Group is required to contribute a specified percentage of payroll costs to fund the benefits. The SPV group has recognised provident fund contribution including administration charges for the year ended March 31, 2023 of INR 0.52 million (March 31, 2022 of INR 0.41 million) as expense and contribution to pension fund for the year ended March 31, 2023 of INR 0.16 million (March 31, 2022 of INR 0.16 million) in Note 19 under the head 'Contributions to Provident and Other Funds'.

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CHARTERED ACCOUNTANTS

EAAA Real Assets Managers Limited
(formerly known as Edelweiss Real Assets Managers Limited)

All amounts in Rupees millions unless otherwise stated

(33) Detail of capital work in progress expenditure are as under:

Particulars	As at March 31, 2023	As at March 31, 2022
Opening balance	46.59	5.15
Add : Assets under construction (net of advances)	-	126.75
Less : Assets capitalized during the year*	46.59	85.31
Closing balance	-	46.59

*During the year ended March 31, 2022, Gandak River changed its course which made four towers highly vulnerable. Hence as a precaution, the Company installed two taller towers with pile foundation at location to improve and strengthen the LILO line asset. Out of the two towers, one tower was installed on March 31, 2022 and one tower was installed on April 30, 2022.

(34) Segment Information:
The SPV Group's activities comprise of transmission of electricity in certain states in India. Based on the guiding principles given in Ind AS 108 on "Segment Reporting", this activity falls within a single business and geographical segment and accordingly the disclosures of Ind AS 108 have not been separately given.
Under Point of Connection (PoC) mechanism, Power Grid Corporation of India Limited ('PGCIL') is designated as central transmission utility with the responsibility for billing and collecting of usage charges from Inter-State Transmission Services (ISTS) users. Hence the entire amount of trade receivables pertaining to transmission charges is receivable from PGCIL.

(35) Incremental tariff
Central Electricity Regulatory Commission ("CERC") in its order dated March 29, 2019 and review order dated January 13, 2020 (DMTCL) and January 15, 2020 (NRSS) provided partial relief and disallowed claims pertaining to Interest During Construction ("IDC"), other cost overruns. SPV Group filed appeal with the Appellate Tribunal for Electricity ("APTEL") against the order of CERC.
APTEL in its order dated December 3, 2021 ("APTEL Order") set aside CERC Order and allowed the claims sought by SPV Group on account of IDC, other cost overruns and remitted back the matter to CERC for passing a final Order. Pursuant to the above, CERC in its Order dated May 11, 2022 (NRSS) and May 13, 2022 (DMTCL) (collectively called as "CERC Order") allowed incremental tariff in respect of IDC and other cost overruns of INR 237.50 million per annum as per TSA. Consequently, SPV Group is entitled to accrue revenues from COD to June 30, 2022 of ~INR 1,247.88 million and one time reimbursement of INR 8.23 million. However, CERC disallowed the SPV Group's claim in respect of carrying costs. Considering no appeal has been filed and the appeal timeline has elapsed, the consequent effect of the CERC Order have been given in the combined financial statements for the year ended March 31, 2023 and the same is accounted as revenue from operations in the statement of profit and loss.

Further, pursuant to Securities Purchase Agreement dated November 1, 2022 among the respective SPV and Edelweiss Infrastructure Yield Plus, Axis Trustee Services Limited , EAAA Real Assets Managers Limited (formerly known as Edelweiss Real Assets Managers Limited), SEPL Energy Private Limited (formerly known as Sekura Energy Private Limited), the entire economic and beneficial interest in all amounts due (net of tax) to the respective SPV as per the CERC Order pertaining to period prior to and including March 31, 2022 (including any amounts received as one-time settlements for issues raised in the petition) is vested with Edelweiss Infrastructure Yield Plus and upon receipt of the amounts (or any part thereof) shall be transferred to Edelweiss Infrastructure Yield Plus. Accordingly, the amount of INR 1,118.51 million is considered as distribution to the shareholder and adjusted in equity.

As per the Securities Purchase Agreement, any amounts due to the respective SPV pursuant to any future order passed by any competent authority pursuant to claims or appeals filed by the Company until the Closing Date (including any claims or appeals filed in relation to the CERC Order such as the appeal filed by the respective SPV dated June 24, 2022) ("Future Receivables") Anzen India Energy Yield Plus Trust/the respective SPV shall pursuant to the receipt of final, non-appealable orders of a court of competent jurisdiction, be transferred to Edelweiss Infrastructure Yield Plus. Based on the management opinion the possibility of outcome of these matter to be remote, the same is not considered as contingent consideration as per Ind AS 103 Business Combination.

(36) Disclosure of COVID-19 on operations:
The management has assessed impact on business and financial risks on account of COVID-19 on the financial information of SPV Group. SPV Group is engaged in operation and maintenance of power transmission lines and substations ('power transmission infrastructure') are governed by Section 63 of The Electricity Act 2003 where in as per the transmission Service Agreements ('TSAs') tariff revenue is accrued based on availability of power transmission infrastructure. Further, the Government of India has declared power transmission as an essential service therefore SPV Group is able to ensure availability of power transmission infrastructure and carry out maintenance activities during the lock down period.
The management believes that as the tariff revenues are linked to availability, irrespective of the quantum of power transmitted through the power transmission infrastructure and considering the Point of Connection ('PoC') mechanism the risk of non-collection of transmission charges receivables is minimum. Further, the management does not see any risks in SPV Group's ability to continue as a going concern and meeting its liabilities as and when they fall due. The management will continue to monitor and assess impact of economic conditions arising due to COVID 19. The impact of COVID 19 may differ from that expected at the date of approval of these financial statements.

(37) Previous period/year's figures have been regrouped / rearranged wherever necessary to confirm the current period classification.

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S R B C & CO LLP * CHARTERED ACCOUNTANTS *

EAAA Real Assets Managers Limited (formerly known as Edelweiss Real Assets Managers Limited) ★

SPV Group
(As defined in Note 1 - Corporate Information)
All amounts in Rupees millions unless otherwise stated
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(38) Disclosures as required by SEBI circular no. CIR/IMD/DF/114/2016 dated 20 October 2016

I. Project wise operating cash flows

Projects	As at March 31, 2023	As at March 31, 2022
Darbhanga Motihari Transmission Company Limited (DMTCL)	1,547.38	1,066.31
NRSS XXXI (B) Transmission Limited (NRSS)	1,043.76	810.13
	2,591.14	1,876.44

II. Capitalisation statement

Particulars	Pre Issue as at March 31, 2023	As adjusted for issue*
Total debt (A)#	13,114.54	
Total equity of SPV Group (B)	343.35	
Debt equity ratio [A/(A+B)]	0.97	

*Anzen India Energy Yield Plus Trust is not part of the SPV Group. Hence, the corresponding disclosures post initial issue has not been provided in the above table.
includes Term Loan/NCDs/OCDs of INR 13,114.54 million from the related party disclosed under Borrowings in Note 10.

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S R B C & CO LLP * CHARTERED ACCOUNTANTS *

EAAA Real Assets Managers Limited (Formerly known as Edelweiss Real Assets Managers Limited)

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III. Debt payment history

Particulars	DMTCL				NRSS		
	As at March 31, 2023				As at March 31, 2023		
	Secured Non convertible debentures	Unsecured Non convertible debentures	Optionally convertible debentures	Term Loan	Secured Non convertible debentures	Optionally convertible debentures	Term Loan
Carrying amount of debt at the beginning of the year	6,904.20	331.00	877.10	-	5,478.49	632.44	-
Additional borrowings taken during the year	-	-	-	6,910.00	-	-	5,030.00
Repayments during the year (including debt refinanced)	(6,984.00)	(40.00)	-	(327.50)	(5,540.00)	-	(298.50)
Other adjustments/settlements during the year (Ind-AS)	79.80	-	-	-	61.51	-	-
Carrying amount of debt at the end of the year	-	291.00	877.10	6,582.50	-	632.44	4,731.50
Interest payments (cash outflow)	(701.84)	(49.22)	(236.60)	(313.25)	(345.54)	(170.60)	(243.49)

Particulars	DMTCL			NRSS	
	As at March 31, 2022			As at March 31, 2022	
	Secured Non convertible debentures	Unsecured Non convertible debentures	Optionally convertible debentures	Secured Non convertible debentures	Optionally convertible debentures
Carrying amount of debt at the beginning of the year	7,156.22	331.00	877.10	5,642.55	632.44
Additional borrowings taken during the year	-	-	-	-	-
Repayments during the year (including debt refinanced)	(260.00)	-	-	(169.00)	-
Other adjustments/settlements during the year (Ind-AS)	7.98	-	-	4.94	-
Carrying amount of debt at the end of the year	6,904.20	331.00	877.10	5,478.49	632.44
Interest payments (cash outflow)	(674.76)	(25.25)	(157.90)	(517.28)	(113.84)

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
Firm Registration No: 324982E/E300003

per Paul Alvares
Partner
Membership Number : 105754
Place : Pune
Date : February 22, 2025

S R B C & CO LLP ★ CHARTERED ACCOUNTANTS ★

For and on behalf of the Board of Directors of
EAAA Real Assets Managers Limited
(formerly known as Edelweiss Real Assets Managers Limited)
(as Investment Manager of Anzen India Energy Yield Plus Trust)

Ranjita Deo
CIO & Whole-time Director
DIN No. : 09609160

Vaibhav Doshi
Chief Financial Officer

Jalpa Parekh
Company Secretary
Membership Number : A44507
Place : Mumbai
Date : February 22, 2025

EAAA Real Assets Managers Limited (formerly known as Edelweiss Real Assets Managers Limited) ★

Ground floor, Tower C Unit 1,
Panchshil Tech Park One, Loop road,
Near Don Bosco School, Yerwada
Pune - 411 006, India

Tel: +91 20 6603 6000

INDEPENDENT AUDITORS' REPORT

The Board of Directors
Edelweiss Real Assets Managers Limited
(As the Investment Manager of Anzen India Energy Yield Plus Trust)
Plot 294/3, Edelweiss House, Off CST Road, Kalina,
Santacruz East, Mumbai 400098
Maharashtra, India

Opinion

We have audited the accompanying Special Purpose Combined Financial Statements of NRSS XXXI (B) Transmission Limited and Darbhanga-Motihari Transmission Company Limited (individually referred to as "SPVs" and together referred to as the "SPV Group") which comprise the Combined Balance Sheets as at March 31, 2022, March 31, 2021 and March 31, 2020, the Combined Statements of Profit and Loss (including Other Comprehensive Income), the Combined Cash Flow Statements, the Combined Statements of Changes in Equity for the years ended March 31, 2022, March 31, 2021 and March 31, 2020, the Combined Statement of Net Assets at Fair Value as at March 31, 2022, the Combined Statement of Total Returns at Fair Value for the year ended March 31, 2022 and a Summary of Significant Accounting Policies and Other Explanatory Information (collectively, the "Combined Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the Combined Financial Statements give a true and fair view of the combined state of affairs of the SPV Group as at March 31, 2022, March 31, 2021 and March 31, 2020, its combined loss including other comprehensive income, its combined cash flows and its combined changes in equity for the years ended March 31, 2022, March 31, 2021 and March 31, 2020, its combined net assets at fair value as at March 31, 2022 and its combined total returns at fair value for the year ended March 31, 2022 in accordance with the basis of preparation as set out in note 2.1 to the Combined Financial Statements.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Combined Financial Statements section of our report. We are independent of Anzen India Energy Yield Plus Trust (the "InvIT") in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Combined Financial Statements, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Combined Financial Statements.

Emphasis of matter - Basis of Accounting

We draw attention to Note 2.1 to the Combined Financial Statements, which describes that the SPV Group has not formed a separate legal group of entities for the years ended March 31, 2022, March 31, 2021 and March 31, 2020 and which also describes the basis of preparation of the Combined Financial Statements, including the approach to and the purpose for preparing them. Consequently, the SPV Group's Combined Financial Statements may not necessarily be indicative of the financial performance and financial position of the SPV Group that would have occurred if it had operated as a separate standalone group of entities during the periods presented. The Combined Financial Statements have been prepared by the Investment Manager solely for inclusion in Draft Placement Memorandum/Placement Memorandum/Final Placement Memorandum in accordance with the requirements of Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time including any circulars issued thereunder (together referred to as 'InvIT Regulations') in connection with the proposed issue of units by the InvIT on private placement basis. As a result, the Combined Financial Statements may not be suitable for another purpose.

Our opinion is not modified in respect of this matter.

Management's Responsibility for the Combined Financial Statements

The Investment Manager of the InvIT is responsible for the preparation of these Combined Financial Statements that give a true and fair view of the combined financial position, combined financial performance including other comprehensive income, combined cash flows, combined statement of change in equity in accordance with the basis of preparation specified in note 2.1 to the Combined Financial Statements. The respective Board of Directors of the SPVs are responsible for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013; for safeguarding the assets of the SPVs and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of these Combined Financial Statements by the Investment Manager, as aforesaid.

In preparing the Combined Financial Statements, the Board of Directors of the Investment Manager and the respective Board of Directors of the SPVs are responsible for assessing the ability of the SPVs to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the SPVs or to cease operations or has no realistic alternative but to do so. The Board of Directors of the Investment Manager and the respective Board of Directors of the SPVs are also responsible for overseeing the financial reporting process of the SPVs.

Auditor's Responsibility for the Audit of the Combined Financial Statements

Our objectives are to obtain reasonable assurance about whether the Combined Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Combined Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Combined Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for expressing an opinion on the effectiveness of the internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the SPVs' ability to continue as going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Combined Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the SPVs to cease to continue as going concern.

- Evaluate the overall presentation, structure and content of the Combined Financial Statements, including the disclosures, and whether the Combined 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.

Other Matter

We did not audit the financial statements and other financial information, as of and for the years ended March 31, 2021 and March 31, 2020 in respect of NRSS XXXI (B) Transmission Limited and Darbhanga-Motihari Transmission Company Limited, whose financial statements reflected total assets of Rs. 15,358.27 million and Rs. 16,067.11 million as at March 31, 2021 and March 31, 2020 respectively and total revenues of Rs. 2,176.16 million and Rs. 2,296.14 million and net cash outflows of Rs. 27.04 million and Rs. 144.66 million for the years ended March 31, 2021 and March 31, 2020 respectively, included in the Combined Financial Statements. These financial statements and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the Combined Financial Statements, in so far as it relates to the amounts and disclosures included in respect of the above entities, is based solely on the reports of such other auditors.

Other Matter – Restriction on distribution and use

This report is addressed to and is provided to the Investment Manager solely for the purpose of inclusion in the Draft Placement Memorandum, Placement Memorandum and Final Placement Memorandum in connection with the proposed issue of units by the InvIT on private placement basis. Our report should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this report is shown or into whose hands it may come without our prior consent in writing.

Report on Other Legal and Regulatory Requirements

As required by the InvIT Regulations, we report that:

a. We have obtained all information and explanations which, to the best of our knowledge and belief, were necessary for the purpose of our audit;

b. The Combined Balance Sheets, Combined Statements of Profit and Loss (including Other Comprehensive Income), Combined Cash Flow Statements and Combined Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the Combined Financial Statements;

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c. In our opinion, the aforesaid Combined Financial Statements comply with the basis of preparation as stated in note 2.1 to the Combined Financial Statements;

For S R B C & CO LLP
Chartered Accountants
Firm registration number: 324982E/E300003

AMIT SINGH

Digitally signed by AMIT SINGH
DN: cn=AMIT SINGH, c=IN, o=Personal, email=ASHU317@GMAIL.COM
Date: 2022.07.22 17:50:10 +05'30'

per Amit Singh
Partner
Membership No.: 408869
UDIN: 22408869ANLFRA8814
Place: Mumbai
Date: July 22, 2022

SPV Group
(As defined in Note 1 - Corporate Information)
All amounts in Rupees millions unless otherwise stated
Combined Balance Sheet as at

Particulars	Notes	March 31, 2022	March 31, 2021	March 31, 2020
ASSETS				
(1) Non-current assets				
(a) Property, plant and equipment	(3A)	12,097.19	13,055.64	13,933.19
(b) Capital work-in-progress	(33)	46.59	5.15	93.99
(c) Goodwill	(3B)	1,371.22	1,371.22	1,371.22
(d) Financial assets				
(i) Other financial assets	(4)	6.96	176.20	163.74
(e) Income tax assets (net)		11.40	12.33	12.65
(f) Other assets	(6)	-	0.86	20.30
Total non-current assets		13,533.36	14,621.40	15,595.09
(2) Current assets				
(a) Financial assets				
(i) Investments	(5)	272.37	325.66	225.84
(ii) Trade receivables	(7)	-	-	167.96
(iii) Cash and cash equivalents	(8A)	43.53	81.12	32.99
(iv) Bank balances other than disclosed in note 8A above	(8B)	1,231.97	1,096.75	838.41
(v) Other financial assets	(4)	603.45	584.86	554.73
(b) Other assets	(6)	18.60	19.64	23.24
Total current assets		2,169.92	2,108.03	1,843.17
Total assets		15,703.28	16,729.43	17,438.26
EQUITY AND LIABILITIES				
EQUITY				
(a) Equity capital	9(a)	261.29	261.29	261.29
(b) Other equity	9(b)	771.12	1,283.27	1,963.12
(c) Adjustment on combination of SPVs	2.1	(80.18)	(80.18)	(80.18)
Total equity		952.23	1,464.38	2,144.23
LIABILITIES				
(1) Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	(10)	13,757.23	14,210.31	14,424.19
(b) Provisions	(11)	1.86	1.46	0.81
Total non-current liabilities		13,759.09	14,211.77	14,425.00
(2) Current liabilities				
(a) Financial liabilities				
(i) Borrowings	(10)	466.00	429.00	400.00
(ii) Trade and other payables	(12)	20.93	48.09	51.26
(iii) Other financial liabilities	(13)	427.41	445.60	412.09
(b) Other liabilities	(14)	77.08	130.02	5.39
(c) Provisions	(11)	0.54	0.57	0.29
Total current liabilities		991.96	1,053.28	869.03
Total equity and liabilities		15,703.28	16,729.43	17,438.26

Summary of significant accounting policies 2

The accompanying notes form an integral part of the combined financial statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
Firm Registration No: 324982E/E300003

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Date: 2022.07.22 17:50:51 +05'30'

per Amit Singh
Partner
Membership Number : 408869

Place : Mumbai
Date : July 22, 2022

For and on behalf of the Board of Directors of
Edelweiss Real Assets Managers Limited
(as Investment Manager of Anzen India Energy Yield Plus Trust)

Subahoo Chordia
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Subahoo Chordia
Director
DIN No. : 09216398

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Venkatchalam Ramaswamy
Director
DIN No. : 00008509

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Jalpa Parekh
Company Secretary
Membership Number: A44507

Place : Mumbai
Date : July 22, 2022

SPV Group
(As defined in Note 1 - Corporate Information)
All amounts in Rupees millions unless otherwise stated
Combined Statement of Profit and Loss for the

Particulars	Notes	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
INCOME				
Revenue from contract with customers	(15)	2,218.01	2,176.17	2,296.14
Other income	(16)	25.07	69.67	33.54
Finance income	(17)	60.30	69.84	70.45
Total		2,303.38	2,315.68	2,400.13
EXPENSES				
Operation and maintenance expense	(18)	65.62	98.46	81.29
Employee benefit expense	(19)	14.95	13.19	8.77
Depreciation expense	(3A)	1,073.75	1,131.78	1,231.40
Finance costs	(20)	1,498.53	1,524.70	1,525.19
Other expenses	(21)	162.78	227.30	184.36
Total		2,815.63	2,995.43	3,031.01
Loss before tax		(512.25)	(679.75)	(630.88)
Tax expense:				
(1) Current tax		-	-	-
(2) Deferred tax		-	-	-
Loss for the year [A]		(512.25)	(679.75)	(630.88)
Other Comprehensive Income				
Other Comprehensive Income not to be reclassified to profit or loss in subsequent period				
Re-measurement of defined benefit plans (net of tax INR Nil)		0.10	(0.10)	(0.16)
Total other comprehensive income for the year, net of tax [B]		0.10	(0.10)	(0.16)
Total comprehensive income for the year, net of tax [A+B]		(512.15)	(679.85)	(631.04)
Loss for the year				
Attributable to :				
Equity holders		(512.15)	(679.85)	(631.04)
Earnings per unit	(29)			

Summary of significant accounting policies 2

The accompanying notes form an integral part of the combined financial statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
Firm Registration No: 324982E/E300003

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per Amit Singh
Partner
Membership Number : 408869

Place : Mumbai
Date : July 22, 2022

For and on behalf of the Board of Directors of
Edelweiss Real Assets Managers Limited
(as Investment Manager of Anzen India Energy Yield Plus Trust)

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Director
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Venkatchalam Ramaswamy
Director
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Jalpa Parekh
Company Secretary
Membership Number: A44507

Place : Mumbai
Date : July 22, 2022

SPV Group
(As defined in Note 1 - Corporate Information)
All amounts in Rupees millions unless otherwise stated
Combined Cash Flow Statement for the

Particulars	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Cash flow from operating activities			
Loss before tax	(512.25)	(679.75)	(630.88)
Adjustments to reconcile loss before tax to net cash flows:			
Depreciation expenses	1,073.75	1,131.78	1,231.40
Finance income	(60.30)	(69.84)	(70.45)
Fair value gain on financial instrument at fair value through profit or loss	(1.38)	(1.42)	(0.63)
Income from investment in mutual fund	(13.23)	(7.73)	(12.99)
Loss on disposal of property, plant and equipment	4.66	82.08	-
Income from insurance claim	(8.77)	(57.75)	-
Liabilities no longer required written back	(0.03)	(2.77)	(11.76)
Finance costs	1,498.53	1,524.70	1,525.19
Operating profit before working capital changes	1,980.98	1,919.30	2,029.88
Working capital adjustment			
(Increase) / Decrease in other assets	1.06	3.59	141.11
(Increase) / Decrease in other financial assets	(27.05)	2.98	(39.59)
(Increase) / Decrease in trade receivables	-	167.96	(110.99)
Increase / (Decrease) in trade payables	(27.13)	(3.17)	(82.38)
Increase / (Decrease) in provisions	0.43	0.83	0.48
Increase / (Decrease) in other liabilities	(52.94)	127.40	15.15
Increase / (Decrease) in other financial liabilities	0.16	0.01	(2.12)
Cash flow generated from operations	1,875.51	2,218.90	1,951.54
Income tax paid (net of refund)	0.93	0.32	8.83
Net cash flow from operating activities [A]	1,876.44	2,219.22	1,960.37
Cash flow from investing activities			
Purchase of property, plant and equipment (including capital work-in-progress and capital advances)	(179.69)	(190.97)	(186.54)
Investment in fixed deposits with banks having maturity more than 3 months	(1,742.26)	(3,189.39)	(3,967.95)
Proceeds from maturity of fixed deposits with banks having maturity more than 3 months	1,765.33	2,930.90	3,273.81
Investment in mutual funds	(1,947.90)	(1,860.91)	(1,137.40)
Proceeds from sale of investment in mutual funds	2,015.80	1,770.26	1,189.60
Insurance claim received on disposal / discard of property, plant and equipment	44.02	22.50	-
Interest received (finance income)	49.41	59.67	58.00
Net cash flow from/(used in) investing activities [B]	4.71	(457.94)	(770.48)
Cash flow from financing activities			
Repayment of non convertible debentures (secured)	(429.00)	(400.00)	(1,587.01)
Proceeds from issue of optionally convertible debentures	-	-	1,578.60
Repayment of optionally convertible debentures	-	(69.06)	-
Proceeds from non convertible debentures (unsecured)	-	271.00	60.00
Payment of interest on NCD and OCD	(1,489.03)	(1,514.33)	(1,369.33)
Payment of other finance costs	(0.71)	(0.76)	(91.97)
Net cash flow used in financing activities [C]	(1,918.74)	(1,713.15)	(1,409.71)
Net increase / (decrease) in cash and cash equivalents [A+B+C]	(37.59)	48.13	(219.82)
Cash and cash equivalents at the beginning of the year (refer Note 8A)	81.12	32.99	252.81
Cash and cash equivalents at the end of the year (refer Note 8A)	43.53	81.12	32.99

Summary of significant accounting policies 2

The accompanying notes form an integral part of the combined financial statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
Firm Registration No: 324982E/E300003

AMIT SINGH
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Date: 2022.07.22 17:52:08 +05'30'

per Amit Singh
Partner
Membership Number : 408869

Place : Mumbai
Date : July 22, 2022

For and on behalf of the Board of Directors of
Edelweiss Real Assets Managers Limited
(as Investment Manager of Anzen India Energy Yield Plus Trust)

Subahoo Chordia
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Subahoo Chordia
Director
DIN No. : 09216398

VENKATCHALAM ARAKONI RAMASWAMY
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Venkatchalam Ramaswamy
Director
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Jalpa Parekh
Company Secretary
Membership Number: A44507

Place : Mumbai
Date : July 22, 2022

SPV Group
(As defined in Note 1 - Corporate Information)
All amounts in Rupees millions unless otherwise stated
Combined Statement of Changes in Equity

A. Equity capital

Particulars	Amount
At April 1, 2019	261.29
Issue of equity capital [refer note 9(a)]	-
At March 31, 2020	261.29
Issue of equity capital [refer note 9(a)]	-
At March 31, 2021	261.29
Issue of equity capital [refer note 9(a)]	-
At March 31, 2022	261.29

B. Other equity

Particulars	Reserves and Surplus			Items of other comprehensive income	Total
	Securities Premium	Capital Reserve	Retained Earnings	Actuarial gain/(loss) on defined liabilities	
As at April 1, 2019	3,546.21	-	(1,237.16)	0.86	2,309.91
Loss for the year	-		(630.88)	-	(630.88)
Adjustment on acquisition of SPVs (refer note 2.1)	-	284.25	-	-	284.25
Other comprehensive income/loss for the year	-	-	-	(0.16)	(0.16)
As at March 31, 2020	3,546.21	284.25	(1,868.04)	0.70	1,963.12
Loss for the year	-	-	(679.75)	-	(679.75)
Other comprehensive income/loss for the year	-	-	-	(0.10)	(0.10)
As at March 31, 2021	3,546.21	284.25	(2,547.79)	0.60	1,283.27
Loss for the year	-	-	(512.25)	-	(512.25)
Other comprehensive income/loss for the year	-	-	-	0.10	0.10
As at March 31, 2022	3,546.21	284.25	(3,060.04)	0.70	771.12

The accompanying notes form an integral part of the combined financial statements

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
Firm Registration No: 324982E/E300003

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per Amit Singh
Partner
Membership Number : 408869

Place : Pune
Date : July 22, 2022

For and on behalf of the Board of Directors of
Edelweiss Real Assets Managers Limited
(as Investment Manager of Anzen India Energy Yield Plus Trust)

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Director
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Jalpa Parekh
Company Secretary
Membership Number: A44507

Place : Mumbai
Date : July 22, 2022

SPV Group
(As defined in Note 1 - Corporate Information)
All amounts in Rupees millions unless otherwise stated

A. Statement of Net Assets at Fair Value as at March 31, 2022 (refer note 3 below)

Particulars	Book Value	Fair Value
A. Assets	15,703.28	24,923.00
B. Liabilities (at book value)	14,751.05	14,751.05
C . Net Asset Value (A-B)	952.23	10,171.95

Notes:

1. The number of units that the InvIT will issue is not presently ascertainable. Hence, the disclosures in respect of Net Asset Value (NAV) per Unit have not been given.

2. Project wise break up of Fair value of Assets as at March 31, 2022

Particulars	Fair Value
Darbhanga - Motihari Transmission Company Limited ("DMTCL")	13,951.00
NRSS XXXI (B) Transmission Limited ("NRSS")	10,972.00

3. Fair values of total assets (including project wise break up for DMTCL and NRSS of fair value of total assets) as at March 31, 2022 as disclosed above are based solely on the fair valuation report dated July 14, 2022 of the independent valuer appointed by the Investment manager under the InvIT Regulations.

B. Statement of Total Return at Fair Value (refer note 1 below)

Particulars	Year ended March 31, 2022
Total Comprehensive Income (As per the Statement of Profit and Loss)	(512.15)
Add/(less): Other Changes in Fair Value (e.g., in investment property, property, plant & equipment (if cost model is followed)) not recognized in Total Comprehensive Income (refer note 1 below)	2,946.15
Total Return	2,434.00

Notes:

1. In the above statement, Other changes in fair value for the year ended March 31, 2022 has been computed based on the fair values of total assets as at March 31, 2022 and as at March 31, 2021. The fair values of total assets as at March 31, 2022 and March 31, 2021 are based solely on the valuation report dated July 14, 2022 and July 15, 2022 of the independent valuer appointed by the Investment manager under the InvIT Regulations and an independent external valuer engaged by the management respectively.

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
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per Amit Singh
Partner
Membership Number : 408869

Place : Mumbai
Date : July 22, 2022

For and on behalf of the Board of Directors of
Edelweiss Real Assets Managers Limited
(as Investment Manager of Anzen India Energy Yield Plus Trust)

Subahoo Chordia
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Jalpa Parekh
Company Secretary
Membership Number: A44507

Place : Mumbai
Date : July 22, 2022

All amounts in Rupees millions unless otherwise stated

1. Corporate information

The special purpose combined financial statements comprise financial statements of Darbhanga - Motihari Transmission Company Limited ("DMTCL") and NRSS XXXI (B) Transmission Limited ("NRSS") (individually referred to as "SPV" and together referred to as "SPV Group"). The SPVs are companies domiciled in India and having their registered office at 504 & 505, 5th Floor, Windsor, Off CST Road, Kalina, Santacruz (East), Mumbai 400098.

DMTCL and NRSS are developers for the designing, construction and maintenance of power transmission lines and substations on Build Own Operate and Maintain ('BOOM') basis and are required to operate and maintain the transmission systems for a period of 35 years.

DMTCL and NRSS are proposed to be transferred to Anzen India Energy Yield Plus Trust (the "Trust" or the "InvIT"). The Sponsor settled Trust on November 01, 2021 as an irrevocable trust, pursuant to the Trust Deed, under the provisions of the Indian Trusts Act, 1882 and registered with SEBI as an Infrastructure Investment Trust under Regulation 3(1) of the Securities Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014. The Sponsor has transferred to the Trustee a sum of INR 10,000 towards the initial settlement of Trust. The Trustee to Trust is Axis Trustee Services Limited (the "Trustee") and the Investment Manager for Trust is Edelweiss Real Assets Managers Limited (the "Investment Manager"). As required by the Guidance Note on Combined and Carve-Out Financial Statements issued by the Institute of Chartered Accountants of India, the details of various entities comprised in the combined financial statements is as given below:

Name of SPV	Principal activities	Proposed Shareholding by Trust	Nature of Proposed Investment	Status
Darbhanga - Motihari Transmission Company Limited ("DMTCL")	Developer on Build Own Operate and Maintain ('BOOM') basis, for the designing, construction and maintenance of power transmission lines. The Company is required to operate and maintain the transmission system for a period of 35 years	74%	Subsidiary	Operating
NRSS XXXI (B) Transmission Limited ("NRSS")	Developer on Build Own Operate and Maintain ('BOOM') basis, for the designing, construction and maintenance of power transmission lines. The Company is required to operate and maintain the transmission system for a period of 35 years	74%	Subsidiary	Operating

2. BASIS OF PREPARATION, MEASUREMENT AND SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation of financial statements

The Combined Financial Statements of the SPV Group comprise the Combined Balance Sheets as at March 31, 2022, March 31, 2021 and March 31, 2020, the Combined Statements of Profit and Loss (including Other Comprehensive Income), the Combined Cash Flow Statements, the Combined Statements of Changes in Equity for the years ended March 31, 2022, March 31, 2021 and March 31, 2020, the Combined Statement of Net Assets at Fair Value as at March 31, 2022, the Combined Statement of Total Returns at Fair Value for the year ended March 31, 2022 and a Summary of Significant Accounting Policies and Other Explanatory Information (collectively, the "Combined Financial Statements").

The Combined Financial Statements were authorized for issue in accordance with resolution passed by the Board of Directors of the Investment Manager on July 22, 2022.

The Combined Financial Statements have been prepared in accordance with Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 prescribed under Section 133 of the Companies Act, 2013 ("Ind AS") read with SEBI (Infrastructure Investment Trusts) Regulations, 2014 and the circulars issued thereunder ("InvIT Regulations") and the Guidance Note on Combined and Carve-Out Financial Statements issued by the Institute of Chartered Accountants of India ("Guidance Note"). The Combined Financial Statements are special purpose financials statements and have been prepared by the Investment manager to meet the requirements of the InvIT Regulations, for the purpose of inclusion in the Draft Placement Memorandum, Placement Memorandum and Final Placement Memorandum prepared by the Investment Manager in connection with the proposed issue of units by the InvIT on private placement basis. As a result, the Combined Financial Statements may not be suitable for another purpose. Further, the requirements of Schedule III notified under the Companies Act, 2013 are not applicable to these Combined Financial Statements and hence these financial statements are not prepared in accordance with those requirements.

These Combined Financial Statements are prepared to present the combined financial position and performance of the SPVs based on the line-by-line addition of the SPVs' separate financial statements for the respective financial years/period. Further, as required by Para 16 of the Guidance Note, in case the combining entities or any one of the combining entities are under common control, the carrying amounts pertaining to a subsidiary, as reflected in the consolidated financial statements of the parent, should be used for the purpose of preparing combined financial statements. Accordingly, for the purpose of Combined Financial Statements, the carrying amounts of SPVs have been considered as reflected in the consolidated financial statements of Sekura Energy Private Limited (the "Parent entity") from the respective dates of acquisition of such SPVs by the Parent entity. The difference between the carrying amounts of such SPVs reflected in the consolidated financial statements of the Parent entity and the separate financial statements of such SPVs has been credited to "Adjustment on combination of SPVs" which is disclosed under "Other Equity" in the Combined Financial Statements. Consequently, the depreciation charge for the respective years is also based on the carrying amounts of Property, plant and equipment pertaining to such SPVs as reflected in the consolidated financial statements of the Parent entity. The Combined Financial Statements do not take into account the accounting adjustments that would arise on acquisition of NRSS and DMTCL by the InvIT. Accordingly, these Combined Financial Statements are not indicative in any manner of the consolidated financial position, consolidated financial performance, consolidated cash flows and consolidated changes in equity of the InvIT and will not be comparable with the consolidated financial statements of the InvIT post the proposed issue of units and acquisition of NRSS and DMTCL. Further, these Combined Financial Statements may not necessarily be indicative of the financial performance, financial position, cash flows and changes in equity of the SPV Group that would have occurred if it had operated as a separate standalone group of entities during the periods presented or of the SPV Group's future performance.

The Combined Financial Statements are presented in India Rupees which is also the functional currency of the SPVs. All values are rounded to the nearest millions, unless otherwise indicated. These Combined Financial Statements have been prepared on a historical cost convention and on an accrual basis except for certain financial assets and liabilities measured at fair value.

Basis of Combination

The Combined Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances. The financial statements of all the SPVs used for the purpose of combination are drawn up to the same reporting date i.e. year ended on March 31 each year.

The procedure for preparing Combined Financial Statements of the SPV Group are stated below –

a) combine like items of assets, liabilities, equity, income, expenses and cash flows of the SPVs;

b) eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the SPV Group (profits or losses resulting from intragroup transactions that are recognised in assets, such as fixed assets, are eliminated in full). Ind AS-12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Dates of commencement of commercial operations

Name of entity	Date of incorporation	Element	Commercial operation date of the element
DMTCL	December 18, 2012	Darbhanga Substation	March 31, 2017
		Motihari Substation	August 10, 2017
		Darbhanga Line	March 31, 2017
		Motihari Line	August 10, 2017
NRSS	July 29, 2013	Kurukshetra Line	January 18, 2017
		Amritsar Line	March 27, 2017

2.2 Summary of significant accounting policies

The following is the summary of significant accounting policies applied by the SPV Group in preparing its combined financial statements:

a) Current versus non-current classification

The SPV Group presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:
• Expected to be realised or intended to be sold or consumed in normal operating cycle
• Held primarily for the purpose of trading
• Expected to be realised within twelve months after the reporting period, or
• Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period
All other assets are classified as non-current.

A liability is current when:
• It is expected to be settled in normal operating cycle
• It is held primarily for the purpose of trading
• It is due to be settled within twelve months after the reporting period, or
• There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period
The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.
The SPV Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The SPV Group has identified twelve months as its operating cycle.

b) Foreign currencies

The SPV Group's combined financial statements are presented in INR, which is its functional currency. The SPV Group does not have any foreign operation and has assessed the functional currency of the SPVs to be INR.

Transactions and balances

Transactions in foreign currencies are initially recorded by the SPV Group's entities at their respective functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date.

Differences arising on settlement or translation of monetary items are recognised in profit or loss

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

c) Fair value measurement

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
In the principal market for the asset or liability, or
In the absence of a principal market, in the most advantageous market for the asset or liability.

The principal or the most advantageous market must be accessible by the SPV Group.
The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.
A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.
The SPV Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.
All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities;
Level 2- Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable;
Level 3 -Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.
For assets and liabilities that are recognised in the financial statements on a recurring basis, the SPV Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

At each reporting date, the management of each SPV analyses the movement of assets and liabilities which are required to be remeasured or reassessed as per the SPV's accounting policies. For this analysis, the management of each SPV verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.
The management of each SPV also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.
For the purpose of fair value disclosures, the SPV Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.
This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.
• Disclosures of Statement of Net Assets at fair value and Statement of Total Returns at fair value
• Quantitative disclosures of fair value measurement hierarchy (note 25)
• Investment in quoted mutual fund (note 5)
• Financial instruments (including those carried at amortised cost) (note 24)

d) Revenue from contracts with customer

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the SPV Group expects to be entitled in exchange for those goods or services. The SPV Group has concluded that it is the principal in its revenue arrangements because it typically controls the services before transferring them to the customer.

Power transmission services

Revenue from contracts with customers comprises of revenue from power transmission services rendered in India to Long Term Transmission Customers (LTTCs) pursuant to the respective Transmission Services Agreements (TSAs) executed by the SPV Group with LTTCs for periods of 35 years. The SPV Group is required to ensure that the transmission assets meet the minimum availability criteria under the respective TSAs. The Company's performance obligation vide the TSAs is to provide power transmission services. The performance obligation is satisfied over time as the customers receive and consume the benefits provided by the SPV Group's performance as the SPV Group performs. Accordingly, the revenue from power transmission services is recognised over time based on the transmission asset availabilities and the tariff charges approved under the respective CERC tariff orders and includes unbilled revenues accrued up to the end of the accounting period. The payment is generally due within 60 days.

Operation and maintenance service
Revenue from operation and maintenance contracts are recognised pro-rata over the period of the contract as and when services are rendered.

Contract balances
A receivable represents the SPV Group's right to an amount of consideration that is unconditional (i.e. only the passage of time is required before payment of the consideration is due). Amounts which have been billed to the customers are disclosed as trade receivables and amounts which are to be billed to the customers (and not conditional on the group's future performance) are disclosed under "Other financial assets". Refer accounting policies for financial assets in Financial instruments - initial recognition and subsequent measurement.

Interest income
Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable.

Dividend
Income from dividend on investments is accrued in the year in which generally it is approved by the shareholders, whereby the SPV Group's right to receive is established.

e) Taxes
Current income tax
Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income tax relating to items recognised outside statement of profit or loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.
Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax
Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.
Deferred tax liabilities are recognised for all taxable temporary differences, except:
• When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
• In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses.
Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised, except:
• When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss;
• In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside statement of profit or loss is recognised outside statement of profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable SPV Group and the same taxation authority.

Sales/value added taxes paid on acquisition of assets or on incurring expenses

Expenses and assets are recognised net of the amount of sales/value added taxes paid, except:
• When the tax incurred on a purchase of assets or services is not recoverable from the tax authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable
• When receivables and payables are stated with the amount of tax included

The net amount of tax recoverable from, or payable to, the tax authority is included as part of receivables or payables in the balance sheet.

f) Property, plant and equipment
Capital work in progress is stated at cost, net of accumulated impairment loss, if any. Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the SPV Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred. No decommissioning liabilities are expected or be incurred on the assets of plant and equipment.
Depreciation is calculated on pro-rata basis on a written down value. Freehold land is not depreciated. The SPV Group is providing depreciation at the following useful life:

Asset class	Useful lives
Plant and equipment	5 - 35 years
Office equipments	5 - 7 years
Furniture and fixtures	10 years
Computers	3 years

The SPV Group, based on technical assessment made by technical expert and management estimate, depreciates certain items of plant and equipment over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.
An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

g) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the asset. All other borrowing costs are expensed in the period in which they occur. Borrowing costs consist of interest and other costs that the SPV Group incurs in connection with the borrowing of funds. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

h) Impairment of non-financial assets

The SPV Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the SPV Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The SPV Group bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Group's CGUs to which the individual assets are allocated. These forecasts, especially for the transmission lines are based on the transmission services agreements (TSA) signed by the individual SPV's for their respective assets. Accordingly, a substantial part of the revenue considered for impairment calculations is based on the transmission services agreement. Rest of the items of these budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the SPV Group extrapolates cash flow projections (after factoring revenue as per TSA) in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products/industries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations are recognised in the statement of profit and loss.

An assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the SPV Group estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the statement of profit or loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as a revaluation increase.

Impairment is determined for goodwill by assessing the recoverable amount of each CGU to which the goodwill relates. When the recoverable amount of the CGU is less than it's carrying amount, an impairment loss is recognised. Impairment losses relating to goodwill cannot be reversed in future periods.

i) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the SPV Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
When the SPV Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.
If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Contingent liability is disclosed for, (i) Possible obligations which will be confirmed only by future events not wholly within the control of the Company, or (ii) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

Contingent assets are not recognised in the financial statements.

j) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The SPV Group has no obligation, other than the contribution payable to the provident fund. The SPV group recognizes contribution payable to the provident fund scheme as an expense, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre-payment will lead to, for example, a reduction in future payment or a cash refund.

The cost of providing benefits under the defined benefit plan is determined using the projected unit credit method.

Remeasurements, comprising of actuarial gains and losses, excluding amounts included in net interest on the net defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognised immediately in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The SPV Group recognises the following changes in the net defined benefit obligation as an expense in the combined statement of profit and loss:

- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

Accumulated leave, which is expected to be utilized within the next 12 months, is treated as short-term employee benefit. The SPV Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date. The SPV Group recognizes expected cost of short-term employee benefit as an expense, when an employee renders the related service.

The SPV Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method at the reporting date. Actuarial gains/losses are immediately taken to the statement of profit and loss and are not deferred.

k) Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the SPV Group commits to purchase or sell the asset.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

i. Debt instruments at amortised cost
ii. Debt instruments at fair value through other comprehensive income (FVTOCI)
iii. Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
iv. Equity instruments measured at fair value through other comprehensive income (FVTOCI)

Financial assets at amortised cost (debt instruments)
A 'financial asset' is measured at the amortised cost if both the following conditions are met:
a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.
After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the statement of profit or loss. The losses arising from impairment are recognised in the statement of profit or loss.

Financial assets at fair value through OCI (FVTOCI) (debt instruments)
A 'financial asset' is classified as the FVTOCI if both of the following criteria are met:
a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
b) The asset's contractual cash flows represent SPPI.
Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the SPV Group recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit or loss. On derecognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to statement of profit or loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Financial assets designated at fair value through OCI (equity instruments)
Upon initial recognition, the SPV Group can elect to classify irrevocably its equity investments as equity instruments designated at fair value through OCI when they meet the definition of equity under Ind AS 32 Financial Instruments: Presentation and are not held for trading. The classification is determined on an instrument-by-instrument basis. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS 103 applies are classified as at FVTPL.
Gains and losses on these financial assets are never recycled to profit or loss. Dividends are recognised as other income in the statement of profit and loss when the right of payment has been established, except when the benefits from such proceeds as a recovery of part of the cost of the financial asset, in which case, such gains are recorded in OCI. Equity instruments designated at fair value through OCI are not subject to impairment assessment.

Financial assets at fair value through profit or loss
Financial assets at fair value through profit or loss are carried in the balance sheet at fair value with net changes in fair value recognised in the statement of profit and loss.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised (i.e. removed from the SPV Group's combined balance sheet) when:
• The rights to receive cash flows from the asset have expired, or
• The SPV Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the SPV Group has transferred substantially all the risks and rewards of the asset, or (b) the SPV Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.
When the SPV Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the SPV Group continues to recognise the transferred asset to the extent of the SPV Group's continuing involvement. In that case, the SPV Group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the SPV Group has retained.

Impairment of financial assets
Majority of the financial assets of the SPV Group pertain to Trade and other receivables. Considering the nature of business, the SPV Group does not foresee any credit risk on its trade and other receivables which may cause an impairment. As per the TSA, the receivables are covered by clause of payment security mechanism which ensures receipt of all trade receivables. Also, the SPV Group does not have any past history of impairment of Trade and other receivables.

Financial liabilities
Initial recognition and measurement
Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.
All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.
The SPV Group's financial liabilities include borrowings and related costs, trade and other payables, and derivative financial instruments.

Subsequent measurement
For purposes of subsequent measurement, financial liabilities are classified in two categories:
• Financial liabilities at fair value through profit or loss
• Financial liabilities at amortised cost (loans and borrowings)

Financial liabilities at fair value through profit or loss
Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the SPV Group that are not designated as hedging instruments in hedge relationships as defined by Ind AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities at amortised cost (Loans and borrowings)
This is the category most relevant to the SPV Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are derecognised as well as through the EIR amortisation process.
Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit or loss.
This category generally applies to borrowings. For more information refer Note 10.

Derecognition
A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Reclassification of financial assets

The SPV Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The SPV Group's senior management determines change in the business model as a result of external or internal changes which are significant to the SPV Group's operations. Such changes are evident to external parties. A change in the business model occurs when the SPV Group either begins or ceases to perform an activity that is significant to its operations. If the SPV Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The SPV Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

Original classification	Revised classification	Accounting treatment
Amortised cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortized cost and fair value is recognised in profit or loss.
FVTPL	Amortised Cost	Fair value at reclassification date becomes its new gross carrying amount. EIR is calculated based on the new gross carrying amount.
Amortised cost	FVTOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in OCI. No change in EIR due to reclassification.
FVTOCI	Amortised cost	Fair value at reclassification date becomes its new amortised cost carrying amount. However, cumulative gain or loss in OCI is adjusted against fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FVTPL	FVTOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVTOCI	FVTPL	Assets continue to be measured at fair value. Cumulative gain or loss previously recognized in OCI is reclassified from equity to profit or loss the reclassification date.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the combined balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

l) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the combined statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the SPV Group's cash management.

m) Recent accounting pronouncements

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2022 having material impact on these financial statements. There is no impact of standard or amendment that has been issued but is not yet effective.

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All amounts in Rupees millions unless otherwise stated

(3A) Property, plant and equipment

Particulars	Freehold Land	Plant and equipment	Furniture and fixtures	Office equipment	Computers	Total
Gross Block						
As at April 1, 2019	78.39	17,524.75	2.45	0.65	0.76	17,607.00
Additions during the year	-	173.94	0.20	0.34	0.28	174.76
Disposals during the year	-	-	-	-	-	-
As at March 31, 2020	78.39	17,698.69	2.65	0.99	1.04	17,781.76
Additions during the year	-	335.40	-	0.65	0.26	336.31
Disposals during the year	-	102.83	-	-	-	102.83
As at March 31, 2021	78.39	17,931.26	2.65	1.64	1.30	18,015.24
Additions during the year	-	121.98	-	2.46	0.45	124.89
Disposals during the year	-	7.00	-	-	-	7.00
Reclassification during the year	-	4.93	-	-	-	4.93
As at March 31, 2022	78.39	18,041.31	2.65	4.10	1.75	18,128.20
Accumulated depreciation						
As at April 1, 2019	-	2,614.31	1.53	0.58	0.75	2,617.17
Depreciation for the year	-	1,230.92	0.27	0.12	0.09	1,231.40
Disposals during the year	-	-	-	-	-	-
As at March 31, 2020	-	3,845.23	1.80	0.70	0.84	3,848.57
Depreciation for the year	-	1,131.12	0.22	0.32	0.12	1,131.78
Disposals during the year	-	20.75	-	-	-	20.75
As at March 31, 2021	-	4,955.60	2.02	1.02	0.96	4,959.60
Depreciation for the year	-	1,072.46	0.16	0.86	0.27	1,073.75
Deductions for the year	-	2.34	-	-	-	2.34
As at March 31, 2022	-	6,025.72	2.18	1.88	1.23	6,031.01
Net Block						
As at March 31, 2020	78.39	13,853.46	0.85	0.29	0.20	13,933.19
As at March 31, 2021	78.39	12,975.66	0.63	0.62	0.34	13,055.64
As at March 31, 2022	78.39	12,015.59	0.47	2.22	0.52	12,097.19

Note:
Certain property, plant and equipment of the SPV Group have been pledged for the borrowings taken by the SPV Group. Refer note 10.

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All amounts in Rupees millions unless otherwise stated

(3B) Goodwill

Goodwill acquired through business combinations has been allocated to the NRSS for impairment testing.
Carrying amount of goodwill:

As at March 31, 2022

Particulars	NRSS	Total
Balance at the beginning of the year	1,371.22	1,371.22
Add: Acquisitions during the year	-	-
Add/(less): Translation adjustment	-	-
Balance at the end of the year	1,371.22	1,371.22

As at March 31, 2021

Particulars	NRSS	Total
Balance at the beginning of the year	1,371.22	1,371.22
Add: Acquisitions during the year	-	-
Add/(less): Translation adjustment	-	-
Balance at the end of the year	1,371.22	1,371.22

As at March 31, 2020

Particulars	NRSS	Total
Balance at the beginning of the year	-	-
Add: Acquisitions during the year	1,371.22	1,371.22
Add/(less): Translation adjustment	-	-
Balance at the end of the year	1,371.22	1,371.22

The SPV Group performed its annual impairment test for years ended March 31, 2022, March 31, 2021 and March 31, 2020 respectively. The SPV Group considers the relationship between the fair value (based on DCF) and its book value, among other factors, when reviewing for indicators of impairment.

The recoverable amounts of each of the CGU, have been determined based on a value in use calculation using cash flow projections from financial budgets approved by senior management. As a result of the analysis, management did not identify impairment.

Key assumptions used for value in use calculations are as follows. The management believes that any reasonably possible change in the key assumptions would not cause the carrying amount to exceed the recoverable amount of the cash generating unit.

CGU	Basis	March 31, 2022	March 31, 2021	March 31, 2020
		Assumption used	Assumption used	Assumption used
NRSS (Recoverable amount in excess of carrying amount of the CGU is INR 5,486 million in March 31, 2022, INR 4,321 million in March 31, 2021 and INR 3,771 million in March 31, 2020)	WACC	7.99%	8.47%	8.59%
	Tax rate (normal tax and MAT)	MAT - 17.47% Normal tax - 25.17%	MAT - 17.47% Normal tax - 25.17%	MAT - 17.47% Normal tax - 25.17%
	Inflation rate for expenses	1.37%	1.37%	1.37%

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All amounts in Rupees millions unless otherwise stated

(4) Other financial assets

Non - Current

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
(Unsecured, considered good)			
Security deposits	6.57	1.56	0.02
Fixed deposit having remaining maturity of more than twelve months*	0.36	158.65	158.50
Interest accrued on fixed deposit*	0.03	15.99	5.22
	6.96	176.20	163.74

*Fixed deposits with banks of INR 0.36 millions as at March 31, 2022 (March 31, 2021: INR 158.65 millions, March 31, 2020: INR 158.50 millions) and interest accrued thereon of INR 0.03 millions as at March 31, 2022 (March 31, 2021: INR 15.99 millions, March 31, 2020: INR 5.22 millions) are lien marked with IDBI Trusteeship Services Limited and Axis Trustee Services Limited (debenture trustee).

Current

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
(Unsecured, considered good)			
Unbilled revenue*	562.50	535.40	539.86
Interest accrued on fixed deposit	40.95	14.10	14.70
Security deposits	-	0.11	0.17
Insurance proceeds receivable (refer note 33)	-	35.25	-
	603.45	584.86	554.73

*Unbilled revenue is the transmission charges for the last quarter of year and incentive billed to transmission utilities in the next month subsequent to year end.

(5) Investments

Current

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Investments at fair value through Profit or Loss			
Investment in mutual funds			
Axis Liquid Fund-Direct Growth - 26,399.36 units (March 31, 2021 - 1,42,530.05 units, March 31, 2020 - 96,299.18 units)	62.41	325.66	212.27
ICICI Prudential Liquid Fund - Direct Growth - 665,999.12 units	209.96	-	-
HDFC Liquid fund - Growth Option - Nil units (March 31, 2020 - 2,470.17 units)	-	-	9.65
Edelweiss Liquid Fund - Direct Growth - Nil units (March 31, 2020 - 1,534.12 units)	-	-	3.92
	272.37	325.66	225.84

Aggregate value of quoted investment	272.37	325.66	225.84
Aggregate value of unquoted investment	-	-	-

Investment in units of Mutual Funds of INR 272.37 millions (March 31, 2021: INR 325.65 millions, March 31, 2020: INR 114.14 millions) are lien marked with IDBI Trusteeship Services Limited and Axis Trustee Services Limited (debenture trustee)

(6) Other assets

Non current

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
(Unsecured, considered good)			
Capital advances	-	0.86	20.30
	-	0.86	20.30

Current

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
(Unsecured, considered good)			
Prepaid expenses	18.51	19.55	19.92
Advance to employees	0.05	-	0.05
Advances recoverable in cash or in kind	0.04	0.09	3.27
	18.60	19.64	23.24

All amounts in Rupees millions unless otherwise stated

(7) Trade receivables

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
(Unsecured, considered good)			
Trade receivables	-	-	167.96
	-	-	167.96

No trade or other receivable are due from directors or other officers of the SPV Group either severally or jointly with any other person. Nor any trade or other receivable are due from firms or private companies.

Trade receivables are non-interest bearing and are generally on terms of 60 days.

See Note 26(a) on credit risk of trade receivables, which explains how the SPV Group manages and measures credit quality of trade receivables that are neither past due nor impaired.

(8A) Cash and cash equivalents

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Cash and cash equivalents			
Balances with banks in current accounts	43.53	81.12	32.99
Total Cash and cash equivalents	43.53	81.12	32.99

(8B) Bank balances other than disclosed in note 8A above

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Other bank balances			
Balances with bank held as margin money or security against guarantees and other commitments	1,231.97	1,096.75	838.41
Total other bank balances	1,231.97	1,096.75	838.41

*Fixed deposits with banks of INR 1,231.97 millions as at March 31, 2022 (March 31, 2021: INR 1,096.75 millions, March 31, 2020: INR 838.41 millions) and interest accrued thereon of INR 40.95 millions (March 31, 2021: INR 14.10 millions, March 31, 2020: INR 14.70 millions) are lien marked with IDBI Trusteeship Services Limited and Axis Trustee Services Limited (debenture trustee).

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9(a) Equity capital#

Particulars	As at March 31, 2022		As at March 31, 2021		As at March 31, 2020	
	No. of shares in millions	Amount	No. of shares in millions	Amount	No. of shares in millions	Amount
Authorized:						
Equity shares of INR 10 each	68.14	681.39	68.14	681.39	68.14	681.39
		681.39		681.39		681.39
Issued and subscribed and fully paid up:						
Equity shares of INR 10 each	26.13	261.29	26.13	261.29	26.13	261.29
		261.29		261.29		261.29

Equity capital of the SPV group is line by line aggregate of the authorized share capital and paid-up share capital of each of the SPVs. It does not represent legal share capital of the SPV Group.

Terms/Rights attached to the equity capital

The entities in the SPV Group have only one class of equity shares having a par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of an entity forming part of the SPV Group, the holders of equity shares will be entitled to receive remaining assets of the entity, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

Details of shareholders holding more than 5% shares

Particulars	As at March 31, 2022		As at March 31, 2021		As at March 31, 2020	
	No. of shares in millions	% holding	No. of shares in millions	% holding	No. of shares in millions	% holding
Sekura Energy Private Limited*#	19.34	74%	19.34	74%	19.34	74%
Essel Infraprojects Limited	6.79	26%	6.79	26%	6.79	26%
	26.13	100%	26.13	100%	26.13	100%

Shares held by holding/ultimate holding company and/or their subsidiaries/associates:

Particulars	As at March 31, 2022		As at March 31, 2021		As at March 31, 2020	
	No. of shares in millions	% holding	No. of shares in millions	% holding	No. of shares in millions	% holding
Sekura Energy Private Limited, Immediate Holding Company*#	19.34	74%	19.34	74%	19.34	74%

*5 Equity Shares are held by Sekura Energy Private Limited through its nominee for the purpose of section 3(1)(a) of the Companies Act, 2013.

#During financial year ended 2019-20, Sekura Energy Private Limited ('Sekura') acquired 74% equity stake in Darbhanga Motihari Transmission Company Limited ('DMTCL') and NRSS XXXI (B) Transmission Limited ('NRSS') vide investment agreement dated October 16, 2018 (as amended on May 25, 2019) from Essel Infraprojects Limited ('Seller'). The remaining 26% equity stake of the Seller could be transferred to Sekura only after completion of 5 years from the COD date. Pursuant to the investment agreement as amended, Sekura has subscribed to the Advance Non-Convertible Debentures ('Advance NCDs') issued by the Seller against which Sekura has call option to acquire the remaining equity stake of 26% from the Seller. Further Sekura also has the voting as well as dividend rights in respect of such 26% stake in DMTCL and NRSS.

Reconciliation of equity capital outstanding at the beginning and at the end of the reporting period

Particulars	As at March 31, 2022		As at March 31, 2021		As at March 31, 2020	
	No. of shares in millions	Amount	No. of shares in millions	Amount	No. of shares in millions	Amount
At the beginning of the year	26.13	261.29	26.13	261.29	26.13	261.29
Add : Issued during the year	-	-	-	-	-	-
Outstanding at the end of the year	26.13	261.29	26.13	261.29	26.13	261.29

Shares reserved for issue on option

There are no shares reserved for issue under options.

Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the

The entities forming part of SPV Group have not issued any bonus shares / shares for consideration other than cash / bought back any shares during the period of five years immediately

The Company has not issued any bonus shares / shares for consideration other than cash / bought back any shares during the period of five years immediately preceding the reporting date.

9(b) Other equity

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Securities Premium			
Balance as at the beginning of the year	3,546.21	3,546.21	3,546.21
Addition during the year	-	-	-
Closing balance	3,546.21	3,546.21	3,546.21
Capital Reserve			
Balance as at the beginning of the year	284.25	284.25	-
Adjustment on acquisition of SPVs (refer note below)	-	-	284.25
Closing balance	284.25	284.25	284.25
Retained Earnings			
Balance as at the beginning of the year	(2,547.19)	(1,867.34)	(1,236.30)
Loss for the year	(512.25)	(679.75)	(630.88)
Other comprehensive income / (loss)	0.10	(0.10)	(0.16)
Closing balance	(3,059.34)	(2,547.19)	(1,867.34)
Total	771.12	1,283.27	1,963.12

Nature and purpose of reserve :

Securities premium : Securities premium is credited when shares are issued at premium. The reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

Capital reserve : Capital reserve is not available for distribution as dividend.

Adjustment on combination of SPVs : As required by para 16 of the Guidance Note on Combined and Carve Out Financial Statements issued by ICAI, in case the combining entities or any one of the combining entities are under common control, the carrying amounts pertaining to a subsidiary, as reflected in the consolidated financial statements of the parent, should be used for the purpose of preparing combined financial statements. Accordingly, for the purpose of these combined financial statements, carrying amounts of SPVs have been considered as reflected in the consolidated financial statements of Sekura Energy Private Limited.

During the year ended March 31, 2020 Sekura Energy Private Limited acquired 100% equity interest in Darbhanga Motihari Transmission Company Limited ('DMTCL') vide investment agreement dated October 16, 2018 (as amended on May 25, 2019) and in NRSS XXXI (B) Transmission Limited ('NRSS') vide investment agreement dated October 16, 2018 (as amended on May 25, 2019) from the sole 100% owned equity stake holder viz. Essel Infraprojects Limited. Since the carrying amounts pertaining to the above SPVs in these combined financial statements have been considered as reflected in the consolidated financial statements of Sekura Energy Private Limited from the respective dates of their acquisitions, the differences between the acquisition values of above SPVs and the book values have been disclosed as adjustment on combination of SPVs as part of equity holder's funds.

Retained earnings : Retained earnings are the profits/(loss) that the SPV Group has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. Retained earnings includes re-measurement loss / (gain) on defined benefit plans, net of taxes that will not be reclassified to Statement of Profit and Loss. Retained earnings is a free reserve available to the SPV Group and eligible for distribution to shareholders, in case where it is having positive balance representing net earnings till date.

All amounts in Rupees millions unless otherwise stated

(10) Borrowings

Non - current:

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Borrowings at amortised cost			
A. Secured			
12,524 (March 31, 2021: 12,953, March 31, 2020: 13,353) Non convertible debentures of INR 1,000,000 each (refer 10(A) below)**	12,382.69	12,798.77	13,185.59
Less: current maturities of debentures	466.00	429.00	400.00
	11,916.69	12,369.77	12,785.59
B. Unsecured			
331,000 (March 31, 2021: 331,000, March 31, 2020: 60,000) Non convertible debentures of INR 1,000 each (refer 10(B) below)	331.00	331.00	60.00
150,953,500 (March 31, 2021: 150,953,500, March 31, 2020: 157,860,000) Optionally convertible debentures of INR 10 each (refer 10(C) below)	1,509.54	1,509.54	1,578.60
	13,757.23	14,210.31	14,424.19

**Net of ancillary borrowing costs amounting to INR 141.31 millions (March 31, 2021: INR 154.23 millions, March 31, 2020: INR 167.40 millions)

Aggregate non-current borrowings	13,757.23	14,210.310	14,424.190
Aggregate current borrowings	466.00	429.000	400.000

10(A) Non Convertible Debentures (secured)

(a) Terms of borrowings

The SPV Group had issued and allotted 15,400 (8,600 debentures on December 22, 2017 and 6,800 debentures on September 20, 2017) secured, rated, listed, redeemable, non-convertible debentures of face value of INR 1,000,000 each for an aggregate consideration of INR 15,400.00 millions on private placement basis.

During the financial year 2019 -2020, the SPV Group had restructured the NCDs. As per restructuring terms, the NCDs of INR 1,220 million were prepaid. Interest rate and repayment schedule were modified as per note (c) and (d) below.

(b) Security

i) All movable and immovable assets, both present and future, of the SPV Group (other than Current assets).

ii) A first charge on all present and future Current assets including all book debts, cash flows, commissions, revenues of whatsoever nature and wherever arising and movable fixed assets of the SPV Group and intangibles, present and future.

iii) A first charge on all receivables of the SPV Group.

iv) A first charge on the Letter of credit, the Escrow Account and its Sub-Accounts, Trust & Retention Account, Debt Service Reserve Account, other reserves and any other bank accounts of the SPV Group wherever maintained, present & future, monies standing to their credit and permitted investments.

v) All benefits, rights, titles, permits, approvals and interests of the SPV Group in, to and under all assets, Project Documents (including but not limited to Transmission License, Revenue Sharing Agreement, clearances, permits, approvals, consents) in favour of Debenture Trustee.

vi) Contractor guarantees, performance bonds, letter(s) of credit (including towards payment security mechanism) that may be provided by any party for the Project.

vii) All insurance policies taken by the SPV Group.

viii) Summary of pledge of fully paid up equity shares of the entities forming part of the SPV Group:

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
DMTCL	51% held by holding company; 26% held by Essel Infraprojects Ltd	51% held by holding company; 26% held by Essel Infraprojects Ltd	25% held by holding company; 26% held by Essel Infraprojects Ltd
NRSS	25% held by holding company; 26% held by Essel Infraprojects Ltd	25% held by holding company; 26% held by Essel Infraprojects Ltd	25% held by holding company; 26% held by Essel Infraprojects Ltd

(c) Interest clause

DMTCL - Annual interest shall be payable on or before last day of the quarter in which the interest is due as per terms with respective debenture holders

NRSS - Interest amount shall accrue at the end of every quarter and shall be payable on or before last day of the every quarter.

Rate of interest of DMTCL:

Particulars	Rate of interest for the year ended March 31, 2022	Rate of interest for the year ended March 31, 2021	Rate of interest for the year ended March 31, 2020
STRPP 1-17	8.85% p.a.	8.85% p.a.	8.05% to 8.85% p.a.
STRPP 18-37	9.15% p.a.	9.15% p.a.	8.30% to 9.15% p.a.
STRPP 38-57	9.35% p.a.	9.35% p.a.	8.55% to 9.35% p.a.
STRPP 58-81	9.50% p.a.	9.50% p.a.	8.75% to 9.50% p.a.

Rate of interest of NRSS:

Particulars	Rate of interest for the year ended March 31, 2022	Rate of interest for the year ended March 31, 2021	Rate of interest for the year ended March 31, 2020
STRPP 1-11	8.34% p.a.	8.34% p.a.	7.87% to 8.34% p.a.
STRPP 12-17	8.52% p.a.	8.52% p.a.	7.87% to 8.52% p.a.
STRPP 18-37	9.18% p.a.	9.18% p.a.	8.00% to 9.18% p.a.
STRPP 38-57	9.18% p.a.	9.18% p.a.	8.28% to 9.18% p.a.
STRPP 58-84	9.18% p.a.	9.18% p.a.	8.52% to 9.18% p.a.

SPV Group
(As defined in Note 1 - Corporate Information)
All amounts in Rupees millions unless otherwise stated
Notes to combined financial statements

(d) Repayment schedule of NCD issued by DMTCL

Series No.	Applicable w.e.f. May 28, 2019		Applicable up to May 27, 2019	
	Amount	Maturity date	Amount	Maturity date
STRPP 3	50.00	29-06-2019	70.00	29-06-2019
STRPP 4	50.00	30-09-2019	70.00	30-09-2019
STRPP 5	61.00	31-12-2019	70.00	31-12-2019
STRPP 6	55.00	31-03-2020	65.00	31-03-2020
STRPP 7	60.00	30-06-2020	70.00	30-06-2020
STRPP 8	60.00	30-09-2020	70.00	30-09-2020
STRPP 9	60.00	31-12-2020	75.00	31-12-2020
STRPP 10	60.00	31-03-2021	75.00	31-03-2021
STRPP 11	65.00	30-06-2021	80.00	30-06-2021
STRPP 12	65.00	30-09-2021	80.00	30-09-2021
STRPP 13	65.00	31-12-2021	80.00	31-12-2021
STRPP 14	65.00	31-03-2022	75.00	31-03-2022
STRPP 15	70.00	30-06-2022	85.00	30-06-2022
STRPP 16	70.00	30-09-2022	85.00	30-09-2022
STRPP 17	70.00	31-12-2022	85.00	31-12-2022
STRPP 18	77.00	31-03-2023	85.00	31-03-2023
STRPP 19	84.00	30-06-2023	90.00	30-06-2023
STRPP 20	84.00	30-09-2023	90.00	30-09-2023
STRPP 21	84.00	30-12-2023	90.00	30-12-2023
STRPP 22	84.00	30-03-2024	90.00	30-03-2024
STRPP 23	91.00	29-06-2024	95.00	29-06-2024
STRPP 24	91.00	30-09-2024	95.00	30-09-2024
STRPP 25	93.00	31-12-2024	100.00	31-12-2024
STRPP 26	93.00	31-03-2025	100.00	31-03-2025
STRPP 27	99.00	30-06-2025	105.00	30-06-2025
STRPP 28	99.00	30-09-2025	105.00	30-09-2025
STRPP 29	99.00	31-12-2025	105.00	31-12-2025
STRPP 30	97.00	31-03-2026	100.00	31-03-2026
STRPP 31	102.00	30-06-2026	110.00	30-06-2026
STRPP 32	102.00	30-09-2026	110.00	30-09-2026
STRPP 33	111.00	31-12-2026	115.00	31-12-2026
STRPP 34	111.00	31-03-2027	115.00	31-03-2027
STRPP 35	116.00	30-06-2027	120.00	30-06-2027
STRPP 36	110.00	30-09-2027	120.00	30-09-2027
STRPP 37	116.00	31-12-2027	120.00	31-12-2027
STRPP 38	119.00	31-03-2028	130.00	31-03-2028
STRPP 39	119.00	30-06-2028	130.00	30-06-2028
STRPP 40	122.00	30-09-2028	130.00	30-09-2028
STRPP 41	122.00	30-12-2028	130.00	30-12-2028
STRPP 42	122.00	31-03-2029	130.00	31-03-2029
STRPP 43	124.00	30-06-2029	140.00	30-06-2029
STRPP 44	125.00	29-09-2029	140.00	29-09-2029
STRPP 45	125.00	31-12-2029	140.00	31-12-2029
STRPP 46	125.00	30-03-2030	140.00	30-03-2030
STRPP 47	110.00	29-06-2030	120.00	29-06-2030
STRPP 48	110.00	30-09-2030	120.00	30-09-2030
STRPP 49	110.00	31-12-2030	120.00	31-12-2030
STRPP 50	110.00	31-03-2031	120.00	31-03-2031
STRPP 51	115.00	30-06-2031	125.00	30-06-2031
STRPP 52	115.00	30-09-2031	125.00	30-09-2031
STRPP 53	120.00	31-12-2031	130.00	31-12-2031
STRPP 54	120.00	31-03-2032	130.00	31-03-2032
STRPP 55	120.00	30-06-2032	130.00	30-06-2032
STRPP 56	125.00	30-09-2032	135.00	30-09-2032
STRPP 57	125.00	31-12-2032	135.00	31-12-2032
STRPP 58	136.00	31-03-2033	140.00	31-03-2033
STRPP 59	135.00	30-06-2033	145.00	30-06-2033
STRPP 60	135.00	30-09-2033	145.00	30-09-2033
STRPP 61	135.00	31-12-2033	145.00	31-12-2033
STRPP 62	142.00	31-03-2034	145.00	31-03-2034
STRPP 63	155.00	30-06-2034	155.00	30-06-2034
STRPP 64	145.00	30-09-2034	155.00	30-09-2034
STRPP 65	140.00	30-12-2034	150.00	30-12-2034
STRPP 66	140.00	31-03-2035	150.00	31-03-2035
STRPP 67	127.00	30-06-2035	130.00	30-06-2035
STRPP 68	128.00	29-09-2035	130.00	29-09-2035
STRPP 69	128.00	31-12-2035	130.00	31-12-2035
STRPP 70	128.00	31-03-2036	130.00	31-03-2036
STRPP 71	90.00	30-06-2036	100.00	30-06-2036
STRPP 72	90.00	30-09-2036	100.00	30-09-2036
STRPP 73	90.00	31-12-2036	100.00	31-12-2036
STRPP 74	90.00	31-03-2037	100.00	31-03-2037
STRPP 75	42.00	30-06-2037	50.00	30-06-2037
STRPP 76	40.00	30-09-2037	50.00	30-09-2037
STRPP 77	40.00	31-12-2037	50.00	31-12-2037
STRPP 78	48.00	31-03-2038	50.00	31-03-2038
STRPP 79	48.00	30-06-2038	50.00	30-06-2038
STRPP 80	48.00	30-09-2038	50.00	30-09-2038
STRPP 81	48.00	31-12-2038	50.00	31-12-2038
Total	7,700.00		8,395.00	

SPV Group
(As defined in Note 1 - Corporate Information)
All amounts in Rupees millions unless otherwise stated
Notes to combined financial statements

Repayment schedule of NCD issued by NRSS

Series No.	Applicable w.e.f. May 28, 2019		Applicable up to May 27, 2019	
	Amount	Maturity date	Amount	Maturity date
STRPP 4	37.00	30-06-2019	40.00	30-06-2019
STRPP 5	37.00	30-09-2019	40.00	30-09-2019
STRPP 6	37.00	31-12-2019	40.00	31-12-2019
STRPP 7	40.00	31-03-2020	50.00	31-03-2020
STRPP 8	37.00	30-06-2020	37.00	30-06-2020
STRPP 9	40.00	30-09-2020	50.00	30-09-2020
STRPP 10	40.00	31-12-2020	50.00	31-12-2020
STRPP 11	43.00	31-03-2021	50.00	31-03-2021
STRPP 12	37.00	30-06-2021	37.00	30-06-2021
STRPP 13	43.00	30-09-2021	50.00	30-09-2021
STRPP 14	43.00	31-12-2021	50.00	31-12-2021
STRPP 15	46.00	31-03-2022	50.00	31-03-2022
STRPP 16	46.00	30-06-2022	54.00	30-06-2022
STRPP 17	44.00	30-09-2022	50.00	30-09-2022
STRPP 18	44.00	31-12-2022	50.00	31-12-2022
STRPP 19	45.00	31-03-2023	50.00	31-03-2023
STRPP 20	51.00	30-06-2023	51.00	30-06-2023
STRPP 21	44.00	30-09-2023	60.00	30-09-2023
STRPP 22	50.00	31-12-2023	50.00	31-12-2023
STRPP 23	57.00	31-03-2024	60.00	31-03-2024
STRPP 24	53.00	30-06-2024	65.00	30-06-2024
STRPP 25	53.00	30-09-2024	60.00	30-09-2024
STRPP 26	60.00	31-12-2024	60.00	31-12-2024
STRPP 27	62.00	31-03-2025	70.00	31-03-2025
STRPP 28	55.00	30-06-2025	62.00	30-06-2025
STRPP 29	62.00	30-09-2025	70.00	30-09-2025
STRPP 30	62.00	31-12-2025	70.00	31-12-2025
STRPP 31	66.00	31-03-2026	70.00	31-03-2026
STRPP 32	62.00	30-06-2026	79.00	30-06-2026
STRPP 33	62.00	30-09-2026	70.00	30-09-2026
STRPP 34	62.00	31-12-2026	70.00	31-12-2026
STRPP 35	67.00	31-03-2027	70.00	31-03-2027
STRPP 36	71.00	30-06-2027	76.00	30-06-2027
STRPP 37	65.00	30-09-2027	80.00	30-09-2027
STRPP 38	68.00	31-12-2027	70.00	31-12-2027
STRPP 39	68.00	31-03-2028	80.00	31-03-2028
STRPP 40	68.00	30-06-2028	76.00	30-06-2028
STRPP 41	68.00	30-09-2028	80.00	30-09-2028
STRPP 42	70.00	31-12-2028	70.00	31-12-2028
STRPP 43	71.00	31-03-2029	80.00	31-03-2029
STRPP 44	71.00	30-06-2029	76.00	30-06-2029
STRPP 45	71.00	30-09-2029	80.00	30-09-2029
STRPP 46	70.00	31-12-2029	70.00	31-12-2029
STRPP 47	77.00	31-03-2030	80.00	31-03-2030
STRPP 48	77.00	30-06-2030	83.00	30-06-2030
STRPP 49	77.00	30-09-2030	80.00	30-09-2030
STRPP 50	80.00	31-12-2030	80.00	31-12-2030
STRPP 51	80.00	31-03-2031	80.00	31-03-2031
STRPP 52	80.00	30-06-2031	80.00	30-06-2031
STRPP 53	80.00	30-09-2031	90.00	30-09-2031
STRPP 54	80.00	31-12-2031	80.00	31-12-2031
STRPP 55	86.00	31-03-2032	90.00	31-03-2032
STRPP 56	86.00	30-06-2032	94.00	30-06-2032
STRPP 57	86.00	30-09-2032	90.00	30-09-2032
STRPP 58	43.00	31-12-2032	90.00	31-12-2032
STRPP 59	48.00	31-03-2033	100.00	31-03-2033
STRPP 60	73.00	30-06-2033	91.00	30-06-2033
STRPP 61	48.00	30-09-2033	100.00	30-09-2033
STRPP 62	95.00	31-12-2033	100.00	31-12-2033
STRPP 63	95.00	31-03-2034	100.00	31-03-2034
STRPP 64	95.00	30-06-2034	108.00	30-06-2034
STRPP 65	95.00	30-09-2034	100.00	30-09-2034
STRPP 66	100.00	31-12-2034	100.00	31-12-2034
STRPP 67	100.00	31-03-2035	100.00	31-03-2035
STRPP 68	101.00	30-06-2035	108.00	30-06-2035
STRPP 69	100.00	30-09-2035	100.00	30-09-2035
STRPP 70	100.00	31-12-2035	100.00	31-12-2035
STRPP 71	100.00	31-03-2036	100.00	31-03-2036
STRPP 72	108.00	30-06-2036	108.00	30-06-2036
STRPP 73	100.00	30-09-2036	100.00	30-09-2036
STRPP 74	100.00	31-12-2036	100.00	31-12-2036
STRPP 75	100.00	31-03-2037	100.00	31-03-2037
STRPP 76	108.00	30-06-2037	108.00	30-06-2037
STRPP 77	100.00	30-09-2037	100.00	30-09-2037
STRPP 78	100.00	31-12-2037	100.00	31-12-2037
STRPP 79	100.00	31-03-2038	100.00	31-03-2038
STRPP 80	120.00	30-06-2038	120.00	30-06-2038
STRPP 81	130.00	30-09-2038	130.00	30-09-2038
STRPP 82	130.00	31-12-2038	130.00	31-12-2038
STRPP 83	127.00	31-03-2039	130.00	31-03-2039
STRPP 84	267.00	30-06-2039	272.00	30-06-2039
Total	6,020.00		6,545.00	

10(B) Non Convertible Debentures (unsecured)

(a) Terms of borrowings

The SPV Group issued and allotted unsecured, unrated, unlisted, redeemable, non-convertible debentures (NCD) of a face value of INR 1,000 each on private placement basis of INR 60.00 millions and INR 271.00 millions in financial year March 31, 2020 and March 31, 2021 respectively.

(b) Term

The term of the NCDs is 10 years i.e. till March 15, 2030, or such extended term as may be determined by the Board of entities forming part of the SPV Group with the prior written consent of the lender.

(c) Interest

The NCD Holders are entitled to a cumulative interest at an annual coupon rate of 9% (per cent) per annum on the outstanding value of the NCDs after satisfaction of restricted payment conditions under agreements with Existing Lenders under financing documents and any limit permissible by law (Coupon Amount).

The Coupon Amount accrues for each 6 months period and is payable on or before the expiry of 45 days from the end of half financial year ending on 30th September and 31st March (i.e. by 14th November and 15th May) or next succeeding day if the interest payment day falls on a holiday.

In case of insufficiency of cash flow surplus to make full payment of Coupon Amount for a Interest Period, the same is carried forward in subsequent Interest Period up to the Final Redemption Date. Such carried forward Coupon Amount does not earn any further coupon. Any unpaid carried forward Coupon Amount remaining outstanding post Final Redemption Date gets lapsed.

(d) Redemption

NCDs shall be redeemable, in full or part, at the option of the NCD Holder on the following terms :

(i) At any time out of cashflow surplus (after satisfaction of restricted payment conditions as defined under senior lenders' agreement) of the Borrower as allowed by the Existing Lenders under financing documents; or

(ii) With the prior consent of the Existing Lenders

Redemption amount will be the outstanding value of the NCDs or a part thereof as the case may be.

10(C) Optionally Convertible Debenture (OCD) (unsecured)

(a) Terms of borrowings

The SPV Group had issued and allotted unsecured optionally convertible OCD of a face value of INR 10 each for an aggregate consideration of INR 1,578.60 millions on private placement basis.

(b) Term

The term of the OCDs is 22 (twenty two) years from the Completion Date, or such extended term as may be determined by the Board with the prior written consent of the Lender (Final Redemption Date).

The OCDs are unsecured and shall not be rated.

(c) Interest

The OCD Holders are entitled to a non-cumulative interest at an annual coupon rate not exceeding 18% (per cent) per annum on the outstanding face value of the OCDs subject to maximum cashflow surplus (after satisfaction of restricted payment conditions as defined under agreements with Existing Lenders) of the SPV Group as allowed by the senior lenders under financing documents and any limit permissible by law (Coupon Amount). The First Coupon Amount accrues for the period commencing from the Completion Date till September 30, 2019 and is payable on or before last day of the succeeding month. All Coupon Amount other than First Coupon Amount, accrues for 6 months period starting from October 01, 2019 and is payable on or before last day of the succeeding month of half financial year ending on 31st March and 30th September.

(d) Conversion

The OCD Holders, subject to necessary approvals as needed and any shareholding restrictions under the TSA to which the Borrower is a party, have the option to convert the OCD at any time before the Final Redemption Date subject to the terms of this Agreement and valuation report and applicable law.

The conversion ratio shall be adjusted such that the Lender receives at the time of conversion such percentage of equity shares of the issued share capital of the SPV Group as it would have received had the OCDs been converted as above on the date of this Agreement, notwithstanding any bonus issue, rights issue, further issuance of shares or other corporate actions.

The conversion of the OCDs shall be in consonance with the terms of the TSA.

The SPV Group had issued optionally convertible debentures ("OCDs") which are optionally convertible into equity shares as per the terms of the agreement entered into between the SPV Group and the OCD holder. Under Ind AS, the OCDs have been separated into liability and equity components. Since the interest rate on OCDs is comparable to market interest, the equity component is considered negligible.

(e) Redemption

OCDs are redeemable at the option of the Lender on the following terms:

(i) At any time out of cashflow surplus (after satisfaction of restricted payment conditions as defined under Existing Lenders under senior lenders' agreement) of the SPV Group as allowed by the existing lenders under financing documents; or

(ii) With the prior consent of the senior lenders

In case of any early redemption, the redemption will be at 4x or IRR of 25%, whichever is higher. The lender will have unilateral option to waive or lower the multiple or IRR in case of any early redemption. In case OCD holders do not opt to convert into equity shares or seek an early redemption as provided herein, the redemption will be at par i.e. at face value on maturity date.

(f) Optionally convertible debentures amounting to INR 69.06 millions have been early repaid on May 21, 2020.

All amounts in Rupees millions unless otherwise stated

(11) Provisions

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Non-current :			
Provision for employee benefits			
Gratuity (refer note 32)	1.05	0.90	0.55
Compensated absences	0.81	0.56	0.26
	1.86	1.46	0.81

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Current :			
Provision for employee benefits			
Gratuity (refer note 32)	0.12	0.05	0.03
Compensated absences	0.42	0.52	0.26
	0.54	0.57	0.29

(12) Trade and other payables

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Trade and other payables	20.93	48.09	51.26
	20.93	48.09	51.26

Trade payables are not-interest bearing and are normally settled on 30-90 days terms. For explanation on the SPV Group's risk management policies, refer note 26.

(13) Other financial liabilities

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Current			
Interest accrued but not due on borrowings (refer note 30)	395.25	399.38	402.93
Payable for purchase of property, plant and equipment	32.00	46.22	9.16
Payable to employees	0.16	-	-
	427.41	445.60	412.09

(14) Other liabilities

Particulars	As at March 31, 2022	As at March 31, 2021	As at March 31, 2020
Current			
Advance from customer*	73.54	126.83	-
Statutory dues payable	3.54	3.19	5.39
	77.08	130.02	5.39

*Advance received from customer is adjusted against subsequent billing.

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All amounts in Rupees millions unless otherwise stated

(15) Revenue from contracts with customers

Particulars	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Income from transmission charges (refer note 35 and 36)	2,212.47	2,176.17	2,296.14
Income from operation and maintenance	5.54	-	-
	2,218.01	2,176.17	2,296.14

Revenue from contracts with customers comprises of revenue from power transmission services rendered in India to Long Term Transmission Customers (LTTCs) pursuant to the respective Transmission Services Agreements (TSAs) executed by the respective SPVs with LTTCs. The TSAs are executed for a period of 35 years and have fixed tariff charges as approved by CERC (except some incentives/penalties relating to transmission assets availabilities). Under the TSAs, the SPVs' performance obligation is to provide power transmission services. The SPVs are required to ensure that the transmission assets meet the minimum availability criteria under the respective TSAs failing which could result in certain disincentives/penalties. The performance obligation is satisfied over-time as the customers receive and consume the benefits provided by the SPVs' performance as the SPVs' perform. The payment is generally due within 60 days upon receipt of quarterly invoice by the customer. The Group receives payments as per the pooling arrangements specified under the Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations ('Pooling Regulations'). In the Point of Connection (PoC) mechanism, the transmission charges to be recovered from the entire system are allocated between users based on their location in the grid. Under the PoC mechanism, all the charges collected by the Central Transmission Utility (i.e. Power Grid Corporation of India Limited) from LTTCs are disbursed pro-rata to all Transmission Service Providers from the pool in proportion of the respective billed amount.

Applying the practical expedient as given in Ind AS 115, the SPV Group has not disclosed the remaining performance obligation related disclosures since the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date.

(a) Disaggregated revenue information

Particulars	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Income from transmission charges	2,212.47	2,176.17	2,296.14
Income from operation and maintenance	5.54	-	-
Total	2,218.01	2,176.17	2,296.14

(b) Assets and liabilities related to contracts with customers

Particulars	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Trade receivable	-	-	167.96
Unbilled revenue	562.50	535.40	539.86
Contract liabilities	73.54	126.83	-

Trade receivables are non-interest bearing and are generally on terms of 60 days. Contract liabilities include advances received from customers.

(c) Project wise break up of revenue from contracts with customers

Particulars	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Darbhanga - Motihari Transmission Company Limited	1,261.13	1,234.90	1,298.56
NRSS XXXI (B) Transmission Limited	956.88	941.27	997.58
Total	2,218.01	2,176.17	2,296.14

(d) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price

Particulars	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Revenue as per contracted price	2,176.75	2,171.32	2,296.14
Add : Surcharge	49.86	8.84	-
Less : Rebate	(8.60)	(3.99)	-
	2,218.01	2,176.17	2,296.14

(e) Reconciliation of contract assets and liabilities

Particulars	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Opening balance			
Unbilled revenue	535.40	539.86	515.45
Trade receivable	-	167.96	56.97
Contract liabilities	(126.83)	-	-
(A)	408.57	707.82	572.42
Amounts billed to customers	(535.40)	(539.86)	(515.45)
Power transmission services provided, but remaining unbilled as at year end	562.50	535.40	539.86
Power transmission services provided, but collection pending	-	-	167.96
Collection from customer	-	167.96	56.97
Advance received from customer adjusted against billing	126.83	-	-
Advance received from customer	(73.54)	(126.83)	-
(B)	80.39	36.67	249.34
Closing balance			
Unbilled revenue	562.50	535.40	539.86
Trade receivable	-	-	167.96
Contract liabilities	(73.54)	(126.83)	-
(A + B)	488.96	408.57	707.82

SPV Group
(As defined in Note 1 - Corporate Information)
All amounts in Rupees millions unless otherwise stated
Notes to combined financial statements

(16) Other income

Particulars	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Net gain on sale of investment in mutual funds	13.23	7.73	12.99
Fair value gain on financial instrument at fair value through profit or loss	1.38	1.42	0.63
Income from insurance claims*	8.77	57.75	-
Miscellaneous income	1.66	-	8.16
Liabilities no longer required written back	0.03	2.77	11.76
	25.07	69.67	33.54

* Income from insurance claim is for the damaged towers INR 22.50 millions is received during March 31, 2021 and balance INR 44.04 millions is received during year ended March 31, 2022.

(17) Finance income

Particulars	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Interest income on :			
Fixed deposits	59.89	69.38	70.43
Income tax refund	0.41	0.46	0.02
	60.30	69.84	70.45

(18) Operation and maintenance expense

Particulars	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Operation and maintenance expense	65.62	98.46	81.29
	65.62	98.46	81.29

(19) Employee benefit expense

Particulars	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Salaries, wages and bonus	13.32	11.72	7.39
Gratuity expenses (refer note 32)	0.33	0.28	0.17
Contribution to provident and other funds (refer note 32)	0.57	0.57	0.27
Staff welfare expenses	0.73	0.62	0.94
	14.95	13.19	8.77

(20) Finance costs

Particulars	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Interest on			
Non-convertible debentures	1,213.17	1,237.36	1,262.02
Optionally convertible debentures	271.72	273.42	239.83
Late payment of tax	0.01	0.18	0.75
Other borrowing cost	13.63	13.74	22.59
	1,498.53	1,524.70	1,525.19

(21) Other expenses

Particulars	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Rates and taxes	3.26	2.21	35.15
Membership charges	2.88	4.25	1.60
Power and fuel	2.91	3.04	4.56
Travelling and conveyance expenses	4.39	3.23	4.53
Insurance	50.30	43.94	50.54
Legal and professional fees	89.48	80.03	77.17
Loss on disposal of property, plant and equipment	4.66	82.08	-
Rent (Expense relating to leases of low-value assets)	0.52	0.77	0.84
Miscellaneous expenses	4.38	7.75	9.97
	162.78	227.30	184.36

All amounts in Rupees millions unless otherwise stated

(22) Capital and other commitments

(a) Capital Commitments

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Commitment relating to property, plant and equipment, net of capital advances	6.79	28.54	182.70
Total	6.79	28.54	182.70

(b) Other Commitments

The SPVs have entered into transmission services agreements (TSA) with long term transmission customers for the period of 35 (thirty five) years pursuant to which the SPVs have committed to transmit power of contracted capacity and have also committed minimum availability of transmission line over the life of the TSA period. The TSA contains provision for penalties in case of certain defaults.

(23) Contingent liabilities

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Other matters	84.43	84.43	76.43
Total	84.43	84.43	76.43

i. During the financial year 2016-17, land owners have filed a case with the District Court, Ludhiana, Punjab towards compensation for the value of land over which the transmission line is passing. The Company is of the view that required amount of compensation to these landowners have already been paid and no further compensation is payable. Based on the legal advice, the Company does not anticipate any liability against the same and has disclosed a contingent liability of INR 61.65 million (March 31, 2021 : INR 61.65 million, March 31, 2020 : INR 61.65 million) . Accordingly, no provision for any liability has been made in these financial statements.

ii. During the financial year 2020-21, land owners have filed a case with the Civil Court, Pehowa, Haryana towards compensation for costs incurred on account of transmission line passing. The Company is of the view that required amount of compensation to these landowners have already been paid and no further compensation is payable. Based on the legal advice, the Company does not anticipate any liability against the same and has disclosed a contingent liability of INR 2 million (March 31, 2021 : INR 2 millions). Accordingly, no provision for any liability has been made in these financial statements.

iii. During the financial year 2020-21, land owners have filed a case with the Court of Commissioner, Darbhanga Division towards higher compensation on account of cutting of his trees over which the transmission line is passing. The Company is of the view that required amount of compensation to these landowners have already been paid and no further compensation is payable. Based on the legal advice, the Company does not anticipate any liability against the same and has disclosed a contingent liability of INR 6 million for March 31, 2022 (March 31, 2021 : INR 6 million, March 31, 2020 : Nil). Accordingly, no provision for any liability has been made in these financial statements.

iv. During the financial year FY 2018-19 and FY 2019-20, Power Grid Corporation of India Limited claimed recovery of Interest During Construction (“IDC”), Incidental Expenses During Construction (“IEDC”) and transmission charges respectively on account of delay in commissioning of transmission lines by the Company. The Company is of the view that the delay in commissioning of transmission lines was due to force majeure events which were beyond the control of the Company. Central Electricity Regulatory Commission concluded in another matter through order dated 29/03/2019 passed in Petition No. 195/MP/2017 that delay in commissioning was not due to reasons attributable to the Company. Based on the legal advice, the Company does not anticipate any liability against the same and has disclosed a contingent liability of INR 14.78 million (March 31, 2021 : INR 14.78 million, March 31, 2020 : INR 14.78 million). Accordingly, no provision for any liability has been made in these financial statements.

(24) Financial Instruments by category

Set out below is a comparison, by class, of the carrying amounts and fair value of the SPV Group's financial instruments as of March 31, 2022 :

Particulars	Amortised cost	Fair value through profit and loss	Fair value through other comprehensive income	Total carrying value	Total fair value
Financial assets					
Cash and cash equivalents	43.53	-	-	43.53	43.53
Investments	-	272.37	-	272.37	272.37
Other bank balances	1,231.97	-	-	1,231.97	1,231.97
Other financial assets	610.41	-	-	610.41	610.41
Total	1,885.91	272.37	-	2,158.28	2,158.28
Financial liabilities					
Borrowings	14,223.23	-	-	14,223.23	14,672.84
Trade payables	20.93	-	-	20.93	20.93
Other financial liabilities	427.41	-	-	427.41	427.41
Total	14,671.57	-	-	14,671.57	15,121.18

Set out below is a comparison, by class, of the carrying amounts and fair value of the SPV Group's financial instruments as of March 31, 2021 :

Particulars	Amortised cost	Fair value through profit and loss	Fair value through other comprehensive income	Total carrying value	Total fair value
Financial assets					
Cash and cash equivalents	81.12	-	-	81.12	81.12
Investments	-	325.66	-	325.66	325.66
Other bank balances	1,096.75	-	-	1,096.75	1,096.75
Other financial assets	761.06	-	-	761.06	761.06
Total	1,938.93	325.66	-	2,264.59	2,264.59
Financial liabilities					
Borrowings	14,639.31	-	-	14,639.31	15,638.20
Trade payables	48.09	-	-	48.09	48.09
Other financial liabilities	445.60	-	-	445.60	445.60
Total	15,133.00	-	-	15,133.00	16,131.89

Set out below is a comparison, by class, of the carrying amounts and fair value of the SPV Group's financial instruments as of March 31, 2020:

Particulars	Amortised cost	Fair value through profit and loss	Fair value through other comprehensive income	Total carrying value	Total fair value
Financial assets					
Cash and cash equivalents	32.99	-	-	32.99	32.99
Investments	-	225.84	-	225.84	225.84
Other bank balances	838.41	-	-	838.41	838.41
Trade receivables	167.96	-	-	167.96	167.96
Other financial assets	718.47	-	-	718.47	718.47
Total	1,757.83	225.84	-	1,983.67	1,983.67
Financial liabilities					
Borrowings	14,824.19	-	-	14,824.19	15,484.92
Trade payables	51.26	-	-	51.26	51.26
Other financial liabilities	412.09	-	-	412.09	412.09
Total	15,287.54	-	-	15,287.54	15,948.27

Carrying values of trade receivables, other financial assets, trade payables and other financial liabilities approximate their fair values.

All amounts in Rupees millions unless otherwise stated

(25) Fair value hierarchy

The following table presents fair value hierarchy of assets and liabilities as of

Particulars	Fair value measurement at end of the reporting year using		
	Level 1	Level 2	Level 3
Assets measured at fair value			
March 31, 2020			
Quoted investments - Investment in mutual funds	225.84	-	-
March 31, 2021			
Quoted investments - Investment in mutual funds	325.66	-	-
March 31, 2022			
Quoted investments - Investment in mutual funds	272.37	-	-
Asset for which fair value disclosures are given			
March 31, 2020			
Total assets	-	-	22,279.00
March 31, 2021			
Total assets	-	-	23,003.00
March 31, 2022			
Total assets	-	-	24,923.00
Liabilities for which fair value disclosures are given			
March 31, 2020			
Borrowings	-	15,484.92	-
March 31, 2021			
Borrowings	-	15,638.20	-
March 31, 2022			
Borrowings	-	14,672.84	-

Investment in mutual funds though unlisted, are quoted on recognised stock exchanges at their previous day NAVs which is the quote for the day.

The Group is required to present the Statement of total assets at fair value and Statement of total returns at fair value as per SEBI Circular No. CIR/IMD/DF/114/2016 dated 20 October 2016 as a part of these condensed consolidated financial statements - Refer Statement of Net assets at fair value and Statement of Total Returns at fair value.

The inputs to the valuation models for computation of fair value of transmission assets for the above mentioned statements are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as WACC, Tax rates, Inflation rates, etc.

The significant unobservable inputs used in the fair value measurement required for disclosures as above categorised within Level 3 of the fair value hierarchy as above together with a quantitative sensitivity analysis as at March 31, 2022, March 31, 2021 and March 31, 2020 are as shown below:

Description of significant unobservable inputs to valuation:

Significant unobservable inputs	Input for March 31, 2022	Input for March 31, 2021	Input for March 31, 2020	Sensitivity of input to the fair value	Increase /(decrease) in fair value		
					March 31, 2022	March 31, 2021	March 31, 2020
WACC	7.99% to 8.20%	8.47% to 8.72%	8.59% to 8.85%	0.50%	(1,205.39)	(1,037.85)	(1,012.96)
				-0.50%	1,356.11	1,159.25	1,129.69
Tax rate (normal tax and MAT)	MAT - 17.47%	MAT - 17.47%	MAT - 17.47%	2.00%	(86.93)	(33.41)	(25.76)
	Normal tax - 25.17%	Normal tax - 25.17%	Normal tax - 25.17%	-2.00%	75.99	43.48	18.62
Inflation rate for expenses	1.37% to 2.19%	1.37% to 2.08%	1.37% to 2.08%	1.00%	(382.52)	(303.08)	(270.22)
				-1.00%	315.31	251.31	224.28

(26) Financial risk management objectives and policies

The SPV Group's principal financial liabilities comprise borrowings, trade and other payables and other financial liabilities. The main purpose of these financial liabilities is to finance the SPV Group's operations. The SPV Group's principal financial assets include investments, loans, trade receivables, cash and short-term deposits and other financial assets that derive directly from its operations.

The SPV Group is exposed to market risk, credit risk and liquidity risk. The SPV Group's senior management oversees the management of these risks. The SPV Group reviews and agrees policies for managing each of these risks, which are summarised below.

The Risk Management policies of the SPV Group are established to identify and analyse the risks faced by the SPV Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the SPV Group's activities.

Management has overall responsibility for the establishment and oversight of the SPV Group's risk management framework.

(a) Credit risk on financial assets

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The SPV Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and other financial instruments.

Trade receivables

DMTCL and NRSS are engaged in transmission infrastructure development business under BOOM (Build, Own, Operate and Maintain) and currently derive its revenue primarily from BOOM contracts with long term transmission customers ('LTTC'). DMTCL and NRSS being transmission licensees receive payments as per the pooling arrangements specified under the Central Electricity Regulatory Commission (Sharing of Inter State Transmission Charges and Losses) Regulations ('Pooling Regulations'). In the PoC method, the transmission charges to be recovered from the entire system are allocated between users based on their location in the grid. Under the PoC mechanism, all the charges collected by the Central Transmission Utility ('CTU') from LTTC's are disbursed pro-rata to all Transmission Service Providers ('TSPs') from the pool in proportion of the respective billed amount. Due to this, the TSPs are shielded against any potential default by a particular customer. If a particular customer delays or defaults, the delay or shortfall is prorated amongst all the TSPs. Based on past history of payments, payments due have always been paid and there have been no write-off's for due amounts. Due to the payment mechanism explained above as well as due to no history of any write-off's of payments which were due, the SPV Group has not considered any expected credit loss on the financial assets in the nature of trade receivables. During the various periods presented, there has been no change in the credit risk of trade receivables.

Other financial assets

Credit risk from balances deposited/invested with banks as well as investments made in mutual funds, is managed by the SPV Group's senior management in accordance with the SPVs' Treasury policy approved by the Board of Directors. Investments of surplus funds are made only with approved counterparties and within limits assigned to each counterparty. Counterparty limits are reviewed by the top management on an annual basis, and may be updated throughout the year subject to approval of the Board of Directors. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments. Based on this policy, the SPV Group does not foresee any risk on account of credit losses, either in the scheduled commercial bank deposits which are made with AA+ rated banks and also in regard to mutual funds which is primarily debt oriented funds. No loss allowances have been provided for any trade receivables, or other receivables from financing activities like cash and bank deposits, mutual funds and other similar deposits. Also, there have been no modifications in contractual cash flows on financial assets.

The SPV Group's maximum exposure to credit risk for the components of the Balance Sheet as at March 31, 2022, March 31, 2021 and March 31, 2020 is the carrying amounts of Investments, Trade Receivables, Cash and cash Equivalents and Other Assets as disclosed in Note 5, 7, 8, and 4 respectively. However, the credit risk is low due to reasons mentioned above.

(b) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and currency risk . Financial instruments affected by market risk include borrowings, deposits and investments in short-term mutual funds. However, the SPV Group did not have currency risk as at March 31, 2022, March 31, 2021 and March 31, 2020.

Interest rate risk

As at March 31, 2022, March 31, 2021 and March 31, 2020, there are no borrowings having floating rate of interest. Accordingly, interest rate sensitivity is not disclosed.

All amounts in Rupees millions unless otherwise stated

(c) Liquidity risk

Liquidity risk is the risk that the SPV Group may encounter difficulty in meeting its present and future obligations associated with financial liabilities that are required to be settled by delivering cash or another financial asset. The SPV Group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral obligations. The SPV Group requires funds both for short term operational needs as well as for long term investment programs mainly in growth projects. The SPV Group closely monitors its liquidity position and deploys a robust cash management system. It aims to minimise these risks by generating sufficient cash flows from its current operations, which in addition to the available cash and cash equivalents, liquid investments and sufficient committed fund facilities, will provide liquidity.

The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The average credit period taken to settle trade payables is about 30 days. The other payables are with short term durations. The carrying amounts are assumed to be reasonable approximation of fair value. The table below summarises the maturity profile of the SPV Group's financial liabilities based on contractual undiscounted payments:

Particulars	On demand	Less than 3 months	3 months to 1 year	1 year to 5 years	more than 5 years	Total
As at March 31, 2022						
Non convertible debentures (Secured)	-	116.00	350.00	2,452.00	9,464.69	12,382.69
Optionally convertible debentures (Unsecured)	-	-	-	-	1,509.54	1,509.54
Non convertible debentures (Unsecured)	-	-	-	-	331.00	331.00
Trade and other payables	-	20.93	-	-	-	20.93
Other financial liabilities	-	306.19	121.22	-	-	427.41
Interest on borrowings	-	289.56	1,165.86	5,334.08	9,691.73	16,481.23
	-	732.68	1,637.08	7,786.08	20,996.96	31,152.80
As at March 31, 2021						
Non convertible debentures (Secured)	-	102.00	327.00	2,239.00	10,130.77	12,798.77
Optionally convertible debentures (Unsecured)	-	-	-	-	1,509.54	1,509.54
Non convertible debentures (Unsecured)	-	-	-	-	331.00	331.00
Trade and other payables	-	48.09	-	-	-	48.09
Other financial liabilities	-	231.03	214.57	-	-	445.60
Interest on borrowings	-	434.75	1,194.64	5,540.69	10,940.53	18,110.61
	-	815.87	1,736.21	7,779.69	22,911.84	33,243.61
As at March 31, 2020						
Non convertible debentures (Secured)	-	97.00	303.00	2,029.00	10,756.60	13,185.60
Optionally convertible debentures (Unsecured)	-	-	-	-	1,578.60	1,578.60
Non convertible debentures (Unsecured)	-	-	-	-	60.00	60.00
Trade and other payables	-	51.26	-	-	-	51.26
Other financial liabilities	-	282.02	130.06	-	-	412.08
Interest on borrowings	-	449.61	1,208.92	5,678.56	12,328.47	19,665.56
	-	879.89	1,641.98	7,707.56	24,723.67	34,953.10

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All amounts in Rupees millions unless otherwise stated

(27) Capital management

For the purpose of the SPV Group's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the SPV Group. The primary objective of the SPV Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise shareholder value.

The SPV Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the SPV Group may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The SPV Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The SPV Group's policy is to keep the gearing ratio optimum. The SPV Group includes within net debt, interest bearing loans and borrowings, trade and other payables less cash and cash equivalents excluding discontinued operations.

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Borrowings	14,223.23	14,639.31	14,824.19
Trade Payables	20.93	48.09	51.26
Other financial liabilities	427.41	445.60	412.09
Less: cash and other bank balances	(1,275.50)	(1,177.87)	(871.40)
Net debt [A]	13,396.07	13,955.13	14,416.14
Equity capital	261.29	261.29	261.29
Other equity	771.12	1,283.27	1,963.12
Adjustment on combination of SPVs	(80.18)	(80.18)	(80.18)
Total equity capital [B]	952.23	1,464.38	2,144.23
Capital and net debt [C=A+B]	14,348.30	15,419.51	16,560.37
Gearing ratio (%) [A/C]	0.93	0.91	0.87

In order to achieve this overall objective, the SPV Group's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants for 4 consecutive financial covenant testing date would give Debenture Holders the right to call event of default. There have been no breaches in the financial covenants of the Non convertible debentures.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2022, March 31, 2021 and March 31, 2020.

(28) Income tax

The major components of income tax expense for the year are:

Profit or loss section

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Current income tax:			
Current income tax charge	-	-	-
Adjustments in respect of current income tax of previous year	-	-	-
Deferred tax:			
Relating to origination and reversal of temporary differences	-	-	-
Income tax expense reported in the statement of profit or loss	-	-	-

The current tax has not been provided as the Group has been incurring losses as per tax.

The reconciliation between the provision of income tax of the SPV Group and amounts computed by applying the Indian statutory income tax rate to profit before tax is as follows:

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Loss before tax	(512.25)	(679.75)	(630.88)
Enacted income tax rate in India	29.12%	29.12%	29.12%
Computed expected tax	(149.17)	(197.94)	(183.71)
Effect of:			
Non recognition of deferred tax on unabsorbed depreciation and other timing differences	149.17	197.94	183.71
Income tax expense recognised in the statement of profit and loss	-	-	-

Taxation -

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Deferred Tax Assets			
Tax losses	2,500.61	2,324.72	2,089.30
Gratuity payable	0.34	0.28	0.17
Leave encashment payable	0.36	0.31	0.15
Total	2,501.31	2,325.31	2,089.62
Deferred Tax Liabilities			
Property, plant and equipment : Impact of difference between tax depreciation and depreciation for financial reporting	1,565.32	1,540.99	1,475.44
Ancillary borrowing costs	41.15	44.91	48.75
Total	1,606.47	1,585.90	1,524.19
Net deferred tax asset recognised (DTA restricted to the extent of DTL)	-	-	-

For the computation of deferred tax assets/liabilities, the SPV Group has not considered tax holiday available under the Income Tax Act for the project SPVs. The management based on estimated cash flow workings for these projects, believes that since there will be losses in the initial years of these projects, no benefit under the Income tax Act would accrue to these projects in respect of the tax holiday. Management will re-assess this position at each balance sheet date.

Tax losses represents unabsorbed depreciation. Unabsorbed depreciation can be carried forward indefinitely.

(29) Earnings per unit

The number of units that Anzen will issue is not known as of now. Hence the disclosures in respect of Earnings per Unit have not been given.

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All amounts in Rupees millions unless otherwise stated

(30) Related Party Disclosures

I. List of related parties as per the requirements of Ind-AS 24 - Related Party Disclosures:

Related parties where Control exists:

(a) Ultimate Parent of the SPVs
Edelweiss Infrastructure Yield Plus (EIYP) (w.e.f. May 28, 2019)
Pan India Network Infravest Limited (up to May 28, 2019)

(b) Immediate Holding Company of the SPVs
Sekura Energy Private Limited (SEPL) (w.e.f. May 28, 2019)
Essel Infraprojects Limited (up to May 28, 2019)

Other related parties with whom transactions have taken place during the year

(c) Fellow Subsidiaries of the SPVs
Sekura Roads Limited (w.e.f. May 28, 2019)
Smart Power Grid Limited (up to May 28, 2019)
Warora Kurnool Transmission Limited (up to May 28, 2019)
NRSS XXXVI Transmission Ltd (up to May 28, 2019)

(d) Key management personnel of the SPVs and their relatives:

Name of related parties	Relationship
Vijayanand Semletty	Non- Executive Director
Jyoti Kumar	Manager
Raminder Singh	Manager

II. List of related parties as per requirements of InvIT Regulations

(a) Parties of Anzen India Energy Yield Plus Trust
Sekura Energy Private Limited (SEL) - Sponsor and Project manager
Edelweiss Real Assets Managers Limited- Investment Manager
Axis Trustee Services Limited - Trustee of Anzen India Energy Yield Plus Trust

(b) Promoters, Directors and Partners of the persons mentioned in clause (a)

Particulars	Sekura Energy Private Limited (SEL) - Sponsor and Project manager	Edelweiss Real Assets Managers Limited- Investment Manager	Axis Trustee Services Limited - Trustee of Anzen India Energy Yield Plus Trust
Promoters	Edelweiss Infrastructure Yield Plus	Edelweiss Securities and Investments Private Limited	Axis Bank Limited
Directors	Avinash Prabhakar Rao Sushant Sujir Nayak Tharuvai Venugopal Rangaswami	Venkatchalam Arakoni Ramaswamy Subahoo Chordia Sunil Mitra Prabhakar Panda Ranjita Deo (w.e.f. May 17, 2022) Shiva Kumar (w.e.f. April 01, 2022)	Deepa Rath Rajesh Kumar Dahiya Ganesh Sankaran
Partners	Not applicable	Not applicable	Not applicable

1. As on June 30, 2022, the ownership of DMTCL and NRSS has been transferred from Sekura Energy Private Limited to Edelweiss Infrastructure Yield Plus.

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All amounts in Rupees millions unless otherwise stated

III. Related party transactions:

Particulars	Relationship of related party	Name of related party	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Reimbursement of syndication Fees	Immediate Holding Company of the SPVs	Sekura Energy Private Limited	-	-	40.48
Syndication fees	Immediate Holding Company of the SPVs	Sekura Energy Private Limited	-	-	34.30
Project management fees	Immediate Holding Company of the SPVs	Sekura Energy Private Limited	65.04	61.95	49.81
Operation and maintenance cost	Immediate Holding Company of the SPVs	Sekura Energy Private Limited	46.91	52.42	22.05
Reimbursement of expenses	Immediate Holding Company of the SPVs	Sekura Energy Private Limited	2.34	3.37	3.47
Reimbursement of expenses	Fellow Subsidiary of the SPVs	Sekura Roads Limited	0.01	-	0.03
Issue of 9% Non convertible debentures	Ultimate Parent of the SPVs	Edelweiss Infrastructure Yield Plus	-	271.00	60.00
Issue of 18% Optionally convertible debentures	Ultimate Parent of the SPVs	Edelweiss Infrastructure Yield Plus	-	-	1,578.60
Interest on 9% Non convertible debentures	Ultimate Parent of the SPVs	Edelweiss Infrastructure Yield Plus	29.79	17.67	0.07
Interest on 18% Optionally convertible debentures	Ultimate Parent of the SPVs	Edelweiss Infrastructure Yield Plus	271.72	273.42	239.83
Reimbursement of expenses	Manager	Jyoti Kumar	0.87	1.16	2.89
Reimbursement of expenses	Manager	Raminder Singh	0.50	0.34	0.30
Reimbursement of expenses	Non- Executive Director	Vijayanand Semletty	0.02	0.18	0.30
Remuneration	Manager	Jyoti Kumar	1.57	1.33	1.04
Remuneration	Manager	Raminder Singh	2.59	2.17	1.85

IV. Related party balances:

Particulars	Relationship of related party	Name of related party	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
Payable to employees	Manager	Jyoti Kumar	0.07	0.06	-
Trade payables	Immediate Holding Company of the SPVs	Sekura Energy Private Limited	0.82	38.22	35.41
Trade payables	Fellow Subsidiary of the SPVs	Sekura Roads Limited	0.01	0.00*	0.03
Payable to employees	Manager	Raminder Singh	0.05	0.01	0.00*
Interest accrued but not due on borrowings	Ultimate Parent of the SPVs	Edelweiss Infrastructure Yield Plus	150.34	145.82	142.36
9% Non convertible debentures	Ultimate Parent of the SPVs	Edelweiss Infrastructure Yield Plus	331.00	331.00	60.00
18% Optionally convertible debentures	Ultimate Parent of the SPVs	Edelweiss Infrastructure Yield Plus	1,509.54	1,509.54	1,578.60

* amounts below INR 0.01 millions
For pledge of shares by the SPV Group - Refer note 10A(b)(viii)

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(31) Significant accounting judgements, estimates and assumptions

The preparation of the SPV Group's combined financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the accompanying disclosures and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

Judgements

In the process of applying the SPV Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the combined financial statements.

(a) Applicability of Appendix D - Service Concession Arrangements of Ind AS 115 Revenue from contracts with customers

The SPVs act as transmission licensees under the Electricity Act, 2003 holding valid licenses for 25 years. The SPVs have entered into Transmission Services Agreements ("TSA") with Long Term Transmission Customers ("LTTC") through a tariff based bidding process to Build, Own, Operate and Maintain ("BOOM") the transmission infrastructure for a period of 35 years. The management is of the view that the grantor as defined under Appendix D of Ind AS 115 ("Appendix D") requires transmission licensee to obtain various approvals under the regulatory framework to conduct its operations both during the period of the license as well as at the end of the license period. However, in the view of management, the grantor's involvement and approvals are to protect public interest and are not intended to control, through ownership, beneficial entitlement or otherwise, any significant residual interest in the transmission infrastructure at the end of the term of the arrangement. Accordingly, management is of the view that Appendix D to Ind AS 115 is not applicable to the SPV Group.

Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the SPV Group. Such changes are reflected in the assumptions when they occur.

(a) Defined benefit plans

The cost of the defined benefit gratuity plan and the present value of the gratuity obligation are determined using actuarial valuation. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

Further details about gratuity obligation are given in Note 32.

(b) Impairment of non-financial assets

Non-financial assets of the Group primarily comprise of transmission assets (property, plant and equipment) and Goodwill. Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The value in use calculation is based on a DCF model. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. Refer Note 3B for further details.

(c) Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies. For the calculation of deferred tax assets/liabilities, the SPV Group has not considered tax holiday available under the Income Tax Act. The management based on estimated cash flow workings for the SPVs, believes that since there will be losses in the initial years of the SPVs, no benefit under the Income tax Act would accrue to those SPVs in respect of the tax holiday.

(d) Classification of optionally convertible debentures

The Group has issued optionally convertible debentures ("OCDs") which are optionally convertible into equity shares as per the terms of the agreement entered into between the Group and the OCD holder. Under Ind AS, the OCDs have been classified as liability measured at fair value through profit and loss since the interest rate approximates to market interest rate and accordingly residual equity amount is nil.

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All amounts in Rupees millions unless otherwise stated

(32) Disclosures for Employee Benefits

a. Defined benefit plan - gratuity

The SPV Group has a defined benefit plan (Gratuity) for its employees. The gratuity plan is governed by the Payment of Gratuity Act, 1972. Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn) for each completed year of service as per the provisions of the Payment of Gratuity Act, 1972. The said gratuity plan is unfunded.

The following table sets out the components of net gratuity benefit expense recognised in Statement of Profit and Loss and amounts recognised in the Balance Sheet for the respective plans:

	Particulars	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
i	Expense recognized in Statement of Profit & Loss for the year (included in Note 20 Employee Benefit Expense)			
	Service cost:			
	Current service cost	0.27	0.24	0.15
	Interest cost	0.06	0.03	0.02
	Total expense charged to Statement of Profit and Loss	0.33	0.27	0.17
ii	Expense recognized in Other Comprehensive Income for the year			
	Components of actuarial losses / (gains) on obligations:			
	Due to changes in demographic assumptions	(0.14)	-	(0.23)
	Due to changes in financial assumptions	0.01	(0.01)	0.46
	Due to changes in experience adjustments	0.03	0.11	(0.09)
	Total expense recognised in Other Comprehensive Income	(0.10)	0.10	0.14
iii	Reconciliation of defined benefit obligation			
	Opening Balance of defined benefit obligation	0.95	0.57	0.26
	Current service cost	0.27	0.24	0.15
	Interest cost	0.06	0.04	0.02
	Benefits paid	-	-	-
	Actuarial loss / (gain) from changes in demographic assumptions	(0.14)	-	-
	Actuarial loss / (gain) from changes in financial assumption	0.01	(0.01)	0.15
	Actuarial loss / (gain) from experience over past years	0.03	0.11	-
	Closing Balance of defined benefit obligation	1.17	0.95	0.58
iv	The principal assumptions used in determining above defined benefit obligations for the Group's plan are as under:	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
	Discount Rate (p.a)	6.40%	6.50%	6.40%
	Expected rate of increase in salary (p.a)	10.00%	10.00%	10.00%
	Withdrawal rates	15.00%	10.00%	10.00%
	Mortality Rates	Indian Assured Lives Mortality (2012-14) ULT	Indian Assured Lives Mortality (2012-14) ULT	Indian Assured Lives Mortality (2012-14) ULT
	Expected average remaining working life	5.5 years	8 years	8 years
v	Sensitivity analysis of impact on Defined benefit obligation (DBO) for changes in significant assumptions is as under:	Year ended March 31, 2022	Year ended March 31, 2021	Year ended March 31, 2020
	Expected rate of increase in salary			
	100 basis point increase	0.09	0.10	0.07
	100 basis point decrease	(0.08)	(0.09)	(0.05)
	Discount Rate	-		
	100 basis point increase	(0.08)	(0.09)	(0.05)
	100 basis point decrease	0.09	0.11	0.07
	Withdrawal rate			
	100 basis point increase	(0.03)	(0.03)	(0.02)
	100 basis point decrease	0.03	0.03	0.02
	Mortality (increase in expected life)			
	increase in expected life by 1 year	Negligible change	Negligible change	Negligible change
	increase in expected life by 3 years	Negligible change	Negligible change	Negligible change

Note: The sensitivity is performed on the DBO at the respective valuation date by modifying one parameter whilst retaining other parameters constant. There are no changes from the previous period to the methods and assumptions underlying the sensitivity analyses

b. Defined Contribution Plans

The SPV Group makes Provident Fund to defined contribution plans for qualifying employees. Under the schemes, the SPV Group is required to contribute a specified percentage of payroll costs to fund the benefits. The SPV group has recognised provident fund contribution including administration charges for the year ended March 31, 2022 of INR 0.41 million (March 31, 2021 of INR 0.30 millions, March 31, 2020: INR 0.20 millions) as expense and contribution to pension fund for the year ended March 31, 2022 of INR 0.16 million (March 31, 2021 of INR 0.16 millions, March 31, 2020: INR 0.07 millions) in Note 20 under the head 'Contributions to Provident and Other Funds'.

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All amounts in Rupees millions unless otherwise stated

(33) Detail of capital work in progress expenditure are as under:

Particulars	March 31, 2022	March 31, 2021	March 31, 2020
Opening balance	5.15	93.99	-
Add : Assets under construction (net of advances)	126.75	245.32	93.99
Less : Assets capitalized during the year*	85.31	334.16	-
Closing balance	46.59	5.15	93.99

*In relation to O&M of the assets, during the monsoon months of 2019 and due to sudden change in course of the Gandak river upstream, very high velocity current was experienced on the bank of the river thereby washing away four towers foundations and in due course leading to collapse of 4 towers of the Loop-In-Loop-Out ("LILO") section of 400kV Barh- Motihari -Gorakhpur line. Both the line of the LILO section were under outage since then for the permanent restoration works. Considering that the downtime was a result of an Act of God as per the provisions of the Transmission Services Agreement, the Authorities have granted relief under the Force Majeure (FM) provisions of the said agreement, thereby protecting revenues for the section of the asset impacted by the Force Majeure event till June 14, 2020, prior to which the impacted portion was required to be reinstated.
In the long-term interest of the asset and as a prudent operator, the management decided to strengthen the lines in the impacted section of the asset further by strengthening / replacing twelve towers instead of the four that got washed away during the year in monsoon season.

In March 2021, The Company has completed the restoration work of the damaged towers and strengthening of few other towers. Post receipt of the necessary clearances the Company has charged all the four circuits of the Barh-Motihari-Gorakhpur LILO section resuming normal power flow to the northern region of Bihar within the timelines allowed by Eastern Regional Electricity Grid ("ERPC") for the completion of work. The Company filed claim with the insurance company against the same.

During the year, Gandak River changed its course which made four towers highly vulnerable. Hence as a precaution, the Company is installing two taller towers with pile foundation at location to improve and strengthen the LILO line asset. Out of the two towers, one tower was installed on March 31, 2022 and one tower was installed subsequently on April 30, 2022.

(34) Segment Information:
The SPV Group's activities comprise of transmission of electricity in certain states in India. Based on the guiding principles given in Ind AS 108 on “Segment Reporting”, this activity falls within a single business and geographical segment and accordingly the disclosures of Ind AS 108 have not been separately given.
Under Point of Connection (PoC) mechanism, Power Grid Corporation of India Limited ('PGCIL') is designated as central transmission utility with the responsibility for billing and collecting of usage charges from Inter-State Transmission Services (ISTS) users. Hence the entire amount of trade receivables pertaining to transmission charges is receivable from PGCIL.

(35) Revenue arrears
For DMTCL in terms of CERC Order dated January 13 , 2020 passed in Review Petition no. 08/RP/2019 of Original Petition no. 238/MP/2017, the Hon’ble CERC has granted relief by adding INR 184.82 million incurred during project construction as an expenditure allowed to recover as per the TSA provision of “Change in law”, which ultimately translated an increase of 3.38% of yearly transmission charges to recover with effect from Project Actual Commercial Operation Date.
For NRSS in terms of CERC Order dated January 15, 2020 passed in Review Petition no. 07/RP/2019 of Original Petition no. 195/MP/2017, the Hon’ble CERC has granted relief to NRSS XXXI (B) Transmission Ltd. by admitting INR 102.97 millions incurred during project construction as an expenditure allowed to recover as per the Transmission Service Agreement (TSA) provision of “Change in law”, which ultimately translated an increase of 2.78% of yearly transmission charges to recover with effect from Project Actual Commercial Operation Date.

Accordingly, under this revision in yearly transmission tariff , the SPV Group has recognised revenue of INR 131.35 million in the financial year ended on March 31, 2020 pertaining to earlier years as per the breakup given below and INR 65.62 millions for the year ended March 31, 2020:

Financial year	Amount
Arrears FY 2018 - 19	64.67
Arrears FY 2017 - 18	63.87
Arrears FY 2016 - 17	2.81
Total	131.35

(36) Incremental tariff
Central Electricity Regulatory Commission (“CERC”) in its order dated March 29, 2019 and review order dated January 13, 2020 (DMTCL) and January 15, 2020 (NRSS) provided partial relief and disallowed claims pertaining to Interest During Construction (“IDC”), other cost overruns. SPV Group filed appeal with the Appellate Tribunal for Electricity (“APTEL”) against the order of CERC.
APTEL in its order dated December 3, 2021 (“APTEL Order”) set aside CERC Order and allowed the claims sought by SPV Group on account of IDC, other cost overruns and remitted back the matter to CERC for passing a final Order. Pursuant to the above, CERC in its Order dated May 11, 2022 and May 13, 2022 ("CERC Order") allowed incremental tariff in respect of IDC and other cost overruns of INR 237.50 million per annum as per TSA. Consequently, SPV Group is entitled to accrue revenues from COD to March 31, 2022 of ~INR 1,188.00 million and one time reimbursement of INR 8 million. However, CERC disallowed the SPV Group's claim in respect of carrying costs. Based on a legal opinion obtained by SPV Group, the aggrieved parties have right to appeal against the above CERC Order, however no such appeal has been filed till date. Considering the process is not yet completed, the consequent effect of the CERC Order has not been given in the combined financial statement for the year ended March 31, 2022.

(37) Disclosure of COVID-19 on operations:
The management has assessed impact on business and financial risks on account of COVID-19 on the financial information of SPV Group. SPV Group is engaged in business of transmission of electricity, operation and maintenance of power transmission lines and substations (‘power transmission infrastructure’) and are governed by Section 63 of The Electricity Act 2003 where in as per the transmission Service Agreements (‘TSAs’) tariff revenue is accrued based on availability of power transmission infrastructure. Further, the Government of India has declared power transmission as an essential service therefore SPV Group is able to ensure availability of power transmission infrastructure and carry out maintenance activities during the lock down period.
The management believes that as the tariff revenues are linked to availability, irrespective of the quantum of power transmitted through the power transmission infrastructure and considering the Point of Connection (‘PoC’) mechanism the risk of non-collection of transmission charges receivables is minimum. Further, the management does not see any risks in SPV Group’s ability to continue as a going concern and meeting its liabilities as and when they fall due. The management will continue to monitor and assess impact of economic conditions arising due to COVID 19. The impact of COVID 19 may differ from that expected at the date of approval of these financial statements.

(38) The Code on Social Security, 2020 (‘the Code’) received presidential assent on September 28, 2020. However, the date on which the Code will come into effect has not yet been notified. The SPV Group will assess the impact of the Code on its books of account in the period(s) in which the provisions of the Code becomes effective.

(39) Rectification of material errors/reclassifications
(a) In the SPVs' standalone financial statements for the years ended March 31, 2021 and March 31, 2020, current maturities for long term borrowings and interest income were disclosed as part of other current financial liabilities and other income respectively. In these combined financial statements, the SPV Group has reclassified and disclosed it separately as current borrowings and finance income respectively for all the periods presented.
(b) In these combined financial statements, the SPV Group has reclassified INR 11.12 million for DMTCL cash flow from investing activites and financing activities to operating activities for the year ended March 31, 2021. In these combined financial statements, the SPV Group has reclassified INR 82.08 million for DMTCL cash flow from investing activities to operating activities for the year ended March 31, 2020 and INR 47.78 million for NRSS from operating activities to investing activites for the year ended March 31, 2020.
(c) In these combined financial statements, the SPV Group has reclassified INR 75.16 million for NRSS and INR 20.30 million for DMTCL from cash and cash equivalents to other bank balances and from other current assets to other non-current assets for the year ended March 31, 2020 respectively.
(d) In these combined financial statements, the SPV Group has reclassified INR 20.74 million for DMTCL from repairs and maintenance expense to operation and maintenance expense for the year ended March 31, 2020.

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All amounts in Rupees millions unless otherwise stated

(40) Disclosures as required by SEBI Circular No. CIR/IMD/DF/114/2016 dated October 20, 2016

I. Project wise operating cash flows

Projects	March 31, 2022	March 31, 2021	March 31, 2020
Darbhanga Motihari Transmission Company Limited (DMTCL)	1,066.31	1,234.20	1,060.43
NRSS XXXI (B) Transmission Limited (NRSS)	810.13	985.02	899.94
	1,876.44	2,219.22	1,960.37

II. Capitalisation statement

Particulars	Pre Issue as at March 31, 2022	As adjusted for issue*
Total debt (A)#	14,223.23	
Total equity of SPV Group		
Equity Capital	261.29	
Securities Premium	3,546.21	
Capital reserve	284.25	
Retained Earnings	(3,059.34)	
Adjustment on combination of SPVs	(80.18)	
Total equity of SPV Group (B)	952.23	
Debt equity ratio [A/(A+B)]	0.94	

*Corresponding details post initial issue are not available as of now, hence the required disclosures in respect of the same have not been provided in the above table.
includes NCDs/OCDs of INR 1,840.54 million from the related party disclosed under Borrowings in Note 10.

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All amounts in Rupees millions unless otherwise stated

III. Debt payment history

Particulars	DMTCL			NRSS		
	March 31, 2022			March 31, 2022		
	Secured Non convertible debentures	Unsecured Non convertible debentures	Optionally convertible debentures	Secured Non convertible debentures	Unsecured Non convertible debentures	Optionally convertible debentures
Carrying amount of debt at the beginning of the year	7,156.22	331.00	877.10	5,642.55	-	632.44
Additional borrowings during the year	-	-	-	-	-	-
Repayments during the year (including debt refinanced)	(260.00)	-	-	(169.00)	-	-
Other adjustments/settlements during the year (Ind-AS)	7.98	-	-	4.94	-	-
Carrying amount of debt at the end of the year	6,904.20	331.00	877.10	5,478.48	-	632.44
					-	
Interest payments (cash outflow)	(674.76)	(25.25)	(157.90)	(517.28)	-	(113.84)

Particulars	DMTCL			NRSS		
	March 31, 2021			March 31, 2021		
	Secured Non convertible debentures	Unsecured Non convertible debentures	Optionally convertible debentures	Secured Non convertible debentures	Unsecured Non convertible debentures	Optionally convertible debentures
Carrying amount of debt at the beginning of the year	7,387.95	60.00	877.10	5,797.65	-	701.50
Additional borrowings during the year	-	271.00	-	-	-	-
Repayments during the year (including debt refinanced)	(240.00)	-	-	(160.00)	-	(69.06)
Other adjustments/settlements during the year (Ind-AS)	8.27	-	-	4.90	-	-
Carrying amount of debt at the end of the year	7,156.22	331.00	877.10	5,642.55	-	632.44
					-	
Interest payments (cash outflow)	(695.78)	(7.40)	(158.31)	(530.92)	-	(121.91)

Particulars	DMTCL			NRSS		
	March 31, 2020			March 31, 2020		
	Secured Non convertible debentures	Unsecured Non convertible debentures	Optionally convertible debentures	Secured Non convertible debentures	Unsecured Non convertible debentures	Optionally convertible debentures
Carrying amount of debt at the beginning of the year	8,336.70	-	-	6,504.54	-	-
Additional borrowings during the year	-	60.00	877.10	-	-	701.50
Repayments during the year (including debt refinanced)	(911.00)	-	-	(676.00)	-	-
Other adjustments/settlements during the year (Ind-AS)	(37.75)	-	-	(30.89)	-	-
Carrying amount of debt at the end of the year	7,387.95	60.00	877.10	5,797.65	-	701.50
					-	
Interest payments (cash outflow)	(719.96)	-	(54.06)	(551.83)	-	(43.48)

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
Firm Registration No: 324982E/E300003

AMIT SINGH
Digitally signed by AMIT SINGH
DN: cn=AMIT SINGH, c=IN, o=Personal, email=ASHU317@GMAIL.COM
Date: 2022.07.22 17:54:33 +05'30'

per Amit Singh
Partner
Membership Number : 408869

Place : Mumbai
Date : July 22, 2022

For and on behalf of the Board of Directors of
Edelweiss Real Assets Managers Limited
(as Investment Manager of Anzen India Energy Yield Plus Trust)

Subahoo Chordia
Digitally signed by Subahoo Chordia
Date: 2022.07.22 17:20:21 +05'30'

Subahoo Chordia
Director
DIN No. : 09216398

VENKATCHALAM ARAKONI RAMASWAMY
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Date: 2022.07.22 17:14:34 +05'30'

Venkatchalam Ramaswamy
Director
DIN No. : 00008509

Jalpa Mithalal Parekh
Digitally signed by Jalpa Mithalal Parekh
Date: 2022.07.22 17:20:08 +05'30'

Jalpa Parekh
Company Secretary
Membership Number: A44507

Place : Mumbai
Date : July 22, 2022

INDEPENDENT AUDITOR'S REPORT

TO THE BOARD OF DIRECTORS OF RENEW RENEW SUN WAVES PRIVATE LIMITED

Report on the Special Purpose interim condensed standalone financial statements

We have audited the accompanying Special Purpose interim condensed standalone financial statements of **ReNew Sun Waves Private Limited** ("the Company"), which comprise the Condensed Balance Sheet as at June 30, 2024, and the Condensed Statement of Profit and Loss (including Other Comprehensive Income), the Condensed Statement of Changes in Equity and the Condensed Statement of Cash Flows for the three months period then ended, and a summary of the material accounting policies and other explanatory information (hereinafter referred to as " Special Purpose interim condensed standalone financial statements").

Management's Responsibility for the Special Purpose interim condensed standalone financial statements

The Company's Board of Directors is responsible for the preparation of these Special Purpose interim condensed standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34") prescribed under Section 133 of the Companies Act, 2013 ("the Act"), read with relevant rules issued thereunder and other accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Special Purpose interim condensed standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Special Purpose interim condensed standalone financial statements based on our audit.

We conducted our audit of the Special Purpose interim condensed standalone financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Special Purpose interim condensed standalone financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Special Purpose interim condensed standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Special Purpose interim condensed standalone financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation and presentation of the Special Purpose interim condensed standalone financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Board of Directors, as well as evaluating the overall presentation of the Special Purpose interim condensed standalone financial statements.

We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our audit opinion on the Special Purpose interim condensed standalone financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose interim condensed standalone financial statements give a true and fair view in conformity with Ind AS 34 and accounting principles generally accepted in India, of the state of affairs of the Company as at June 30, 2024, and its profit, total comprehensive income, changes in equity and its cash flows for the three months period ended on that date.

Other Matter

Our report does not include any opinion on the corresponding figures on comparative period ended June 30, 2023 as the same are not audited by us.

For B D G & CO LLP
ICAI Firm Registration No.: 119739W/W100900
Chartered Accountants

Jitendra Kumar Bansal

Digitally signed by Jitendra Kumar Bansal
Date: 2024.09.10 19:33:48 +05'30'

Jitendra Kumar Bansal
Partner
Membership Number: 525909
UDIN: 24525909BKHJGC2929
Place: Gurugram
Date: 10th September, 2024

Renew Sun Waves Private Limited
Special Purpose Interim Condensed Balance Sheet as at 30 June 2024
(Amounts in INR millions, unless otherwise stated)

	Notes	As at 30 June 2024	As at 31 March 2024
Assets			
Non-current assets			
Property, plant and equipment	3	12,448	12,537
Right of use assets	4	224	226
Financial assets	5		
Others		1	1
Non current tax assets (net)		53	54
Other non-current assets		7	19
Total non-current assets		**12,733**	**12,837**
Current assets			
Inventories		0	6
Financial assets	5		
Trade receivables		167	177
Cash and cash equivalents		930	10
Bank balances other than cash and cash equivalents		663	940
Loans		-	477
Others		1,018	987
Prepayments		37	8
Other current assets		0	3
Total current assets		**2,815**	**2,608**
Total assets		**15,548**	**15,445**
Equity and liabilities			
Equity			
Equity share capital		30	30
Other equity			
Securities premium		2,094	2,094
Retained earnings		978	891
Total equity		**3,102**	**3,015**
Non-current liabilities			
Financial liabilities	5		
Long-term borrowings		10,019	10,103
Lease liabilities		242	205
Long-term provisions		58	57
Deferred tax liabilities (net)		261	227
Total non-current liabilities		**10,580**	**10,592**
Current liabilities			
Financial liabilities	5		
Short-term borrowings		838	832
Trade payables			
Total outstanding dues of micro enterprises and small enterprises		-	1
Total outstanding dues of creditors other than micro enterprises and small enterprises		841	861
Lease liabilities		0	21
Other current financial liabilities		186	118
Other current liabilities		1	5
Total current liabilities		**1,866**	**1,838**
Total liabilities		**12,446**	**12,430**
Total equity and liabilities		**15,548**	**15,445**

The accompanying notes are an integral part of the Special Purpose Interim Condensed Financial Statements

As per our report of even date

For B D G & CO LLP
ICAI Firm Registration No.: 119739W/W100900
Chartered Accountants

Jitendra Kumar Bansal
Digitally signed by Jitendra Kumar Bansal
Date: 2024.09.10 19:34:48 +05'30'

Jitendra Kumar Bansal
Partner
Membership No.: 525909
Place: Gurugram
Date: 10 September 2024

For and on behalf of the Board of Directors of
Renew Sun Waves Private Limited

Rahul Bhardwaj
Digitally signed by Rahul Bhardwaj
Date: 2024.09.10 18:05:54 +05'30'

Rahul Bhardwaj
Director
DIN- 10266468
Place: Gurugram
Date: 10 September 2024

Parul Agrawal
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Date: 2024.09.10 18:06:14 +05'30'

Parul Agrawal
Director
DIN- 08452687
Place: Gurugram
Date: 10 September 2024

Renew Sun Waves Private Limited
Special Purpose Interim Condensed Statement of Profit and Loss for the period ended 30 June 2024
(Amounts in INR millions, unless otherwise stated)

	Notes	For the period ended 30 June 2024	For the period ended 30 June 2023
Income:			
Revenue from contract with customers	6	493	489
Other income	7	25	14
Total income		**518**	**503**
Expenses:			
Other expenses		56	51
Total expenses		**56**	**51**
Earning before interest, tax, depreciation and amortization (EBITDA)		**462**	**452**
Depreciation and amortization expense		92	92
Finance costs	8	248	249
Profit before tax		**122**	**111**
Tax expense			
Deferred tax		35	31
Profit for the period		**87**	**80**
Total comprehensive income for the period		**87**	**80**
Earnings per share: (Amount in INR)			
(face value per share: INR 10)			
(1) Basic (INR)	9	29.25	26.99
(2) Diluted (INR)		29.25	26.99

The accompanying notes are an integral part of the Special Purpose Interim Condensed Financial Statements

As per our report of even date

For B D G & CO LLP
ICAI Firm Registration No.: 119739W/W100900
Chartered Accountants

Jitendra Kumar Bansal
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Date: 2024.09.10 19:35:31 +05'30'

Jitendra Kumar Bansal
Partner
Membership No.: 525909
Place: Gurugram
Date:10 September 2024

For and on behalf of the Board of Directors of
Renew Sun Waves Private Limited

Rahul Bhardwaj
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Date: 2024.09.10 18:06:41 +05'30'

Rahul Bhardwaj
Director
DIN- 10266468
Place: Gurugram
Date: 10 September 2024

Parul Agrawal
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Parul Agrawal
Director
DIN- 08452687
Place: Gurugram
Date: 10 September 2024

Renew Sun Waves Private Limited
Special Purpose Interim Condensed Statement of Cash Flows for the period ended 30 June 2024
(Amounts in INR millions, unless otherwise stated)

Particulars	For the period ended 30 June 2024	For the period ended 30 June 2023
Cash flow from operating activities		
Profit before tax	122	111
Adjustments for:		
Depreciation and amortisation expense	92	92
Interest income	(24)	(14)
Interest expense	247	246
Unwinding of discount on provisions	1	2
Operating loss before working capital changes	**438**	**437**
Movement in working capital		
(Increase)/Decrease in trade receivables	10	5
(Increase)/Decrease in inventories	5	(0)
(Increase)/Decrease in other current assets	3	0
(Increase)/Decrease in other current financial assets	(15)	(0)
(Increase)/Decrease in prepayments	(29)	12
(Decrease)/Increase in other current liabilities	(5)	
(Decrease)/Increase in trade payables	(19)	43
(Decrease)/Increase in other current financial liabilities	(1)	(20)
Cash (used in)/ generated from operations	**387**	**477**
Income tax refund/(paid) (net)	1	26
Net cash generated from operating activities	**388**	**503**
Cash flow from investing activities		
Movement of Property, Plant and Equipment including capital work in progress, capital creditors and capital advances	10	(4)
Net Proceeds/(Investment) of bank deposits having residual maturity more than 3 months	277	(279)
Loan repaid by related parties	477	-
Interest received	9	2
Net cash generated from/ (used in) i nvesting activities	**773**	**(281)**
Cash flow from financing activities		
Repayment of long-term borrowings	(81)	(81)
Lease Payment	11	(3)
Interest paid	(171)	(238)
Net cash used in in financing activities	**(241)**	**(322)**
Net increase in cash and cash equivalents	**920**	**(100)**
Cash and cash equivalents at the beginning of the period	**10**	**137**
Cash and cash equivalents at the end of the period	**930**	**37**
Components of cash and cash equivalents		
Balances with banks:		
- On current accounts	930	37
Total cash and cash equivalents (note 5)	**930**	**37**

The accompanying notes are an integral part of the Special Purpose Interim Condensed Financial Statements

As per our report of even date

For B D G & CO LLP
ICAI Firm Registration No.: 119739W/W100900
Chartered Accountants

Jitendra Kumar Bansal
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Date: 2024.09.10 19:36:00 +05'30'

Jitendra Kumar Bansal
Partner
Membership No.: 525909
Place: Gurugram
Date: 10 September 2024

For and on behalf of the Board of Directors of Renew Sun Waves Private Limited

Rahul Bhardwaj
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Date: 2024.09.10 18:07:30 +05'30'

Rahul Bhardwaj
Director
DIN- 10266468
Place: Gurugram
Date: 10 September 2024

Parul Agrawal
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Date: 2024.09.10 18:07:54 +05'30'

Parul Agrawal
Director
DIN- 08452687
Place: Gurugram
Date: 10 September 2024

Renew Sun Waves Private Limited
Special Purpose Interim condensed Statement of Changes in Equity for the period ended 30 June 2024
(Amounts in INR millions, unless otherwise stated)

Particulars	Attributable to the equity holders of the Company			Total equity
	Equity share capital	Reserves and Surplus		
		Securities premium	Retained earnings	
As at 1 April 2023	**30**	**2,094**	**658**	**2,782**
Profit for the period	**-**	**-**	80	**80**
Total comprehensive income	**-**	**-**	**80**	**80**
As at 30 June 2023	**30**	**2,094**	**737**	**2,862**

As at 1 April 2024	**30**	**2,094**	**891**	**3,015**
Profit for the period	-	-	87	87
Total comprehensive income	**-**	**-**	**87**	**87**
As at 30 June 2024	**30**	**2,094**	**978**	**3,102**

The accompanying notes are an integral part of the Special Purpose Interim Condensed Financial Statements

As per our report of even date

For B D G & CO LLP
ICAI Firm Registration No.: 119739W/W100900
Chartered Accountants

Jitendra Kumar Bansal
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Date: 2024.09.10 19:36:23 +05'30'

Jitendra Kumar Bansal
Partner
Membership No.: 525909
Place: Gurugram
Date: 10 September 2024

For and on behalf of the Board of Directors of
Renew Sun Waves Private Limited

Rahul Bhardwaj
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Date: 2024.09.10 18:08:26 +05'30'

Rahul Bhardwaj
Director
DIN- 10266468
Place: Gurugram
Date: 10 September 2024

Parul Agrawal
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Date: 2024.09.10 18:08:53 +05'30'

Parul Agrawal
Director
DIN- 08452687
Place: Gurugram
Date: 10 September 2024

1 General information

Renew Sun Waves Private Limited ('the Company') is a private limited company domiciled in India.The registered office of the Company is located at 138, Ansal Chamber - II Bikaji Cama Place, New Delhi-110066. The Company is carrying out business activities relating to generation of power through non-conventional and renewable energy sources.

The Special Purpose Interim Condensed Financial Statements of the Company were authorised for issue by the Company's Board of Directors on 10 September 2024.

2 Basis of preparation

The Special purpose interim condensed financial statement of the company for the period ended 30 June 2024 have been prepared in accordance with Ind AS 34-Interim Financial Reporting. The company has prepared the special purpose interim condensed financial statement on the basis that it will continue to operate as a going concern. The Director consider that there are no material uncertainties that may cast significant doubt over this assumption. They have formed a judgement that there is a reasonable expectation that the company has adequate resources to continue in operational existance for the foreseeable future, and not less than 12 months from the end of reporting period. The special purpose interim condensed financial statements do not include all the information and disclosures required in annual financial statement, and should be read in conjunction with the Company's annual financial statements as at 31 March 2024.

Selected explanatory notes have been included to explain events and transactions that are significant to an understanding of the changes in the Company's financial position and performance since the last annual financial statement as at and for the year ended 31 March 2024.
The special purpose interim condensed financial statements have been prepared on a historical cost basis,except for the following assets and liabilities which have been measured at fair value.

- Financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

These special purpose interim condensed standalone financial statements have been prepared in accordance with the accounting policies, set out below and were consistently applied to all periods presented unless otherwise stated.

3 Property, plant and equipment

Acquisitions and disposals

During the period of three months ended 30 June 2024, the company acquired assets with a cost of INR 1 (30 June 2023: INR 45). Further, no assets were disposed during the three months ended 30 June 2024 and 2023

4 Right-of-use assets

Acquisitions and disposals

During the period of three months ended 30 June 2024, the company have not acquired assets. Further, no assets were disposed during the three months ended 30 June 2024 and 2023.

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Renew Sun Waves Private Limited
Notes to Special Purpose Interim Condensed Financial Statements for the peirod ended 30 June 2024
(Amounts in INR millions, unless otherwise stated)

5 Financial assets and financial liabilities

5a) Set out below, is an overview of financial assets, held by the Company as at 30 June 2024 and 31 March 2024.

	As at 30 June 2024	As at 31 March 2024
Debt instruments at amortised cost		
Others		
Security deposits	1	1
Current		
Trade Receivables	167	177
Loans		
Loans and advances to related parties	-	477
Cash and cash equivalents	930	10
Bank balances other than cash and cash equivalents	663	940
Others		
Recoverable from related parties	976	961
Interest accrued on fixed deposits	13	11
Interest accrued on loans to related parties	28	15
Total	**2,778**	**2,592**
Total Non- Current	1	1
Total Current	2,777	2,591

5b) Set out below, is an overview of financial liabilities, held by the Company as at 30 June 2024 and 31 March 2024.

	As at 30 June 2024	As at 31 March 2024
Financial Liabilities at amortised cost:		
Non-Current		
Long Term Borrowings		
Term loan from bank (secured)	7,352	7,412
Term loan from financial institutions (secured)	2,667	2,690
Lease liabilities	242	205
Current		
Short-term Borrowings		
Loan from related party (unsecured)	520	520
Current maturities of long term borrowings	318	312
Lease Liabilities	0	20
Trade Payable	841	862
Other current financial liabilities		
Interest accrued but not due on loans from related party	117	49
Capital creditors	69	69
Total	**12,126**	**12,139**
Total Non- Current	10,261	10,307
Total Current	1,865	1,832

(Amounts in INR millions, unless otherwise stated)

6 Revenue from operations

	For the period ended 30 June 2024	For the period ended 30 June 2023
Sale of power	493	489
Total	**493**	**489**

a) The location for all of the revenue from contracts with customers is India.
b) The timing for all of the revenue from contracts with customers is over time.
c) Transaction price - remaining performance obligation
The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the company expects to recognise these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts as the revenue recognised corresponds directly with the value to the customer of the entity's performance completed to date.

d) There are no other material differences between the contracted price and revenue from contracts with customers.

7 Other income

	For the period ended 30 June 2024	For the period ended 30 June 2023
Interest income		
- on fixed deposit with banks	9	11
- on loan to related parties (refer note 11)	15	3
Miscellaneous income	1	0
Total	**25**	**14**

8 Finance costs

	For the period ended 30 June 2024	For the period ended 30 June 2023
Interest expense on		
- term loans	231	237
- loan from related party	10	4
- Lease	6	5
Bank charges	0	1
Unwinding of discount on provisions	1	2
Total	**248**	**249**

9 Earnings per share (EPS)

	For the period ended 30 June 2024	For the period ended 30 June 2023
The following reflects the profit and share data used for the basic and diluted EPS computations:		
Profit attributable to equity holders for basic and diluted earnings	87	80
	87	**80**
Net Profit for calculation of basic EPS	87	80
Weighted average number of equity shares for calculating basic EPS	2,959,444	2,959,444
Basic earnings per share (INR)	29.25	26.99
Net Profit for calculation of diluted EPS	87	80
Weighted average number of equity shares for calculating diluted EPS	2,959,444	2,959,444
Diluted earnings per share (INR)	29.25	26.99

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(Amounts in INR millions, unless otherwise stated)

10 Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the financial instruments of the Company

	30 June 2024		31 March 2024	
	Carrying value	**Fair value**	**Carrying value**	**Fair value**
Financial assets				
Measured at amortised cost				
Loans	-	-	477	477
Other non current financial assets	1	1	1	1
Trade receivables	167	167	177	177
Cash and cash equivalents	930	930	10	10
Bank balances other than cash and cash equivalents	663	663	940	940
Other current financial assets	1,018	1,018	987	987
Financial liabilities				
Measured at amortised cost				
Long term borrowings	10,337	7,366	10,415	7,453
Short-term borrowings	520	520	520	521
Trade payables	841	841	861	861
Other current financial liabilities	186	186	118	118
Lease	242	242	225	225

The management of the Company assessed that cash and cash equivalents, trade receivables, bank balances other than cash and cash equivalents, short term loans, trade payables, other current financials liabilities and other current financial assets approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following methods and assumptions were used to estimate the fair values:

The fair values of the Company's term loans from banks and financial institutions including current maturities are determined by using Discounted Cash Flow (DCF) method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 March 2024 was assessed to be insignificant.

11 Fair value hierarchy

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

• Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
• Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
• Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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12 Commitments Liabilities and Contingencies
(to the extent not provided for)

(i) Contingent liabilities

At 30 June 2024, the Company has contingent liabilities of INR 6 relating to land disputes (31 March 2024 INR: 6).

(ii) Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for

As at 30 June 2024, the Company has no capital commitment (net of advances) pertaining to commissioning of wind projects (31 March 2024: INR Nil).

13 Absolute amounts less than INR 5,00,000 are appearing in the financial statements as "0" due to presentation in millions.

As per our report of even date
For B D G & CO LLP
ICAI Firm Registration No.: 119739W/W100900
Chartered Accountants

For and on behalf of the Board of Directors of
Renew Sun Waves Private Limited

Jitendra Kumar Bansal
Digitally signed by Jitendra Kumar Bansal
Date: 2024.09.10 19:37:00 +05'30'

Rahul Bhardwaj
Digitally signed by Rahul Bhardwaj
Date: 2024.09.10 18:10:00 +05'30'

Parul Agrawal
Digitally signed by Parul Agrawal
Date: 2024.09.10 18:09:27 +05'30'

Jitendra Kumar Bansal
Partner
Membership No.: 525909
Place: Gurugram
Date: 10 September 2024

Rahul Bhardwaj
Director
DIN- 10266468
Place: Gurugram
Date: 10 September 2024

Parul Agrawal
Director
DIN- 08452687
Place: Gurugram
Date:10 September 2024

INDEPENDENT AUDITOR'S REPORT

To The Members of **Renew Sun Waves Private Limited**

Report on the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS financial statements of **Renew Sun Waves Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2024, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and Notes to the Financial Statements and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'Standalone Ind AS Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rule, 2015, as amended, ("Ind AS") and other principles generally accepted in India, of the state of affairs of the Company as at March 31, 2024 and the Statement of Profit and Loss and other comprehensive income, changes in equity and its Cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirementsand the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basisfor our audit opinion.

Information Other than the Standalone Ind AS Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Based on the work we have performed, we conclude that there is no material misstatement of this other information, which we are required to report. We have nothing to report in this regard.

Management's Responsibilities for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements to give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we have exercised professional judgment and maintained professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and have obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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 mayreasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020, issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of thebooks and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order.

2.

A. As required by Section 143(3) of the Act, 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) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of changes in equity dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

e) On the basis of the written representations received from the directors as on March 31, 2024, taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2024, from being appointed as a director in terms of Section 164(2) of the Act.

f) Our report expresses an unqualified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting, refers to our separate Report in **"Annexure B".**

B. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

a) The Company does not have any pending litigations as at March 31, 2024, which would impact its financial position.

b) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.

c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with section 124(5) of The Companies Act, 2013 and Rules there under.

d)

i. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or

- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

ii. The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or

- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and

iii. Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (d) contain any material mis-statement.

e) The company has not declared or paid any dividend during the year; hence compliance of Section 123 of Companies Act is not applicable.

f) The Company has used accounting software (SAP S4 Hana) for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that, audit trail feature was enabled at the underlying application database w.e.f. 28 March 2024. Further, during the course of our audit we did not come across any instance of audit trail feature being tampered with in respect of the accounting software throughout the year, except that the underlying application database wherein the same has been established w.e.f 28 March 2024.

For B D G & CO LLP
Firm Registration Number: 119739W/W100900
Chartered Accountants

Jitendra Kumar Bansal

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Date: 2024.07.11 19:49:34 +05'30'

Jitendra Kumar Bansal
Partner
Membership Number: 525909
UDIN: 24525909BKHJEL4692
Place: Gurugram
Date: 11 July 2024

Annexure A to Independent Auditors' Report

Referred to in Paragraph 1 of the Independent Auditors' Report of even date to the members of **Renew Sun Waves Private Limited** on the Standalone Ind AS financial statements for the year ended March 31, 2024.

I.

a)

i. The Company is generally maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

ii. The Company does not have any intangible assets hence the requirements of Clause 3(I)(a)(ii) of the order are not applicable.

b) The Company has a regular programme of physical verification of its Property, Plant and Equipment by which all Property, Plant and Equipment are physically verified by the management in the phased manner over the period of three years. In accordance with this programme, certain Property, Plant and Equipment were not verified during the year. In our opinion, the periodicity of such physical verification is reasonable having regard to the size of the Company and the nature of its assets.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) included in Property, Plant & Equipment except for Freehold Land amounting to INR 0.5 Mn for which registration is pending in the name of the Company as disclosed in the standalone financial statements.

Description of item of property	Gross carrying value (Amount in Mn)	Title deeds held in the name of	Property held since which date	Reason for not being held in the name of the company
Land	0.5	Multiple Farmers	2020	Agreement is pending to be finalized and under discussion with landowner

d) The Company has chosen cost model for its Property, Plant and Equipment (including Right of Use assets) and intangible assets. Consequently, the question of our commenting on whether the revaluation is based on the valuation by a Registered Valuer, or specifying the amount of change, if the change is 10% or more in the aggregate of the net carrying value of each class of Property, Plant and Equipment (including Right of Use assets) or intangible assets does not arise.

e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made there under.

II.

a) The inventories except for goods in transit were physically verified during the year by the Management at reasonable intervals. In our opinion and according to the information and explanations given to us, the coverage and the procedure of such verification by the Management is appropriate having regard to size of the Company and the nature of its operations. In respect of goods in transit, the said goods have been received subsequent to the year-end. No discrepancies of 10% or more in the aggregate for each class of inventories were noticed on such physical verification when compared with books of account.

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits on the basis of security of current assets; Accordingly, Clause 3(II)(b) is not applicable to the company.

III. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made investments, provided guarantee or security or granted anyadvances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. The Company has granted loans to one company during the year; details ofthe loan are stated in sub-clause (a) below:

a)

i. Based on the audit procedures carried on and as per the information and explanations given to us,the Company has not granted any loans to subsidiaries/joint ventures/associates.

ii. Based on the audit procedures carried on and as per the information and explanations given to us, the Company has granted loan to a party other than subsidiaries/joint ventures/associates as below:

Particulars	**Amount** (In INR Millions)
Aggregate amount during the year - Others	337
Balance outstanding as at balance sheet date - Others	477

b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of the loans given are primafacie, not prejudicial to the interest of the Company.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular.

d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given.

e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan given falling due during the year, which has been renewed or extended or fresh loans given to settle the overdue of existing loans given to the same party.

f) As disclosed in note 30 to the financial statements, the Company has granted loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies. Of these following are the details of the aggregate amount of loans or advances in the nature of loans granted to promoters or related parties as defined in clause (76) of section 2 of the Companies Act, 2013.

(In INR Millions)

	All Parties	Promoters	Related Parties
Aggregate amount of loans/ advances in nature of loans;			
- Repayable on demand (A)	337	Nil	377
- Agreement does not specify any terms or period of repayment (B)	Nil	Nil	Nil
Total (A+B)	377	Nil	377
Percentage of loans/ advancesin nature of loans to the total loans	100%	NA	100%

IV. There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(IV) of the Order is not applicable to the Company.

V. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(V) of the Order is not applicable.

VI. We have reviewed the books of accounts maintained by the company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However, we have not carried out a detailed examination of the same.

VII.

a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, income-tax, service tax, cess and other statutory dues applicable to it.According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions of Service tax, Provident Fund and ESI are not applicable.

b) There are no dues of goods and service tax, provident fund, employee's state insurance, income tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess, and other statutory dues which have not been deposited on account of any dispute.

VIII. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

IX.

a) According to the information and explanations given to us and on the basis of our examination of the records ofthe Company, the Company has not defaulted on any loans or borrowings from lender during the year.

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or government or government authority.

c) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that term loans have, prima facie, been used for the purpose for which the loans were obtained by the Company.

d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used for long-term purposes by the Company.

e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(IX)(e) of the Order is not applicable.

f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(IX)(f) of the Order is not applicable.

X.

a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(X)(a) of the Order is not applicable.

b) The Company has not made preferential allotment or private placement of share/ fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(X)(b) of the Order is not applicable to the company.

XI.

a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013, has been filed by cost auditor/ secretarial auditor or by us in Form ADT – 4 as prescribed under Rule 13 of Companies (Audit and Auditors).

c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.

XII. As the Company is not a Nidhi Company and hence the provisions of Clause 3 (XII) of the Order are not applicable to the Company.

XIII. Transactions with the related parties are in compliance with sections 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards. The provisions of section 177 are not applicable to the Company and accordingly the requirements to report under clause 3(XIII) of the Order insofar as it relates to section 177 of the Act is not applicable to the Company.

XIV.

a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Companyhas an internal audit system commensurate with the size and nature of its business.

b) We have considered the internal audit reports of the Company issued till date for the period under audit.

XV. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

XVI.

a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause 3(XVI)(a) of the Order is not applicable to the Company.

b) The Company has not conducted any Non-Banking Financial or Housing Finance activities and is not required to obtain CoR for such activities from the Reserve Bank of India.

c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(XVI)(c) of the Order is not applicable to the Company.

d) As represented by the management, the Group does not have more than one Core Investment Company (CIC) as part of the Group as per the definition of Group contained in the Core Investment Companies (Reserve Bank) Directions, 2016.

XVII. The Company has not incurred cash loss in the current financial year and in the immediately preceding financial year.

XVIII. There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(XVIII) of the Order is not applicable.

XIX. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

XX.

a) In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to any project other than ongoing projects. Accordingly, clause 3(XX)(a) of the Order is not applicable.

b) In our opinion and according to the information and explanations given to us and based on an independent legal opinion obtained by the Company, upon irrevocable transfer of funds by the Company to implementing agencies for designated multiyear projects undertaken through them, there is no unspent amount under sub-section (5) of Section 135 of the Act pursuant to ongoing projects. Accordingly, clause 3(XX)(b) of the Order is not applicable.

XXI. The requirement of clause 3(XXI) is not applicable in respect of Standalone Financial Statements.

For B D G & CO LLP
Firm Registration Number: 119739W/W100900
Chartered Accountants

Jitendra Kumar Bansal
Digitally signed by Jitendra Kumar Bansal
Date: 2024.07.11 19:50:30 +05'30'

Jitendra Kumar Bansal
Partner
Membership Number: 525909
Place: Gurugram
Date: 11 July 2024

Annexure B to Independent Auditors' Report

Referred to in paragraph 2 (f) of the Independent Auditors' Report of even date to the members **Renew Sun Waves Private Limited** on the Standalone Ind AS financial statements for the year ended March 31, 2024;

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of **Renew Sun Waves Private Limited** ("theCompany") as of March 31, 2024 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibilities for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on theinternal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing prescribed under section 143(10) of the Act to theextent applicable to an audit of internal financial controls, as issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

a) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

b) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

c) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B D G & CO LLP
Firm Registration Number: 119739W/W100900
Chartered Accountants

Jitendra Kumar Bansal
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Date: 2024.07.11 19:51:05 +05'30'

Jitendra Kumar Bansal
Partner
Membership Number: 525909
Place: Gurugram
Date: 11 July 2024

Renew Sun Waves Private Limited
Balance Sheet as at 31 March 2024
(Amounts in INR millions, unless otherwise stated)

	Notes	As at 31 March 2024	As at 31 March 2023
Assets			
Non-current assets			
Property, plant and equipment	4	12,537	12,904
Right of use assets	5	226	233
Financial assets			
Others	6	1	1
Non current tax assets (net)		54	77
Other non-current assets	9	19	29
Total non-current assets		**12,837**	**13,244**
Current assets			
Inventories	10	6	4
Financial assets			
Trade receivables	11	177	167
Cash and cash equivalents	12	10	137
Bank balances other than cash and cash equivalents	12	940	432
Loans	6	477	140
Others	6	987	1,059
Prepayments	8	8	38
Other current assets	9	3	3
Total current assets		**2,608**	**1,980**
Total assets		**15,445**	**15,224**
Equity and liabilities			
Equity			
Equity share capital	13A	30	30
Other equity			
Securities premium	14A	2,094	2,094
Retained earnings	14C	891	658
Total equity		**3,015**	**2,782**
Non-current liabilities			
Financial liabilities			
Long-term borrowings	15	10,103	10,416
Lease liabilities	17	205	203
Long-term provisions	16	57	106
Deferred tax liabilities (net)	7	227	130
Total non-current liabilities		**10,592**	**10,855**
Current liabilities			
Financial liabilities			
Short-term borrowings	18	832	496
Trade payables			
Total outstanding dues to micro enterprises and small enterprises	19	1	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	19	861	895
Lease liabilities	17	21	20
Other current financial liabilities	20	118	159
Other current liabilities	21	5	17
Total current liabilities		**1,838**	**1,587**
Total liabilities		**12,430**	**12,442**
Total equity and liabilities		**15,445**	**15,224**

Summary of material accounting policies 3.1

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For B D G & CO LLP
ICAI Firm Registration No.: 119739W/W100900
Chartered Accountants

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Jitendra Kumar Bansal
Partner
Membership No.: 525909
Place: Gurugram
Date: 11 July 2024

For and on behalf of the Board of Directors of
Renew Sun Waves Private Limited

Rahul Bhardwaj
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Rahul Bhardwaj
Director
DIN- 10266468
Place: Gurugram
Date: 11 July 2024

Parul Agrawal
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Parul Agrawal
Director
DIN- 08452687
Place: Gurugram
Date: 11 July 2024

Renew Sun Waves Private Limited
Statement of Profit and Loss for the year ended 31 March 2024
(Amounts in INR millions, unless otherwise stated)

	Notes	For the year ended 31 March 2024	For the year ended 31 March 2023
Income:			
Revenue from contract with customers	22	1,827	1,848
Other income	23	72	73
Total income		**1,899**	**1,921**
Expenses:			
Cost of raw material and components consumed	24	1	1
Other expenses	25	196	227
Total expenses		**197**	**228**
Earning before interest, tax, depreciation and amortization (EBITDA)		**1,702**	**1,693**
Depreciation and amortization expense	26	371	368
Finance costs	27	999	981
Profit before tax		**332**	**344**
Tax expense			
Deferred tax	7	97	97
Tax for earlier years		2	-
Profit for the year		**233**	**247**
Total comprehensive income for the year		**233**	**247**
Earnings per share: (Amount in INR)			
(face value per share: INR 10)			
(1) Basic	28	78.60	83.37
(2) Diluted		78.60	83.37
Summary of material accounting policies	3.1		

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

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Chartered Accountants

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Jitendra Kumar Bansal
Partner
Membership No.: 525909
Place: Gurugram
Date: 11 July 2024

For and on behalf of the Board of Directors of
Renew Sun Waves Private Limited

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Date: 11 July 2024

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Parul Agrawal
Director
DIN- 08452687
Place: Gurugram
Date: 11 July 2024

Renew Sun Waves Private Limited
Statement of Cash Flows for the year ended 31 March 2024
(Amounts in INR millions, unless otherwise stated)

Particulars	For the year ended 31 March 2024	For the year ended 31 March 2023
Cash flow from operating activities		
Profit before tax	332	344
Adjustments for:		
Depreciation and amortisation expense	371	368
Provisions written back	-	(3)
Interest income	(55)	(56)
Interest expense	984	936
Unwinding of discount on provisions	6	6
Unamortised ancillary borrowing cost written off	3	33
Impairment of inventory	0	-
Operating loss before working capital changes	**1,641**	**1,628**
Movement in working capital		
(Increase)/decrease in trade receivables	(10)	8
(Increase) in inventories	(2)	(4)
Decrease/(increase) in other current assets	0	(1)
(Increase)/decrease in other current financial assets	87	17
Decrease/(increase) in prepayments	30	(30)
Increase in other non-current financial assets	-	(1)
Increase in other non-current assets	-	(0)
(Decrease)/increase in other current liabilities	(12)	4
(Decrease)/increase in trade payables	(33)	32
Decrease in other current financial liabilities	1	(0)
Cash (used in)/generated from operations	**1,702**	**1,653**
Income tax refund/(paid) (net)	20	(37)
Net cash (used in)/generated from operating activities	**1,722**	**1,616**
Cash flow from investing activities		
Purchase of Property, Plant and Equipment including capital work in progress, capital creditors and capital advances	(115)	(322)
Net Investments of bank deposits having residual maturity more than 3 months	(508)	369
Loan given to related parties	(337)	(140)
Interest received	40	49
Net cash generated from/ (used in) investing activities	**(920)**	**(44)**
Cash flow from financing activities		
Proceeds from long-term borrowings	-	10,780
Repayment of long-term borrowings	(323)	(10,020)
Proceeds from short-term borrowings	393	-
Repayment of short-term borrowings	(55)	(1,100)
Interest paid	(944)	(1,457)
Net cash generated from/ (used in) in financing activities	**(929)**	**(1,797)**
Net increase in cash and cash equivalents	**(127)**	**(225)**
Cash and cash equivalents at the beginning of the year	**137**	**362**
Cash and cash equivalents at the end of the year	**10**	**137**
Components of cash and cash equivalents		
Balances with banks:		
- On current accounts	10	133
- On deposit accounts with original maturity of less than 3 months	-	4
Total cash and cash equivalents (note 12)	**10**	**137**

Changes in liabilities arising from financing activities

Particulars	Opening balance as at 1 April 2024	Cash flows (net)	Other changes	Closing balance as at 31 March 2024
Long-term borrowings (including current maturities and net of ancilliary borrowings cost incurred)	10,730	(323)	8	10,415
Short-term borrowings	182	338	-	520
Total liabilities from financing activities	**10,912**	**15**	**8**	**10,935**

Renew Sun Waves Private Limited
Statement of Cash Flows for the year ended 31 March 2024
(Amounts in INR millions, unless otherwise stated)

Particulars	Opening balance as at 1 April 2022	Cash flows (net)	Other changes	Closing balance as at 31 March 2023
Long-term borrowings (including current maturities and net of ancilliary borrowings cost incurred)	9,960	760	10	10,730
Short-term borrowings	1,282	(1,100)	-	182
Total liabilities from financing activities	**11,242**	**(340)**	**10**	**10,912**

Summary of material accounting policies 3.1

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For B D G & CO LLP
ICAI Firm Registration No.: 119739W/W100900
Chartered Accountants

Jitendra Kumar Bansal
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Jitendra Kumar Bansal
Partner
Membership No.: 525909
Place: Gurugram
Date: 11 July 2024

For and on behalf of the Board of Directors of
Renew Sun Waves Private Limited

Rahul Bhardwaj
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Rahul Bhardwaj
Director
DIN- 10266468
Place: Gurugram
Date: 11 July 2024

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Parul Agrawal
Director
DIN- 08452687
Place: Gurugram
Date: 11 July 2024

Renew Sun Waves Private Limited
Statement of Changes in Equity for the year ended 31 March 2024
(Amounts in INR millions, unless otherwise stated)

Particulars	Attributable to the equity holders of the Company				Total equity
		Reserves and Surplus			
	Equity share capital	Securities premium	Retained earnings	Debenture redemption reserve	
	(refer note 13A)	(refer note 14A)	(refer note 14C)	(refer note 14B)	
As at 1 April 2022	**30**	**2,094**	**243**	**168**	**2,534**
Profit for the year	**-**	**-**	**247**	**-**	**247**
Total comprehensive income	**-**	**-**	**247**	**-**	**247**
Debenture redemption reserve	-	-	168	(168)	-
As at 31 March 2023	**30**	**2,094**	**658**	**-**	**2,782**
Profit for the year	-	-	233	-	233
Total comprehensive income	**-**	**-**	**233**	**-**	**233**
As at 31 March 2024	**30**	**2,094**	**891**	**-**	**3,015**

Summary of material accounting policies 3.1
The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For B D G & CO LLP
ICAI Firm Registration No.: 119739W/W100900
Chartered Accountants

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Membership No.: 525909
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Date: 11 July 2024

For and on behalf of the Board of Directors of
Renew Sun Waves Private Limited

Rahul Bhardwaj
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Parul Agrawal
Director
DIN- 08452687
Place: Gurugram
Date: 11 July 2024

1 General information

Renew Sun Waves Private Limited ('the Company') is a private limited company domiciled in India.The registered office of the Company is located at 138, Ansal Chamber - II Bikaji Cama Place, New Delhi-110066. The Company is carrying out business activities relating to generation of power through non-conventional and renewable energy sources.

The Financial Statements of the Company were authorised for issue by the Company's Board of Directors on 11 July 2024.

2 Basis of preparation

The Company prepared its Financial Statements as per Ind AS prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The Financial Statements have been prepared using presentation and disclosure requirements of the Schedule III of Companies Act, 2013.

The Financial Statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:
- Derivative financial instruments
- Financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

The accounting policies and estimates adopted in the preparation of Financial Statements are consistent with those used in the Financial Statements for the year ended 31 March 2023. Except those disclosed in 3.2.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

3.1 Summary of Material accounting policies

The following are the significant accounting policies applied by the Company in preparing its financial statements:

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.
An asset is treated as current when it is:
- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is treated as current when it is:
- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets / liabilities are classified as non-current assets / liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation / settlement in cash and cash equivalents. The Company has identified twelve months as their operating cycle for classification of their current assets and liabilities.

b) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The management of the Company determines the policies and procedures for both recurring fair value measurement, such as unquoted financial assets, and for non-recurring measurement, such as assets held for sale.
External valuers are involved for valuation of significant assets, and significant liabilities. Involvement of external valuers is determined annually by the management after discussion with and approval by the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.
At each reporting date, the management of the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the accounting policies of the Company.

The management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

On an interim basis, the management presents the valuation results to the Audit Committee and the Company's independent auditors. This includes a discussion of the major assumptions used in the valuations. For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

This note summarises the accounting policy for determination of fair value. Other fair value related disclosures are given in the relevant notes as following:
• Disclosures for significant estimates and assumptions (refer note 35)
• Quantitative disclosures of fair value measurement hierarchy (refer note 32)
• Financial instruments (including those carried at amortised cost) (refer note 31)

c) Revenue recognition

(i) Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

a) Sale of power

Income from supply of power is recognised over time on the supply of units generated from plant to the grid as per terms of the Power Purchase Agreement (PPA) entered into with the customers.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of power, the Company considers the effects of variable consideration and existence of a significant financing component. There is only one performance obligation in the arrangement and therefore, allocation of transaction price is not required.

Transaction Price - Remaining Performance Obligation

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the Company expects to recognise these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts as the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date.

Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods or service to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Rebates

In some PPAs, the Company provide rebates in invoice if payment is made before the due date. Rebates are offset against amounts payable by the customers. To estimate the variable consideration for the expected future rebate, the Company applies the most likely method.

Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the Statement of Profit and Loss.

d) Foreign currencies

The financial statements are presented in Indian rupees (INR), which is also the functional currency in which the Company operate.

Foreign currency translation

Transactions in foreign currencies are initially recorded by the Company at functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

e) Taxes

Tax expense comprises current tax expense and deferred tax.

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in India. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. Current income tax assets and liabilities are offset if a legally enforceable right exists to set off these.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

In situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961, enacted in India, no deferred tax (asset or liability) is recognised in respect of temporary differences which reverse during the tax holiday period. Deferred taxes in respect of temporary differences which reverse after the tax holiday period are recognised in the period in which the temporary differences originate. However, the Company restrict the recognition of deferred tax assets to the extent that it has become reasonably certain that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

f) Property, plant and equipment

Construction work in progress is stated at cost, net of accumulated impairment loss, if any. Property, plant and equipment except freehold land is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit or loss as incurred. Freehold land is stated at cost net of accumulated impairment losses and is not depreciated.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item of property, plant and equipment, if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably with the carrying amount of the replaced part getting derecognised. The cost for day-to-day servicing of property, plant and equipment are recognised in statement of profit or loss as and when incurred.

Derecognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

g) Depreciation/amortization of property, plant and equipment and intangible assets

Depreciation and amortisation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Category	**Life (in years)**
Plant and equipment (solar power projects)*	35
Office equipment	5
Furniture and fixture	10
Computers	3

* Based on an external technical assessment, the management believes that the useful lives as given above and residual value of 0%-5%, best represents the period over which management expects to use its assets and its residual value. The useful life of plant and equipment is different from the useful life as prescribed under Part C of Schedule II of Companies Act, 2013.

The residual values, useful lives and methods of depreciation and amortisation of property, plant and equipment and intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

h) Exceptional items

Exceptional items refer to items of income or expense within the income statement from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the company.

i) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on Weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

j) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Borrowing costs consist of interest, discount on issue, premium payable on redemption and other costs that an entity incurs in connection with the borrowing of funds (this cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs). The borrowing costs are amortised basis the Effective Interest Rate (EIR) method over the term of the loan. The EIR amortisation is recognised under finance costs in the Statement of Profit or Loss. The amount amortized for the period from disbursement of borrowed funds upto the date of capitalization of the qualifying assets is added to cost of the qualifying assets.

To the extent, company borrows funds for general purpose and uses them for the purpose of obtaining a qualifying asset, the company determines the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate used is weighted average of the borrowing costs applicable to the borrowings of the company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. In case any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

k) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term :

*Leasehold land: 35 years

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (l) Impairment of non-financial assets.

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

As a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

l) Impairment of non-financial assets

The company assess, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimate the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or company of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.
In assessing value in use, the estimated future cash flows are discounted to their present value using a pre -tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.
Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit or Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as an increase in revaluation.

m) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Decommissioning liability

The Company considers constructive obligations and records a provision for decommissioning costs of the wind plants. Decommissioning costs are provided for at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the relevant asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit or loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs, or in the discount rate applied, are added to or deducted from the cost of the asset.

Other equity investments

All other equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognised when:

- The rights to receive cash flows from the asset have expired, or

- The respective company has transferred their rights to receive cash flows from the asset or have assumed the obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and

- Either the Company has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

When the Company has transferred it's rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the continuing involvement of Company. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The application of simplified approach does not require the Company to track changes in credit risk. Rather it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL. The Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ECL impairment loss allowance (or reversal) during the period is recognised as income / expense in the statement of profit or loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs.
The financial liabilities of the company include trade and other payables, derivative financial instruments, loans and borrowings including bank overdraft.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

n) Cash and Cash-Equivalents

Cash and short-term deposits in the balance sheet comprise cash at banks and cash in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.
For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short term deposits, as defined above, net of bank overdrafts as they are considered an integral part of the Company's cash management.

o) Measurement of EBITDA

The Company has elected to present earnings before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the Statement of Profit and Loss. The Company measure EBITDA on the basis of profit/ (loss) from continuing operations. In their measurement, the companies include interest income but do not include depreciation and amortisation expense, finance costs and tax expense.

p) Events occurring after the Balance Sheet date

Impact of events occurring after the balance sheet date that provide additional information materially effecting the determination of the amounts relating to conditions existing at the balance sheet date are adjusted to respective assets and liabilities.

The Company does not adjust the amounts recognised in its financial statements to reflect non-adjusting events after the reporting period.

The Company makes disclosures in the financial statement in cases of significant events.

q) Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

r) Earnings per equity share (EPS)

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares and instruments mandatorily convertible into equity shares outstanding during the period.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

'The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

3.2 New standards, interpretations and amendments

3.2.1 New and amended standards

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective for annual periods beginning on or after 1 April 2023. The Company applied for the first-time these amendments.

(i) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on the Company’s standalone financial statements.

(ii) Disclosure of accounting policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their ‘significant’ accounting policies with a requirement to disclose their ‘material’ accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have no major impact on the Company’s disclosures of accounting policies, measurement, recognition or presentation of any items in the Company’s financial statements.

(iii) Deferred tax related to assets and liabilities arising from a single transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases.

The Company previously recognised for deferred tax on leases on a net basis. As a result of these amendments, the Company has recognised a separate deferred tax asset in relation to its lease liabilities and a deferred tax liability in relation to its right-of-use assets. Since, these balances qualify for offset as per the requirements of paragraph 74 of Ind AS 12,there is no impact in the balance sheet. There was also no impact on the opening retained earnings as at 1 April 2023.

Apart from these, consequential amendments and editorials have been made to other Ind AS like Ind AS 101, Ind AS 102, Ind AS 103, Ind AS 107, Ind AS 109, Ind AS 115 and Ind AS 34.

(iv) Recent Pronoucement

Ministry of Corporate Affairs (“MCA”) notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. For the year ended March 31, 2024, MCA has not notified any new standards or amendments to the existing standards applicable to the Company.

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Renew Sun Waves Private Limited
Notes to Financial Statements for the year ended 31 March 2024
(Amounts in INR millions, unless otherwise stated)

4 Property, plant and equipment

	Freehold Land	Plant and equipment #	Office equipment	Computers	Total Property, plant and equipment
Cost					
As at 1 April 2022	177	13,229	-	0	13,406
Additions during the year^	7	43	7	-	57
Adjustment#	-	16	-	-	16
As at 31 March 2023	**184**	**13,288**	**7**	**0**	**13,479**
Additions during the year	5	45	2	-	52
Adjustment#	-	(55)	-	-	(55)
As at 31 March 2024	**189**	**13,278**	**9**	**0**	**13,476**
Depreciation					
As at 1 April 2022	-	215	-	0	215
Charge for the year (refer note 26)	-	360	0	0	360
As at 31 March 2023	-	**575**	**0**	**0**	**575**
Charge for the year (refer note 26)	-	362	2	0	364
As at 31 March 2024	-	**937**	**2**	**0**	**939**
Net book value					
As at 31 March 2023	**184**	**12,713**	**7**	**0**	**12,904**
As at 31 March 2024	**189**	**12,341**	**7**	**0**	**12,537**

Mortgage and hypothecation on Property, plant and equipment:
Property, plant and equipment with a carrying amount of INR 12,537 (31 March 2023; 12,904) are subject to a pari passu first charge to respective lenders for project term loans as disclosed in Note 15.

#Adjustment during the year pertains to reassessment of asset retirement obligation adjusted in plant and equipment.

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Renew Sun Waves Private Limited
Notes to Financial Statements for the year ended 31 March 2024
(Amounts in INR millions, unless otherwise stated)

5 Right of use assets	Leasehold land
Cost	
As at 1 April 2022	249
Additions during the year	11
Adjustment during the year	(5)
As at 31 March 2023	**255**
Additions during the year	-
Adjustment during the year	-
As at 31 March 2024	**255**
Depreciation	
As at 1 April 2022	14
Depreciation charged to profit or loss during the year (refer note 26)	8
As at 31 March 2023	**22**
Depreciation charged to profit or loss during the year (refer note 26)	7
As at 31 March 2024	**29**
Net book value	
As at 31 March 2023	**233**
As at 31 March 2024	**226**

Mortgage and hypothecation on intangiable assets

Intangiable Assets with a carrying amount of INR 226 (31 March 2023; 233) are subject to a pari passu first charge to respective lenders for project term loans as disclosed in Note 15.

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Renew Sun Waves Private Limited
Notes to Financial Statements for the year ended 31 March 2024
(Amounts in INR millions, unless otherwise stated)

6 Financial assets	**As at 31 March 2024**	**As at 31 March 2023**
Non-current (unsecured, considered good unless stated otherwise)		
Others		
Security deposits	1	1
Total	**1**	**1**
Current (unsecured, considered good unless stated otherwise)		
Loans		
Loans to related parties (refer note 30)*	477	140
Total	**477**	**140**
Others		
Recoverable from related parties (refer note 30)	961	1,049
Security deposits	-	-
Interest accrued on fixed deposits	11	6
Interest accrued on loans to related parties (refer note 30)*	15	4
Total	**987**	**1,059**

Loans or advances to specified persons

	As at 31 March 2024		**As at 31 March 2023**	
Type of Borrower	**Amount outstanding**	**% of Total**	**Amount outstanding**	**% of Total**
Related Parties	1,453	100%	1,193	100%

Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties.

'No loans are due from directors or other officers of the company either severally or jointly with any other person. Nor any loans are due from firms or private companies respectively in which any director is a partner, a director or a member.

*Unsecured loan to related party is recoverable on demand and carries interest at 8.00% per annum.

7 Deferred tax liabilities (net)

Deferred tax relates to the following:

Deferred tax related to items recognised in statement of profit and loss:

		As at 31 March 2024	**As at 31 March 2023**
Deferred tax liabilities (gross)			
Difference in WDV as per books of accounts and tax laws		2,342	1,929
Right of Use		57	59
	(a)	**2,399**	**1,988**
Deferred tax assets (gross)			
Losses available for offsetting against future taxable income		2,101	1,775
Lease Liability		57	57
Provision for decommissioning cost		14	26
	(b)	**2,172**	**1,858**
Deferred tax liabilities (net)	**(c) = (a) - (b)**	**227**	**130**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

	As at 31 March 2024	**As at 31 March 2023**
Accounting profit before income tax	**332**	**344**
Tax at the India's tax rate of 26%	84	87
Others non- deductible items	2	0
Adjustment of tax relating to earlier years	11	10
At the effective income tax rate	**97**	**97**
Current tax expense reported in the statement of profit and loss	-	-
Deferred tax expense reported in the statement of profit and loss	97	97
	97	**97**

Reconciliation of DTA and DTL (net):

a) For the year ended 31 March 2024

Particulars	**Opening balance DTA / (DTL) as at 01-04-2023**	**Income/(expense) recognised in profit and loss**	**Income / (expense) recognised in OCI**	**Closing balance DTA / (DTL) as at 31 March 2024**
Difference in written down value as per books of account and tax laws	(1,929)	(413)	-	(2,342)
Losses available for offsetting against future taxable income	1,775	326	-	2,101
Loss on mark to market on derivative instrument	-	-	-	-
Right of use	(59)	2	-	(57)
Lease Liability	57	0	-	57
Provision for decommissioning cost	26	(12)	-	14
	(130)	**(97)**	**-**	**(227)**

(Amounts in INR millions, unless otherwise stated)

b) For the year ended 31 March 2023

Particulars	**Opening balance DTA / (DTL) as at 01-04-2022**	**Income/(expense) recognised in profit and loss**	**Income / (expense) recognised in OCI**	**Closing balance DTA / (DTL) as at 31 March 2023**
Difference in written down value as per books of account and tax laws	(1,178)	(751)	-	(1,929)
Losses available for offsetting against future taxable income	1,124	651	-	1,775
Loss on mark to market on derivative instrument	-	-	-	-
Right of use	(51)	(8)	-	(59)
Lease Liability	51	6	-	57
Provision for decommissioning cost	21	5	-	26
	(33)	**(97)**	**-**	**(130)**

The Company has unabsorbed depreciation and carried forward losses which arose in India of INR 8,347 (31 March 2023: INR 7,053). The unabsorbed depreciation will be available for offsetting against future taxable profits of the Company.

Out of this, the tax losses that are available for offsetting for 3-4 years against future taxable profits of the Company in which the losses arose are INR : 0 (31 March 2023: 0). The unabsorbed depreciation that will be available for offsetting for against future taxable profits of the companies for indefinitely in which the losses arose are of INR 8,347 (31 March 2023: INR 7,053).

The Company has recognised deferred tax asset of INR 2,101 (31 March 2023: INR 1,775) utilisation of which is dependent on future taxable profits. The future taxable profits are based on projections made by the management considering the power purchase agreement with power procurer.

8 Current (unsecured, considered good unless otherwise stated)	**As at 31 March 2024**	**As at 31 March 2023**
Prepaid expenses	8	38
Total	**8**	**38**

9 Other assets	**As at 31 March 2024**	**As at 31 March 2023**
Non-current (unsecured, considered good unless otherwise stated)		
Others		
Capital advance	19	29
Total	**19**	**29**
Current (Unsecured, considered good unless otherwise stated)		
Advances recoverable in cash or kind	3	3
Balances with Government authorities	0	-
Others	-	0
Total	**3**	**3**

10 Inventories	**As at 31 March 2024**	**As at 31 March 2023**
Consumables & Spares	6	4
Total	**6**	**4**

11 Trade receivables	**As at 31 March 2024**	**As at 31 March 2023**
Unsecured, considered good	177	167
Secured, considered good	-	-
Receivables which have significant increase in credit risk	-	-
Receivables - credit impaired	-	-
	177	**167**
Less: Provision for doubtful debts	-	-
Total	**177**	**167**

No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. No any trade or other receivables are due from firms or private companies respectively in which any director is a partner, director or a member.

Trade receivables are non-interest bearing and are generally on terms of 7-60 days.

12 Cash and cash equivalents	**As at 31 March 2024**	**As at 31 March 2023**
Cash and cash equivalents		
Balance with bank		
- On current accounts	10	133
- Deposits with original maturity of less than 3 months #	-	4
	10	**137**
Bank balances other than cash and cash equivalents		
Deposits with		
- Remaining maturity for less than twelve months #	940	432
Total	**940**	**432**

#Fixed deposits of INR 319 (31 March 2023: INR 315) are under lien with various banks for the purpose of Debt Service Reserve Account (DSRA).

The bank deposits have an original maturity period of 92 days to 366 days and carry an interest rate of 3.80% to 6.25% which is receivable on maturity.

Renew Sun Waves Private Limited
Notes to Financial Statements for the year ended 31 March 2024
(Amounts in INR millions, unless otherwise stated)

13 Equity share capital

Authorised share capital	Number of shares	Amount
Equity shares of INR 10 each		
As at 1 April 2022	3,500,000	35
As at 31 March 2023	3,500,000	35
As at 31 March 2024	3,500,000	35

Issued share capital	Number of shares	Amount
13A Equity shares of INR 10 each issued, subscribed and paid up		
As at 1 April 2022	2,959,444	30
As at 31 March 2023	2,959,444	30
As at 31 March 2024	2,959,444	30

Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. If declared, the company will declare and pay dividends in Indian rupees. In the event of liquidation of a company, the holders of equity shares of such company will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders of the Company.

13B Shares held by the holding Company

	As at 31 March 2024		As at 31 March 2023	
	Number of shares	Amount	Number of shares	Amount
Equity shares of INR 10 each				
ReNew Private Limited (including its nominees)	2,959,444	30	-	-
ReNew Solar Energy (Jharkand Four) Private Limited (including its nominees)	-	-	2,959,444	30

13C Details of shareholders holding more than 5% shares in the Company

	31 March 2024		As at 31 March 2023	
	Number of shares	Amount	Number of shares	% Holding
Equity shares of INR 10 each				
ReNew Private Limited (including its nominees)	2,959,444	100%	-	-
ReNew Solar Energy (Jharkand Four) Private Limited (including its nominees)	-	-	2,959,444	100%

As per the records of the Company, including its register of shareholders/members the above shareholding represents both legal and beneficial ownerships of shares.

13D No shares have been allotted without payment of cash or by way of bonus shares during the period of five years immediately preceding the balance sheet date.

14 Other equity

14A Securities premium

As at 1 April 2022	**2,094**
As at 31 March 2023	**2,094**
As at 31 March 2024	**2,094**

Nature and purpose
Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares, dividend distribution or any other purpose in accordance with the provisions of the Companies Act, 2013.

14B Debenture Redemption Reserve

As at 1 April 2022	168
Transfer from debenture redemption reserve	(168)
As at 31 March 2023	-
As at 31 March 2024	-

14C Retained earnings

As at 1 April 2022	**243**
Profit for the year	247
Transfer from debenture redemption reserve	168
As at 31 March 2023	**658**
Profit for the year	233
As at 31 March 2024	**891**

Nature and purpose

Retained earnings are the profits/(loss) that the Company has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. It is a free reserve available to the Company and eligible for distribution to shareholders, in case where it is having positive balance representing net earnings till date.

(Amounts in INR millions, unless otherwise stated)

15 Long-term borrowings	Nominal interest rate %	Maturity	Non-current As at 31 March 2024	Non-current As at 31 March 2023	Current As at 31 March 2024	Current As at 31 March 2023
Term loan from bank (secured)						
Term loan from bank (secured)	8.70% -8.97% (31 March 2023 : 8.70%-8.75%)	31-Mar-28	7,412	7,651	229	229
Term loan from financial institutions (secured)	8.75% (31 March 2023 - 8.75% to 10.75%)	31-Mar-28	2,690	2,765	83	85
Total long-term borrowings			**10,103**	**10,416**	**312**	**314**
Amount disclosed under the head 'Short term borrowings' (Refer note 18)			-	-	(312)	(314)
			10,103	**10,416**	**-**	**-**

Notes:

Details of Security

(i) Term loan in Indian rupees from banks (Secured)

Secured by pari passu first charge by way of mortgage of all the present and future immovable properties, hypothecation of movable assets, book debt, operating cash flows, receivables, commissions, revenue of whatsoever nature, all bank accounts and all intangibles assets, assignment of all rights, title, interests, benefits, claims etc. of project documents and insurance contracts of the company.

(ii) Term loan in Indian rupees from financial institutions (Secured)

Secured by a first pari passu charge by way of mortgage on immovable properties, first pari passu charge by way of hypothecation of tangible moveable assets, first charge on all the current assets, intangible assets and accounts. Further secured by way of assignment of all the rights, title, interest, benefit, claims and demands under all the project agreements, letter of credit, insurance contracts and proceeds, guarantees, performance bond etc. of the respective company.

(iii) ReNew Private Limited, the holding company has pledged as at 31 March 2024: 2,959,443 shares (31 March 2023: 2,959,443 shares) of the Company to the security trustee on behalf of the lenders.

Term loan in Indian rupees (Term Loan from bank & financial institutions)

(iv) Term loan from financial institutions are repayable in querterly installments from the period till March 2043. However, as per the terms of Sanction letter, the Borrower can exercise the put option from March 31, 2028 and can repay either in parts or in full to the extent of outstanding facility.

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Renew Sun Waves Private Limited
Notes to Financial Statements for the year ended 31 March 2024
(Amounts in INR millions, unless otherwise stated)

16 Long-Term Provisions	As at 31 March 2024	As at 31 March 2023
Provision for decommissioning costs	57	106
Total	**57**	**106**

	Provision for Decommissioning costs
As at 1 April 2022	84
Arised during the year	16
Unwinding of discount and changes in discount rate	6
As at 31 March 2023	**106**
*Adjusted during the year	(55)
Unwinding of discount and changes in discount rate	6
As at 31 March 2024	**57**

Decommissioning costs
Provision has been recognised for decommissioning costs associated with premises taken on leases wherein the company is committed to decommission the site as a result of construction of wind and solar power projects.

*Adjustment during the year pertains to reassessment of asset retirement obligation adjusted in plant and equipment.

17 Lease liabilities	As at 31 March 2024	As at 31 March 2023
Non-current		
Lease liabilities (refer note 29)	205	203
Total	**205**	**203**
Current		
Lease liabilities (refer note 29)	21	20
Total	**21**	**20**

18 Short term borrowings	As at 31 March 2024	As at 31 March 2023
Loan from related party (unsecured) (refer note 30)	520	182
Current maturities of long term borrowings (Refer note 15)	312	314
Total	**832**	**496**

Loan from related party (unsecured)
Unsecured loan from related party is repayable on demand and carries interest at 8.00% per annum.

19 Trade payables	As at 31 March 2024	As at 31 March 2023
Current		
Outstanding dues to micro enterprises and small enterprises (refer note 39)	1	-
Others	861	895
Total	**862**	**895**

Trade Payables aging schedule

As at 31 March 2024

Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Total outstanding dues of micro enterprises and small enterprises	1	-	-	-	**1**
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	136	0	0	725	**861**
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-

(Amounts in INR millions, unless otherwise stated)

As at 31 March 2023

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	32	53	810	-	**895**
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-

Note: There are no transactions with struck off companies for the year ending March 31, 2024 and March 31, 2023.

20 Other current financial liabilities	**As at 31 March 2024**	**As at 31 March 2023**
Others		
Interest accrued but not due on loans from related party (refer note 30)	49	36
Capital creditors	69	123
Total	**118**	**159**

21 Other current liabilities	**As at 31 March 2024**	**As at 31 March 2023**
Other payables		
TDS payable	5	17
GST payable	-	0
Total	**5**	**17**

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(Amounts in INR millions, unless otherwise stated)

22 Revenue from operations	For the year ended 31 March 2024	For the year ended 31 March 2023
Sale of power	1,822	1,847
Sale of material	5	1
Total	**1,827**	**1,848**

a) The location for all of the revenue from contracts with customers is India.
b) The timing for all of the revenue from contracts with customers is over time.
c) There are no other material differences between the contracted price and revenue from contracts with customers.

23 Other income	For the year ended 31 March 2024	For the year ended 31 March 2023
Interest income		
- on fixed deposit with banks	43	52
- on loan to related parties (refer note 30)	12	4
Insurance claim	-	9
Provisions written back	-	3
Miscellaneous income	17	5
Total	**72**	**73**

24 Cost of raw material and components consumed	For the year ended 31 March 2024	For the year ended 31 March 2023
Cost of raw material and components consumed	1	1
Total	**1**	**1**

25 Other expenses	For the year ended 31 March 2024	For the year ended 31 March 2023
Legal and professional fees	1	1
Corporate social responsibility	6	4
Rent	-	0
Director's commission	0	0
Management shared services	11	58
Rates and taxes	12	0
Payment to auditors *	0	0
Insurance	23	24
Operation and maintenance	140	138
Repair and maintenance		
- plant and machinery	-	0
Advertising and sales promotion	-	0
Communication costs	3	2
Impairment of Inventory	0	-
Miscellaneous expenses	-	0
Total	**196**	**227**

*Payment to Auditors	For the year ended 31 March 2024	For the year ended 31 March 2023
As auditor:		
Audit fee	0	0
In other capacity:		
Limited review	-	0
Reimbursement of expenses	0	0
	0	**0**

26 Depreciation and amortization expense	For the year ended 31 March 2024	For the year ended 31 March 2023
Depreciation of property, plant & equipment (refer note 4)	364	360
Depreciation of right of use (refer note 5)	7	8
Total	**371**	**368**

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(Amounts in INR millions, unless otherwise stated)

27 Finance costs	**For the year ended 31 March 2024**	**For the year ended 31 March 2023**
Interest expense on		
- term loans	947	3
- loan from related party (refer note 30)	15	88
- debentures	-	823
- Lease	22	22
- others	2	0
Bank charges	4	6
Unwinding of discount on provisions	6	6
Unamortised ancillary borrowing cost written off*	3	33
Total	**999**	**981**

* Represents transaction cost on long term borrowings charged to statement of profit & loss on account of derecognition due to substantial modification.

28 Earnings per share (EPS)	**For the year ended 31 March 2024**	**For the year ended 31 March 2023**
The following reflects the profit and share data used for the basic and diluted EPS computations:		
Profit attributable to equity holders for basic and diluted earnings	233	247
	233	**247**
Net Profit for calculation of basic EPS	233	247
Weighted average number of equity shares for calculating basic EPS	2,959,444	2,959,444
Basic earnings per share	78.60	83.37
Net Profit for calculation of diluted EPS	233	247
Weighted average number of equity shares for calculating diluted EPS	2,959,444	2,959,444
Diluted earnings per share	78.60	83.37

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(Amounts in INR millions, unless otherwise stated)

29 Leases

As per Ind AS 116 applicable from 1 April 2019

The Company has entered into leases for its leasehold lands. Lease of lands generally have lease terms of 35 years.
The weighted average incremental borrowing rate applied to lease liabilities recognised in the balance sheet at the date of initial application is 10.40%.

Set out below are the carrying amounts of lease liabilities and the movements during the period:

Particulars	**For the year ended 31 March 2024**	**For the year ended 31 March 2023**
Opening Balance	224	202
Additions	-	16
Accretion of interest	22	22
Payments	(21)	(16)
Balance as on 31 March 2024	**225**	**224**

a) There are no restrictions or covenants imposed by leases.
b) There are no amounts payable toward variable lease expense recognised for the year ended 31 March 2024.
c) The maturity analysis of lease liabilities are disclosed in note 32.
d) There are no leases which have not yet commenced to which the lessee is committed (if any).

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(Amounts in INR millions, unless otherwise stated)

30 Related party disclosure

a) Names of related parties and related party relationship:

The names of related parties where control exists and / or with whom transactions have taken place during the period and description of relationship as identified by the management are:-

I. Holding Company
ReNew Private Limited (formerly known as ReNew Power Private Limited) (w.e.f. 28 March, 2024)
ReNew Solar Energy (Jharkand Four) Private Limited (till 27 March, 2024)

II. Intermediate Holding Company
ReNew Solar Power Private Limited (till 27 March, 2024)

III. Ultimate Holding Company
ReNew Energy Global PLC (w.e.f. 28 March, 2024)
ReNew Private Limited (formerly known as ReNew Power Private Limited) (till 27 March, 2024)

IV. Key management personnel (KMPs) :
Mr. Sumant Sinha, Chairman and Managing Director of ReNew Private Limited.

V. Fellow Subsidiaries with whom transactions incurred during the year
ReNew Solar Energy (Jharkhand One) Private Limited
ReNew Solar Energy (Jharkand Three) Private Limited
ReNew Solar Energy (Jharkhand Five) Private Limited
ReNew Solar Power Private Limited (w.e.f. 28 March, 2024)
ReNew Solar Energy (Jharkand Four) Private Limited (w.e.f. 28 March, 2024)
Renew Sun Bright Private Limited
ReNew Solar Services Private Limited
Renserv Global Private Limited (formerly known as Renew Services Private Limited)
Shreyas Solarfarms Limited
Renew Solar Urja Private Limited (till 23rd February, 2024)
ReNew Solar Energy (Karnataka) Private Limited
Heramba ReNewables Limited
Renew Surya Vihaan Private Limited
ReNew Surya Pratap Private Limited
ReNew Solar Energy (Rajasthan) Private Limited
ReNew Vayu Urja Private Limited (formally known as KCT ReNewable Energy Private Limited)
Ostro Dakshin Power Private Limited
ReNew Solar Energy (Telangana) Private Limited

b) Details of transactions with holding Company:

	ReNew Private Limited (formerly known as ReNew Power Private Limited)	
Particulars	**For the year ended 31 March 2024**	**For the year ended 31 March 2023**
Unsecured loan received from related party	-	-
Unsecured loan repaid to related party	51	-
Unsecured loan given to related party	337	140
Interest expense on unsecured loan received	4	4
Interest income on unsecured loan	12	4
Expenses incurred on behalf of the company	0	0

c) Details of outstanding balances with holding Company:

	ReNew Private Limited (formerly known as ReNew Power Private Limited)	
Particulars	**As at 31 March 2024**	**As at 31 March 2023**
Trade Payable	1	1
Interest accrued on loan payable	4	2
Interest income accrued on loan	15	4
Unsecured loan receivable	477	140
Unsecured loan payable	-	51

d) Details of transactions with fellow subsidiaries:

	ReNew Solar Energy (Jharkhand One) Private Limited		ReNew Solar Energy (Jharkhand Three) Private Limited	
Particulars	**For the year ended 31 March 2024**	**For the year ended 31 March 2023**	**For the year ended 31 March 2024**	**For the year ended 31 March 2023**
EPC Purchase*	29	70	-	-
Consumables Sales	0	1	0	-
Consumable Purchases	-	-	0	1
Expenses incurred on behalf of related party	-	-	-	2

*includes EPC Provision of INR Nil (31 March 2023: 62)

Renew Sun Waves Private Limited
Notes to Financial Statements for the year ended 31 March 2024
(Amounts in INR millions, unless otherwise stated)

Particulars	ReNew Solar Services Private Limited		ReNew Sun Energy Private Limited	
	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2024	For the year ended 31 March 2023
EPC Purchase*	8	32	-	-

*includes EPC Provision of INR Nil (31 March 2023: 17)

Particulars	ReNew Solar Energy (Rajasthan) Private Limited		ReNew Vayu Urja Private Limited	
	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2024	For the year ended 31 March 2023
Consumable Purchases	-	2	-	-
Expenses incurred on behalf of the company	-	-	-	0

Particulars	Ostro Dakshin Power Private Limited		ReNew Solar Energy (Telangana) Private Limited	
	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2024	For the year ended 31 March 2023
Consumable Purchases	-	-	-	0
Consumable Sales	-	-	-	1
Expenses incurred on behalf of related party	-	0	-	-

Particulars	Renserv Global Private Limited	
	For the year ended 31 March 2024	For the year ended 31 March 2023
Expenses incurred on behalf of the company	0	0
Consumable Purchases	0	0
Operation & Maintenance Expenses	108	102
Expenses incurred on behalf of related party	0	0

Particulars	Renew Sun Bright Private Limited		ReNew Solar Energy (Jharkhand Five) Private Limited	
	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2024	For the year ended 31 March 2023
EPC Purchase*	-	-	0	-
Consumable Sales	0	-	-	-
Consumable Purchases	0	-	-	-
Sharing of transmission line (Revenue)	1	-	-	-
Expenses incurred on behalf of related party	-	-	12	-

Particulars	Renew Solar Urja Private Limited		Shreyas Solarfarms Limited	
	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2024	For the year ended 31 March 2023
Expenses incurred on behalf of the company	2	-	-	-
Consumable Sales	0	-	0	-
Consumable Purchases	0	-	-	-
Expenses incurred on behalf of related party	21	-	-	-
Sharing of transmission line (Revenue)	16	-	-	-

Particulars	Heramba ReNewables Limited		ReNew Solar Energy (Karnataka) Private Limited	
	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2024	For the year ended 31 March 2023
Consumable Sales	0	-	5	-

Particulars	Renew Surya Vihaan Private Limited		ReNew Surya Pratap Private Limited	
	For the year ended 31 March 2024	For the year ended 31 March 2023	For the year ended 31 March 2024	For the year ended 31 March 2023
Expenses incurred on behalf of the company	4	-	-	-
Expenses incurred on behalf of related party	-	-	3	-

Particulars	ReNew Solar Energy (Jharkand Four) Private Limited		ReNew Solar Power Private Limited	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Unsecured loan received from related party	392	-	2	-
Unsecured loan refunded to related party	-	1,100	4	-
Interest expense on unsecured loan received	-	-	0	0
Expenses incurred on behalf of company	0	-	7	10
Consumable Purchases	-	-	1	0
Consumable Sale	-	-	0	-
Purchase of services# (Management shared services)*	11	-	-	47
Interest expense on unsecured loan	11	84	-	-

(Amounts in INR millions, unless otherwise stated)

e) Details of outstanding balances with fellow subsidiaries:

Particulars	ReNew Sol Energy (Jharkhand One) Private Limited		ReNew Solar Energy (Jharkhand Three) Private Limited	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Amount receivable from related parties	956	1,054	0	0
Capital Creditor*	-	62	-	-

*includes EPC provision of INR Nil (31 March 2023: 62)

Particulars	ReNew Solar Services Private Limited		ReNew Sun Energy Private Limited	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Capital Creditors*	47	39	-	-
Amount receivable from related parties	-	-	0	0

*includes EPC provision of INR Nil (31 March 2023: 17)

Particulars	Renserv Global Private Limited		ReNew Green Energy Private Limited	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Trade Payable	139	32	-	-
Amount receivable from related parties	-	-	0	0

Particulars	ReNew Solar Energy (Rajasthan) Private Limited		ReNew Vayu Urja Private Limited	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Trade Payable	2	2	0	0

Particulars	Ostro Dakshin Power Private Limited		ReNew Solar Energy (Telangana) Private Limited	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Amount receivable from related parties	0	0	1	1

Particulars	Renew Sun Bright Private Limited		ReNew Solar Energy (Jharkhand Five) Private Limited	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Trade Receivable	1	-	-	-
Capital Advance	-	-	12	-

Particulars	Renew Solar Urja Private Limited		Shreyas Solarfarms Limited	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Trade Receivable	0	-	0	-

Particulars	Heramba ReNewables Limited		ReNew Solar Energy (Karnataka) Private Limited	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Trade Receivable	0	-	5	-

Particulars	Renew Surya Vihaan Private Limited		ReNew Surya Pratap Private Limited	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Amount receivable from related parties	-	-	3	-
Trade Payable	4	-	-	-

Particulars	ReNew Solar Energy (Jharkand Four) Private Limited		ReNew Solar Power Private Limited	
	As at 31 March 2024	As at 31 March 2023	As at 31 March 2024	As at 31 March 2023
Unsecured loan payable	520	128	-	3
Trade Payable	696	795	8	0
Interest expense accrued on unsecured loan	41	32	1	1
Capital Creditors	-	-	16	16

f) Compensation of Key management personnel

Remuneration to the key managerial personnel is paid by the holding Company of the company and is allocated between the subsidiary companies as management shared services and is not separately identifiable.

g) The facility is covered by corporate guarantee of ReNew Private Limited, the Intermediate Holding Company. The guarantee shall remain valid and in force till all security is created and perfected to the satisfaction of lenders.

h) ReNew Private Limited, the holding company has pledged as at 31 March 2024: 2,959,443 shares (31 March 2023: 2,959,443 shares) of the Company to the security trustee on behalf of the lenders.

(Amounts in INR millions, unless otherwise stated)

31 Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the financial instruments of the Company

	31 March 2024		31 March 2023	
	Carrying value	**Fair value**	**Carrying value**	**Fair value**
Financial assets				
Measured at amortised cost				
Loans	477	477	140	140
Other non current financial assets	1	1	1	1
Trade receivables	177	177	167	167
Cash and cash equivalents	10	10	137	137
Bank balances other than cash and cash equivalents	940	940	432	432
Other current financial assets	987	987	1,059	1,059
Financial liabilities				
Measured at amortised cost				
Long term borrowings	10,415	7,453	10,730	7,673
Short-term borrowings	520	520	182	182
Trade payables	861	861	895	895
Other current financial liabilities	118	118	159	159
Lease	225	225	224	224

The management of the Company assessed that cash and cash equivalents, trade receivables, bank balances other than cash and cash equivalents, short term loans, trade payables, other current financials liabilities and other current financial assets approximate their carrying amounts largely due to the short-term maturities of these instruments.

The following methods and assumptions were used to estimate the fair values:

The fair values of the Company's term loans from banks and financial institutions including current maturities are determined by using Discounted Cash Flow (DCF) method using discount rate that reflects the issuer's borrowing rate as at the end of the reporting period. The own non-performance risk as at 31 March 2024 was assessed to be insignificant.

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(Amounts in INR millions, unless otherwise stated)

32 Financial Risk Management objectives and policies

"The Company's principal financial liabilities comprise loans and borrowings, trade and other payables.
The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include loans, trade and other receivables, and cash & cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a various sub committees that advises on financial risks and the appropriate financial risk governance framework for the Company. These committees provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedure and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each risk, which are summarised as below.

Market Risk

Market risk is the risk that the Company's assets and liabilities will be exposed to due to a change in market prices that determine the valuation of these financial instruments. Market risk comprises 3 types of risk: interest rate risk, currency risk and other price risk such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings and deposits..

The sensitivity analyses in the following sections relate to the position as at 31 March 2024. The sensitivity analyses have been prepared on the basis that the amount of net debt and the ratio of fixed to floating interest rates of the debt are all constant as at 31 March 2024.

Interest rate Risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk primarily from the external borrowings that are used to finance their operations. The Company also monitors the changes in interest rates and actively re finances its debt obligations to achieve an optimal interest rate exposure.

Interest Rate Sensitivity

The following table demonstrates the sensitivity to a reasonable possible change in interest rates on financial liabilities, i.e. floating interest rate of borrowings in INR. With all other variables held constant, the Company's profit before tax is affected through the impact on loans and borrowings, as follows:

	31-Mar-24		**31 March 2023**	
	Increase/decrease in basis points	**Effect on profit before tax**	**Increase/decrease in basis points**	**Effect on profit before tax**
INR	+/(-)50	(-)/+ 53	+/(-)50	(-)/+ 202
	Increase/decrease in basis points	**Effect on equity**	**Increase/decrease in basis points**	**Effect on equity**
INR	+/(-)50	(-)/+ 40	+/(-)50	(-)/+ 151

Credit risk

Credit risk is the risk that the power procurer will not meet their obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from their operating activities (primarily trade receivables) and from its financing activities but this credit risk exposure is insignificant given the fact that substantially whole of the revenues are from state utilities/government entities.

Further the Company sought to reduce counterparty credit risk under long-term contracts in part by entering into power sales contracts with utilities or other customers of strong credit quality and we monitor their credit quality on an on going basis.

The maximum credit exposure to credit risk for the components of the statement of financial position at 31 March 2024.

Trade receivables

Customer credit risk is managed basis established policies of the Company, procedures and controls relating to customer credit risk management. Outstanding customer receivables are regularly monitored. The Company does not hold collateral as security. The Company has majorly state utilities/government entities as its customers with high credit worthiness and therefore the Company does not see any significant risk related to credit.

The trade receivable balances of the Company are evenly spread over customers.

The credit quality of the customers is evaluated based on their credit ratings and other publicly available data.

The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment and impairment analysis is performed at each reporting date to measure expected credit losses. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Company's trade receivables using a provision matrix:

Trade Receivables Ageing Schedule

As at 31 March 2024

Particulars	**Outstanding for following periods from due date of payment**						**Total**
	Not due	**Less than 6 months**	**6 months -1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	
(i) Undisputed Trade receivables – considered good	-	2	-	-	-	-	2
(ii) Undisputed Trade Receivables	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–	-	-	-	-	-	-	-
(v) Disputed Trade Receivables –	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables –	-	-	-	-	-	-	-
(vii) Unbilled dues	175	-	-	-	-	-	175
Gross carrying amount	**175**	**2**	**-**	**-**	**-**	**-**	**177**
Expected credit loss	-	-	-	-	-	-	-

As at 31 March 2023

Particulars	Outstanding for following periods from due date of payment						Total
	Not due	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade receivables – considered good	-	-	-	-	-	-	-
(ii) Undisputed Trade Receivables	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–	-	-	-	-	-	-	-
(v) Disputed Trade Receivables –	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables –	-	-	-	-	-	-	-
(vii) Unbilled dues	167	-	-	-	-	-	167
Gross carrying amount	**167**	**-**	**-**	**-**	**-**	**-**	**167**
Expected credit loss	-	-	-	-	-	-	-

Other financial assets

Credit risk from other financial assets including loans is managed basis established policies of Company, procedures and controls relating to customer credit risk management. Outstanding receivables are regularly monitored. The Company does not hold collateral as security.

Financial instruments and credit risk

Credit risk from balances with banks is managed by company's treasury department. Investments, in the form of fixed deposits, loans and other investments, of surplus funds are made only with banks & company companies and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed on an annual basis by the Company, and may be updated throughout the year subject to approval of company's finance committee. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

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(Amounts in INR millions, unless otherwise stated)

Liquidity Risk

Liquidity risk is the risk that the Company will encounter in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The approach of the Company to manage liquidity is to ensure , as far as possible, that these will have sufficient liquidity to meet their respective liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risk damage to their reputation.

The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The Company rely mainly on long-term debt obligations to fund their construction activities. To the extent available at acceptable terms, utilized non-recourse debt to fund a significant portion of the capital expenditures and investments required to construct and acquire our wind and solar power plants and related assets. The Company's non-recourse financing is designed to limit default risk and is a combination of fixed and variable interest rate instruments. In addition, the debt is typically denominated in the currency that matches the currency of the revenue expected to be generated from the benefiting project, thereby reducing currency risk. The majority of non-recourse debt is funded by banks and financial institutions, with debt capacity supplemented by unsecured loan from related party.

The table below summarizes the maturity profile of financial liabilities of Company based on contractual undiscounted payments:

Year ended 31 March 2024	**On demand**	**Less than 3 months**	**3 to 12 months**	**1 to 5 years**	**> 5 years**	**Total**
Borrowings (other than preference shares)						
Term loan from banks*	-	-	-	9,317	-	**9,317**
Loans from financial institutions*	-	-	-	3,361	-	**3,361**
Short term borrowings						
Current maturities of long term borrowings*	-	311	924	-	-	**1,234**
Loans from related party	520	-	-	-	-	**520**
Other financial liabilities						
Lease Liabilities	-	6	14	88	548	**656**
Interest accrued but not due on borrowings	47	2	-	-	-	**49**
Capital Creditors	62	6	-	-	-	**69**
Trade payables						
Trade payables	850	12	-	-	-	**862**

* Including future interest payments.

The Company expect liabilities with current maturities to be repaid from net cash provided by operating activities of the entity to which the debt relates or through opportunistic refinancing activity or some combination thereof.

The Company rely mainly on long-term debt obligations to fund their construction activities. To the extent available at acceptable terms, utilized non-recourse debt to fund a significant portion of the capital expenditures and investments required to construct and acquire our wind and solar power plants and related assets. The Company's non-recourse financing is designed to limit default risk and is a combination of fixed and variable interest rate instruments. In addition, the debt is typically denominated in the currency that matches the currency of the revenue expected to be generated from the benefiting project, thereby reducing currency risk. The majority of non-recourse debt is funded by banks and financial institutions, with debt capacity supplemented by unsecured loan from related party.

Year ended 31 March 2023	**On demand**	**Less than 3 months**	**3 to 12 months**	**1 to 5 years**	**> 5 years**	**Total**
Borrowings (other than preference shares)						
Term loan from Banks*	-	-	-	10,186	-	**10,186**
Loans from financial institutions*	-	-	-	1,317	3,978	**5,295**
Short term borrowings						
Current maturities of long term borrowings*	-	315	940	-	-	**1,255**
Loans from related party	182	-	-	-	-	**182**
Other financial liabilities						
Lease Liabilities	-	6	14	86	588	**694**
Interest accrued but not due on borrowings	36	-	-	-	-	**36**
Capital Creditors	117	6	-	-	-	**123**
Trade payables						
Trade payables	895	-	-	-	-	**895**

* Including future interest payments.

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(Amounts in INR millions, unless otherwise stated)

33 Segment Information

The Chairman and Managing Director of ReNew Private Limited (Intermediate Holding Company) takes decision in respect of allocation of resources and assesses the performance basis the reports/ information provided by functional heads and is thus considered to be Chief Operating Decision Maker.

The Company's activities revolve around renewable power generation and other ancillary activities. Considering the nature of Company's business, as well as based on review of operating results by the Chief Operating Decision Maker to make decisions about resource allocation and performance measurement, there is only one reportable business segment in accordance with the requirements of Ind AS - 108 - "Operating Segments".

34 Corporate social responsibility expenditure

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities as follows :-

1) Sanitation & making available safe drinking water- Construction of toilets, Bore-well, well, Tube-well etc.
2) Empowering women through SHGs (self-help company) and creating income generation activities for the women like stitching and tailoring, goatery,
3) Ensuring environmental sustainability- animal welfare Plantation, environment awareness,
4) Animal Welfare-Animal health camp, Para –vet training
5) Education awareness, Remedial classes for weak students etc.
6) Health and Hygiene- Health camps in the community, cleanliness drive to create awareness.
7) Sports Training- Sports training camps in community
8) Education facility improvement- Construction of Solar power plant in schools
9) Contribution to the Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund.

A CSR committee has been formed by the Company as per the Act. The funds were utilised on above mentioned activities which are specified in Schedule VII of the Companies Act, 2013.

(a) Gross amount required to be spent by the Company during the year is INR 6 (31March 2023: 4).
(b) Amount spent during the year on:

List of CSR activities	In Cash	Yet to be paid	Total
Construction / Acquisition of any asset	Nil	Nil	Nil
Activities relating to:			
Current year	6	-	6
Previous year	4	-	4

(c) Details related to spent / unspent obligations:

Particulars	31-Mar-24	31-Mar-23
i) Contribution to other than ongoing projects	6	4
	6	**4**

(d) Disclosure for excess amount spent during the year as required by Section135(5) of Companies Act:

Opening Balance	Amount required to be spent during the year	Amount spent during the year	Closing Balance
-	6	6	0

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35 Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the accounting policies management has made certain judgements, estimates and assumptions. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based their assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

A) Estimates and assumptions:

Related party transactions

ReNew Private Limited along with all its subsidiaries hereinafter collectively referred to as 'the company' have entered into inter-company transactions as explained in note no 30

Management Shared Services

Employee benefit costs and other common expenses are incurred by the Ultimate Holding Company & Holding Company. These expenses are allocated to all the entities of the company in the form of 'Management Shared Services'. Allocation of cost to the entities involves various estimates including retention, allocation of cost for projects under construction vis-a-vis operating projects, profit mark-up which are assessed through an external expert.

<u>Inter-company unsecured loan</u>

The company uses unsecured loans to fund requirements of various entities. These loans carry interest rate higher than a return expected from 3-year government bond yield.

36 Audit Trail :

The Company has used accounting software (SAP S4 Hana) for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software, except that audit trail feature at the underlying application database was enabled on March 28th, 2024. Further no instance of audit trail feature being tampered with was noted in respect of the accounting software throughout the year, except that for the underlying application database wherein the same has been established w.e.f 28 March 2024.

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37 Capital management

For the purpose of the capital management, capital includes issued equity capital, compulsorily convertible debentures, compulsorily convertible preference shares, Securities premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants.

To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitor capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings and other payables, less cash and short-term deposits. The Company systematically evaluates opportunities for managing its assets including that of buying new assets, partially or entirely sell existing assets and potential new joint ventures. Crystallisation of any such opportunity shall help the Company in improving the overall portfolio of assets, cash flow management and shareholder returns.

The policy of the Company is to keep the gearing ratio of the power project to 3:1 during the construction phase and aim to enhance it to 4:1 post the construction phase. This is in line with the industry standard ratio. The current gearing ratios of the various projects in the Company is between 3:1 to 4:1.

In order to achieve this overall objective, the capital management of the Company, amongst other things, aims to ensure that they meet financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2024 and 31 March 2023.

38 Commitments Liabilities and Contingencies
(to the extent not provided for)

(i) Contingent liabilities

At 31 March 2024, the Company has contingent liabilities of INR 6 relating to land disputes (31 March 2023: Nil).

(ii) Commitments:

Estimated amount of contracts remaining to be executed on capital account and not provided for
As at 31 March 2024, the Company has no capital commitment (net of advances) pertaining to commissioning of wind and energy projects (31 March 2023: INR NIL).

39 Details of dues to Micro, Small and Medium Enterprises as defined under the MSMED Act, 2006

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2 October 2006, certain disclosure are required to be made relating to Micro, Small and Medium Enterprises. On the basis of the information and records available with the management, there are no outstanding dues to the Micro, Small and Medium Enterprises development Act, 2006.

Particulars	**As at 31 March 2024**	**As at 31 March 2023**
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year/period	1	Nil
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year/period	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year/period) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year/period; and	1	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	Nil	Nil

40 Absolute amounts less than INR 500 are appearing in the financial statements as "0" due to presentation in thousands.

41 Ratio Analysis and its elements

Ratio	**Numerator**	**Denominator**	**31-Mar-24**	**31-Mar-23**	**% change**	**Reason for Variance**
Current Ratio	Current Assets	Current Liabilities	1.42	1.25	14%	No major changes.
Debt-Equity Ratio	Total Debt	Shareholder's Equity	3.63	3.92	-8%	No major changes.
Debt Service Coverage Ratio	Earning for debt Service=Net Profit after taxes +non cash operating expenses+interest	Debt Service=Interest & lease payment +Principle repayments	1.15	0.12	866%	Due to decrease in debt service amount
Return on Equity Ratio	Net Profit after taxes -preference dividend	Average shareholder equity	0.08	0.09	-14%	No major changes.
Inventory Turnover Ratio	Cost of Goods Sold	Average Inventory	0.06	0.47	N.A	N.A.
Trade Recievables Turnover Ratio	Net Credit Sales=Gross Credit sales-sales return	Average Trade Recievables	10.61	10.82	-2%	No major changes.
Trade Payable Turnover Ratio	Net Credit Purchases=Gross Credit purchases- purchase return	Average Trade Payables	N.A	N.A	N.A	N.A.
Net Capital Turnover Ratio	Net Sales= Total Sales-sales return	Working Capital=Current assets - Current liabilties	2.37	4.69	-150%	Due to increase in working capital
Net Profit Ratio	Net Profit	Net Sales= Total Sales -Sales Return	0.13	0.13	-4%	No major changes.
Return on Capital employed	Earnings before interest and taxes	Capital employed=Tangible net worth+Total Debt+deferred tax liability	0.09	0.09	9%	No major changes.
Return on Investment	Interest (finance Income)	Investment	N.A	N.A	N.A	N.A.

As per our report of even date
For B D G & CO LLP
ICAI Firm Registration No.: 119739W/W100900
Chartered Accountants

Jitendra Kumar Bansal
Digitally signed by Jitendra Kumar Bansal
Date: 2024.07.11 19:53:36 +05'30'

Jitendra Kumar Bansal
Partner
Membership No.: 525909
Place: Gurugram
Date: 11 July 204

For and on behalf of the Board of Directors of
Renew Sun Waves Private Limited

Rahul Bhardwaj
Digitally signed by Rahul Bhardwaj
Date: 2024.07.11 19:39:30 +05'30'

Rahul Bhardwaj
Director
DIN- 10266468
Place: Gurugram
Date: 11 July 2024

Parul Agrawal
Digitally signed by Parul Agrawal
Date: 2024.07.11 19:29:55 +05'30'

Parul Agrawal
Director
DIN- 08452687
Place: Gurugram
Date: 11 July 2024

INDEPENDENT AUDITOR'S REPORT

To The Members of **Renew Sun Waves Private Limited**

Report on the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS financial statements of **Renew Sun Waves Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and Notes to the Financial Statements and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'Standalone Ind AS Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rule, 2015, as amended, ("Ind AS") and other principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023 and the Statement of Profit and Loss and other comprehensive income, changes in equity and its Cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Information Other than the Standalone Ind AS Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Based on the work we have performed, we conclude that there is no material misstatement of this other information, which we are required to report. We have nothing to report in this regard.

Management's Responsibilities for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements to give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we have exercised professional judgment and maintained professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and have obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020, issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order.

2.

A. As required by Section 143(3) of the Act, 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) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of changes in equity dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

e) On the basis of the written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164(2) of the Act.

f) Our report expresses a qualified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting, refers to our separate Report in **"Annexure B".**

B. With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

a) The Company does not have any pending litigations as at March 31, 2023, which would impact its financial position.

b) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.

c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with section 124(5) of The Companies Act, 2013 and Rules there under.

d)

i. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

ii. The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and

iii. Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (d) contain any material mis-statement.

d) The company has not declared or paid any dividend during the year; hence compliance of Section 123 of Companies Act is not applicable.

For B D G & CO LLP
Firm Registration Number: 119739W/W100900
Chartered Accountants

Jitendra Kumar Bansal

Digitally signed by Jitendra Kumar Bansal
Date: 2023.09.04 15:51:27 +05'30'

Jitendra Kumar Bansal
Partner
Membership Number: 525909
UDIN: 23525909BGZFSN9018
Place: Gurugram
Date: 04.09.2023

Annexure A to Independent Auditors' Report

Referred to in Paragraph 1 of the Independent Auditors' Report of even date to the members of **Renew Sun Waves Private Limited** on the Standalone Ind AS financial statements for the year ended March 31, 2023.

I.

a)

i. The Company is generally maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.

ii. The Company does not have any intangible assets hence the requirements of Clause 3(i)(a)(ii) of the order are not applicable.

b) Property, Plant and Equipment of the company have been physically verified by the management during the year and no material discrepancies have been noticed on such verification.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) disclosed in the standalone financial statements are held in the name of the Company.

d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year.

e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made there under.

II.

a) The company is having a policy to conduct the physical verification of the inventory once in a year.The frequency of such verification is reasonable in the nature.

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits on the basis of security of current assets; Accordingly, Clause 3(II)(b) is not applicable to the company.

III. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has made investments, provided guarantee or security or granted anyadvances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year. The Company has granted loans to one company during the year; details ofthe loan are stated in sub-clause (a) below.

a)

i) Based on the audit procedures carried on and as per the information and explanations given to us,the Company has not granted any loans to subsidiaries.

ii) Based on the audit procedures carried on and as per the information and explanations given to us,the Company has granted loan to a party other than subsidiaries as below:

Particulars	**Amount** (In INR Mn)
Aggregate amount during the year - Others	140
Balance outstanding as at balance sheet date - Others	140

b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of the loans given are, primafacie, not prejudicial to the interest of the Company.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular.

d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given.

e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan given falling due during the year, which has been renewed or extended or fresh loans given to settle the overdue of existing loans given to the same party.

f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has given loan which is repayable on demand or without specifying any terms or period of repayment

(In INR Mn)

	All Parties	**Promoters**	**Related Parties**
Aggregate amount of loans/ advances in nature of loans;			
- Repayable on demand (A)	140	Nil	140
- Agreement does not specify any terms or period of repayment (B)	Nil	Nil	Nil
Total (A+B)	140	Nil	140
Percentage of loans/ advancesin nature of loans to the total loans	100%	NA	100%

IV. There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.

V. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

VI. According to the information and explanations given to us, we have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148 of the Act, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained.

VII.

a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, provident fund, income-tax, service tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable. The provisions of Service tax, Provident Fund and ESI are not applicable.

b) There are no dues of goods and service tax, provident fund, employee's state insurance, income tax, sales-tax, service tax, customs duty, excise duty, value added tax, cess, and other statutory dues which have not been deposited on account of any dispute.

VIII. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

IX.

a) According to the information and explanations given to us and on the basis of our examination of the recordsof the Company, the Company has not defaulted on any loans or borrowings from lender during the year.

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution or government or government authority.

c) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that term loans have, prima facie, been used for the purpose for which the loans were obtained by the Company.

d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable.

f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.

X.

a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

b) The Company has not made preferential allotment or private placement of share/ fully or partially or optionally convertible debentures during the year under audit and hence, the requirement to report on clause 3(x)(b) of the Order is not applicable to the company.

XI.

a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.

XII. As the Company is not a Nidhi Company and hence the provisions of Clause 3 (xii) of the Order are not applicable to the Company.

XIII. In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.

XIV.

a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

b) We have considered the internal audit reports of the Company issued till date for the period under audit.

XV. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

XVI.

a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

b) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bankof India. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

c) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(c) are not applicable.

XVII. The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year.

XVIII. There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

XIX. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

XX. The company does not have any unspent amount of CSR. Accordingly, clause 3(xx) (a) and (b) are not applicable to the entity.

For B D G & CO LLP
Firm Registration Number: 119739W/W100900
Chartered Accountants

Jitendra Kumar Bansal
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Date: 2023.09.04 15:52:26 +05'30'

Jitendra Kumar Bansal
Partner
Membership Number: 525909
Place: Gurugram
Date: 04.09.2023

Annexure B to Independent Auditors' Report

Referred to in paragraph 2 (f) of the Independent Auditors' Report of even date to the members **Renew Sun Waves Private Limited** on the Standalone Ind AS financial statements for the year ended March 31, 2023;

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of **Renew Sun Waves Private Limited** ("the Company") as of March 31, 2023 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibilities for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, as issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

a) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;

b) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and

c) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Qualified Opinion

According to the information and explanations given to us and based on our audit, the following material weaknesses have been identified as at March 31, 2023 relating to absence of adequate evidence over operation of review controls and on ensuring completeness and accuracy of data and reports used; and inadequate segregation of duties around recording and review of manual journal entries.

A 'material weakness' is a deficiency, or a combination of deficiencies, in internal financial control with reference to standalone financial statements, such that there is a reasonable possibility that a material misstatement of the company's annual or interim financial statements will not be prevented or detected on a timely basis.

In our opinion, except for the possible effects of the material weaknesses described above on the achievement of the objectives of the control criteria, the Company has maintained, in all material respects, adequate internal financial controls with reference to these standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as of March 31, 2023, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

Explanatory paragraph

We also have audited, in accordance with the Standards on Auditing issued by ICAI, as specified under Section 143(10) of the Act, the standalone financial statements of Renew Sun Waves Private Limited, which comprise the Balance Sheet as at March 31, 2023, and the related Statement of Profit and Loss , including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information. These material weaknesses were considered in determining the nature, timing, and extent of audit tests applied in our audit of the March 31, 2023 standalone financial statements of Renew Sun Waves Private Limited and this report does not affect our report dated September 04, 2023 which expressed an unqualified opinion on those financial statements.

For B D G & CO LLP
Firm Registration Number: 119739W/W100900
Chartered Accountants

Jitendra Kumar Bansal
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Date: 2023.09.04 15:53:05 +05'30'

Jitendra Kumar Bansal
Partner
Membership Number: 525909
Place: Gurugram
Date: 04.09.2023

Renew Sun Waves Private Limited
Balance Sheet as at 31 March 2023
(Amounts in INR millions, unless otherwise stated)

	Notes	As at 31 March 2023	As at 31 March 2022
Assets			
Non-current assets			
Property, plant and equipment	4	12,904	13,191
Right of use assets	5	233	235
Financial assets			
Others	6	1	-
Non current tax assets (net)		77	40
Other non-current assets	9	29	40
Total non-current assets		**13,244**	**13,506**
Current assets			
Inventories	10	4	-
Financial assets			
Trade receivables	11	167	175
Cash and cash equivalents	12	137	362
Bank balances other than cash and cash equivalents	12	432	801
Loans	6	140	-
Others	6	1,059	1,069
Prepayments	8	38	8
Other current assets	9	3	3
Total current assets		**1,980**	**2,418**
Total assets		**15,224**	**15,924**
Equity and liabilities			
Equity			
Equity share capital	13A	30	30
Other equity			
Securities premium	14A	2,094	2,094
Debenture redemption reserve	14C	-	168
Retained earnings	14C	658	243
Total equity		**2,782**	**2,535**
Non-current liabilities			
Financial liabilities			
Long-term borrowings	15	10,416	9,854
Lease liabilities	17	203	179
Long-term provisions	16	106	84
Deferred tax liabilities (net)	7	130	33
Total non-current liabilities		**10,855**	**10,150**
Current liabilities			
Financial liabilities			
Short-term borrowings	18	496	1,388
Trade payables			
Total outstanding dues to micro enterprises and small enterprises	19	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	19	895	863
Lease liabilities	17	20	23
Other current financial liabilities	20	159	953
Other current liabilities	21	17	12
Total current liabilities		**1,587**	**3,239**
Total liabilities		**12,442**	**13,389**
Total equity and liabilities		**15,224**	**15,924**

Summary of significant accounting policies 3.1

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For B D G & CO LLP
ICAI Firm Registration No.: 119739W/W100900
Chartered Accountants

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Date: 2023.09.04 15:53:40 +05'30'

Jitendra Kumar Bansal
Partner
Membership No.: 525909
Place: Gurugram
Date: 04 September 2023

For and on behalf of the
Renew Sun Waves Private Limited

Rahul Bhardwaj
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Date: 2023.09.04 15:29:49 +05'30'

Rahul Bhardwaj
Director
DIN- 10266468
Place: Gurugram
Date: 04 September 2023

Parul Agrawal
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Parul Agrawal
Director
DIN- 08452687
Place: Gurugram
Date: 04 September 2023

Renew Sun Waves Private Limited
Statement of Profit and Loss for the year ended 31 March 2023
(Amounts in INR millions, unless otherwise stated)

	Notes	For the year ended 31 March 2023	For the year ended 31 March 2022
Income:			
Revenue from operations	22	1,848	954
Other income	23	73	35
Total income		**1,921**	**989**
Expenses:			
Cost of raw material and components consumed	24	1	-
Other expenses	25	227	126
Total expenses		**228**	**126**
Earning before interest, tax, depreciation and amortization (EBITDA)		**1,693**	**863**
Depreciation and amortization expense	26	368	223
Finance costs	27	981	513
Profit before tax		**344**	**127**
Tax expense			
Deferred tax	7	97	34
Tax for earlier years		-	(36)
Profit for the year		**247**	**129**
Total comprehensive income for the year		**247**	**129**
Earnings per share:			
(face value per share: INR 10)			
(1) Basic	28	83.37	43.72
(2) Diluted		83.37	43.72
Summary of significant accounting policies	3.1		

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For B D G & CO LLP
ICAI Firm Registration No.: 119739W/W100900
Chartered Accountants

Jitendra Kumar Bansal
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Jitendra Kumar Bansal
Partner
Membership No.: 525909
Place: Gurugram
Date: 04 September 2023

For and on behalf of the
Renew Sun Waves Private Limited

Rahul Bhardwaj
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Rahul Bhardwaj	Parul Agrawal
Director	Director
DIN- 10266468	DIN- 08452687
Place: Gurugram	Place: Gurugram
Date: 04 September 2023	Date: 04 September 2023

Renew Sun Waves Private Limited
Statement of Cash Flows for the year ended 31 March 2023
(Amounts in INR millions, unless otherwise stated)

Particulars	For the year ended 31 March 2023	For the year ended 31 March 2022
Cash flow from operating activities		
Profit before tax	344	127
Adjustments for:		
Depreciation and amortisation expense	368	223
Provisions written back	(3)	-
Interest income	(56)	(12)
Interest expense	936	479
Unwinding of discount on provisions	6	3
Unamortised ancillary borrowing cost written off	33	22
Operating loss before working capital changes	**1,628**	**842**
Movement in working capital		
(Increase)/decrease in trade receivables	8	(175)
(Increase)/decrease in inventories	(4)	(0)
(Increase)/decrease in other current assets	(1)	(3)
(Increase)/decrease in other current financial assets	17	(1,066)
(Increase)/decrease in prepayments	(30)	(8)
(Increase)/decrease in other non-current financial assets	(1)	-
(Increase)/decrease in other non-current assets	(0)	3
Increase/(decrease) in other current liabilities	4	(11)
Increase/(decrease) in trade payables	32	862
Increase/(decrease) in other current financial liabilities	(0)	-
Cash generated from operations	**1,653**	**444**
Direct taxes paid (net of refunds)	(37)	(24)
Net cash generated from operating activities	**1,616**	**420**
Cash flow from investing activities		
Purchase of Property, Plant and Equipment including capital work in progress, capital creditors and capital advances	(322)	(8,419)
Net Investments of bank deposits having residual maturity more than 3 months	369	(771)
Loan given to related parties	(140)	-
Interest received	49	9
Net cash used in investing activities	**(44)**	**(9,181)**
Cash flow from financing activities		
Proceeds from long-term borrowings	10,780	10,019
Repayment of long-term borrowings	(10,020)	-
Proceeds from short-term borrowings	-	273
Repayment of short-term borrowings	(1,100)	(973)
Lease Payment	-	(24)
Interest paid	(1,457)	(185)
Net cash generated from financing activities	**(1,797)**	**9,110**
Net increase in cash and cash equivalents	**(225)**	**349**
Cash and cash equivalents at the beginning of the year	**362**	**13**
Cash and cash equivalents at the end of the year	**137**	**362**
Components of cash and cash equivalents		
Balances with banks:		
- On current accounts	133	362
- On deposit accounts with original maturity of less than 3 months	4	-
Total cash and cash equivalents (note 12)	**137**	**362**

Changes in liabilities arising from financing activities

Particulars	Opening balance as at 1 April 2022	Cash flows (net)	Other changes	Closing balance as at 31 March 2023
Long-term borrowings (including current maturities and net of ancilliary borrowings cost incurred)	9,960	760	10	10,730
Short-term borrowings	1,282	(1,100)	-	182
Total liabilities from financing activities	**11,242**	**(340)**	**10**	**10,912**

Renew Sun Waves Private Limited
Statement of Cash Flows for the year ended 31 March 2023
(Amounts in INR millions, unless otherwise stated)

Particulars	Opening balance as at 1 April 2021	Cash flows (net)	Other changes	Closing balance as at 31 March 2022
Long-term borrowings (including current maturities and net of ancilliary borrowings cost incurred)	-	10,019	(59)	9,960
Short-term borrowings	1,982	(700)	-	1,282
Total liabilities from financing activities	**1,982**	**9,319**	**(59)**	**11,242**

Summary of significant accounting policies 3.1

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For and on behalf of the
Renew Sun Waves Private Limited

For B D G & CO LLP
ICAI Firm Registration No.: 119739W/W100900
Chartered Accountants

Jitendra Kumar Bansal
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Jitendra Kumar Bansal
Partner
Membership No.: 525909
Place: Gurugram
Date: 04 September 2023

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Rahul Bhardwaj
Director
DIN- 10266468
Place: Gurugram
Date: 04 September 2023

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Parul Agrawal
Director
DIN- 08452687
Place: Gurugram
Date: 04 September 2023

Renew Sun Waves Private Limited
Statement of Changes in Equity for the year ended 31 March 2023
(Amounts in INR millions, unless otherwise stated)

Particulars	Attributable to the equity holders of the Company				Total equity
		Reserves and Surplus			
	Equity share capital	Securities premium	Retained earnings	Debenture redemption reserve	
	(refer note 13A)	(refer note 14A)	(refer note 14C)	(refer note 14B)	
As at 1 April 2021	**30**	**2,094**	**282**	**-**	**2,406**
Profit for the year	-	-	**129**	-	**129**
Total comprehensive income	**-**	**-**	**129**	**-**	**129**
Debenture redemption reserve	-	-	(168)	168	-
As at 31 March 2022	**30**	**2,094**	**243**	**168**	**2,534**
Profit for the year	-	-	247	-	247
Total Comprehensive Income	**-**	**-**	**247**	**-**	**247**
Debenture redemption reserve	-	-	168	(168)	-
As at 31 March 2023	**30**	**2,094**	**658**	**-**	**2,782**

Summary of significant accounting policies 3.1

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For B D G & CO LLP
ICAI Firm Registration No.: 119739W/W100900
Chartered Accountants

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Membership No.: 525909
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Date: 04 September 2023

For and on behalf of the
Renew Sun Waves Private Limited

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Rahul Bhardwaj
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Place: Gurugram
Date: 04 September 2023

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Parul Agrawal
Director
DIN- 08452687
Place: Gurugram
Date: 04 September 2023

1 General information

Renew Sun Waves Private Limited ('the Company') is a private limited company domiciled in India.The registered office of the Company is located at 138, Ansal Chamber - II Bikaji Cama Place, New Delhi-110066. The Company is carrying out business activities relating to generation of power through non-conventional and renewable energy sources.

The Financial Statements of the Company were authorised for issue by the Company's Board of Directors on04 September 2023.

2 Basis of preparation

The Company prepared its Financial Statements as per Ind AS prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended.
The Financial Statements have been prepared using presentation and disclosure requirements of the Schedule III of Companies Act, 2013.

The Financial Statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:
- Derivative financial instruments
- Financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

The accounting policies and estimates adopted in the preparation of Financial Statements are consistent with those used in the Financial Statements for the year ended 31 March 2022. Except those disclosed in 3.2.

3.1 Summary of Significant Accounting Policies

The following are the significant accounting policies applied by the Company in preparing its financial statements:

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is treated as current when it is:
• Expected to be realised or intended to sold or consumed in normal operating cycle
• Held primarily for the purpose of trading
• Expected to be realised within twelve months after the reporting period, or
• Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is treated as current when it is:
• Expected to be settled in normal operating cycle
• Held primarily for the purpose of trading
• Due to be settled within twelve months after the reporting period, or
• There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets / liabilities are classified as non-current assets / liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation / settlement in cash and cash equivalents. The Company has identified twelve months as their operating cycle for classification of their current assets and liabilities.

b) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
• In the principal market for the asset or liability, or
• In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

• Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
• Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
• Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.
The management of the Company determines the policies and procedures for both recurring fair value measurement, such as unquoted financial assets, and for non-recurring measurement, such as assets held for sale.

External valuers are involved for valuation of significant assets, and significant liabilities. Involvement of external valuers is determined annually by the management after discussion with and approval by the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management of the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the accounting policies of the Company.

The management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

On an interim basis, the management presents the valuation results to the Audit Committee and the Company's independent auditors. This includes a discussion of the major assumptions used in the valuations. For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

This note summarises the accounting policy for determination of fair value. Other fair value related disclosures are given in the relevant notes as following:
• Disclosures for significant estimates and assumptions (refer note 35)
• Quantitative disclosures of fair value measurement hierarchy (refer note 32)
• Financial instruments (including those carried at amortised cost) (refer note 31)

c) Revenue recognition

(i) Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

a) Sale of power

Income from supply of power is recognised over time on the supply of units generated from plant to the grid as per terms of the Power Purchase Agreement (PPA) entered into with the customers.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of power, the Company considers the effects of variable consideration and existence of a significant financing component. There is only one performance obligation in the arrangement and therefore, allocation of transaction price is not required.

Transaction Price - Remaining Performance Obligation

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the Company expects to recognise these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts as the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date.

Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods or service to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Rebates

In some PPAs, the Company provide rebates in invoice if payment is made before the due date. Rebates are offset against amounts payable by the customers. To estimate the variable consideration for the expected future rebate, the Company applies the most likely method.

Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the Statement of Profit and Loss.

d) Foreign currencies

The financial statements are presented in Indian rupees (INR), which is also the functional currency in which the Company operate.

Foreign currency translation

Transactions in foreign currencies are initially recorded by the Company at functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

e) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in India. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. Current income tax assets and liabilities are offset if a legally enforceable right exists to set off these.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:
- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:
- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

In situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961, enacted in India, no deferred tax (asset or liability) is recognised in respect of temporary differences which reverse during the tax holiday period. Deferred taxes in respect of temporary differences which reverse after the tax holiday period are recognised in the period in which the temporary differences originate. However, the Company restrict the recognition of deferred tax assets to the extent that it has become reasonably certain that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

f) Property, plant and equipment

On transition date to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April, 2015 measured as per previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Construction work in progress is stated at cost, net of accumulated impairment loss, if any. Property, plant and equipment except freehold land is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit or loss as incurred. Freehold land is stated at cost net of accumulated impairment losses and is not depreciated.

Subsequent costs

The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item of property, plant and equipment, if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably with the carrying amount of the replaced part getting derecognised. The cost for day-to-day servicing of property, plant and equipment are recognised in statement of profit or loss as and when incurred.

Derecognition

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

g) Depreciation/amortization of property, plant and equipment and intangible assets

Depreciation and amortisation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Category	Life (in years)
Plant and equipment (solar power projects)*	35
Office equipment	5
Furniture and fixture	10
Computers	3

* Based on an external technical assessment, the management believes that the useful lives as given above and residual value of 0%-5%, best represents the period over which management expects to use its assets and its residual value. The useful life of plant and equipment is different from the useful life as prescribed under Part C of Schedule II of Companies Act, 2013.

The residual values, useful lives and methods of depreciation and amortisation of property, plant and equipment and intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

h) Exceptional items

Exceptional items refer to items of income or expense within the income statement from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the company.

i) Inventories

Inventories are valued at the lower of cost and net realisable value. Cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition. Cost is determined on Weighted average basis.

Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

j) Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Borrowing costs consist of interest, discount on issue, premium payable on redemption and other costs that an entity incurs in connection with the borrowing of funds (this cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs). The borrowing costs are amortised basis the Effective Interest Rate (EIR) method over the term of the loan. The EIR amortisation is recognised under finance costs in the Statement of Profit or Loss. The amount amortized for the period from disbursement of borrowed funds upto the date of capitalization of the qualifying assets is added to cost of the qualifying assets.

To the extent, company borrows funds for general purpose and uses them for the purpose of obtaining a qualifying asset, the company determines the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate used is weighted average of the borrowing costs applicable to the borrowings of the company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. In case any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

k) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

i) Right-of-use assets

The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term :

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (l) Impairment of non-financial assets.

ii) Lease liabilities

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

As a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

l) Impairment of non-financial assets

The company assess, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimate the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or company of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre -tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit or Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as an increase in revaluation.

m) Share based payments

Company provides additional benefits to certain members of senior management and employees of the Company and a subsidiary in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

The cost is recognized, together with a corresponding increase in share-based payment reserve in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefit expenses. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the numbers of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for the year represents the movement in cumulative expense recognized as at the beginning and end of that year and is recognized in employee benefit expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other condition attached to an award, but without associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognized for awards that do not ultimately vest because of non-market performance and/or service conditions have not been met. Where awards include a market or non-market condition, the transaction are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service condition are satisfied.

Share based payment cost, to the extent pertaining to the employees of subsidiary, is reduced from employee benefit expenses of the Company and is considered as deemed investment in the form of capital contribution in the subsidiary.

n) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The company recognize contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

The Company operates a defined benefit plan in India, viz., gratuity. The cost of providing benefit under this plan is determined on the basis of actuarial valuation at each year-end carried out using the projected unit cost method.

Remeasurements comprising of actuarial gain and losses, the effect of the asset ceiling, excluding amount recognized in the net interest on the defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats the accumulated leave expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long term compensated absences are determined on the basis of actuarial valuation at each year-end carried out using the projected unit cost method. Remeasurements comprising of actuarial gain and losses are recognized in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. The Company presents the leave as current liability in the balance sheet, to the extent is does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

Past service costs are recognised in Statement of Profit or Loss on the earlier of:
- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:
- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

o) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation.
When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Decommissioning liability

The Company considers constructive obligations and records a provision for decommissioning costs of the wind plants. Decommissioning costs are provided for at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the relevant asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit or loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs, or in the discount rate applied, are added to or deducted from the cost of the asset.

Other equity investments

All other equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a company of similar financial assets) is primarily derecognised when:
- The rights to receive cash flows from the asset have expired, or
- The respective company has transferred their rights to receive cash flows from the asset or have assumed the obligation to pay the received cash flows in full without material delay to a third party under a ‘pass-through’ arrangement; and
- Either the Company has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

When the Company has transferred it's rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the continuing involvement of Company. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.
The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company’s historical credit loss experience and forecast of economic conditions may also not be representative of customer’s actual default in the future.

The application of simplified approach does not require the Company to track changes in credit risk. Rather it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL. The Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.
Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ECL impairment loss allowance (or reversal) during the period is recognised as income / expense in the statement of profit or loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs.
The financial liabilities of the company include trade and other payables, derivative financial instruments, loans and borrowings including bank overdraft.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

p) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as interest rate swaps and call options, to hedge its interest rate risks and foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.
Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.
For the purpose of hedge accounting, hedges are classified as:
- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment
- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment
- Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company’s risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument’s fair value in offsetting the exposure to changes in the hedged item’s fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.
Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

q) Cash and Cash-Equivalents

Cash and short-term deposits in the balance sheet comprise cash at banks and cash in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.
For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short term deposits, as defined above, net of bank overdrafts as they are considered an integral part of the Company's cash management.

r) Measurement of EBITDA

The Company has elected to present earnings before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the Statement of Profit and Loss. The Company measure EBITDA on the basis of profit/ (loss) from continuing operations. In their measurement, the companies include interest income but do not include depreciation and amortisation expense, finance costs and tax expense.

s) Events occurring after the Balance Sheet date

Impact of events occurring after the balance sheet date that provide additional information materially effecting the determination of the amounts relating to conditions existing at the balance sheet date are adjusted to respective assets and liabilities.

The Company does not adjust the amounts recognised in its financial statements to reflect non-adjusting events after the reporting period.

The Company makes disclosures in the financial statement in cases of significant events.

t) Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

u) Earnings per equity share (EPS)

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares and instruments mandatorily convertible into equity shares outstanding during the period.
Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors.

'The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

3.2 New standards, interpretations and amendments

3.2.1 New and amended standards and interpretations adopted by the company
The company applied for the first-time certain standards and amendments, which are effective for annual periods beginning 1 April 2022 (unless otherwise stated) but do not have a material impact on the financial statements of the company. The company has not early adopted any other standard, interpretation or amendment that has been issued but is not yet effective.
The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated 12 March 2022, to amend the following Ind AS which are effective from 1 April 2022.

(a) Onerous Contracts – Costs of Fulfilling a Contract – Amendments to Ind AS 37
The amendments specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a “directly related cost approach”. The costs that relate directly to a contract to provide goods or services include both incremental costs and an allocation of costs directly related to contract activities. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.
These amendments had no impact on the standalone financial statements of the company as there were no onerous contracts.

(b) Reference to the Conceptual Framework – Amendments to Ind AS 103
The amendments replaced the reference to the ICAI’s “Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards” with the reference to the “Conceptual Framework for Financial Reporting under Indian Accounting Standard” without significantly changing its requirements. The amendments also added an exception to the recognition principle of Ind AS 103 Business Combinations to avoid the issue of potential ‘day 2’ gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 Provisions, Contingent Liabilities and Contingent Assets or Appendix C, Levies, of Ind AS 37, if incurred
separately. The exception requires entities to apply the criteria in Ind AS 37 or Appendix C, Levies, of Ind AS 37, respectively, instead of the Conceptual Framework, to determine whether a present obligation exists at the acquisition date.

The amendments also add a new paragraph to Ind AS 103 to clarify that contingent assets do not qualify for recognition at the acquisition date. These amendments had no impact on the standalone financial statements of the company as there were no contingent assets, liabilities and contingent liabilities within the scope of these amendments arisen during the year.

(c) Property, Plant and Equipment: Proceeds before Intended Use – Amendments to Ind AS 16
The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.
These amendments had no impact on the standalone financial statements of the company as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

(d) Ind AS 109 Financial Instruments – Fees in the ’10 per cent’ test for derecognition of financial liabilities
The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other’s behalf. There is no similar amendment proposed for Ind AS 39 Financial Instruments: Recognition and Measurement.

These amendments had no impact on the standalone financial statements of the company as there were no modifications of the company’s financial instruments during the year.

3.2.2 Standards issued but not yet effective
The following new and amended standards and interpretations that are issued, but not yet effective, up to the date of issuance of the financial statements which are not expected to have any material impact on the financial statements of the company are disclosed below:

- Amendments to Ind AS 12 - Deferred Tax related to Assets and Liabilities arising from a Single Transaction (effective from 1 April 2023*)
- Amendments to Ind AS 1 - Disclosure of Accounting Policies (effective from 1 April 2023*)
- Amendments to Ind AS 8 - Definition of Accounting Estimates (effective from 1 April 2023*)
- Amendments to Ind AS 116 - Lease Liability in a Sale and Leaseback (effective from 1 April 2023*)

*Effective for annual periods beginning on or after this date.

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(Amounts in INR millions, unless otherwise stated)

4 Property, plant and equipment

	Freehold Land	Plant and equipment #	Office equipment	Computers	Total Property, plant and equipment	Capital work in progress
Cost						
As at 1 April 2021	102	-	-	-	102	1,560
Additions during the year^	75	13,229	-	0	13,304	11,895
Capitalised during the year	-	-	-	-	-	(13,148)
Adjustment#	-	-		-	-	(307)
As at 31 March 2022	**177**	**13,229**	**-**	**0**	**13,406**	**-**
Additions during the year	7	43	7	-	57	-
Adjustment#	-	16	-	-	16	-
As at 31 March 2023	**184**	**13,288**	**7**	**0**	**13,479**	**-**
Depreciation						
As at 1 April 2021	-	-	-	-	-	-
Charge for the year (refer note 26)	-	215	-	0	215	-
As at 31 March 2022	**-**	**215**	**-**	**0**	**215**	**-**
Charge for the year (refer note 26)	-	360	0	0	360	-
As at 31 March 2023	**-**	**575**	**0**	**0**	**575**	**-**
Net book value						
As at 31 March 2022	**177**	**13,014**	**-**	**0**	**13,191**	**-**
As at 31 March 2023	**184**	**12,713**	**7**	**0**	**12,904**	**-**

Mortgage and hypothecation on Property, plant and equipment:
Property, plant and equipment with a carrying amount of INR 12,904 (31 March 2022; 13,191) are subject to a pari passu first charge to respective lenders for project term loans and debentures as disclosed in Note 15.

#Adjustment during the year pertains to reassessment of asset retirement obligation adjusted in plant and equipment.

^ Capitalised borrowing costs
The amount of borrowing costs capitalised during the year was INR NIL (31 March 2022: 80,748) The rate used to determine the amount of borrowing costs eligible for capitalisation was the effective interest rate of the specific borrowing.

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(Amounts in INR millions, unless otherwise stated)

		Leasehold land
5	**Right of use assets**	
	Cost	
	As at 1 April 2021	216
	Additions during the year	33
	As at 31 March 2022	**249**
	Additions during the year	11
	Adjustment during the year	(5)
	As at 31 March 2023	**255**
	Depreciation	
	As at 1 April 2021	6
	Depreciation charged to profit or loss during the year (refer note 26)	8
	As at 31 March 2022	**14**
	Depreciation charged to profit or loss during the year (refer note 26)	8
	As at 31 March 2023	**22**
	Net book value	
	As at 31 March 2022	**235**
	As at 31 March 2023	**233**

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(Amounts in INR millions, unless otherwise stated)

6 Financial assets

	As at 31 March 2023	As at 31 March 2022
Non-current (unsecured, considered good unless stated otherwise)		
Others		
Security deposits	1	-
Total	**1**	**-**
Current (unsecured, considered good unless stated otherwise)		
Loans		
Considered good - Unsecured		
Loans to related parties (refer note 30)	140	-
Total	**140**	**-**
Others		
Recoverable from related parties (refer note 30)	1,049	1,060
Security deposits	-	6
Interest accrued on fixed deposits	6	3
Interest accrued on loans to related parties (refer note 30)	4	-
Total	**1,059**	**1,069**

Loans or advances to specified persons

	Current period		Previous period	
Type of Borrower	**Amount outstanding**	**% of Total**	**Amount outstanding**	**% of Total**
Promoters	-	-	-	-
Directors	-	-	-	-
KMPs	-	-	-	-
Related Parties	1,193	100%	1,060	100%

Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties.

7 Deferred tax liabilities (net)

Deferred tax relates to the following:

Deferred tax related to items recognised in OCI:

		As at 31 March 2023	As at 31 March 2022
Deferred tax liabilities (gross)			
Difference in WDV as per books of accounts and tax laws		1,929	1,178
Right of Use		59	51
	(a)	**1,988**	**1,229**
Deferred tax related to items recognised in statement of profit and loss:			
Deferred tax assets (gross)			
Losses available for offsetting against future taxable income		1,775	1,124
Lease Liability		57	51
Provision for decommissioning cost		26	21
	(b)	**1,858**	**1,196**
Deferred tax liabilities (net)	**(c) = (a) - (b)**	**130**	**33**

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

	As at 31 March 2023	As at 31 March 2022
Accounting profit before income tax	**344**	**127**
Tax at the India's tax rate of 26%	87	33
Others non- deductible items	0	0
Adjustment of tax relating to earlier years	10	-
At the effective income tax rate	**97**	**33**
Current tax expense reported in the statement of profit and loss	-	-
Deferred tax expense reported in the statement of profit and loss	97	34
	97	**34**

Reconciliation of DTA and DTL (net):

a) For the year ended 31 March 2023

Particulars	Opening balance DTA / (DTL) as at 01-04-2022	Income/(expense) recognised in profit and loss	Income / (expense) recognised in OCI	Closing balance DTA / (DTL) as at 31 March 2023
Difference in written down value as per books of account and tax laws	(1,178)	(751)	-	(1,929)
Losses available for offsetting against future taxable income	1,124	651	-	1,775
Loss on mark to market on derivative instrument	-	-	-	-
Right of use	(51)	(8)	-	(59)
Lease Liability	51	6	-	57
Provision for decommissioning cost	21	5	-	26
	(33)	**(97)**	**-**	**(130)**

(Amounts in INR millions, unless otherwise stated)

b) For the year ended 31 March 2022

Particulars	Opening balance DTA / (DTL) as at 01-04-2021	Income/(expense) recognised in profit and loss	Income / (expense) recognised in OCI	Closing balance DTA / (DTL) as at 31 March 2022
Difference in written down value as per books of account and tax laws	-	(1,178)	-	(1,178)
Losses available for offsetting against future taxable income	-	1,124	-	1,124
Right of use	-	(51)	-	(51)
Lease Liability	-	51	-	51
Provision for decommissioning cost	-	21	-	21
	-	**(33)**	**-**	**(33)**

The Company has unabsorbed depreciation and carried forward losses which arose in India of INR 7,053 (31 March 2022: INR 4,398). The unabsorbed depreciation will be available for offsetting against future taxable profits of the Company.

Out of this, the tax losses that are available for offsetting for 3-4 years against future taxable profits of the Company in which the losses arose are INR : 0 (31 March 2022: 0). The unabsorbed depreciation that will be available for offsetting for against future taxable profits of the companies for indefinitely in which the losses arose are of INR 7,053 (31 March 2022: INR 4,398).

The Company has recognised deferred tax asset of INR 1,775 (31 March 2022: INR 1,124) utilisation of which is dependent on future taxable profits. The future taxable profits are based on projections made by the management considering the power purchase agreement with power procurer.

8 Prepayments	As at 31 March 2023	As at 31 March 2022
Current (unsecured, considered good unless otherwise stated)		
Prepaid expenses	38	8
Total	**38**	**8**

9 Other assets	As at 31 March 2023	As at 31 March 2022
Non-current (unsecured, considered good unless otherwise stated)		
Others		
Capital advance	29	40
Total	**29**	**40**
Current (Unsecured, considered good unless otherwise stated)		
Advances recoverable in cash or kind	3	3
Others	0	-
Total	**3**	**3**

10 Inventories	As at 31 March 2023	As at 31 March 2022
Consumables & Spares	4	-
Total	**4**	**-**

11 Trade receivables	As at 31 March 2023	As at 31 March 2022
Unsecured, considered good	167	175
	167	**175**
Less: Provision for doubtful debts	-	-
Total	**167**	**175**

No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. No any trade or other receivables are due from firms or private companies respectively in which any director is a partner, director or a member.

Trade receivables are non-interest bearing and are generally on terms of 7-60 days.

12 Cash and cash equivalents	As at 31 March 2023	As at 31 March 2022
Cash and cash equivalents		
Balance with bank		
- On current accounts	133	362
- Deposits with original maturity of less than 3 months #	4	-
	137	**362**
Bank balances other than cash and cash equivalents		
Deposits with		
- Remaining maturity for less than twelve months #	432	801
- Remaining maturity for more than twelve months #	-	-
Total	**432**	**801**

#Fixed deposits of INR 315 (31 March 2022: INR NIL) are under lien with various banks for the purpose of Debt Service Reserve Account (DSRA).

The bank deposits have an original maturity period of 61 days to 379 days and carry an interest rate of 3.50% to 6.75% which is receivable on maturity.

(Amounts in INR millions, unless otherwise stated)

13 Equity share capital

Authorised share capital	Number of shares	Amount
Equity shares of INR 10 each		
As at 1 April 2021	35,00,000	35
As at 31 March 2022	35,00,000	35
As at 31 March 2023	35,00,000	35

Issued share capital	Number of shares	Amount
13A Equity shares of INR 10 each issued, subscribed and paid up		
As at 1 April 2021	29,59,444	30
As at 31 March 2022	29,59,444	30
As at 31 March 2023	29,59,444	30

Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. If declared, the company will declare and pay dividends in Indian rupees. In the event of liquidation of a company, the holders of equity shares of such company will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders of the Company.

13B Shares held by the holding Company

	31 March 2023		31 March 2022	
	Number of shares	Amount	Number of shares	Amount
Equity shares of INR 10 each				
ReNew Solar Energy (Jharkand Four) Private Limited (including its nominees)	29,59,444	30	29,59,444	30

13C Details of shareholders holding more than 5% shares in the Company

	31 March 2023		31 March 2022	
	Number of shares	Amount	Number of shares	% Holding
Equity shares of INR 10 each				
ReNew Solar Energy (Jharkand Four) Private Limited (including its nominees)	29,59,444	100%	29,59,444	100%

As per the records of the Company, including its register of shareholders/members the above shareholding represents both legal and beneficial ownerships of shares.

13D No shares have been allotted without payment of cash or by way of bonus shares during the period of five years immediately preceding the balance sheet date.

14 Other equity

14A Securities premium	
As at 1 April 2021	**2,094**
As at 31 March 2022	**2,094**
As at 31 March 2023	**2,094**

Nature and purpose
Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

14B Debenture Redemption Reserve	
As at 1 April 2021	-
Debenture redemption reserve created for the year	168
As at 31 March 2022	**168**
Debenture redemption reserve created for the year	(168)
As at 31 March 2023	-

14C Retained earnings	
As at 1 April 2021	**282**
Profit for the year	129
Appropriation for debenture redemption reserve	(168)
As at 31 March 2022	**243**
Profit for the year	247
Appropriation for debenture redemption reserve	168
As at 31 March 2023	**658**

Nature and purpose

Retained earnings are the profits/(loss) that the Company has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. It is a free reserve available to the Company and eligible for distribution to shareholders, in case where it is having positive balance representing net earnings till date.

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(Amounts in INR millions, unless otherwise stated)

15 Long-term borrowings	**Nominal interest rate %**	**Maturity**	**Non-current**		**Current**	
			31 March 2023	**31 March 2022**	**31 March 2023**	**31 March 2022**
Debentures						
- Non convertible debentures (secured)	7.75%	27-Sep-24	-	9,854	-	106
Term loan from bank (secured)	HSBC Bank - 8.75% Axis Bank - 8.70%	31-Mar-28	7,651	-	229	-
Term loan from financial institutions (secured)	April 2022 to September 2022 - 10.5% October 2022 to March 2023 - 8.75%	31-Mar-43	2,765	-	85	-
Total long-term borrowings			**10,416**	**9,854**	**314**	**106**
Amount disclosed under the head 'Short term borrowings' (Refer note 18)			-	-	(314)	(106)
			10,416	**9,854**	**-**	**-**

Notes:

Details of Security

(i) 7.75% listed, redeemable, Non convertible debentures of INR 1,000,000
The debentures are secured by way of first pari passu charge on the Company's movable assets, current assets, cash accruals including but not limited to current assets, receivables, book debts, cash and bank balances, loans and advances etc. present and future.

Bonds
Senior Secured Bonds are secured by way of exclusive mortgage over immovable properties and exclusive charge by way of hypothecation of tangible and intangible movable assets. Further secured by way of hypothecation over rights and benefit, claims and demands under all the project agreements, letter of credit, insurance contracts and proceeds, guarantees, performance bond etc. of the company. Secondary Charge over the account receivables ,book debts and cash flows.

(ii) Term loan in Indian rupees from banks (Secured)
Secured by pari passu first charge by way of mortgage of all the present and future immovable properties, hypothecation of movable assets, book debt, operating cash flows, receivables, commissions, revenue of whatsoever nature, all bank accounts and all intangibles assets, assignment of all rights, title, interests, benefits, claims etc. of project documents and insurance contracts of the company.

(ii) The facility is covered by corporate guarantee of ReNew Private Limited, the Intermediate Holding Company. The guarantee shall remain valid and in force till all security is created and perfected to the satisfaction of lenders.

(iii) ReNew Solar Energy (Jharkand Four) Private Limited, the holding company has pledged as at 31 March 2023: 2,959,443 shares (31 March 2022: 2,959,443 shares) of the Company to the security trustee on behalf of the lenders.

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(Amounts in INR millions, unless otherwise stated)

16 Long-Term Provisions	**As at 31 March 2023**	**As at 31 March 2022**
Provision for decommissioning costs	106	84
Total	**106**	**84**

	Provision for Decommissioning costs
As At 1 April 2021	-
Arised during the year	84
As At 31 March 2022	**84**
Arised during the year	16
Unwinding of discount and changes in discount rate	6
As At 31 March 2023	**106**

Decommissioning costs
Provision has been recognised for decommissioning costs associated with premises taken on leases wherein the company is committed to decommission the site as a result of construction of wind and solar power projects.

17 Lease liabilities	**As at 31 March 2023**	**As at 31 March 2022**
Non-current		
Lease liabilities (refer note 29)	203	179
Total	**203**	**179**
Current		
Lease liabilities (refer note 29)	20	23
Total	**20**	**23**

18 Short term borrowings	**As at 31 March 2023**	**As at 31 March 2022**
Loan from related party (unsecured) (refer note 30)	182	1,282
Current maturities of long term borrowings (Refer note 15)	314	106
Total	**496**	**1,388**

Loan from related party (unsecured)
Unsecured loan from related party is repayable on demand and carries interest at 8.00% per annum.

19 Trade payables	**As at 31 March 2023**	**As at 31 March 2022**
Current		
Others	895	863
Total	**895**	**863**

Trade Payables aging schedule

As at 31 March 2023

Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	32	53	810	-	**895**
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-

As at 31 March 2022

Particulars	**Less than 1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	53	810	-	-	**863**
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-

20 Other current financial liabilities	**As at 31 March 2023**	**As at 31 March 2022**
Others		
Interest accrued but not due on loans from related party (refer note 30)	36	165
Interest accrued but not due on debentures	-	389
Capital creditors	123	399
Total	**159**	**953**

21 Other current liabilities	**As at 31 March 2023**	**As at 31 March 2022**
Other payables		
TDS payable	17	12
GST payable	0	0
Total	**17**	**12**

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Renew Sun Waves Private Limited
Notes to Financial Statements for the year ended 31 March 2023
(Amounts in INR millions, unless otherwise stated)

22 Revenue from operations	For the year ended 31 March 2023	For the year ended 31 March 2022
Sale of power	1,847	954
Sale of material	1	-
Total	**1,848**	**954**

a) The location for all of the revenue from contracts with customers is India.
b) The timing for all of the revenue from contracts with customers is over time.
c) There are no other material differences between the contracted price and revenue from contracts with customers.

23 Other income	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest income		
- on fixed deposit with banks	52	12
- on loan to related parties (refer note 30)	4	-
- others	-	0
Income from leases	-	17
Insurance claim	9	-
Provisions written back	3	-
Miscellaneous income	5	6
Total	**73**	**35**

24 Cost of raw material and components consumed	For the year ended 31 March 2023	For the year ended 31 March 2022
Cost of raw material and components consumed	1	-
Total	**1**	**-**

25 Other expenses	For the year ended 31 March 2023	For the year ended 31 March 2022
Legal and professional fees	1	2
Corporate social responsibility	4	4
Rent	0	0
Director's commission	0	-
Management shared services	58	34
Rates and taxes	0	1
Payment to auditors *	0	0
Insurance	24	14
Operation and maintenance	138	70
Repair and maintenance		
- plant and machinery	0	-
Advertising and sales promotion	0	-
Communication costs	2	1
Miscellaneous expenses	0	0
Total	**227**	**126**

***Payment to Auditors**	For the year ended 31 March 2023	For the year ended 31 March 2022
As auditor:		
Audit fee	0	0
In other capacity:		
Limited review	0	0
Reimbursement of expenses	0	0
	0	**0**

26 Depreciation and amortization expense	For the year ended 31 March 2023	For the year ended 31 March 2022
Depreciation of property, plant & equipment (refer note 4)	360	215
Depreciation of right of use (refer note 5)	8	8
Total	**368**	**223**

27 Finance costs	For the year ended 31 March 2023	For the year ended 31 March 2022
Interest expense on		
- term loans	3	-
- loan from related party (refer note 30)	88	65
- debentures	823	400
- Lease	22	14
- others	0	3
Bank charges	6	6
Unwinding of discount on provisions	6	3
Unamortised ancillary borrowing cost written off*	33	22
Total	**981**	**513**

* Represents transaction cost on long term borrowings charged to statement of profit & loss on account of derecognition due to substantial modification.

(Amounts in INR millions, unless otherwise stated)

28 Earnings per share (EPS)	**For the year ended 31 March 2023**	**For the year ended 31 March 2022**
The following reflects the profit and share data used for the basic and diluted EPS computations:		
Profit attributable to equity holders for basic earnings	247	129
	247	**129**
Net Profit for calculation of basic EPS	247	129
Weighted average number of equity shares for calculating basic EPS	29,59,444	29,59,444
Basic earnings per share	83.37	43.72
Net Profit for calculation of diluted EPS	247	129
Weighted average number of equity shares for calculating diluted EPS	29,59,444	29,59,444
Diluted earnings per share	83.37	43.72

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(Amounts in INR millions, unless otherwise stated)

29 Leases

As per Ind AS 116 applicable from 1 April 2019

The Company has entered into leases for its offices and leasehold lands. Lease of offices and lands generally have lease terms of 3 to 35 years.
The weighted average incremental borrowing rate applied to lease liabilities recognised in the balance sheet at the date of initial application is 10.40%.
Set out below are the carrying amounts of lease liabilities and the movements during the period:

Particulars	**For the year ended 31 March 2023**	**For the year ended 31 March 2022**
Opening Balance	202	174
Additions	16	31
Accretion of interest	22	21
Payments	(16)	(24)
Balance as on 31 March 2023	**224**	**202**

Refer note 3.2(a) for approach followed by the Company for transition to Ind AS 116.

a) There are no restrictions or covenants imposed by leases.
b) There are no amounts payable toward variable lease expense recognised for the year ended 31 March 2023.
c) The maturity analysis of lease liabilities are disclosed in note 32.
d) There are no leases which have not yet commenced to which the lessee is committed (if any).

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(Amounts in INR millions, unless otherwise stated)

30 Related party disclosure

a) Names of related parties and related party relationship:

The names of related parties where control exists and / or with whom transactions have taken place during the period and description of relationship as identified by the management are:-

I. Holding Company
ReNew Solar Energy (Jharkand Four) Private Limited

II. Intermediate Holding Company
ReNew Private Limited (formerly known as ReNew Power Private Limited)
ReNew Solar Power Private Limited

III. Ultimate Holding Company
ReNew Energy Global PLC

IV. Key management personnel (KMPs) :
Mr. Sumant Sinha, Chairman and Managing Director of ReNew Private Limited.

V. Fellow Subsidiaries with whom transactions incurred during the year
ReNew Solar Energy (Jharkhand One) Private Limited
ReNew Solar Energy (Jharkand Three) Private Limited
ReNew Solar Energy Private Limited
ReNew Sun Energy Private Limited
ReNew Solar Services Private Limited
Renserv Global Private Limited (formerly known as Renew Services Private Limited)
ReNew Green Energy Private Limited
ReNew Solar Energy (Rajasthan) Private Limited
ReNew Vayu Urja Private Limited (formally known as KCT ReNewable Energy Private Limited)
Ostro Dakshin Power Private Limited
ReNew Solar Energy (Telangana) Private Limited

b) Details of transactions with holding Company:

	ReNew Solar Energy (Jharkand Four) Private Limited	
Particulars	**For the year ended 31 March 2023**	**For the year ended 31 March 2022**
Unsecured loan received	-	219
Unsecured loan refunded to related party	1,100	973
Expenses incurred on behalf of the holding company	-	32
Expenses incurred on behalf of company	-	3
Interest expense on unsecured loan	84	124

c) Details of outstanding balances with holding Company:

	ReNew Solar Energy (Jharkand Four) Private Limited	
Particulars	**As at 31 March 2023**	**As at 31 March 2022**
Unsecured loan payable	128	1,228
Trade Payable	795	795
Interest expense accrued on unsecured loan	32	108

d) Details of transactions with Intermediate Holding Company:

	ReNew Private Limited		ReNew Solar Power Private Limited	
Particulars	**For the year ended 31 March 2023**	**For the year ended 31 March 2022**	**For the year ended 31 March 2023**	**For the year ended 31 March 2022**
Unsecured loan received from related party	-	51	-	3
Unsecured loan given to related party	140	-	-	-
Interest expense on unsecured loan received	4	3	0	0
Interest income on unsecured loan	4	-	-	-
Expenses incurred on behalf of the company	0	0	10	-
Consumable Purchases	-	-	0	-
Purchase of services# (Management shared services)	-	-	47	300

e) Details of outstanding balances with Intermediate Holding Company:

	ReNew Private Limited		ReNew Solar Power Private Limited	
Particulars	**As at 31 March 2023**	**As at 31 March 2022**	**As at 31 March 2023**	**As at 31 March 2022**
Capital Creditors	-	-	16	148
Trade Payable	1	0	0	-
Interest accrued on loan payable	2	56	1	1
Interest income accrued on loan	4	-	-	-
Unsecured loan receivable	140	-	-	-
Unsecured loan payable	51	51	3	3

(Amounts in INR millions, unless otherwise stated)

f) Details of transactions with fellow subsidiaries:

Particulars	ReNew Solar Energy (Jharkhand One) Private Limited		ReNew Solar Energy (Jharkhand Three) Private Limited	
	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2023	For the year ended 31 March 2022
Expenses incurred on behalf of the company	-	0	-	-
EPC Purchase*	70	10,421	-	-
Consumables Sales	1	1	-	-
Consumable Purchases	-	-	1	-
Expenses incurred on behalf of related party	-	-	2	-

*includes EPC Provision of INR 62 (31 March 2022: NIL)

Particulars	ReNew Solar Services Private Limited		ReNew Sun Energy Private Limited	
	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2023	For the year ended 31 March 2022
Expenses incurred on behalf of the company	-	0	-	-
EPC Purchase*	32	852	-	-

*includes EPC Provision of INR 17 (31 March 2022: NIL)

Particulars	ReNew Solar Energy (Rajasthan) Private Limited		ReNew Vayu Urja Private Limited	
	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2023	For the year ended 31 March 2022
Consumable Purchases	2	-	-	-
Expenses incurred on behalf of the company	-	-	0	-

Particulars	Ostro Dakshin Power Private Limited		ReNew Solar Energy (Telangana) Private Limited	
	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2023	For the year ended 31 March 2022
Consumable Purchases	-	-	0	-
Consumable Sales	-	-	1	-
Expenses incurred on behalf of related party	0	-	-	-

Particulars	Renserv Global Private Limited		ReNew Green Energy Private Limited	
	For the year ended 31 March 2023	For the year ended 31 March 2022	For the year ended 31 March 2023	For the year ended 31 March 2022
Expenses incurred on behalf of the company	0	0	-	-
Consumable Sales	-	-	-	0
Consumable Purchases	0	-	-	-
Operation & Maintenance cost	102	54	-	-
Expenses incurred on behalf of related party	0	-	-	-

g) Details of outstanding balances with fellow subsidiaries:

Particulars	ReNew Sol Energy (Jharkhand One) Private Limited		ReNew Solar Energy (Jharkhand Three) Private Limited	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Amount receivable from related parties	1,054	1,060	0	-
Capital Creditor*	62	-	-	-

*includes EPC provision of INR 62 (31 March 2022: NIL)

Particulars	ReNew Solar Services Private Limited		ReNew Sun Energy Private Limited	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Capital Creditors*	39	180	-	-
Amount receivable from related parties	-	-	0	0

*includes EPC provision of INR 17 (31 March 2022: NIL)

Particulars	Renserv Global Private Limited		ReNew Green Energy Private Limited	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Trade Payable	32	53	-	-
Amount receivable from related parties	-	-	0	0

Particulars	ReNew Solar Energy (Rajasthan) Private Limited		ReNew Vayu Urja Private Limited	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Trade Payable	2	-	0	-

Particulars	Ostro Dakshin Power Private Limited		ReNew Solar Energy (Telangana) Private Limited	
	As at 31 March 2023	As at 31 March 2022	As at 31 March 2023	As at 31 March 2022
Amount receivable from related parties	0	-	1	-

h) Compensation of Key management personnel

Remuneration to the key managerial personnel is paid by the holding Company of the company and is allocated between the subsidiary companies as management shared services and is not separately identifiable.

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(Amounts in INR millions, unless otherwise stated)

31 Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the financial instruments of the Company, other than those with carrying amounts that are

	31 March 2023		31 March 2022	
	Carrying value	**Fair value**	**Carrying value**	**Fair value**
Financial assets				
Measured at amortised cost				
Loans	140	140	-	-
Other non current financial assets	1	1	-	-
Trade receivables	167	167	-	-
Cash and cash equivalents	137	137	362	362
Bank balances other than cash and cash equivalents	432	432	801	801
Other current financial assets	1,059	1,059	1,069	1,069
Financial liabilities				
Measured at amortised cost				
Long term borrowings	10,730	7,673	9,960	9,474
Short-term borrowings	182	182	1,282	1,282
Trade payables	895	895	863	863
Other current financial liabilities	159	159	953	953
Lease	224	224	202	202

The management of the Company assessed that cash and cash equivalents, trade receivables, bank balances other than cash and cash equivalents, short term loans, trade payables, short term interest-bearing loans and borrowings, other current financials liabilities and other current financial assets approximate their carrying amounts largely due to the short-term maturities of these instruments.

The financial assets above do not include investments in subsidiaries which are measured at cost in accordance with Ind AS 27 and Ind AS 28

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(Amounts in INR millions, unless otherwise stated)

32 Financial Risk Management objectives and policies

"The Company's principal financial liabilities comprise loans and borrowings, trade and other payables.
The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include loans, trade and other receivables, and cash & cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a various sub committees that advises on financial risks and the appropriate financial risk governance framework for the Company. These committees provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedure and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each risk, which are summarised as below.

Market Risk

Market risk is the risk that the Company's assets and liabilities will be exposed to due to a change in market prices that determine the valuation of these financial instruments. Market risk comprises 3 types of risk: interest rate risk, currency risk and other price risk such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings and deposits..

The sensitivity analyses in the following sections relate to the position as at 31 March 2023. The sensitivity analyses have been prepared on the basis that the amount of net debt and the ratio of fixed to floating interest rates of the debt are all constant as at 31 March 2023.

Interest rate Risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk primarily from the external borrowings that are used to finance their operations. The Company also monitors the changes in interest rates and actively re finances its debt obligations to achieve an optimal interest rate exposure.

Interest Rate Sensitivity

The following table demonstrates the sensitivity to a reasonable possible change in interest rates on financial liabilities, i.e. floating interest rate of borrowings in INR. With all other variables held constant, the Company's profit before tax is affected through the impact on loans and borrowings, as follows:

	31-Mar-23		**31 March 2022**	
	Increase/decrease in basis points	**Effect on profit before tax**	**Increase/decrease in basis points**	**Effect on profit before tax**
INR	+/(-)50	(-)/+ 202	N.A.	N.A.
	Increase/decrease in basis points	**Effect on equity**	**Increase/decrease in basis points**	**Effect on equity**
INR	+/(-)50	(-)/+ 151	NA	NA

Foreign Currency Risk:

Foreign Currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Company does not have any foreign currency exposures as on 31 March 2023. In case of foreign currency exposures, the Company monitors that the hedges do not exceed the underlying foreign currency exposure. The Company does not undertake any speculative transactions.

Credit risk

Credit risk is the risk that the power procurer will not meet their obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from their operating activities (primarily trade receivables) and from its financing activities but this credit risk exposure is insignificant given the fact that substantially whole of the revenues are from state utilities/government entities.

Further the Company sought to reduce counterparty credit risk under long-term contracts in part by entering into power sales contracts with utilities or other customers of strong credit quality and we monitor their credit quality on an on going basis.

The maximum credit exposure to credit risk for the components of the statement of financial position at 31 March 2023.

Trade receivables

Customer credit risk is managed basis established policies of the Company, procedures and controls relating to customer credit risk management. Outstanding customer receivables are regularly monitored. The Company does not hold collateral as security. The Company has majorly state utilities/government entities as its customers with high credit worthiness and therefore the Company does not see any significant risk related to credit.

The trade receivable balances of the Company are evenly spread over customers.

The credit quality of the customers is evaluated based on their credit ratings and other publicly available data.

The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment and impairment analysis is performed at each reporting date to measure expected credit losses. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Company’s trade receivables using a provision matrix:

Trade Receivables Ageing Schedule

As at 31 March 2023

Particulars	**Not due**	**Unbilled dues**	**Less than 6 months**	**6 months -1 year**	**1-2 years**	**2-3 years**	**More than 3 years**	**Total**
(i) Undisputed Trade receivables – considered good	-	-	-	-	-	-	-	-
(ii) Undisputed Trade Receivables	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables –	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables –	-	-	-	-	-	-	-	-
(vii) Unbilled dues	167	-	-	-	-	-	-	167
Gross carrying amount	**167**	**-**	**-**	**-**	**-**	**-**	**-**	**167**
Expected credit loss	-	-	-	-	-	-	-	-

As at 31 March 2022

Particulars	Not due	Unbilled dues	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	-	-	-	-	-	-	-	-
(ii) Undisputed Trade Receivables	-	-	-	-	-	-	-	-
(iii) Undisputed Trade Receivables	-	-	-	-	-	-	-	-
(iv) Disputed Trade Receivables–	-	-	-	-	-	-	-	-
(v) Disputed Trade Receivables –	-	-	-	-	-	-	-	-
(vi) Disputed Trade Receivables –	-	-	-	-	-	-	-	-
(vii) Unbilled dues	175	-	-	-	-	-	-	175
Gross carrying amount	**175**	**-**	**-**	**-**	**-**	**-**	**-**	**175**
Expected credit loss	-	-	-	-	-	-	-	-

Other financial assets

Credit risk from other financial assets including loans is managed basis established policies of Company, procedures and controls relating to customer credit risk management. Outstanding receivables are regularly monitored. The Company does not hold collateral as security.

Financial instruments and credit risk

Credit risk from balances with banks is managed by company's treasury department. Investments, in the form of fixed deposits, loans and other investments, of surplus funds are made only with banks & company companies and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed on an annual basis by the Company, and may be updated throughout the year subject to approval of company's finance committee. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

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(Amounts in INR millions, unless otherwise stated)

Liquidity Risk

Liquidity risk is the risk that the Company will encounter in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The approach of the Company to manage liquidity is to ensure , as far as possible, that these will have sufficient liquidity to meet their respective liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risk damage to their reputation.

The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The Company rely mainly on long-term debt obligations to fund their construction activities. To the extent available at acceptable terms, utilized non-recourse debt to fund a significant portion of the capital expenditures and investments required to construct and acquire our wind and solar power plants and related assets. The Company's non-recourse financing is designed to limit default risk and is a combination of fixed and variable interest rate instruments. In addition, the debt is typically denominated in the currency that matches the currency of the revenue expected to be generated from the benefiting project, thereby reducing currency risk. The majority of non-recourse debt is funded by banks and financial institutions, with debt capacity supplemented by unsecured loan from related party.

The table below summarizes the maturity profile of financial liabilities of Company based on contractual undiscounted payments:

Year ended 31 March 2023	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings (other than preference shares)						
Term loan from banks*	-	-	-	10,186	-	**10,186**
Loans from financial institutions*	-	-	-	1,317	3,978	**5,295**
Short term borrowings						
Current maturities of long term borrowings*	-	315	940	-	-	**1,255**
Loans from related party	182	-	-	-	-	**182**
Other financial liabilities						
Lease Liabilities	-	6	14	86	588	**694**
Interest accrued but not due on borrowings	36	-	-	-	-	**36**
Capital Creditors	117	6	-	-	-	**123**
Trade payables						
Trade payables	895	-	-	-	-	**895**

* Including future interest payments.

The Company expect liabilities with current maturities to be repaid from net cash provided by operating activities of the entity to which the debt relates or through opportunistic refinancing activity or some combination thereof.

The Company rely mainly on long-term debt obligations to fund their construction activities. To the extent available at acceptable terms, utilized non-recourse debt to fund a significant portion of the capital expenditures and investments required to construct and acquire our wind and solar power plants and related assets. The Company's non-recourse financing is designed to limit default risk and is a combination of fixed and variable interest rate instruments. In addition, the debt is typically denominated in the currency that matches the currency of the revenue expected to be generated from the benefiting project, thereby reducing currency risk. The majority of non-recourse debt is funded by banks and financial institutions, with debt capacity supplemented by unsecured loan from related party.

Year ended 31 March 2022	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings (other than preference shares)						
Non convertible debentures*	-	-	-	11,023	-	**11,023**
Short term borrowings						
Current maturities of long term borrowings*	-	194	713	-	-	**907**
Loans from related party	1,282	-	-	-	-	**1,282**
Other financial liabilities						
Lease Liabilities	-	9	14	83	582	**688**
Interest accrued but not due on borrowings	165	-	-	-	-	**165**
Interest accrued but not due on debentures	-	389	-	-	-	**389**
Capital Creditors	148	251	-	-	-	**399**
Trade payables						
Trade payables	863	-	-	-	-	**863**

* Including future interest payments.

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(Amounts in INR millions, unless otherwise stated)

33 Segment Information

The Chairman and Managing Director of ReNew Private Limited (Intermediate Holding Company) takes decision in respect of allocation of resources and assesses the performance basis the reports/ information provided by functional heads and is thus considered to be Chief Operating Decision Maker.

The Company's activities revolve around renewable power generation and other ancillary activities. Considering the nature of Company's business, as well as based on review of operating results by the Chief Operating Decision Maker to make decisions about resource allocation and performance measurement, there is only one reportable business segment in accordance with the requirements of Ind AS - 108 - "Operating Segments".

34 Corporate social responsibility expenditure

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities as follows :-

1) Sanitation & making available safe drinking water- Construction of toilets, Bore-well, well, Tube-well etc.
2) Empowering women through SHGs (self-help company) and creating income generation activities for the women like stitching and tailoring, goatery, backyard
3) Ensuring environmental sustainability- animal welfare Plantation, environment awareness,
4) Animal Welfare-Animal health camp, Para –vet training
5) Education awareness, Remedial classes for weak students etc.
6) Health and Hygiene- Health camps in the community, cleanliness drive to create awareness.
7) Sports Training- Sports training camps in community
8) Education facility improvement- Construction of Solar power plant in schools
9) Contribution to the Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund.

A CSR committee has been formed by the Company as per the Act. The funds were utilised on above mentioned activities which are specified in Schedule VII of the Companies Act, 2013.

(a) Gross amount required to be spent by the Company during the year is INR 4 (31March 2022: 4).
(b) Amount spent during the year on:

List of CSR activities	In Cash	Yet to be paid	Total
Construction / Acquisition of any asset	Nil	Nil	Nil
Activities relating to:			
Current year	4	-	4
Previous year	4	-	4

(c) Details related to spent / unspent obligations:

Particulars	31-Mar-23	31-Mar-22
i) Contribution to Prime Minister Care Fund	-	-
ii) Contribution to other than ongoing projects	4	4
iii) Unspent amount	-	-
	4	**4**

(d) Disclosure for excess amount spent during the year as required by Section135(5) of Companies Act:

Opening Balance	Amount required to be spent during the year	Amount spent during the year	Closing Balance
-	4	4	-

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35 Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the accounting policies management has made certain judgements, estimates and assumptions. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based their assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

A) Estimates and assumptions:

Related party transactions

ReNew Private Limited along with all its subsidiaries hereinafter collectively referred to as 'the company' have entered into inter-company transactions as explained in note no 30

Management Shared Services

Employee benefit costs and other common expenses are incurred by the Ultimate Holding Company & Holding Company. These expenses are allocated to all the entities of the company in the form of 'Management Shared Services'. Allocation of cost to the entities involves various estimates including retention, allocation of cost for projects under construction vis-a-vis operating projects, profit mark-up which are assessed through an external expert.

Inter-company unsecured loan

The company uses unsecured loans to fund requirements of various entities. These loans carry interest rate higher than a return expected from 3-year government bond yield.

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36 Capital management

For the purpose of the capital management, capital includes issued equity capital, compulsorily convertible debentures, compulsorily convertible preference shares, Securities premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants.

To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitor capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings and other payables, less cash and short-term deposits. The Company systematically evaluates opportunities for managing its assets including that of buying new assets, partially or entirely sell existing assets and potential new joint ventures. Crystallisation of any such opportunity shall help the Company in improving the overall portfolio of assets, cash flow management and shareholder returns.

The policy of the Company is to keep the gearing ratio of the power project to 3:1 during the construction phase and aim to enhance it to 4:1 post the construction phase. This is in line with the industry standard ratio. The current gearing ratios of the various projects in the Company is between 3:1 to 4:1.

In order to achieve this overall objective, the capital management of the Company, amongst other things, aims to ensure that they meet financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2023 and 31 March 2022.

37 Commitments Liabilities and Contingencies
(to the extent not provided for)

(i) Contingent liabilities
As at 31 March 2023, the Company has no contingent liabilities (31 March 2022: INR NIL).

(ii) Commitments:
Estimated amount of contracts remaining to be executed on capital account and not provided for
As at 31 March 2023, the Company has no capital commitment (net of advances) pertaining to commissioning of wind and energy projects (31 March 2022: INR NIL).

38 Details of dues to Micro, Small and Medium Enterprises as defined under the MSMED Act, 2006

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2 October 2006, certain disclosure are required to be made relating to Micro, Small and Medium Enterprises. On the basis of the information and records available with the management, there are no outstanding dues to the Micro, Small and Medium Enterprises development Act, 2006.

Particulars	As at 31 March 2023	As at 31 March 2022
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year/period	Nil	Nil
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year/period	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year/period) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year/period; and	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	Nil	Nil

39 Absolute amounts less than INR 500 are appearing in the financial statements as "0" due to presentation in thousands.

40 Ratio Analysis and its elements

Ratio	Numerator	Denominator	31-Mar-23	31-Mar-22	% change	Reason for Variance
Current Ratio	Current Assets	Current Liabilities	1.25	0.75	67%	Due to decrease in short term borrowings.
Debt-Equity Ratio	Total Debt	Shareholder's Equity	3.92	4.43	-12%	No major changes.
Debt Service Coverage Ratio	Earning for debt Service=Net Profit after taxes +non cash operating expenses+interest	Debt Service=Interest & lease payment +Principle repayments	0.12	0.69	-83%	Due to payment of interest and repayment of borrowing
Return on Equity Ratio	Net Profit after taxes -preference dividend	Average shareholder equity	0.09	0.07	34%	Due to increase in profit as compare to equity
Inventory Turnover Ratio	Cost of Goods Sold	Average Inventory	0.47	N.A	N.A	N.A.
Trade Recievables Turnover Ratio	Net Credit Sales=Gross Credit sales-sales return	Average Trade Recievables	10.82	10.91	-1%	No major changes.
Trade Payable Turnover Ratio	Net Credit Purchases=Gross Credit purchases- purchase return	Average Trade Payables	N.A	N.A	N.A	N.A.
Net Capital Turnover Ratio	Net Sales= Total Sales-sales return	Working Capital=Current assets - Current liabilties	4.69	(1.16)	304%	Due to increase in sales and decrease in short term borrowings.
Net Profit Ratio	Net Profit	Net Sales= Total Sales -Sales Return	0.13	0.14	-2%	No major changes.
Return on Capital employed	Earnings before interest and taxes	Capital employed=Tangible net worth+Total Debt+deferred tax liability	0.09	0.04	94%	Due to increase in EBIT and decrease in short term borrowings.
Return on Investment	Interest (finance Income)	Investment	N.A	N.A	N.A	N.A.

As per our report of even date
For B D G & CO LLP
ICAI Firm Registration No.: 119739W/W100900
Chartered Accountants

Jitendra Kumar Bansal
Digitally signed by Jitendra Kumar Bansal
Date: 2023.09.04 15:56:43 +05'30'

Jitendra Kumar Bansal
Partner
Membership No.: 525909
Place: Gurugram
Date: 04 September 2023

For and on behalf of the
Renew Sun Waves Private Limited

Rahul Bhardwaj
Digitally signed by Rahul Bhardwaj
Date: 2023.09.04 15:30:57 +05'30'

Parul Agrawal
Digitally signed by Parul Agrawal
Date: 2023.09.04 15:44:35 +05'30'

Rahul Bhardwaj
Director
DIN- 10266468
Place: Gurugram
Date: 04 September 2023

Parul Agrawal
Director
DIN- 08452687
Place: Gurugram
Date: 04 September 2023

INDEPENDENT AUDITOR'S REPORT

To The Members of **ReNew Sun Waves Private Limited**

Report on the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS financial statements of **ReNew Sun Waves Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss, including the Statement of Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and Notes to the Financial Statements and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as 'Standalone Ind AS Financial Statements').

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rule, 2015, as amended, ("Ind AS") and other principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022 and the Statement of Profit and Loss and other comprehensive income, changes in equity and its Cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143 (10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Information Other than the Standalone Ind AS Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Director's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

B D G & ASSOCIATES * Chartered Accountants * FRN:119739W

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

Based on the work we have performed, we conclude that there is no material misstatement of this other information, which we are required to report. We have nothing to report in this regard.

Management's Responsibilities for the Standalone Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements to give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors is also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Standards on Auditing will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we have exercised professional judgment and maintained professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and have obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020, issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act (hereinafter referred to as the "Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the **"Annexure A"** a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. **(A)** As required by Section 143(3) of the Act, 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.

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(b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

(c) The Balance Sheet, the Statement of Profit and Loss, the Statement of Cash Flows and the Statement of changes in equity dealt with by this Report are in agreement with the books of account.

(d) In our opinion, the aforesaid Standalone Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

(e) On the basis of the written representations received from the directors as on March 31, 2022, taken on record by the Board of Directors, none of the directors are disqualified as on March 31, 2022, from being appointed as a director in terms of Section 164(2) of the Act.

(f) Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting, refer to our separate Report in **"Annexure B"**.

(B) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us:

(i) The Company does not have any pending litigations as at March 31, 2022, which would impact its financial position.

(ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts.

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company in accordance with section 124(5) of The Companies Act, 2013 and Rules there under.

(iv)

a. The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

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b. The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Party or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under subclause (iv) contain any material mis-statement.

(v) The company has not declared or paid any dividend during the year; hence compliance of Section 123 of companies Act is not applicable.

For B D G & Associates
Firm Registration Number: 119739W
Chartered Accountants

B D G & ASSOCIATES FRN: 119739W Chartered Accountants

Jitendra Bansal
Partner
Membership Number: 525909
UDIN: 22525909AJTVIC2738
Place: Gurugram
Date: 27th May 2022

Annexure A to Independent Auditors' Report

Referred to in Paragraph 1 of the Independent Auditors' Report of even date to the members of **ReNew Sun Waves Private Limited** on the Standalone Ind AS financial statements for the year ended March 31, 2022.

I.

a) (i) The Company is generally maintaining proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
(ii) The Company has not capitalized any Intangible Assets in the books of the company, accordingly requirement to report on Clause 3(i)(b) of the Order is not applicable to the Company.

b) The fixed assets of the company have been physically verified by the management during the year and no material discrepancies have been noticed on such verification.

c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties (other than immovable properties where the Company is the lessee and the lease agreements are duly executed in favor of the lessee) disclosed in the standalone financial statements are held in the name of the Company.

d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its Property, plant and equipment (including Right-of-use assets) or Intangible assets or both during the year.

e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made there under.

II.

a) The Company is in the business of power generation, and consequently, does not hold any inventory. Accordingly, requirement to report on Clause 3(ii)(a) of the Order is not applicable to the Company.

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned any working capital limits on the basis of security of current assets; Accordingly, Clause 3(II)(b) is not applicable to the company.

III. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any investments, provided guarantee or security or granted any advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or any other parties during the year.

IV. According to the information and explanations given to us and on the basis of our examination of the records, the Company has not given any loans, or provided any guarantee or security as specified under Section 185 of the Companies Act, 2013 and the Company has not provided any guarantee or security as specified under Section 186 of the Companies Act, 2013.

V. The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.

VI. According to the information and explanations given to us, the requirements of maintenance of cost records under Section 148(1) of the Companies Act, 2013 is not applicable on to the company hence clause 3(vi) of the Order is not applicable.

VII.

(a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-tax, Duty of Customs, Cess and other material statutory dues have generally been regularly deposited with the appropriate authorities.

(b) According to the information and explanations given to us, no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-tax, Duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2022 for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us and records examined by us, there are no outstanding disputed dues in respect of Sale Tax, Service Tax, Goods & Service Tax, duty on Custom, Value Added Tax Goods, Income Tax and Service Tax, Cess and other material statutory dues, as applicable, with the appropriate authorities.

VIII. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

IX.

a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company have not defaulted on any loans or borrowings from lender during the year.

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.

c) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that term loans have, prima facie, been used for the purpose for which the loans were obtained by the Company.

d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, we report that the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(e) of the Order is not applicable.

f) According to the information and explanations given to us and procedures performed by us, we report that the Company has not raised loans during the year on the pledge of securities held in its subsidiaries as defined under the Companies Act, 2013. Accordingly, clause 3(ix)(f) of the Order is not applicable.

X.

a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.

b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.

XI.

(a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.

(b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

(c) We have taken into consideration the whistle blower complaints received by the Company during the year while determining the nature, timing and extent of our audit procedures.

XII. As the Company is not a Nidhi Company and hence the provisions of Clause 3 (xii) of the Order are not applicable to the Company.

XIII. In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the standalone financial statements as required by the applicable Indian Accounting Standards.

XIV. Based on information and explanations provided to us and our audit procedures, in our opinion, the internal audit system is not applicable on the company, the provisions of Clause 3 (xiv) of the Order are not applicable to the Company.

XV. In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.

XVI.

(a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.

(b) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(b) of the Order is not applicable.

(c) According to the information and explanations provided to us during the course of audit, the Group does not have any CIC. Accordingly, the requirements of clause 3(xvi)(c) are not applicable.

XVII. The Company has not incurred any cash losses in the current and immediately preceding financial year.

XVIII. There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

XIX. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

XX. The company does not have any unspent amount of CSR. Accordingly, clause 3(xx) (a) and (b) are not applicable to the entity.

For B D G & Associates
Firm Registration Number: 119739W
Chartered Accountants

B D G & ASSOCIATES FRN: 119739W Chartered Accountants

Jitendra Bansal
Partner
Membership Number: 525909
Place: Gurugram
Date: 27th May 2022

Annexure B to Independent Auditors' Report

Referred to in paragraph 2 (f) of the Independent Auditors' Report of even date to the members **ReNew Sun Waves Private Limited** on the Standalone Ind AS financial statements for the year ended March 31, 2022;

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

We have audited the internal financial controls over financial reporting of **ReNew Sun Waves Private Limited** ("the Company") as of March 31, 2022 in conjunction with our audit of the Standalone Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibilities for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing prescribed under section 143(10) of the Act to the extent applicable to an audit of internal financial controls, as issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Standalone Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

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Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Standalone Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

(a) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
(b) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of Standalone Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
(c) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the Standalone Ind AS financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For B D G & Associates
Firm Registration Number: 119739W
Chartered Accountants

B D G & ASSOCIATES FRN:119739W Chartered Accountants

Jitendra Bansal
Partner
Membership Number: 525909
Place: Gurugram
Date: 27th May 2022

Renew Sun Waves Private Limited
Balance Sheet as at 31 March 2022
(Amounts in INR thousands, unless otherwise stated)

	Notes	As at 31 March 2022	As at 31 March 2021
Assets			
Non-current assets			
Property, plant and equipment	4	1,31,91,217	1,02,260
Capital work in progress	4	-	15,59,703
Right of use assets	5	2,36,008	2,10,785
Non current tax assets (net)		39,685	597
Other non-current assets	9	39,991	42,67,914
Total non-current assets		**1,35,06,901**	**61,41,259**
Current assets			
Financial assets			
Trade receivables	10	1,74,841	-
Cash and cash equivalent	11	3,62,281	13,187
Bank balances other than cash and cash equivalent	11	8,00,800	29,500
Others	6	10,69,344	440
Prepayments	8	8,378	335
Other current assets	9	2,627	55
Total current assets		**24,18,271**	**43,517**
Total assets		**1,59,25,172**	**61,84,776**
Equity and liabilities			
Equity			
Equity share capital	12A	29,594	29,594
Other equity			
Securities premium	13A	20,94,105	20,94,105
Debenture redemption reserve	13C	1,67,611	-
Retained earnings	13D	2,45,074	2,82,301
Total equity		**25,36,384**	**24,06,000**
Non-current liabilities			
Financial liabilities			
Long-term borrowings	14	98,54,283	-
Lease liabilities	16	1,78,550	1,59,591
Long-term provisions	15	84,475	-
Deferred tax liabilities (net)	7	32,825	-
Total non-current liabilities		**1,01,50,133**	**1,59,591**
Current liabilities			
Financial liabilities			
Short-term borrowings	17	13,87,551	19,81,900
Trade payables			
Total outstanding dues to micro enterprises and small enterprises	18	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	18	8,62,994	1,149
Lease liabilities	16	23,020	14,878
Other current financial liabilities	19	9,52,635	15,77,522
Other current liabilities	20	12,455	23,435
Current tax liabilities (Net)		-	20,301
Total current liabilities		**32,38,655**	**36,19,185**
Total liabilities		**1,33,88,788**	**37,78,776**
Total equity and liabilities		**1,59,25,172**	**61,84,776**

Summary of significant accounting policies 3.1

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For B D G & Associates
ICAI Firm Registration No.: 119739W
Chartered Accountants

Jitendra Kumar Bansal
Partner
Membership No.: 525909
Place: Gurugram
Date: 27 May 2022

B D G & ASSOCIATES FRN:119739W Chartered Accountants

For and on behalf of the
Renew Sun Waves Private Limited

Managing Director
(Rahula Kumar Kashyapa)
DIN- 07637489
Place: Gurugram
Date: 27 May 2022

Director
(Parul Agrawal)
DIN- 08452687
Place: Gurugram
Date: 27 May 2022

Garima Khurana

Company Secretary
(Garima Khurana)
Membership No.: A48862
Place: Gurugram
Date: 27 May 2022

Sun Waves Private Limited

Renew Sun Waves Private Limited
Statement of Profit and Loss for the year ended 31 March 2022
(Amounts in INR thousands, unless otherwise stated)

	Notes	For the year ended 31 March 2022	For the year ended 31 March 2021
Income:			
Revenue from operations	21	9,53,769	-
Other income	22	35,079	4,08,994
Total income		**9,88,848**	**4,08,994**
Expenses:			
Other expenses	23	1,25,975	1,746
Total expenses		**1,25,975**	**1,746**
Earning before interest, tax, depreciation and amortization (EBITDA)		**8,62,873**	**4,07,248**
Depreciation and amortization expense	24	2,22,747	5,534
Finance costs	25	5,12,425	697
Profit before tax		**1,27,701**	**4,01,017**
Tax expense			
Current tax	7	-	1,18,585
Deferred tax	7	32,825	-
Tax for earlier years		(35,508)	-
Profit for the period	**(a)**	**1,30,384**	**2,82,432**
Other comprehensive income (OCI)			
Items that will be reclassified to profit or loss in subsequent periods			
Net movement on cash flow hedges		-	(3,48,053)
Income tax effect		-	90,494
Net other comprehensive income that will be reclassified to profit or loss in subsequent periods	**(b)**	-	(2,57,559)
Total comprehensive income for the period	**(a) + (b)**	**1,30,384**	**24,873**
Earnings per share:			
(face value per share: INR 10)			
(1) Basic	26	44.06	556.84
(2) Diluted		44.06	556.84
Summary of significant accounting policies	3.1		

The accompanying notes are an integral part of the Financial Statements
As per our report of even date

For B D G & Associates
ICAI Firm Registration No.: 119739W
Chartered Accountants

Jitendra Kumar Bansal
Partner
Membership No.: 525909
Place: Gurugram
Date: 27 May 2022

B D G & ASSOCIATES * FRN:119739W * Chartered Accountants

For and on behalf of the
Renew Sun Waves Private Limited

Managing Director
(Rahula Kumar Kashyapa)
DIN- 07637489
Place: Gurugram
Date: 27 May 2022

Director
(Parul Agrawal)
DIN- 08452687
Place: Gurugram
Date: 27 May 2022

Garima Khurana

Company Secretary
(Garima Khurana)
Membership No.: A48862
Place: Gurugram
Date: 27 May 2022

Sun Waves Private Limited

Renew Sun Waves Private Limited
Statement of Changes in Equity for the year ended 31 March 2022
(Amounts in INR thousands, unless otherwise stated)

Particulars	Attributable to the equity holders of the Company					Total equity
		Reserves and Surplus			Items of OCI	
	Equity share capital	Securities premium	Retained earnings	Debenture redemption reserve	Hedge Reserve	
	(refer note 12A)	(refer note 13A)	(refer note 13D)	(refer note 13C)	(refer note 13B)	
At 1 April 2020	100	-	(131)	-	2,57,559	2,57,528
Profit for the year	-	-	2,82,432	-	-	2,82,432
Other comprehensive income	-	-	-	-	(2,57,559)	(2,57,559)
Total comprehensive income	-	-	2,82,432	-	(2,57,559)	24,873
Equity shares issued during the year	29,494	20,94,105	-	-	-	21,23,599
At 31 March 2021	29,594	20,94,105	2,82,301	-	-	24,06,000
Profit for the year	-	-	1,30,384	-	-	1,30,384
Total Comprehensive Income	-	-	1,30,384	-	-	1,30,384
Debenture redemption reserve	-	-	(1,67,611)	1,67,611	-	-
At 31 March 2022	29,594	20,94,105	2,45,074	1,67,611	-	25,36,383

Summary of significant accounting policies 3.1

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For B D G & Associates
ICAI Firm Registration No.: 119739W
Chartered Accountants

Jitendra Kumar Bansal
Partner
Membership No.: 525909
Place: Gurugram
Date: 27 May 2022

B D G & ASSOCIATES FRN:119739W Chartered Accountants

Renew Sun Waves Private Limited

For and on behalf of the
Renew Sun Waves Private Limited

Managing Director
(Rahula Kumar Kashyapa)
DIN- 07637489
Place: Gurugram
Date: 27 May 2022

Director
(Parul Agrawal)
DIN- 08452687
Place: Gurugram
Date: 27 May 2022

Garima Khurana

Company Secretary
(Garima Khurana)
Membership No.: A48862
Place: Gurugram
Date: 27 May 2022

Renew Sun Waves Private Limited
Statement of Cash Flows for the year ended 31 March 2022
(Amounts in INR thousands, unless otherwise stated)

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
Cash flow from operating activities		
Profit before tax	1,27,701	4,01,017
Adjustments for:		
Depreciation and amortisation expense	2,22,747	5,534
Interest income	(12,291)	(78,209)
Interest expense	4,78,823	-
Fair value gain on financial instruments at fair value through profit or loss	-	(3,30,784)
Unwinding of discount on provisions	2,961	-
Unamortised ancillary borrowing cost written off	21,966	-
Operating loss before working capital changes	**8,41,907**	**(2,442)**
Movement in working capital		
(Increase)/decrease in trade receivables	(1,74,841)	-
(Increase)/decrease in other current assets	(2,572)	242
(Increase)/decrease in other current financial assets	(10,65,825)	(89)
(Increase)/decrease in prepayments	(8,043)	6,925
(Increase)/decrease in other non-current assets	2,535	(1,384)
Increase/(decrease) in other current liabilities	(10,979)	19,054
Increase/(decrease) in trade payables	8,61,845	1,047
Cash generated from operations	**4,44,027**	**23,353**
Direct taxes paid (net of refunds)	(23,880)	(98,284)
Net cash generated from operating activities	**4,20,147**	**(74,931)**
Cash flow from investing activities		
Purchase of Property, Plant and Equipment including capital work in progress, capital creditors and capital advances	(84,20,268)	(28,13,393)
Net Investments of bank deposits having residual maturity more than 3 months	(7,71,300)	(29,500)
Interest received	9,211	77,859
Net cash used in investing activities	**(91,82,357)**	**(27,65,034)**
Cash flow from financing activities		
Proceeds from issue of equity shares (including premium) (net of share issue expenses)	-	21,23,600
Proceeds from long-term borrowings	1,00,20,000	-
Proceeds from short-term borrowings	2,72,900	61,05,204
Repayment of short-term borrowings	(9,72,772)	(56,28,114)
Forwards Settlements	-	3,30,784
Lease Payment	(24,320)	(3,995)
Interest paid	(1,84,504)	(81,961)
Net cash generated from financing activities	**91,11,304**	**28,45,518**
Net increase in cash and cash equivalents	**3,49,094**	**5,553**
Cash and cash equivalents at the beginning of the year	**13,187**	**7,634**
Cash and cash equivalents at the end of the year	**3,62,281**	**13,187**
Components of cash and cash equivalents		
Balances with banks:		
- On current accounts	3,62,281	13,187
- On deposit account for more than 3 months and less than 12 months	8,00,800	29,500
	11,63,081	**42,687**
Less: Fixed deposits with original maturity of between 3 months and 12 months	(8,00,800)	(29,500)
Total cash and cash equivalents (note 11)	**3,62,281**	**13,187**

B D G & ASSOCIATES FRN:119739W Chartered Accountants

Sun Waves Private Limited

Renew Sun Waves Private Limited
Statement of Cash Flows for the year ended 31 March 2022
(Amounts in INR thousands, unless otherwise stated)

Changes in liabilities arising from financing activities

Particulars	Opening balance as at 1 April 2021	Cash flows (net)	Other changes	Closing balance as at 31 March 2022
Long-term borrowings (including current maturities and net of ancilliary borrowings cost incurred)	-	99,14,477	-	99,14,477
Short-term borrowings	19,81,900	(6,99,872)	-	12,82,028
Total liabilities from financing activities	**19,81,900**	**92,14,604**	-	**1,11,96,504**

Particulars	Opening balance as at 1 April 2020	Cash flows (net)	Other changes	Closing balance as at 31 March 2021
Short-term borrowings	15,04,810	4,77,090	-	19,81,900
Total liabilities from financing activities	**15,04,810**	**4,77,090**	-	**19,81,900**

Summary of significant accounting policies 3.1

The accompanying notes are an integral part of the Financial Statements

As per our report of even date

For B D G & Associates
ICAI Firm Registration No.: 119739W
Chartered Accountants

Jitendra Kumar Bansal
Partner
Membership No.: 525909
Place: Gurugram
Date: 27 May 2022

B D G & ASSOCIATES FRN:119739W Chartered Accountants

For and on behalf of the
Renew Sun Waves Private Limited

Managing Director
(Rahula Kumar Kashyapa)
DIN- 07637489
Place: Gurugram
Date: 27 May 2022

Director
(Parul Agrawal)
DIN- 08452687
Place: Gurugram
Date: 27 May 2022

Garima Khurana

Company Secretary
(Garima Khurana)
Membership No.: A48862
Place: Gurugram
Date: 27 May 2022

Sun Waves Private Limited Renew

Renew Sun Waves Private Limited
Notes to Financial Statements for the year ended 31 March 2022
(Amounts in INR thousands, unless otherwise stated)

1 General information

Renew Sun Waves Private Limited ('the Company') is a private limited company domiciled in India.The registered office of the Company is located at 138, Ansal Chamber - II Bikaji Cama Place, New Delhi-110066. The Company is carrying out business activities relating to generation of power through non-conventional and renewable energy sources.

The Financial Statements of the Company were authorised for issue by the Company's Board of Directors on 27 May 2022.

2 Basis of preparation

The Company prepared its Financial Statements as per Ind AS prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015, as amended.

The Financial Statements have been prepared using presentation and disclosure requirements of the Schedule III of Companies Act, 2013.

The Financial Statements have been prepared on a historical cost basis, except for the following assets and liabilities which have been measured at fair value:

- Derivative financial instruments
- Financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments)

The accounting policies and estimates adopted in the preparation of Financial Statements are consistent with those used in the annual financial statements for the year ended 31 March 2021 except for changes in accounting policies and disclosures as detailed in note 3.2.

3.1 Summary of Significant Accounting Policies

The following are the significant accounting policies applied by the Company in preparing its financial statements:

a) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification.

An asset is treated as current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is treated as current when it is:

- Expected to be settled in normal operating cycle
- Held primarily for the purpose of trading
- Due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

Deferred tax assets / liabilities are classified as non-current assets / liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realisation / settlement in cash and cash equivalents. The Company has identified twelve months as their operating cycle for classification of their current assets and liabilities.

b) Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each reporting date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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Sun Waves Private Limited ReNew

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The management of the Company determines the policies and procedures for both recurring fair value measurement, such as unquoted financial assets, and for non-recurring measurement, such as assets held for sale.

External valuers are involved for valuation of significant assets, and significant liabilities. Involvement of external valuers is determined annually by the management after discussion with and approval by the Company's Audit Committee. Selection criteria include market knowledge, reputation, independence and whether professional standards are maintained. The management decides, after discussions with the Company's external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the management of the Company analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the accounting policies of the Company.

The management also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

On an interim basis, the management presents the valuation results to the Audit Committee and the Company's independent auditors. This includes a discussion of the major assumptions used in the valuations. For the purpose of fair value disclosures, the Company has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy, as explained above.

This note summarises the accounting policy for determination of fair value. Other fair value related disclosures are given in the relevant notes as following:

• Disclosures for significant estimates and assumptions (refer note 34)
• Quantitative disclosures of fair value measurement hierarchy (refer note 30)
• Financial instruments (including those carried at amortised cost) (refer note 29)

c) Revenue recognition

(i) Revenue from contracts with customers

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. The Company has generally concluded that it is the principal in its revenue arrangements, because it typically controls the goods or services before transferring them to the customer.

a) Sale of power

Income from supply of power is recognised over time on the supply of units generated from plant to the grid as per terms of the Power Purchase Agreement (PPA) entered into with the customers.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price for the sale of power, the Company considers the effects of variable consideration and existence of a significant financing component. There is only one performance obligation in the arrangement and therefore, allocation of transaction price is not required.

Transaction Price - Remaining Performance Obligation

The remaining performance obligation disclosure provides the aggregate amount of the transaction price yet to be recognised as at the end of the reporting period and an explanation as to when the Company expects to recognise these amounts in revenue. Applying the practical expedient as given in Ind AS 115, the Company has not disclosed the remaining performance obligation related disclosures for contracts as the revenue recognized corresponds directly with the value to the customer of the entity's performance completed to date.

Variable consideration

If the consideration in a contract includes a variable amount, the Company estimates the amount of consideration to which it will be entitled in exchange for transferring the goods or service to the customer. The variable consideration is estimated at contract inception and constrained until it is highly probable that a significant revenue reversal in the amount of cumulative revenue recognised will not occur when the associated uncertainty with the variable consideration is subsequently resolved.

Rebates

In some PPAs, the Company provide rebates in invoice if payment is made before the due date. Rebates are offset against amounts payable by the customers. To estimate the variable consideration for the expected future rebate, the Company applies the most likely method.

Interest income

For all debt instruments measured either at amortised cost or at fair value through other comprehensive income, interest income is recorded using the effective interest rate (EIR). EIR is the rate that exactly discounts the estimated future cash payments or receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the gross carrying amount of the financial asset or to the amortised cost of a financial liability. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses. Interest income is included in finance income in the Statement of Profit and Loss.

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d) Foreign currencies

The financial statements are presented in Indian rupees (INR), which is also the functional currency in which the Company operate.

Foreign currency translation

Transactions in foreign currencies are initially recorded by the Company at functional currency spot rates at the date the transaction first qualifies for recognition. Monetary assets and liabilities denominated in foreign currencies are translated at the functional currency spot rates of exchange at the reporting date. These are recognised in OCI until the net investment is disposed of, at which time, the cumulative amount is reclassified to profit or loss. Tax charges and credits attributable to exchange differences on those monetary items are also recognised in OCI.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined.

The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

e) Taxes

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in India. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate. Current income tax assets and liabilities are offset if a legally enforceable right exists to set off these.

Deferred tax

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax liabilities are recognised for all taxable temporary differences, except:

- When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss.
- In respect of taxable temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised except:

- When the deferred tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss
- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interests in joint ventures, deferred tax assets are recognised only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable profit will be available against which the temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

In situations where the Company is entitled to a tax holiday under the Income-tax Act, 1961, enacted in India, no deferred tax (asset or liability) is recognised in respect of temporary differences which reverse during the tax holiday period. Deferred taxes in respect of temporary differences which reverse after the tax holiday period are recognised in the period in which the temporary differences originate. However, the Company restrict the recognition of deferred tax assets to the extent that it has become reasonably certain that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in OCI or equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

f) Property, plant and equipment

On transition date to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April, 2015 measured as per previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Construction work in progress is stated at cost, net of accumulated impairment loss, if any. Property, plant and equipment except freehold land is stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit or loss as incurred. Freehold land is stated at cost net of accumulated impairment losses and is not depreciated.

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Renew Sun Waves Private Limited

Renew Sun Waves Private Limited
Notes to Financial Statements for the year ended 31 March 2022
(Amounts in INR thousands, unless otherwise stated)

Subsequent costs
The cost of replacing a part of an item of property, plant and equipment is recognised in the carrying amount of the item of property, plant and equipment, if it is probable that the future economic benefits embodied within the part will flow to the Company and its cost can be measured reliably with the carrying amount of the replaced part getting derecognised. The cost for day-to-day servicing of property, plant and equipment are recognised in statement of profit or loss as and when incurred.

Derecognition
An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal (i.e., at the date the recipient obtains control) or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised.

Gains or losses arising from de-recognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

g) Depreciation/amortization of property, plant and equipment and intangible assets

Depreciation and amortisation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Category	Life (in years)
Plant and equipment (solar power projects)*	35
Office equipment	5
Furniture and fixture	10
Computers	3

* Based on an external technical assessment, the management believes that the useful lives as given above and residual value of 0%-5%, best represents the period over which management expects to use its assets and its residual value. The useful life of plant and equipment is different from the useful life as prescribed under Part C of Schedule II of Companies Act, 2013.

The residual values, useful lives and methods of depreciation and amortisation of property, plant and equipment and intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate.

h) Exceptional items
Exceptional items refer to items of income or expense within the income statement from ordinary activities which are non-recurring and are of such size, nature or incidence that their separate disclosure is considered necessary to explain the performance of the company.

i) Borrowing costs
Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale. Borrowing costs consist of interest, discount on issue, premium payable on redemption and other costs that an entity incurs in connection with the borrowing of funds (this cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs). The borrowing costs are amortised basis the Effective Interest Rate (EIR) method over the term of the loan. The EIR amortisation is recognised under finance costs in the Statement of Profit or Loss. The amount amortized for the period from disbursement of borrowed funds upto the date of capitalization of the qualifying assets is added to cost of the qualifying assets.

To the extent, company borrows funds for general purpose and uses them for the purpose of obtaining a qualifying asset, the company determines the amount of borrowing costs eligible for capitalisation by applying a capitalisation rate to the expenditures on that asset. The capitalisation rate used is weighted average of the borrowing costs applicable to the borrowings of the company that are outstanding during the period, other than borrowings made specifically for the purpose of obtaining a qualifying asset. In case any specific borrowing remains outstanding after the related asset is ready for its intended use or sale, that borrowing becomes part of the funds that an entity borrows generally when calculating the capitalisation rate on general borrowings. The Company treats as part of general borrowings any borrowing originally made to develop a qualifying asset when substantially all of the activities necessary to prepare that asset for its intended use or sale are complete.

j) Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

i) Right-of-use assets
The Company recognises right-of-use assets at the commencement date of the lease (i.e., the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the lease term :

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset.

The right-of-use assets are also subject to impairment. Refer to the accounting policies in section (m) Impairment of non-financial assets.

ii) Lease liabilities
At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including insubstance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

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Renew Sun Waves Private Limited

iii) Short-term leases and leases of low-value assets

The Company applies the short-term lease recognition exemption to its short-term leases (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

As a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognised on a straight-line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

k) Impairment of non-financial assets

The company assess, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the company estimate the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating units (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or group of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre -tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculations, which are prepared separately for each of the Company's CGUs to which the individual assets are allocated. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long-term growth rate is calculated and applied to project future cash flows after the fifth year. To estimate cash flow projections beyond periods covered by the most recent budgets/forecasts, the Company extrapolates cash flow projections in the budget using a steady or declining growth rate for subsequent years, unless an increasing rate can be justified. In any case, this growth rate does not exceed the long-term average growth rate for the products, industries, or country or countries in which the entity operates, or for the market in which the asset is used.

Impairment losses of continuing operations, including impairment on inventories, are recognised in the statement of profit and loss.

For assets excluding goodwill, an assessment is made at each reporting date to determine whether there is an indication that previously recognised impairment losses no longer exist or have decreased. If such indication exists, the company estimates the asset's or CGU's recoverable amount. A previously recognised impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognised. The reversal is limited so that the carrying of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognised for the asset in prior years. Such reversal is recognised in the Statement of Profit or Loss unless the asset is carried at a revalued amount, in which case, the reversal is treated as an increase in revaluation.

l) Share based payments

Company provides additional benefits to certain members of senior management and employees of the Company and a subsidiary in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

Equity-settled transactions

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

The cost is recognized, together with a corresponding increase in share-based payment reserve in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefit expenses. The cumulative expense recognized for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the numbers of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognized as at the beginning and end of that period and is recognized in employee benefit expense.

Service and non-market performance conditions are not taken into account when determining the grant date fair value of awards, but the likelihood of the conditions being met is assessed as part of the Company's best estimate of the number of equity instruments that will ultimately vest. Market performance conditions are reflected within the grant date fair value. Any other condition attached to an award, but without associated service requirement, are considered to be non-vesting conditions. Non-vesting conditions are reflected in the fair value of an award and lead to an immediate expensing of an award unless there are also service and/or performance conditions.

No expense is recognized for awards that do not ultimately vest because of non-market performance and/or service conditions have not been met. Where awards include a market or non-market condition, the transaction are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service condition are satisfied.

Share based payment cost, to the extent pertaining to the employees of subsidiary, is reduced from employee benefit expenses of the Company and is considered as deemed investment in the form of capital contribution in the subsidiary.

m) Retirement and other employee benefits

Retirement benefit in the form of provident fund is a defined contribution scheme. The Company has no obligation, other than the contribution payable to the provident fund. The company recognize contribution payable to the provident fund scheme as an expense, when an employee renders the related service.

The Company operates a defined benefit plan in India, viz., gratuity. The cost of providing benefit under this plan is determined on the basis of actuarial valuation at each year-end carried out using the projected unit cost method.

Remeasurements comprising of actuarial gain and losses, the effect of the asset ceiling, excluding amount recognized in the net interest on the defined benefit liability and the return on plan assets (excluding amounts included in net interest on the net defined benefit liability), are recognized in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods.

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Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short term employee benefit. The Company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Company treats the accumulated leave expected to be carried forward beyond twelve months, as long term employee benefit for measurement purposes. Such long term compensated absences are determined on the basis of actuarial valuation at each year-end carried out using the projected unit cost method. Remeasurements comprising of actuarial gain and losses are recognized in the balance sheet with a corresponding debit or credit to retained earnings through OCI in the period in which they occur. Remeasurements are not reclassified to profit or loss in subsequent periods. The Company presents the leave as current liability in the balance sheet, to the extent is does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Company has unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

Past service costs are recognised in Statement of Profit or Loss on the earlier of:
- The date of the plan amendment or curtailment, and
- The date that the Company recognises related restructuring costs

Net interest is calculated by applying the discount rate to the net defined benefit liability or asset. The Company recognises the following changes in the net defined benefit obligation as an expense in the Statement of Profit and Loss:
- Service costs comprising current service costs, past-service costs, gains and losses on curtailments and non-routine settlements; and
- Net interest expense or income

n) Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Decommissioning liability

The Company considers constructive obligations and records a provision for decommissioning costs of the wind plants. Decommissioning costs are provided for at the present value of expected costs to settle the obligation using estimated cash flows and are recognised as part of the cost of the relevant asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognised in the statement of profit or loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs, or in the discount rate applied, are added to or deducted from the cost of the asset.

Other equity investments

All other equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The company makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the P&L.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily derecognised when:
- The rights to receive cash flows from the asset have expired, or
- The respective Group has transferred their rights to receive cash flows from the asset or have assumed the obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and
- Either the Company has transferred substantially all the risks and rewards of the asset, or has neither transferred nor retained substantially all the risks and rewards of the asset, but have transferred control of the asset.

When the Company has transferred it's rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the continuing involvement of Company. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment.

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The assessment of the correlation between historical observed default rates, forecast economic conditions and ECLs is a significant estimate. The amount of ECLs is sensitive to changes in circumstances and of forecast economic conditions. The Company's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

The application of simplified approach does not require the Company to track changes in credit risk. Rather it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from initial recognition.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL. The Company considers that there has been a significant increase in credit risk when contractual payments are more than 30 days past due.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.
The Company considers a financial asset in default when contractual payments are 90 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

ECL impairment loss allowance (or reversal) during the period is recognised as income / expense in the statement of profit or loss.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The financial liabilities of the company include trade and other payables, derivative financial instruments, loans and borrowings including bank overdraft.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the Statement of Profit and Loss.

o) Derivative financial instruments and hedge accounting

Initial recognition and subsequent measurement

The Company uses derivative financial instruments, such as interest rate swaps and call options, to hedge its interest rate risks and foreign currency risks. Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss, except for the effective portion of cash flow hedges, which is recognised in OCI and later reclassified to profit or loss when the hedge item affects profit or loss or treated as basis adjustment if a hedged forecast transaction subsequently results in the recognition of a non-financial asset or non-financial liability.
For the purpose of hedge accounting, hedges are classified as:

- Fair value hedges when hedging the exposure to changes in the fair value of a recognised asset or liability or an unrecognised firm commitment

- Cash flow hedges when hedging the exposure to variability in cash flows that is either attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction or the foreign currency risk in an unrecognised firm commitment

- Hedges of a net investment in a foreign operation

At the inception of a hedge relationship, the Company formally designates and documents the hedge relationship to which the Company wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes the Company's risk management objective and strategy for undertaking hedge, the hedging/ economic relationship, the hedged item or transaction, the nature of the risk being hedged, hedge ratio and how the entity will assess the effectiveness of changes in the hedging instrument's fair value in offsetting the exposure to changes in the hedged item's fair value or cash flows attributable to the hedged risk. Such hedges are expected to be highly effective in achieving offsetting changes in fair value or cash flows and are assessed on an ongoing basis to determine that they actually have been highly effective throughout the financial reporting periods for which they were designated.

Hedges that meet the strict criteria for hedge accounting are accounted for, as described below:

p) Cash and Cash-Equivalents

Cash and short-term deposits in the balance sheet comprise cash at banks and cash in hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short term deposits, as defined above, net of bank overdrafts as they are considered an integral part of the Company's cash management.

q) Measurement of EBITDA

The Company has elected to present earnings before interest, tax, depreciation and amortisation (EBITDA) as a separate line item on the face of the Statement of Profit and Loss. The Company measure EBITDA on the basis of profit/ (loss) from continuing operations. In their measurement, the companies include interest income but do not include depreciation and amortisation expense, finance costs and tax expense.

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r) Events occurring after the Balance Sheet date

Impact of events occurring after the balance sheet date that provide additional information materially effecting the determination of the amounts relating to conditions existing at the balance sheet date are adjusted to respective assets and liabilities.

The Company does not adjust the amounts recognised in its financial statements to reflect non-adjusting events after the reporting period.

The Company makes disclosures in the financial statement in cases of significant events.

s) Contingent liabilities

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.

t) Earnings per equity share (EPS)

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares and instruments mandatorily convertible into equity shares outstanding during the period. Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. The dilutive potential equity shares are adjusted for the proceeds receivable had the equity shares been actually issued at fair value (i.e. the average market value of the outstanding equity shares). Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

The number of equity shares and potentially dilutive equity shares are adjusted retrospectively for all periods presented for any share splits and bonus shares issues including for changes effected prior to the approval of the consolidated financial statements by the Board of Directors.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

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4 Property, plant and equipment

	Freehold Land	Plant and equipment #	Computers	Total Property, plant and equipment	Capital work in progress
Cost					
At 1 April 2020	-	-	-	-	58,542
Additions during the year^	1,02,260	-	-	1,02,260	15,01,162
At 31 March 2021	**1,02,260**	-	-	**1,02,260**	**15,59,703**
Additions during the year	74,843	1,32,28,863	155	1,33,03,861	1,18,95,115
Adjustment*	-	-	-	-	(3,07,469)
Capitalised during the year	-	-	-	-	(1,31,47,349)
At 31 March 2022	**1,77,103**	**1,32,28,863**	**155**	**1,34,06,121**	-
Depreciation					
Charge for the year (refer note 24)	-	2,14,892	12	2,14,904	-
At 31 March 2022	-	**2,14,892**	**12**	**2,14,904**	-
Net book value					
At 31 March 2021	**1,02,260**	-	-	**1,02,260**	**15,59,703**
At 31 March 2022	**1,77,103**	**1,30,13,971**	**143**	**1,31,91,217**	-

Mortgage and hypothecation on Property, plant and equipment:
Property, plant and equipment with a carrying amount of INR 1,31,91,217 (31 March 2021; Nil) are subject to a pari passu first charge to respective lenders for project term loans and debentures as disclosed in Note 14.

^ Capitalised borrowing costs
The amount of borrowing costs capitalised during the year was INR 80,748 (31 March 2021: 94,340) The rate used to determine the amount of borrowing costs eligible for capitalisation was the effective interest rate of the specific borrowing.

*** Adjustment to Capital Work in Progress pertains to following**
Certain cost capitalised on provisional basis upto last year has been reversed. There is no impact on the statement of Profit and Loss on account of such settlement.

(a) Capital work in progress (CWIP) ageing schedule

As at 31 March 2021

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	15,01,162	58,542	-	-	15,59,703
Total	15,01,162	58,542	-	-	15,59,703

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	Leasehold land
5 Right of use assets	
Cost	
At 1 April 2020	-
Additions during the year	2,16,320
Deletions during the year	-
At 31 March 2021	**2,16,320**
Additions during the year	33,066
At 31 March 2022	**2,49,386**
Depreciation	
At 1 April 2020	-
Depreciation charged to profit or loss during the year	5,535
Depreciation capitalised during the year	-
At 31 March 2021	**5,535**
Depreciation charged to profit or loss during the year	7,843
At 31 March 2022	**13,378**
Net book value	
At 31 March 2021	**2,10,785**
At 31 March 2022	**2,36,008**

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6 Financial assets	As at 31 March 2022	As at 31 March 2021
Others		
Recoverable from related parties (refer note 28)	10,60,413	89
Security deposits	5,500	-
Interest accrued on fixed deposits	3,431	351
Total	10,69,344	440

Loans or advances to specified persons

	Current period		Previous period	
Type of Borrower	Amount outstanding*	% of Total^	Amount outstanding*	% of Total^
Promoters	-	-	-	-
Directors	-	-	-	-
KMPs	-	-	-	-
Related Parties	10,60,413	100%	89	100%

Loans and receivables are non-derivative financial assets which generate a fixed or variable interest income for the Company. The carrying value may be affected by changes in the credit risk of the counterparties.

7 Deferred tax liabilities (net)

Deferred tax relates to the following:

Deferred tax related to items recognised in OCI:

		As at 31 March 2022	As at 31 March 2021
Deferred tax liabilities (gross)			
Difference in WDV as per books of accounts and tax laws		11,77,693	-
Right of Use		50,965	-
	(a)	12,28,658	-
Deferred tax related to items recognised in statement of profit and loss:			
Deferred tax assets (gross)			
Losses available for offsetting against future taxable income		11,23,841	-
Lease Liability		50,731	-
Provision for decommissioning cost		21,261	-
	(b)	11,95,833	-
Deferred tax liabilities (net)	(c) = (a) - (b)	32,825	-

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate:

	As at 31 March 2022	As at 31 March 2021
Accounting profit before income tax	1,27,701	4,01,017
Tax at the India's tax rate of 25%	32,503	1,04,264
Tax rate difference	-	12,671
Others non- deductible items	322	1,650
At the effective income tax rate	32,825	1,18,585
Current tax expense reported in the statement of profit and loss	-	1,18,585
Deferred tax expense reported in the statement of profit and loss	32,825	-
	32,825	1,18,585

Reconciliation of DTA and DTL (net):

a) For the year ended 31 March 2022

Particulars	Opening balance DTA / (DTL) as at 01-04-2021	Income/(expense) recognised in profit and loss	Income / (expense) recognised in OCI	Closing balance DTA / (DTL) as at 31 March 2022
Difference in written down value as per books of account and tax laws	-	(11,77,692)	-	(11,77,692)
Losses available for offsetting against future taxable income	-	11,23,841	-	11,23,841
Right of use	-	(50,965)	-	(50,965)
Lease Liability	-	50,731	-	50,731
Provision for decommissioning cost	-	21,261	-	21,261
	-	(32,824)	-	(32,824)

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b) For the year ended 31 March 2021

Particulars	Opening balance DTA / (DTL) as at 01-04-2020	Income/(expense) recognised in profit and loss	Income / (expense) recognised in OCI	Closing balance DTA / (DTL) as at 31 March 2021
Loss on mark to market of derivative instruments	(90,494)	-	90,494	-
	(90,494)	-	90,494	-

8 Prepayments	As at 31 March 2022	As at 31 March 2021
Current (unsecured, considered good unless otherwise stated)		
Prepaid expenses	8,378	335
Total	8,378	335

9 Other assets	As at 31 March 2022	As at 31 March 2021
Non-current (unsecured, considered good unless otherwise stated)		
Others		
Capital advance	39,991	42,65,379
Advances recoverable	-	2,535
Total	39,991	42,67,914
Current (Unsecured, considered good unless otherwise stated)		
Advances recoverable in cash or kind	2,627	55
Total	2,627	55

10 Trade receivables	As at 31 March 2022	As at 31 March 2021
Unsecured, considered good	1,74,841	-
Secured, considered good	-	-
Receivables which have significant increase in credit risk	-	-
Receivables - credit impaired	-	-
	1,74,841	-
Less: Provision for doubtful debts	-	-
Total	1,74,841	-

No trade or other receivables are due from directors or other officers of the Company either severally or jointly with any other person. No any trade or other receivables are due from firms or private companies respectively in which any director is a partner, director or a member.

Trade receivables are non-interest bearing and are generally on terms of 7-60 days.

11 Cash and cash equivalents	As at 31 March 2022	As at 31 March 2021
Cash and cash equivalents		
Balance with bank		
- On current accounts	3,62,281	13,187
	3,62,281	13,187
Bank balances other than cash and cash equivalents		
Deposits with		
- Remaining maturity for less than twelve months #	8,00,800	29,500
- Remaining maturity for more than twelve months #	-	-
	8,00,800	29,500
Total	8,00,800	29,500

The bank deposits have an original maturity period of 141 days to 182 days and carry an interest rate of 3.50% to 5.45% which is receivable on maturity.

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(Amounts in INR thousands, unless otherwise stated)

12 Equity share capital

Authorised share capital	Number of shares	Amount
Equity shares of INR 10 each		
At 1 April 2020	10,000	100
Increase during the year	34,90,000	34,900
At 31 March 2021	**35,00,000**	**35,000**
At 31 March 2022	**35,00,000**	**35,000**

Issued share capital	Number of shares	Amount
12A Equity shares of INR 10 each issued, subscribed and paid up		
At 1 April 2020	10,000	100
Shares issued during the year	29,49,444	29,494
At 31 March 2021	29,59,444	29,594
Shares issued during the period	-	-
At 31 March 2022	**29,59,444**	**29,594**

Terms/rights attached to equity shares

The Company has only one class of equity shares having par value of INR 10 per share. Each holder of equity shares is entitled to one vote per share. If declared, the Group will declare and pay dividends in Indian rupees. In the event of liquidation of a Group, the holders of equity shares of such Group will be entitled to receive remaining assets of the Group, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders of the Company.

12B Shares held by the holding Company

	31 March 2022		31 March 2021	
	Number of shares	Amount	Number of shares	Amount
ReNew Solar Energy (Jharkand Four) Private Limited (including its nominees)				
Equity shares of INR 10 each	29,59,444	29,594	29,59,444	29,594

12C Details of shareholders holding more than 5% shares in the Company

	31 March 2022		31 March 2021	
	Number of shares	Amount	Number of shares	% Holding
Equity shares of INR 10 each				
ReNew Solar Energy (Jharkand Four) Private Limited	29,59,444	100%	29,59,444	100%

As per the records of the Company, including its register of shareholders/members the above shareholding represents both legal and beneficial ownerships of shares.

12D No shares have been allotted without payment of cash or by way of bonus shares during the period of five years immediately preceding the balance sheet date.

13 Other equity

13A Securities premium	
At 1 April 2020	-
Premium on issue of equity shares during the year	20,94,105
At 31 March 2021	**20,94,105**
Premium on issue of equity shares during the year	-
At 31 March 2022	**20,94,105**

Nature and purpose
Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

13B Hedge Reserve	
At 1 April 2020	2,57,559
Movement in hedge reserve	(2,57,559)
At 31 March 2021	-
Movement in hedge reserve	-
At 31 March 2022	-

Nature and purpose
The Company uses hedging instruments as part of its management of foreign currency risk and interest rate risk associated on borrowings. For hedging foreign currency and interest rate risk, the Company uses foreign currency forward contracts, cross currency swaps (CCS), call spreads, foreign currency option contracts and interest rate swaps (IRS). To the extent these hedges are effective, the change in fair value of the hedging instrument is recognised in the cash flow hedging reserve. Amounts recognised in the cash flow hedging reserve is reclassified to the statement of profit or loss when the hedged item affects profit or loss (e.g. interest payments).

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(Amounts in INR thousands, unless otherwise stated)

13C Debenture Redemption Reserve

At 1 April 2021	-
Debenture redemption reserve created for the year	1,67,611
At 31 April 2022	**1,67,611**

13D Retained earnings

At 1 April 2020	(131)
Loss for the year	2,82,432
At 31 March 2021	**2,82,301**
Loss for the period	1,30,384
Appropriation for debenture redemption reserve	(1,67,611)
At 31 March 2022	**2,45,074**

Nature and purpose

Retained earnings are the profits/(loss) that the Company has earned/incurred till date, less any transfers to general reserve, dividends or other distributions paid to shareholders. It is a free reserve available to the Company and eligible for distribution to shareholders, in case where it is having positive balance representing net earnings till date.

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Notes to Financial Statements for the year ended 31 March 2022
(Amounts in INR thousands, unless otherwise stated)

14 Long-term borrowings	Nominal interest rate %	Maturity	Non-current 31 March 2022	Non-current 31 March 2021	Current 31 March 2022	Current 31 March 2021
Debentures						
- Non convertible debentures (secured)	7.75%	27-Sep-24	98,54,283	-	1,05,523	-
Total long-term borrowings			98,54,283	-	1,05,523	-
Amount disclosed under the head 'Short term borrowings' (Refer note 17)			-	-	(1,05,523)	-
			98,54,283	-	-	-

Notes:

Details of Security

(i) **7.75% listed, redeemable, Non convertible debentures of INR 1,000,000**
The debentures are secured by way of first pari passu charge on the Company's movable assets, current assets, cash accruals including but not limited to current assets, receivables, book debts, cash and bank balances, loans and advances etc. present and future.

(ii) The facility is covered by corporate guarantee of ReNew Power Private Limited, the Intermediate Holding Company. The guarantee shall remain valid and in force till all security is created and perfected to the satisfaction of lenders.

(iii) ReNew Solar Energy (Jharkand Four) Private Limited, the holding company has pledged as at 31 March 2022: 2,959,443 shares of the Company to the security trustee on behalf of the lenders.

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(Amounts in INR thousands, unless otherwise stated)

15 Long-Term Provisions	**As at 31 March 2022**	**As at 31 March 2021**
Provision for decommissioning costs	84,475	-
Total	**84,475**	**-**

	Provision for Decommissioning costs
As At 1 April 2021	-
Arised during the year	84,475
As At 31 March 2022	84,475

Decommissioning costs
Provision has been recognised for decommissioning costs associated with premises taken on leases wherein the Group is committed to decommission the site as a result of construction of wind and solar power projects.

16 Lease liabilities	**As at 31 March 2022**	**As at 31 March 2021**
Non-current		
Lease liabilities (refer note 27)	1,78,550	1,59,591
Total	**1,78,550**	**1,59,591**
Current		
Lease liabilities (refer note 27)	23,020	14,878
Total	**23,020**	**14,878**

17 Short term borrowings	**As at 31 March 2022**	**As at 31 March 2021**
Loan from related party (unsecured) (refer note 28)	12,82,028	19,81,900
Current maturities of long term borrowings (Refer note 14)	1,05,523	-
Total	**13,87,551**	**19,81,900**

Loan from related party (unsecured)
Unsecured loan from related party is repayable on demand and carries interest at 8.00% per annum.

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18 Trade payables	As at 31 March 2022	As at 31 March 2021
Current		
Others	8,62,994	1,149
Total	8,62,994	1,149

Trade Payables aging schedule

As at 31 March 2022

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	53,450	8,09,544	-	-	8,62,994
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-

As at 31 March 2021

Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises	1,149	-	-	-	1,149
(iii) Disputed dues of micro enterprises and small enterprises	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-

19 Other current financial liabilities	As at 31 March 2022	As at 31 March 2021
Others		
Interest accrued but not due on loans from related party (refer note 28)	1,64,693	1,51,151
Interest accrued but not due on debentures	3,89,339	-
Capital creditors	3,98,603	14,26,371
Total	9,52,635	15,77,522

20 Other current liabilities	As at 31 March 2022	As at 31 March 2021
Other payables		
TDS payable	12,248	23,319
GST payable	207	116
Total	12,455	23,435

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21 Revenue from operations	For the year ended 31 March 2022	For the year ended 31 March 2021
Income from contracts with customers		
Sale of power	9,53,769	-
Total	**9,53,769**	**-**

a) The location for all of the revenue from contracts with customers is India.
b) The timing for all of the revenue from contracts with customers is over time.

22 Other income	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest income		
- on fixed deposit with banks	12,186	351
- income tax refund	-	376
- others	105	77,483
Income from leases	16,367	-
Gain on settlement of derivative instruments designated as cash flow hedge (net)	-	3,30,784
Miscellaneous income	6,421	-
Total	**35,079**	**4,08,994**

23 Other expenses	For the year ended 31 March 2022	For the year ended 31 March 2021
Legal and professional fees	1,805	244
Corporate social responsibility	4,012	420
Rent	69	15
Management shared services	33,809	-
Rates and taxes	1,213	575
Payment to auditors *	289	97
Insurance	13,549	-
Operation and maintenance	69,952	395
Communication costs	1,110	-
Miscellaneous expenses	167	-
Total	**1,25,975**	**1,746**

*Payment to Auditors	For the year ended 31 March 2022	For the year ended 31 March 2021
As auditor:		
Audit fee	102	88
In other capacity:		
Limited review	177	-
Reimbursement of expenses	10	9
	289	**97**

24 Depreciation and amortization expense	For the year ended 31 March 2022	For the year ended 31 March 2021
Depreciation of property, plant & equipment (refer note 4)	2,14,904	-
Depreciation of right of use (refer note 5)	7,843	5,534
Total	**2,22,747**	**5,534**

25 Finance costs	For the year ended 31 March 2022	For the year ended 31 March 2021
Interest expense on		
- loan from related party (refer note 28)	64,993	-
- debentures	4,00,049	-
- Lease	13,780	-
- others	2,788	-
Bank charges	5,888	697
Unwinding of discount on provisions	2,961	-
Unamortised ancillary borrowing cost written off*	21,966	-
Total	**5,12,425**	**697**

* Represents transaction cost on long term borrowings charged to statement of profit & loss on account of derecognition due to substantial modification.

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(Amounts in INR thousands, unless otherwise stated)

26 Earnings per share (EPS)	For the year ended 31 March 2022	For the year ended 31 March 2021
The following reflects the profit and share data used for the basic and diluted EPS computations:		
Profit attributable to equity holders for basic earnings	1,30,384	2,82,432
	1,30,384	2,82,432
Net Profit for calculation of basic EPS	1,30,384	2,82,432
Weighted average number of equity shares for calculating basic EPS	29,59,444	5,07,205
Basic earnings per share	44.06	556.84
Net Profit for calculation of diluted EPS	1,30,384	2,82,432
Weighted average number of equity shares for calculating diluted EPS	29,59,444	5,07,205
Diluted earnings per share	44.06	556.84

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27 Leases

As per Ind AS 116 applicable from 1 April 2019

The Company has entered into leases for its offices and leasehold lands. Lease of offices and lands generally have lease terms of 3 to 30 years.
The weighted average incremental borrowing rate applied to lease liabilities recognised in the balance sheet at the date of initial application is 10.40%.
Set out below are the carrying amounts of lease liabilities and the movements during the period:

Particulars	For the year ended 31 March 2022	For the year ended 31 March 2021
As at 1 April 2020 on account of adoption of Ind AS 116	1,74,469	-
Additions	30,622	1,65,305
Accretion of interest	20,799	14,159
Payments	(24,320)	(4,995)
Balance as on 31 March 2022	**2,01,570**	**1,74,469**

Refer note 3.2(a) for approach followed by the Company for transition to Ind AS 116.

a) There are no restrictions or covenants imposed by leases.
b) There are no amounts payable toward variable lease expense recognised for the year ended 31 March 2022.
c) The maturity analysis of lease liabilities are disclosed in note 31.
d) There are no leases which have not yet commenced to which the lessee is committed (if any).

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28 Related party disclosure

a) Names of related parties and related party relationship:

The names of related parties where control exists and / or with whom transactions have taken place during the period and description of relationship as identified by the management are:-

I. Holding Company
ReNew Solar Energy (Jharkand Four) Private Limited

II. Intermediate Holding Company
ReNew Power Private Limited
ReNew Solar Power Private Limited

III. Ultimate Holding Company
ReNew Energy Global PLC

IV. Key management personnel (KMPs) :
Mr. Sumant Sinha, Chairman and Managing Director of ReNew Power Private Limited.

V. Fellow Subsidiaries with whom transactions incurred during the year
ReNew Solar Energy (Jharkhand One) Private Limited
ReNew Solar Energy Private Limited
ReNew Sun Energy Private Limited
ReNew Solar Services Private Limited
ReNew Services Private Limited
ReNew Green Energy Private Limited

b) Details of transactions with holding Company:

	ReNew Solar Energy (Jharkand Four) Private Limited	
Particulars	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
Issue of equity shares	-	2,949
Unsecured loan received	2,19,000	38,18,010
Unsecured loan refunded to related party	9,72,772	38,48,460
Fixed Assets Purchased	-	-
Expenses incurred on behalf of the holding company	32,400	32,400
Expenses incurred on behalf of company	3,000	-
Interest expense on unsecured loan	1,23,646	-

c) Details of outstanding balances with holding Company:

	ReNew Solar Energy (Jharkand Four) Private Limited	
Particulars	**As at 31 March 2022**	**As at 31 March 2021**
Unsecured loan payable	12,28,128	-
Capital Creditors	-	8,24,893
Trade Payable	7,95,493	-
Interest expense accrued on unsecured loan	1,07,925	269

d) Details of transactions with Intermediate Holding Company:

	ReNew Power Private Limited		ReNew Solar Power Private Limited	
Particulars	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**	**For the year ended 31 March 2022**	**For the year ended 31 March 2021**
Unsecured loan received from related party	51,400	21,94,194	2,500	93,000
Unsecured loan repaid to related party	-	2,32,654	-	15,43,000
Interest expense on unsecured loan received	2,735	52,048	165	70,679
Expenses incurred on behalf of the company	300	464	-	-
Reimbursement of expenses	-	-	-	1,820
Purchase of services# (Management shared services)	-	-	2,99,645	2,21,421

e) Details of outstanding balances with Intermediate Holding Company:

	ReNew Power Private Limited		ReNew Solar Power Private Limited	
Particulars	**As at 31 March 2022**	**As at 31 March 2021**	**As at 31 March 2022**	**As at 31 March 2021**
Capital creditors	-	464	1,47,957	2,09,916
Trade Payable	300	-	-	-
Interest accrued on loan payable	55,702	53,240	1,066	1,00,903
Unsecured loan payable	51,400	-	2,500	-

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f) Details of transactions with fellow subsidiaries:

Particulars	ReNew Solar Energy (Jharkhand One) Private Limited		ReNew Solar Energy Private Limited	
	For the year ended 31 March 2022	For the year ended 31 March 2021	As at 31 March 2022	As at 31 March 2021
Expenses incurred on behalf of the company	2	-	-	-
Interest income on EPC advance	-	1,36,941	-	-
EPC Purchase*	1,04,20,577	9,68,683	-	-
Consumables Sales	924	-	-	-
Unsecured loan repaid	-	-	-	4,000
Interest expense on unsecured loan	-	-	-	228

*includes EPC provision of Nil (31 March 2021; 204,493)

Particulars	ReNew Solar Services Private Limited		ReNew Sun Energy Private Limited	
	For the year ended 31 March 2022	For the year ended 31 March 2021	As at 31 March 2022	As at 31 March 2021
Expenses incurred on behalf of the company	345	-	-	-
EPC Purchase*	8,51,869	1,76,230	-	-
Expenses incurred on behalf of related party	-	503	-	89
Expenses incurred on behalf of the company	-	105	-	-

*includes EPC provision of Nil (31 March 2021; 234,743)

Particulars	ReNew Services Private Limited		ReNew Green Energy Private Limited	
	For the year ended 31 March 2022	For the year ended 31 March 2021	As at 31 March 2022	As at 31 March 2021
Expenses incurred on behalf of the company	6	-	-	-
Consumable Sales	-	-	207	
Operation & Maintenance cost	54,365	-	-	-

g) Details of outstanding balances with fellow subsidiaries:

Particulars	ReNew Sol Energy (Jharkhand One) Private		ReNew Solar Energy Private Limited	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Interest accrued on loan payable	-	-	-	364
Amount receivable from related parties	10,60,117	-	-	-
Capital advance	-	41,14,364	-	-
Capital Creditor*	-	2,04,493	-	-

Particulars	ReNew Solar Services Private Limited		ReNew Sun Energy Private Limited	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Capital Creditors*	1,79,588	1,75,367	-	-
Amount receivable from related parties	-	-	89	89

Particulars	ReNew Services Private Limited		ReNew Green Energy Private Limited	
	As at 31 March 2022	As at 31 March 2021	As at 31 March 2022	As at 31 March 2021
Trade Payable	53,450	-	-	-
Amount receivable from related parties	-	-	207	-

h) Compensation of Key management personnel

Remuneration to the key managerial personnel is paid by the holding Company of the company and is allocated between the subsidiary companies as management shared services and is not separately identifiable.

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ReNew Sun Waves Private Limited

(Amounts in INR thousands, unless otherwise stated)

29 Fair values

Set out below, is a comparison by class of the carrying amounts and fair value of the financial instruments of the Company, other than those with carrying amounts that are

	31 March 2022		31 March 2021	
	Carrying value	Fair value	Carrying value	Fair value
Financial assets				
Measured at amortised cost				
Cash and cash equivalent	3,62,281	3,62,281	13,187	13,187
Bank balances other than cash and cash equivalent	8,00,800	8,00,800	29,500	29,500
Other current financial assets	10,69,344	10,69,344	440	440
Financial liabilities				
Measured at amortised cost				
Long term borrowings	99,59,807	94,73,866	-	-
Short-term borrowings	12,82,028	12,82,028	19,81,900	19,81,900
Trade payables	8,62,994	8,62,994	1,149	1,149
Other current financial liabilities	9,52,635	9,52,635	15,77,522	15,77,522

The management of the Company assessed that cash and cash equivalents, trade receivables, bank balances other than cash and cash equivalents, short term loans, trade payables, short term interest-bearing loans and borrowings, other current financials liabilities and other current financial assets approximate their carrying amounts largely due to the short-term maturities of these instruments.

The financial assets above do not include investments in subsidiaries which are measured at cost in accordance with Ind AS 101, Ind AS 27 and Ind AS 28

The following methods and assumptions were used to estimate the fair values:

i The Company enter into derivative financial instruments with various counterparties, principally financial institutions with investment grade credit ratings. Cross currency interest rate swaps are valued using valuation techniques, which employs the use of market observable inputs. The models incorporate various inputs including the credit quality of counterparties, foreign exchange spot and forward rates, yield curves of the currency, interest rate curves and forward rate curves of the underlying instrument. The changes in counterparty credit risk had no material effect on the hedge effectiveness assessment for derivatives designated in hedge relationships

30 Fair value hierarchy

The Company categorizes assets and liabilities measured at fair value into one of three levels depending on the ability to observe inputs employed in their measurement which are described as follows:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The following table provides the fair value measurement hierarchy of the assets and liabilities of the Company :-

Quantitative disclosures fair value measurement hierarchy for assets/liabilities as at year end:

	Level of fair value measurement	31 March 2022		31 March 2021	
		Carrying value	Fair value	Carrying value	Fair value
Financial liabilities not measured at fair value					
Measured at amortised cost					
Long-term borrowings					
Non convertible debentures	Level 2	98,54,283	94,73,866	-	-
Total		98,54,283	94,73,866	-	-

There were no transfers between levels of fair value measurement during the years ended 31 March 2022 and 31 March 2021.

Particulars	Fair value hierarchy	Valuation technique	Inputs used
Financial liabilities not measured at fair value			
Non convertible debentures	Level 2	Discounted cash flow	Prevailing interest rates in the market, Future cash flows

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31 Financial Risk Management objectives and policies

"The Company's principal financial liabilities comprise loans and borrowings, trade and other payables.
The main purpose of these financial liabilities is to finance the Company's operations and to support its operations. The Company's financial assets include loans, trade and other receivables, and cash & cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's senior management oversees the management of these risks. The Company's senior management is supported by a various sub committees that advises on financial risks and the appropriate financial risk governance framework for the Company. These committees provides assurance to the Company's senior management that the Company's financial risk activities are governed by appropriate policies and procedure and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives. The Board of Directors reviews and agrees policies for managing each risk, which are summarised as below.

Market Risk

Market risk is the risk that the Company's assets and liabilities will be exposed to due to a change in market prices that determine the valuation of these financial instruments. Market risk comprises 3 types of risk: interest rate risk, currency risk and other price risk such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings and deposits..

The sensitivity analyses in the following sections relate to the position as at 31 March 2022. The sensitivity analyses have been prepared on the basis that the amount of net debt and the ratio of fixed to floating interest rates of the debt are all constant as at 31 March 2022.

Interest rate Risk:

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company is exposed to interest rate risk primarily from the external borrowings that are used to finance their operations. The Company also monitors the changes in interest rates and actively re finances its debt obligations to achieve an optimal interest rate exposure.

Credit risk

Credit risk is the risk that the power procurer will not meet their obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from their operating activities (primarily trade receivables) and from its financing activities but this credit risk exposure is insignificant given the fact that substantially whole of the revenues are from state utilities/government entities.

Further the Company sought to reduce counterparty credit risk under long-term contracts in part by entering into power sales contracts with utilities or other customers of strong credit quality and we monitor their credit quality on an on going basis.

The maximum credit exposure to credit risk for the components of the statement of financial position at 31 March 2022.

Trade receivables

Customer credit risk is managed basis established policies of the Company, procedures and controls relating to customer credit risk management. Outstanding customer receivables are regularly monitored. The Company does not hold collateral as security. The Company has majorly state utilities/government entities as its customers with high credit worthiness and therefore the Company does not see any significant risk related to credit.

The trade receivable balances of the Company are evenly spread over customers.

The credit quality of the customers is evaluated based on their credit ratings and other publicly available data.

The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment and impairment analysis is performed at each reporting date to measure expected credit losses. The calculation reflects the probability-weighted outcome, the time value of money and reasonable and supportable information that is available at the reporting date about past events, current conditions and forecasts of future economic conditions.

Set out below is the information about the credit risk exposure on the Company's trade receivables using a provision matrix:

Trade Receivables Ageing Schedule

As at 31 March 2022

Particulars	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	(4)	-	-	-	-	-
(ii) Undisputed Trade Receivables	-	-	-	-	-	-
(iii) Undisputed Trade Receivables	-	-	-	-	-	-
(iv) Disputed Trade Receivables–	-	-	-	-	-	-
(v) Disputed Trade Receivables –	-	-	-	-	-	-
(vi) Disputed Trade Receivables –	-	-	-	-	-	-
(vii) Unbilled dues	179	-	-	-	-	-
Gross carrying amount	175	-	-	-	-	175
Expected credit loss	-	-	-	-	-	-

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As at 31 March 2021

Particulars	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed Trade receivables – considered good	-	-	-	-	-	-
(ii) Undisputed Trade Receivables	-	-	-	-	-	-
(iii) Undisputed Trade Receivables	-	-	-	-	-	-
(iv) Disputed Trade Receivables–	-	-	-	-	-	-
(v) Disputed Trade Receivables –	-	-	-	-	-	-
(vi) Disputed Trade Receivables –	-	-	-	-	-	-
(vii) Unbilled dues	-	-	-	-	-	-
Gross carrying amount	-	-	-	-	-	-
Expected credit loss	-	-	-	-	-	-

Other financial assets

Credit risk from other financial assets including loans is managed basis established policies of Company, procedures and controls relating to customer credit risk management. Outstanding receivables are regularly monitored. The Company does not hold collateral as security.

Financial instruments and credit risk

Credit risk from balances with banks is managed by company's treasury department. Investments, in the form of fixed deposits, loans and other investments, of surplus funds are made only with banks & group companies and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed on an annual basis by the Company, and may be updated throughout the year subject to approval of company's finance committee. The limits are set to minimize the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

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Liquidity Risk

Liquidity risk is the risk that the Company will encounter in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The approach of the Company to manage liquidity is to ensure , as far as possible, that these will have sufficient liquidity to meet their respective liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risk damage to their reputation.

The Company assessed the concentration of risk with respect to refinancing its debt and concluded it to be low. The Company has access to a sufficient variety of sources of funding and debt maturing within 12 months can be rolled over with existing lenders.

The Company rely mainly on long-term debt obligations to fund their construction activities. To the extent available at acceptable terms, utilized non-recourse debt to fund a significant portion of the capital expenditures and investments required to construct and acquire our wind and solar power plants and related assets. The Company's non-recourse financing is designed to limit default risk and is a combination of fixed and variable interest rate instruments. In addition, the debt is typically denominated in the currency that matches the currency of the revenue expected to be generated from the benefiting project, thereby reducing currency risk. The majority of non-recourse debt is funded by banks and financial institutions, with debt capacity supplemented by unsecured loan from related party.

The table below summarizes the maturity profile of financial liabilities of Company based on contractual undiscounted payments:

Year ended 31 March 2022	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Borrowings (other than preference shares)						
Non convertible debentures*	-	-	-	1,10,22,651	-	1,10,22,651
Short term borrowings						
Current maturities of long term borrowings*		1,93,606	7,12,598			9,06,204
Loans from related party	12,82,028	-	-	-	-	12,82,028
Other financial liabilities						
Lease Liabilities	-	9,223	13,797	82,739	5,81,787	6,87,546
Interest accrued but not due on borrowings	1,64,693	-	-	-	-	1,64,693
Interest accrued but not due on debentures	-	3,89,339	-	-	-	3,89,339
Capital Creditors	1,47,957	2,50,646	-	-	-	3,98,603
Trade payables						
Trade payables	8,62,994	-	-	-	-	8,62,994

* Including future interest payments.

The Company expect liabilities with current maturities to be repaid from net cash provided by operating activities of the entity to which the debt relates or through opportunistic refinancing activity or some combination thereof.

The Company rely mainly on long-term debt obligations to fund their construction activities. To the extent available at acceptable terms, utilized non-recourse debt to fund a significant portion of the capital expenditures and investments required to construct and acquire our wind and solar power plants and related assets. The Company's non-recourse financing is designed to limit default risk and is a combination of fixed and variable interest rate instruments. In addition, the debt is typically denominated in the currency that matches the currency of the revenue expected to be generated from the benefiting project, thereby reducing currency risk. The majority of non-recourse debt is funded by banks and financial institutions, with debt capacity supplemented by unsecured loan from related party.

Year ended 31 March 2021	On demand	Less than 3 months	3 to 12 months	1 to 5 years	> 5 years	Total
Short term borrowings						
Loans from related party	19,81,900	-	-	-	-	19,81,900
Other financial liabilities						
Lease Liabilities	-	6,346	8,534	70,793	5,23,146	6,08,819
Interest accrued but not due on borrowings	1,54,411	-	-	-	-	1,54,411
Capital Creditors	10,34,809	3,91,563	-	-	-	14,26,372
Trades payables						
Trades payables	-	1,149	-	-	-	1,149

* Including future interest payments.

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(Amounts in INR thousands, unless otherwise stated)

32 Segment Information

The Chairman and Managing Director of ReNew Power Private Limited takes decision in respect of allocation of resources and assesses the performance basis the report/ information provided by functional heads and are thus considered to be Chief Operating Decision Maker.

The Company is in the business of development and operation of solar power plant. There are no separate reportable segments (business and/ or geographical) in accordance with the requirements of Ind AS 108 'Operating segment' and hence, there are no additional disclosures to be provided other than those already provided in the financial statements.

33 Corporate social responsibility expenditure

As per Section 135 of the Companies Act, 2013, a company, meeting the applicability threshold, needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities. The areas for CSR activities as follows :-

1) Sanitation & making available safe drinking water- Construction of toilets, Bore-well, well, Tube-well etc.
2) Empowering women through SHGs (self-help group) and creating income generation activities for the women like stitching and tailoring, goatery, backyard poultry
3) Ensuring environmental sustainability- animal welfare Plantation, environment awareness,
4) Animal Welfare-Animal health camp, Para –vet training
5) Education awareness, Remedial classes for weak students etc.
6) Health and Hygiene- Health camps in the community, cleanliness drive to create awareness.
7) Sports Training- Sports training camps in community
8) Education facility improvement- Construction of Solar power plant in schools
9) Contribution to the Prime Minister's Citizen Assistance and Relief in Emergency Situations Fund.

A CSR committee has been formed by the Company as per the Act. The funds were utilised on above mentioned activities which are specified in Schedule VII of the Companies Act, 2013.

(a) Gross amount required to be spent by the Company during the year is INR 4,009 (31March 2021: Nil).
(b) Amount spent during the year on:

List of CSR activities	In Cash	Yet to be paid	Total
Construction / Acquisition of any asset	Nil	Nil	Nil
Activities relating to:			
Current year	4,012	-	4,012
Previous year	-	-	-

(c) Details related to spent / unspent obligations:

Particulars	31-Mar-22	31-Mar-21
i) Contribution to Prime Minister Care Fund	-	-
ii) Contribution to other than ongoing projects	4,012	-
iii) Unspent amount	-	-
	4,012	-

34 Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

In the process of applying the accounting policies management has made certain judgements, estimates and assumptions. The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based their assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

A) Accounting judgements

Identification of a lease

Management has assessed applicability of Ind AS 116 - 'Leases', for certain PPAs of the Company. In assessing the applicability, the management has exercised significant judgement in relation to the underlying rights and risks related to operations of the plant, control over design of the plant etc., in concluding that the PPA do not meet the criteria for recognition as a lease.

Taxes

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgment is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Company makes various assumptions and estimates while computing deferred taxes which include production related data (PLFs), projected operations and maintenance costs, projected finance costs, proposed availment of deduction under section 80IA of the Income Tax Act, 1961 and the period over which such deduction shall be availed, accelerated depreciation, other applicable allowances, usage of brought forward losses etc. While these assumptions are based on best available facts in the knowledge of management as on the balance sheet date however, they are subject to change year on year depending on the actual tax laws and other variables in the respective year. Given that the actual assumptions which would be used to file the return of income shall depend upon the tax laws prevailing in respective year, management shall continue to reassess these assumptions while calculating the deferred taxes on each balance sheet date and the impact due to such change, if any, is considered in the respective year.

B) Estimates and assumptions:

Useful life of depreciable assets

The useful lives and residual values of Company's assets are determined by management at the time asset is acquired and are reviewed periodically, including at each financial year end. The useful lives and residual values are based on an technical assessments, historical experience with similar assets as well as anticipation of future events, which may impact their life. These judgements best represents the period over which management expects to use its assets and its residual value.

Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques including the DCF model. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgment is required in establishing fair values.

Assumptions include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See note 29 and for further disclosures.

Related party transactions

ReNew Power Private Limited along with all its subsidiaries hereinafter collectively referred to as 'the Group' have entered into inter-company transactions as explained below :

Management Shared Services

Employee benefit costs and other common expenses are incurred by the Ultimate Holding Company & Holding Company. These expenses are allocated to all the entities of the Group in the form of 'Management Shared Services'. Allocation of cost to the entities involves various estimates including retention, allocation of cost for projects under construction vis-a-vis operating projects, profit mark-up which are assessed through an external expert.

Inter-group unsecured loan

The Group uses unsecured loans to fund requirements of various entities. These loans carry interest rate higher than a return expected from 3-year government bond yield.

BDG & ASSOCIATES * FRN:119739W * Chartered Accountants

Sun Waves Private Limited ReNew

35 Capital management

For the purpose of the capital management, capital includes issued equity capital, compulsorily convertible debentures, compulsorily convertible preference shares, Securities premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's management is to maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants.

To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The Company monitor capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Company includes within net debt, interest bearing loans and borrowings and other payables, less cash and short-term deposits. The Company systematically evaluates opportunities for managing its assets including that of buying new assets, partially or entirely sell existing assets and potential new joint ventures. Crystallisation of any such opportunity shall help the Company in improving the overall portfolio of assets, cash flow management and shareholder returns.

The policy of the Company is to keep the gearing ratio of the power project to 3:1 during the construction phase and aim to enhance it to 4:1 post the construction phase. This is in line with the industry standard ratio. The current gearing ratios of the various projects in the Company is between 3:1 to 4:1.

In order to achieve this overall objective, the capital management of the Company, amongst other things, aims to ensure that they meet financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022 and 31 March 2021.

36 Commitments Liabilities and Contingencies
(to the extent not provided for)

(i) Contingent liabilities
At 31 March 2022, the Company has contingent liabilities of INR Nil

(ii) Commitments:
Estimated amount of contracts remaining to be executed on capital account and not provided for
As at 31 March 2022, the Company has no capital commitment (net of advances) pertaining to commissioning of wind and energy projects (31 March 2021: INR 1,12,13,836).

37 Details of dues to Micro, Small and Medium Enterprises as defined under the MSMED Act, 2006

Under the Micro, Small and Medium Enterprises Development Act, 2006, (MSMED) which came into force from 2 October 2006, certain disclosure are required to be made relating to Micro, Small and Medium Enterprises. On the basis of the information and records available with the management, there are no outstanding dues to the Micro, Small and Medium Enterprises development Act, 2006.

Particulars	As at 31 March 2022	As at 31 March 2021
The principal amount and the interest due thereon (to be shown separately) remaining unpaid to any supplier as at the end of each accounting year/period	Nil	Nil
The amount of interest paid by the buyer in terms of section 16, of the Micro Small and Medium Enterprise Development Act, 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year/period	Nil	Nil
The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year/period) but without adding the interest specified under Micro Small and Medium Enterprise Development Act, 2006.	Nil	Nil
The amount of interest accrued and remaining unpaid at the end of each accounting year/period; and	Nil	Nil
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the Micro Small and Medium Enterprise Development Act, 2006	Nil	Nil

38 Absolute amounts less than INR 500 are appearing in the financial statements as "0" due to presentation in thousands.

39 Ratio Analysis and its elements

Ratio	Numerator	Denominator	31-Mar-22	31-Mar-21	% change	Reason for Variance
Current Ratio	Current Assets	Current Liabilities	0.75	0.01	6110%	Increase in liability
Debt-Equity Ratio	Total Debt	Shareholder's Equity	4.43	0.82	438%	NCD issued
Debt Service Coverage Ratio	Earning for debt Service=Net Profit after taxes +non cash operating expenses+interest	Debt Service=Interest & lease payment +Principle repayments	1.71	N.A		
Return on Equity Ratio	Net Profit after taxes -preference dividend	Average shareholder equity	0.07	0.23	-70%	Profit increase because of commissioning of project
Inventory Turnover Ratio	Cost of Goods Sold	Average Inventory	N.A	N.A		
Trade Recievables Turnover Ratio	Net Credit Sales=Gross Credit sales- sale	Average Trade Recievables	10.91	N.A		-
Trade Payable Turnover Ratio	Net Credit Purchases=Gross Credit purchases- purchase return	Average Trade Payables	N.A	N.A		-
Net Capital Turnover Ratio	Net Sales= Total Sales-sales return	Working Capital=Current assets - Current liabilties	(1.16)	(13.47)	-91%	Increase in revenue because of project commissioned
Net Profit Ratio	Net Profit	Net Sales= Total Sales -Sales Return	0.14	N.A		-
Return on Capital employed	Earnings before interest and taxes	Capital employed=Tangible net worth+Total Debt+deferred tax liability				-
Return on Investment	Interest (finance Income)	Investment	N.A	N.A		-

As per our report of even date
For B D G & Associates
ICAI Firm Registration No.: 119739W
Chartered Accountants

Jitendra Kumar Bansal
Partner
Membership No.: 525909
Place: Gurugram
Date: 27 May 2022

B D G & ASSOCIATES FRN:119739W Chartered Accountants

For and on behalf of the
Renew Sun Waves Private Limited

Managing Director
(Rahula Kumar Kashyapa)
DIN- 07637489
Place: Gurugram
Date: 27 May 2022

Director
(Parul Agrawal)
DIN- 08452687
Place: Gurugram
Date: 27 May 2022

Garima Khurana

Company Secretary
(Garima Khurana)
Membership No.: A48862
Place: Gurugram
Date: 27 May 2022

Sun Waves Private Limited