

ERAML/ANZEN/2023-24/26

June 30, 2023

BSE Limited P J Towers, Dalal Street, Fort, Mumbai – 400 001. Scrip Code: 543655, 974399, 974400	National Stock Exchange of India Limited Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051. Symbol : ANZEN
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Subject: Notice of 1st Annual General Meeting of Anzen India Energy Yield Plus Trust (“Anzen”)

Dear Sir/Madam,

Pursuant to the provisions of Regulation 22 and all other applicable provisions of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended, read with circulars issued thereunder from time to time (“**InvIT Regulations**”), we hereby inform that the 1st Annual General Meeting (“**AGM**”) of Unitholders of Anzen is scheduled to be held on Friday, July 28, 2023 at 11:00 a.m. (IST) through Video Conferencing / Other Audio Visual Means.

Further, in accordance with the InvIT Regulations, please find attached the AGM Notice of Anzen along with the Annual Report being disseminated today to the Stakeholders.

The aforesaid documents will be available on the website of Anzen i.e. www.anzenenergy.in

Request you to take the same on record.

Thanking you,

For ANZEN INDIA ENERGY YIELD PLUS TRUST
(acting through its Investment Manager Edelweiss Real Assets Managers Limited)

JALPA PAREKH
COMPANY SECRETARY & COMPLIANCE OFFICER
ACS 44507

CC:

Axis Trustee Services Limited Axis House, Bombay Dyeing Mills Compound Pandurang Budhkar Marg, Worli, Mumbai - 400 025	Catalyst Trusteeship Limited Windsor, 6th Floor, Office No - 604, C.S.T. Road, Kalina, Santacruz (East), Mumbai – 400 098
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ANZEN INDIA ENERGY YIELD PLUS TRUST

(An Infrastructure Investment Trust registered with the Securities and Exchange Board of India vide registration no. IN/InvIT/21-22/0020)

Principal Place of Business: Plot No. 294/3, Edelweiss House, Off CST Road, Kalina, Santacruz East, Mumbai – 400098; Tel: +91 (22) 4019 4815

Compliance Officer: Ms. Jalpa Parekh; Email: InvITinvestorgrievances@edelweissalts.com

Website: www.anzenenergy.in

NOTICE OF ANNUAL GENERAL MEETING

NOTICE IS HEREBY GIVEN that the 1st ANNUAL GENERAL MEETING (“AGM”) of the unitholders (the “Unitholders”) of Anzen India Energy Yield Plus Trust (“Anzen”) will be held on Friday, July 28, 2023 at 11:00 a.m. (IST) through Video Conferencing (VC)/Other Audio Visual Means (OAVM) without the physical presence of the Unitholders at a common venue, in compliance with Circular No. SEBI/HO/DDHS/DDHS_Div2/P/CIR/2023/14 dated January 12, 2023 issued by the Securities and Exchange Board of India (the “SEBI Circular”) to transact the following business:

ORDINARY BUSINESS

ITEM NO 1- TO CONSIDER AND ADOPT THE AUDITED STANDALONE FINANCIAL STATEMENTS AND AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF ANZEN AS ON MARCH 31, 2023, TOGETHER WITH THE REPORTS THEREON

To consider and if thought fit, to pass with or without modification, the following resolution by way of simple majority (i.e., where the votes cast in favour of the resolution are required to be more than the votes cast against the resolution) in terms of Regulation 22 of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014:

“**RESOLVED** that pursuant to the applicable provisions, if any, of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, and the circulars and guidelines issued thereunder, and other applicable laws, if any, including any statutory modifications, amendments or re-enactments thereof for the time being in force, the audited standalone financial statements and audited consolidated financial statements of Anzen India Energy Yield Plus Trust (“Anzen”) as on March 31, 2023 together with the Report of the Auditors and Report on Performance of Anzen be and are hereby received and adopted.

RESOLVED FURTHER that the Board of Directors and the Key Managerial Personnel of the Investment Manager of Anzen, be and are hereby severally authorised on behalf of Anzen to inform all concerned, in such form and manner as may be required or is necessary including delegation of all, or any of these powers and to do all acts, deeds, things, and matters as may be required or are necessary to give effect to this resolution or as otherwise considered by the Board of Directors of the Investment Manager, to be in the best interest of Anzen, as it may deem fit.”

ITEM NO. 2 - TO ADOPT THE VALUATION REPORT OF THE ASSETS OF ANZEN AS ON MARCH 31, 2023

To consider and if thought fit, to pass with or without modification, the following resolution by way of simple majority (i.e., where the votes cast in favour of the resolution are required to be more than the votes cast against the resolution) in terms of Regulation 22 of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014:

“RESOLVED that in accordance with the Regulation 13, 21 and 22 and other applicable provisions, if any, of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, and the circulars and guidelines issued thereunder, and other applicable rules, if any, including any statutory modifications, amendments or re-enactments thereof for the time being in force, the Valuation Report of Anzen India Energy Yield Plus Trust (**“Anzen”**) issued by Mr. S. Sundararaman (IBBI Registration Number - IBBI/RV/06/2018/10238), the Independent Valuer for valuation of assets of Anzen, for the year ended March 31, 2023, be and is hereby adopted.

RESOLVED FURTHER that the Board of Directors and the Key Managerial Personnel of the Investment Manager of Anzen, be and are hereby severally authorised on behalf of Anzen to inform all concerned, in such form and manner as may be required or is necessary including delegation of all, or any of these powers and to do all acts, deeds, things, and matters as may be required or are necessary to give effect to this resolution or as otherwise considered by the Board of Directors of the Investment Manager, to be in the best interest of Anzen, as it may deem fit.”

ITEM NO. 3 - TO CONSIDER AND APPROVE THE APPOINTMENT OF VALUER FOR THE FINANCIAL YEAR 2023-2024

To consider and if thought fit, to pass with or without modification, the following resolution by way of simple majority (i.e., where the votes cast in favour of the resolution are required to be more than the votes cast against the resolution) in terms of Regulation 22 of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014:

“RESOLVED that pursuant to Regulation 10(17), 21 and 22 of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time, read with circular issued thereunder and other applicable laws, if any, including any statutory modification or re-enactment thereof for the time being in force, the appointment of Mr. S. Sundararaman, Registered Valuer, (IBBI Registration No - IBBI/RV/06/2018/10238) as the valuer for valuation of assets held by Anzen India Energy Yield Plus Trust (**“Anzen”**), for the financial year 2023-2024, be and is hereby considered and approved on such terms and conditions, including fees, as may be decided by the Board of Directors of Edelweiss Real Assets Managers Limited, the Investment Manager of Anzen India Energy Yield Plus Trust (**“Investment Manager”**).

RESOLVED FURTHER that the Board of Directors of the Investment Manager of Anzen, be and are hereby irrevocably and unconditionally authorised on behalf of Anzen to inform all concerned, in such form and manner as may be required or is necessary and also to execute

such agreements, letters and other writings in this regard, including delegation of all, or any of these powers and to do all acts, deeds, things, and matters as may be required or are necessary to give effect to this resolution or as otherwise considered by the Board of Directors of the Investment Manager.”

ITEM NO. 4 - TO CONSIDER AND APPROVE RATIFICATION FOR APPOINTMENT OF STATUTORY AUDITORS

To consider and if thought fit, to pass with or without modification, the following resolution by way of simple majority (i.e., where the votes cast in favour of the resolution are required to be more than the votes cast against the resolution) in terms of Regulation 22 of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014:

“**RESOLVED** that pursuant to Regulation 13, 22 and other applicable provisions, if any, of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time, read with circulars and guidelines issued thereunder, including any statutory modification or re-enactment thereof for the time being in force, the appointment of M/s. S R B C & Co LLP, Chartered Accountants (Firm Registration Number - 324982E/ E300003) be and is hereby ratified as the Statutory Auditors of Anzen India Energy Yield Plus Trust (“**Anzen**”), who shall hold office till the conclusion of sixth Annual General Meeting of Anzen at such remuneration as may be mutually agreed by and between Edelweiss Real Assets Managers Limited, the Investment Manager (“**Investment Manager**”) of Anzen and the Statutory auditors from time to time.

RESOLVED FURTHER that the Board of Directors and the Key Managerial Personnel of the Investment Manager, be and are hereby severally authorised on behalf of Anzen to inform all concerned, in such form and manner as may be required or is necessary and also to execute such agreements, letters and other writings in this regard, including delegation of all, or any of these powers and to do all acts, deeds, things, and matters as may be required or are necessary to give effect to this resolution or as otherwise considered by the Board of Directors of the Investment Manager.”

SPECIAL BUSINESS

ITEM NO. 5 - TO CONSIDER AND APPROVE RE-APPOINTMENT OF MR. SUNIL MITRA (DIN: 00113473), AS AN INDEPENDENT DIRECTOR ON THE BOARD OF INVESTMENT MANAGER OF ANZEN

To consider and if thought fit, to pass with or without modification, the following resolution by way of special resolution (i.e., where the votes cast in favour of the resolution are not less than one and a half times than the votes cast against the resolution) in terms of Regulation 22 of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014:

“**RESOLVED** that pursuant to Regulation 25 (2A) of the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 (“**LODR**”) and the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations,

2014 ("**InvIT Regulations**"), including any statutory amendments thereto or re-enactments thereof for the time being in force, Mr. Sunil Mitra (DIN: 00113473), who had submitted a declaration that he meets the criteria of independence as per the InvIT Regulations, LODR and other applicable law and who was re-appointed by the Board of Directors of Edelweiss Real Assets Managers Limited, the Investment Manager of Anzen India Energy Yield Plus Trust ("**Investment Manager**"), as the Independent Director of the Investment Manager, be and is hereby re-appointed as an Independent Director of the Investment Manager with effect from April 1, 2023 to March 31, 2028 for term of 5 years on such terms and conditions, as approved by the Board of Directors of the Investment Manager and shall not be liable to retire by rotation.

RESOLVED FURTHER that the Board of Directors and the Key Managerial Personnel of the Investment Manager of Anzen, be and are hereby severally authorised on behalf of Anzen to inform all concerned, in such form and manner as may be required or is necessary and also to execute such agreements, letters and other writings in this regard, including delegation of all, or any of these powers and to do all acts, deeds, things, and matters as may be required or are necessary to give effect to this resolution or as otherwise considered by the Board of Directors of the Investment Manager, to be in the best interest of Anzen, as it may deem fit."

ITEM NO. 6 - TO CONSIDER AND APPROVE RE-APPOINTMENT OF MR. SHIVA KUMAR (DIN: 06590343), AS AN INDEPENDENT DIRECTOR ON THE BOARD OF INVESTMENT MANAGER OF ANZEN

To consider and if thought fit, to pass with or without modification, the following resolution by way of special resolution (i.e., where the votes cast in favour of the resolution are not less than one and a half times than the votes cast against the resolution) in terms of Regulation 22 of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014:

"**RESOLVED** that pursuant to Regulation 25 (2A) of the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 ("**LODR**") and the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 ("**InvIT Regulations**"), including any statutory amendments thereto or re-enactments thereof for the time being in force, Mr. Shiva Kumar (DIN: 06590343), who had submitted a declaration that he meets the criteria of independence as per the InvIT Regulations, LODR and other applicable law and who was re-appointed by the Board of Directors of Edelweiss Real Assets Managers Limited, the Investment Manager of Anzen India Energy Yield Plus Trust ("**Investment Manager**"), as the Independent Director of the Investment Manager, be and is hereby re-appointed as an Independent Director of the Investment Manager, with effect from April 1, 2023 to March 31, 2028 for term of 5 years on such terms and conditions, as approved by the Board of Directors of the Investment Manager and shall not be liable to retire by rotation.

RESOLVED FURTHER that the Board of Directors and the Key Managerial Personnel of the Investment Manager of Anzen, be and are hereby severally authorised on behalf of Anzen to inform all concerned, in such form and manner as may be required or is necessary and also to execute such agreements, letters and other writings in this regard, including delegation of

all, or any of these powers and to do all acts, deeds, things, and matters as may be required or are necessary to give effect to this resolution or as otherwise considered by the Board of Directors of the Investment Manager, to be in the best interest of Anzen, as it may deem fit.”

ITEM NO. 7- TO CONSIDER AND APPROVE APPOINTMENT OF MS. BALA C DESHPANDE (DIN: 00020130), AS AN INDEPENDENT DIRECTOR ON THE BOARD OF INVESTMENT MANAGER OF ANZEN

To consider and, if thought fit, to pass with or without modifications, the following resolution by way of special resolution (i.e., where the votes cast in favour of the resolution are not less than one and a half times than the votes cast against the resolution) in terms of Regulation 22 of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014:.

“**RESOLVED** that pursuant to Regulation 25 (2A) of the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 (“**LODR**”) and the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 (“**InvIT Regulations**”), including any statutory amendments thereto or re-enactments thereof for the time being in force, Ms. Bala C Deshpande (DIN: 00020130), who had submitted a declaration that she meets the criteria of independence as per the InvIT Regulations, LODR and other applicable law and who was appointed by the Board of Directors of Edelweiss Real Assets Managers Limited, the Investment Manager of Anzen India Energy Yield Plus Trust (“**Investment Manager**”), as the Independent Director of the Investment Manager, be and is hereby appointed as an Independent Director of the Investment Manager, with effect from April 1, 2023 to March 31, 2028 for initial term of 5 years on such terms and conditions, as approved by the Board of Directors of the Investment Manager and shall not be liable to retire by rotation.

RESOLVED FURTHER that the Board of Directors and the Key Managerial Personnel of the Investment Manager of Anzen, be and are hereby severally authorised on behalf of Anzen to inform all concerned, in such form and manner as may be required or is necessary and also to execute such agreements, letters and other writings in this regard, including delegation of all, or any of these powers and to do all acts, deeds, things, and matters as may be required or are necessary to give effect to this resolution or as otherwise considered by the Board of Directors of the Investment Manager, to be in the best interest of Anzen, as it may deem fit.”

ITEM NO. 8 - TO CONSIDER AND APPROVE APPOINTMENT OF MS. NUPUR GARG (DIN: 03414074), AS AN INDEPENDENT DIRECTOR ON THE BOARD OF INVESTMENT MANAGER OF ANZEN

To consider and if thought fit, to pass with or without modifications, the following resolution by way of special resolution (i.e., where the votes cast in favour of the resolution are not less than one and a half times than the votes cast against the resolution) in terms of Regulation 22 of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014:

“RESOLVED that pursuant to Regulation 25 (2A) of the Securities and Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 (**“LODR”**) and the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 (**“InvIT Regulations”**), including any statutory amendments thereto or re-enactments thereof for the time being in force, Ms. Nupur Garg (DIN: 03414074), who had submitted a declaration that she meets the criteria of independence as per the InvIT Regulations, LODR and other applicable law and who was appointed by the Board of Directors of Edelweiss Real Assets Managers Limited, the Investment Manager of Anzen India Energy Yield Plus Trust (**“Investment Manager”**), as the Independent Director of the Investment Manager, be and is hereby appointed as an Independent Director of the Investment Manager, with effect from May 23, 2023 to May 22, 2028 for initial term of 5 years on such terms and conditions, as approved by the Board of Directors of the Investment Manager and shall not be liable to retire by rotation.

RESOLVED FURTHER that the Board of Directors and the Key Managerial Personnel of the Investment Manager of Anzen, be and are hereby severally authorised on behalf of Anzen to inform all concerned, in such form and manner as may be required or is necessary and also to execute such agreements, letters and other writings in this regard, including delegation of all, or any of these powers and to do all acts, deeds, things, and matters as may be required or are necessary to give effect to this resolution or as otherwise considered by the Board of Directors of the Investment Manager, to be in the best interest of Anzen, as it may deem fit.”

ITEM NO. 9 - AUTHORITY TO BORROW AND CREATE CHARGE ON ASSETS OF ANZEN

To consider and, if thought fit, to pass with or without modifications, the following resolution by way of special majority (i.e., where the votes cast in favour of the resolution are required to be seventy five percent of the unitholders in value) in terms of Regulation 22 of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time.

“RESOLVED that in accordance with Regulation 20 and 22 of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, and the circulars and guidelines issued thereunder (**“InvIT Regulations”**), and other applicable laws, if any, including any statutory modifications, amendments or re-enactments for the time being in force, and subject to the Trust Deed of Anzen India Energy Yield Plus Trust (**“Anzen”**), the consent of the Unitholders, be and is hereby accorded to Anzen Group (including the Special Purpose Vehicles (as defined in the InvIT Regulations) [**“SPVs”**] of Anzen) to borrow from time to time, any sum or sums of money not exceeding 49% of the aggregate value of Anzen’s assets from time to time, in whatever form including but not limited to issuance of debentures, term loans, advances, deposits, bonds etc., on such terms and conditions as decided by the Board of Directors of Edelweiss Real Assets Managers Limited (the **“Investment Manager”**), as the Investment Manager may deem fit in the best interest of Anzen and the Unitholders, and on such security, including by way of mortgage, hypothecation, pledge, lien and/or charge, in addition to the mortgage, hypothecation, pledge and/or charge already created, in such form, manner and ranking and on such terms as the Trustee and/or Investment Manager may deem fit in the best interest of Anzen and the Unitholders, on all or any of the movable

and/or immovable properties of Anzen and/or the Project SPVs owned by Anzen, both present and future and/ or any other assets or properties, either tangible or intangible, of Anzen and/or the SPVs owned and held by Anzen, for securing the borrowings availed or to be availed by the Anzen Group, including providing any undertakings and/or guarantees as may be required in connection therewith, and to do all such acts, deeds and things and to execute all such documents, instruments and writings, and register all charges as may be required in this regard.

RESOLVED FURTHER that in relation to the aforesaid transactions, the Investment Manager be and is hereby authorized to do all such acts, deeds, matters and things and execute, modify or amend all such deeds, agreements or other documents, as may be necessary from time to time for giving effect to the above resolution on such terms and conditions in its capacity as the Investment Manager may deem fit in the best interest of Anzen and the Unitholders, and to settle any questions, difficulty or doubt that may arise with regard to giving effect to the above resolution, as it may deem necessary in its discretion.

RESOLVED FURTHER that all the Directors and Key Managerial Personnel of the Investment Manager be and are hereby severally authorized on behalf of Anzen to inform all concerned, in such form and manner as may be required or is necessary and also to execute such agreements, letters and other writings in this regard, including delegation of all, or any of these powers and to do all acts, deeds, things, and matters as may be required or are necessary to give effect to this resolution or as otherwise considered by the Board of Directors of the Investment Manager, to be in the best interest of Anzen, as it may deem fit.”

**On behalf of Anzen India Energy Yield Plus Trust
Edelweiss Real Assets Managers Limited**

(acting in its capacity as the Investment Manager to Anzen India Energy Yield Plus Trust)

Jalpa Parekh

Company Secretary & Compliance Officer

ACS: 44507

Mumbai

Date: June 29, 2023

NOTES:-

1. Securities and Exchange Board of India (“SEBI”) has vide its Circular No. SEBI/HO/DDHS/DDHS_Div2/P/CIR/2023/14 dated January 12, 2023 (the “SEBI Circular”) has permitted holding of the Annual General Meeting of InvITs through Video Conferencing or Other Audio Visual Means (“VC / OAVM”), without physical presence of the Unitholders at a common venue.
2. In compliance with applicable provisions of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended (“InvIT Regulations”) read with SEBI Circular, the Annual General Meeting of Anzen is being conducted through Video Conferencing (“VC”) (hereinafter referred to as “AGM” or “e-AGM”). The proceedings of the AGM shall be deemed to be conducted at the registered office of the Investment Manager of Anzen which shall be the deemed venue of the e-AGM.
3. The Investment Manager on behalf of Anzen has appointed KFIN Technologies Limited to provide Video Conferencing facility for the e-AGM and the attendant enablers for conducting of the e-AGM.
4. Generally, a unitholder entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote in the AGM, and such proxy need not be a unitholder of Anzen. Since this AGM is being held pursuant to the SEBI Circular through VC, physical attendance of Unitholders has been dispensed with. Further, the facility for appointment of proxies by the Unitholders will not be available for the e-AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
5. Institutional / Corporate Unitholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its board or governing body Resolution/ Authorization etc., authorizing its representative to attend the e-AGM on its behalf and to vote either through remote e-voting or during the e-AGM. The said Resolution/ Authorization should be sent electronically through the concerned unitholder’s registered email address to the Scrutinizer at ashkaulcs@gmail.com with a copy marked to InvITcompliances@edelweissalts.com, not less than 48 hours before the commencement of the e-AGM.
6. Anzen’s Registrar and Transfer Agent for its Unit Registry work is KFIN Technologies Limited having office at Selenium Tower B, Plot number 31-32, Gachibowli, Financial District, Nanakramguda, Hyderabad, Telangana – 500032.
7. The recorded transcript of the meeting shall be maintained in safe custody of the Investment Manager and shall be uploaded on the website of Anzen shortly, after the conclusion of the meeting.
8. Cut Off Date & E-Voting Period:

The members who are holding units as on the Cut-off Date i.e., July 21, 2023 can cast their vote in favour of or against the resolution.

The e-voting portals will remain open from 09.00 a.m. on July 25, 2023 to 05.00 p.m. on July 27, 2023. The e-voting facility shall be blocked forthwith on July 27, 2023 at 05.00 p.m.

9. Ashita Kaul & Associates, Practicing Company Secretaries, has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

10. Procedure for E-Voting:

As per the SEBI circular dated December 9, 2020 on e-voting facility provided by Listed Companies, individual members holding securities in Demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. In compliance with above guidelines, arrangements have been made to vote electronically from depository system by the individuals. Members are advised to update their mobile number and email Id in their demat accounts in order to access e-voting facility.

Procedure to be followed by Individual members holding securities in Demat:

Individual members holding securities in demat mode shall follow below mentioned procedure depending upon the depository in which he/she maintains their demat account:

NSDL	CDSL
<p>1. User already registered for IdeAS facility: I. URL: https://eservices.nsd.com II. Click on the "Beneficial Owner" icon under 'IdeAS' section. III. On the new page, enter User ID and Password. Post successful authentication, click on "Access to e-Voting" IV. Click on company name or e-Voting service provider and you will be re-directed to e-Voting service provider website for casting the vote during the remote e-Voting period.</p>	<p>1. Existing user who have opted for Easi / Easiest I. URL: https://web.cdslindia.com/myeasi/home/login or URL: www.cdslindia.com II. Click on New System Myeasi III. Login with user id and password. IV. Option will be made available to reach e-Voting page without any further authentication. V. Click on e-Voting service provider name to cast your vote.</p>
<p>2. User not registered for IdeAS e-Services I. To register click on link : https://eservices.nsd.com II. Select "Register Online for IdeAS" III. Proceed with completing the required fields. Alternatively, To register click on link : https://eservices.nsd.com/SecureWeb/IdEasDirectReg.jsp Proceed with completing the required fields.</p>	<p>2. User not registered for Easi/Easiest I. Option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration II. Proceed with completing the required fields.</p>
<p>3. First time users can visit the e-Voting website of NSDL directly and follow the process given below :</p>	<p>3. First time users can visit the e-Voting website of CDSL directly and follow the process given below :</p>

<p>I. URL: https://www.evoting.nsdl.com/</p> <p>II. Click on the icon “Login” which is available under ‘Shareholder/Member’ section.</p> <p>III. Enter User ID (i.e. 16-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.</p> <p>IV. Post successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page.</p> <p>V. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.</p>	<p>I. URL: www.cdslindia.com</p> <p>II. Provide demat Account Number and PAN No.</p> <p>III. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account.</p> <p>IV. After successful authentication, user will be provided links for the respective ESP where the e- Voting is in progress.</p>
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Procedure to login through depository participant websites (only for Individual Members)

Individual Member can also login using the login credentials of his/her demat account through his/her Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, the member will be able to see e-Voting option. Click on e-Voting option the member will be redirected to NSDL/CDSL Depository site after successful authentication. Click on company name or e-Voting service provider name and the member will be redirected to e-Voting service provider website for casting the vote during the remote e-Voting period.

Help lines for login issues:

Members can use the following helplines of NSDL/CDSL to retrieve User ID/ Password in case they forget User ID and Password:

Individual members holding units in demat form with NSDL facing any technical issue	Individual members holding units in demat form with CDSL facing any technical issue
<p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30</p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 22-23058542-43.</p>

Login procedure for non-individual unitholders:

Non-individual unitholders viz Mutual Funds, Foreign Portfolio Investors, Banks/Financial Institutions, Insurance Companies, Bodies Corporates etc. can directly login through <https://evoting.kfintech.com> for casting votes during the e-voting period.

Procedure and Instructions for remote e-voting are as under: Initial password is provided in the body of the email. Launch internet browser and type the URL: <https://evoting.kfintech.com> in the address bar.

- a. Enter the login credentials i.e. User ID and password mentioned in your email. Your Folio No./DP ID Client ID will be your User ID. However, if you are already registered with Kfin for e-voting, use your existing User ID and password for casting your votes.
- b. After entering the details appropriately, click on LOGIN.
- c. You will reach the password change menu wherein you will be required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A-Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,\$,etc.). It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- d. You need to login again with the new credentials.
- e. On successful login, the system will prompt you to select the EVENT i.e. ANZEN.
- f. On the voting page, the number of units (which represents the number of votes) held by you as on the cut-off date will appear. If you desire to cast all the votes assenting/dissenting to the resolution, enter all units and click 'FOR'/'AGAINST' as the case may be or partially in 'FOR' and partially in 'AGAINST', but the total number in 'FOR' and/or 'AGAINST' taken together should not exceed your total unitholding as on the cut-off date. You may also choose the option 'ABSTAIN' and the units held will not be counted under either head.
- g. Members holding multiple folios/demat accounts shall choose the voting process separately for each folio/demat account.
- h. Cast your votes by selecting an appropriate option and click on 'SUBMIT'. A confirmation box will be displayed. Click 'OK' to confirm, else 'CANCEL' to modify. Once you confirm, you will not be allowed to modify your vote subsequently. During the voting period, you can login multiple times till you have confirmed that you have voted on the resolution. Your user ID and password for this purpose are furnished below:

EVEN (E-Voting Event Number)	USER ID	Password / PIN

Note: If you forget your password, you can reset your password by using “Forgot user details/Password” option available on <https://evoting.kfintech.com>

General instructions:

Please note that once you cast your vote, you will not be allowed to modify it subsequently. However, you can attend the meeting through VC / OAVM and participate in the discussions, if any.

E-voting is optional and those who have not exercised remote E-voting option can cast their votes at the voting to be conducted during the AGM through VC / OAVM on July 28, 2023 as per instructions provided in Notice of AGM.

In case of any query, you may refer to the Frequently Asked Questions (FAQs) for unitholders and e-voting user manual for unitholders available at the Downloads sections of <https://evoting.kfintech.com> or contact Mr. S.V. Raju, Dy. Vice-President, Kfin Technologies Ltd. (Unit- Anzen) at email: v-rajusv@kfintech.com or contact at phone no. 1-800-309-4001 (toll free).

Instructions for attending/joining the Annual General Meeting through VC/OAVM are as under:

1. Unitholders will be able to attend the 1st AGM through VC/OAVM facility provided by Kfin at <https://emeetings.kfintech.com> by clicking on the tab ‘Video Conference’ and using their remote e-voting login credentials. The link for 1st AGM will be available in unitholders login where the EVENT and the name of ANZEN can be selected.
2. Members who do not have User ID and Password for e-voting or have forgotten the User ID and Password may retrieve the same by following the remote e-voting instructions mentioned above.
3. Members are encouraged to join the meeting through Laptops with Google Chrome for better experience.
4. Further, members will be required to allow camera, if any, and hence use internet with a good speed to avoid any disturbance during the meeting.
5. While all efforts will be made to make the VC/OAVM meeting smooth, participants connecting through mobile devices, tablets, laptops, etc. may, at times, experience audio/video loss due to fluctuation in their respective networks. Use of a stable Wi-Fi or LAN connection can mitigate some of the technical glitches.

In order to access the AGM platform, Members are requested to visit the link <https://emeetings.kfintech.com> . Please use your below mentioned login credentials for accessing both the remote e-voting and AGM through VC /OAVM platform.

EVEN (E-Voting Event Number)	USER ID	Password / PIN

Note: If you forget your password, you can reset your password by using “Forgot user details/Password” option available on <https://evoting.kfintech.com>

Members who will be present in the 1st AGM through VC/OAVM facility and have not cast their vote through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting at the AGM.

The detailed instructions for remote e-voting, participation through VC and the process of e-voting in the AGM including the manner in which votes may be cast by the Members who have not registered their e-mail address are provided as a part of the Notice calling the AGM.

Principal Place of Business and Contact Details of Anzen:

Anzen India Energy Yield Plus Trust

Plot No. 294/3, Edelweiss House,
Off CST Road, Kalina, Santacruz East,
Mumbai - 400 098
Tel: +91 (22) 4019 4815
Email - InvITcompliances@edelweissalts.com

Website - www.anzenenergy.in

Compliance Officer - Ms. Jalpa Parekh

Registered & Corporate Office and Contact Details of the Investment Manager:

Edelweiss Real Assets Managers Limited

Plot 294/3, Edelweiss House,
Off CST Road, Kalina, Santacruz East,
Mumbai - 400 098
CIN: U67110MH2021PLC362755

Contact Person: Ms. Jalpa Parekh
Tel: +91 (22) 4019 4815
Email - InvITcompliances@edelweissalts.com

EXPLANATORY STATEMENT

ITEM NO. 3

Pursuant to the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 and the circulars issued thereon ("**InvIT Regulations**"), Anzen India Energy Yield Plus Trust ("**Anzen**") is required to appoint a valuer to carry out valuation of assets held by Anzen, on an annual basis.

Accordingly, it is proposed to appoint Mr. S Sundararaman ("**Registered Valuer**") bearing IBB registration number IBBI/RV/06/2018/10238 for FY 2023-24 to undertake valuation of assets held by Anzen. Further, Desai Haribhakti & Co. Chartered Accountants, shall provide valuation assistance services and review valuation report to be prepared by Mr. S. Sundararaman, Registered Valuer.

Brief profile of Mr. S Sundararaman is as follows:

"Mr. Sundararaman is a fellow member from the Institute of Chartered Accountants of India, Graduate member of the Institute of Cost and Works Accountants of India, Information Systems Auditor (DISA of ICAI) and has completed the Post Qualification Certification courses of ICAI on IFRS, Valuation. He is a registered Insolvency Professional and a Registered Valuer for Securities or Financial Assets, having been enrolled with the Insolvency and Bankruptcy Board of India (IBBI) after passing the respective Examinations. He possesses more than 30 years of experience in servicing large and medium sized clients in the areas of Corporate Advisory including Strategic Restructuring, Governance, Acquisitions and related Valuations and Tax Implications apart from Audit and Assurance Services."

Mr. Sundaraman has given his consent to act as the Valuer to carry out valuation of all special purpose vehicles of Anzen and have confirmed that the said appointment, if made, will be in accordance with the conditions prescribed under InvIT Regulations. Further, he does not have any financial interest in or association with Anzen or its Sponsors, Directors and management which may lead to conflict of interest.

None of the Director(s) and Key Managerial Personnel of Investment Manager or their respective relatives are concerned or interested, financial or otherwise in the resolution mentioned at Item No. 3 of this Notice.

The Investment Manager recommends the resolution no. 3 as set out in the Notice for your approval by way of simple majority (i.e. where the votes cast in favour of the resolution are required to be more than the votes cast against the resolution) for approval of the Unitholders.

ITEM NO. 4

The Board of Directors of Edelweiss Real Assets Managers Limited, the Investment Manager ("**Investment Manager**") of Anzen India Energy Yield Plus Trust ("**Anzen**"), on December 27, 2021, had appointed M/s. S R B C & Co LLP, Chartered Accountants (Firm Registration No. - 324982E/ E300003) as the Statutory Auditors of Anzen India Energy Yield Plus Trust ("**Anzen**") to hold office till the conclusion of the sixth Annual General Meeting of Anzen.

In accordance with provisions of Regulation 10(6) of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 ("**InvIT Regulations**"), the Investment Manager shall appoint an Auditor for a period of not more than five consecutive years subject to approval of unitholders in the annual meeting in accordance with Regulation 22 of the Securities

and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended ("**InvIT Regulations**").

S R B C & Co LLP have given their consent to act as the Auditors of the Trust and have confirmed that the said appointment, if made, will be in accordance with the conditions and criteria prescribed under InvIT Regulations. S R B C & Co LLP do not have any financial interest in or association with Trust or its Sponsors, Directors and management which may lead to conflict of interest.

None of the Director(s) and Key Managerial Personnel of Investment Manager or their respective relatives are concerned or interested, financial or otherwise in the resolution mentioned at Item No. 4 of this Notice.

The Investment Manager recommends the resolution no. 4 as set out in the Notice for your approval by way of simple majority (i.e. where the votes cast in favour of the resolution are required to be more than the votes cast against the resolution) for the approval of the Unitholders.

ITEM NO. 5

Considering the eligibility of Mr. Sunil Mitra (DIN: 00113473) for reappointment as an Independent Director of Edelweiss Real Assets Managers Limited, the Investment Manager of Anzen India Energy Yield Plus Trust ("**Anzen**"), the Board of Directors of the Investment Manager vide its circular resolution dated March 31, 2023, based on the recommendation of the Nomination and Remuneration Committee, had approved the reappointment of Mr. Mitra as an Independent Director of the Investment Manager, who shall hold office upto March 31, 2028.

In the opinion of the Board, Mr. Mitra fulfils the conditions specified in the Companies Act, 2013 ("**the Act**") including the rules made thereunder, the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**LODR**") and the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended ("**InvIT Regulations**") for his reappointment as an Independent Director and is independent of the management.

Mr. Mitra does not hold any units of Anzen and is not related to any Director or Key Managerial Personnel of the Investment Manager in any way. Additional information in relation to Mr. Mitra is given in the Annexure enclosed herewith.

Considering the contribution made by Mr. Mitra in various economic reforms, the initiatives taken by him for framing important policies in public finance at the national level and his annual performance evaluation, the Investment Manager recommends the passing of the Special Resolution as set out at Item No. 5 of the Notice.

None of the other Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested in this item of business.

The Investment Manager of Anzen recommends the resolution no. 5 proposing the re-appointment of Mr. Mitra as an Independent Director on the Board of Investment Manager, for approval of the Unitholders.

ITEM NO. 6

Considering the eligibility for reappointment of Mr. Shiva Kumar (DIN: 06590343) as an Independent Director of Edelweiss Real Assets Managers Limited, the Investment Manager (“**Investment Manager**”) of Anzen India Energy Yield Plus Trust, the Board of Directors of the Investment Manager vide its circular resolution dated March 31, 2023, based on the recommendation of the Nomination and Remuneration Committee, had approved the reappointment of Mr. Kumar as an Independent Director of the Company, who shall hold office upto March 31, 2028.

In the opinion of the Board, Mr. Kumar fulfils the conditions specified in the Act, LODR and InvIT Regulations for his reappointment as an Independent Director and is independent of the management.

Mr. Kumar does not hold any units of Anzen and is not related to any Director or Key Managerial Personnel of the Investment Manager in any way. Additional information in relation to Mr. Kumar is given in the Annexure enclosed herewith.

Considering extensive experience of Mr. Kumar across both public and private sector in BFSI and his annual performance evaluation, the Investment Manager recommends the passing of the Special Resolution as set out at Item No. 6 of the Notice.

None of the other Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested in this item of business.

The Investment Manager of Anzen recommends the resolution no. 6 proposing the re-appointment of Mr. Shiva Kumar as an Independent Director on the Board of Investment Manager, for approval of the Unitholders.

ITEM NO. 7

Considering the credentials of Ms. Bala C Deshpande (DIN: 00020130) the Board of Directors of the Investment Manager (“**Investment Manager**”) of Anzen India Energy Yield Plus Trust, vide its circular resolution dated April 1, 2023, based on the recommendation of the Nomination and Remuneration Committee, had approved the appointment of Ms. Deshpande as an Independent Director of the Company, who shall hold office upto March 31, 2028.

In the opinion of the Board, Ms. Deshpande fulfils the conditions specified in the Act, LODR and InvIT Regulations, for her appointment as an Independent Director of the on the Board of Investment Manager and is independent of the management.

Ms. Deshpande does not hold any units of Anzen and is not related to any Director or Key Managerial Personnel of the Investment Manager in any way. Additional information in relation to Ms. Deshpande is given in the Annexure enclosed herewith.

None of the other Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested in this item of business.

The Investment Manager of Anzen recommends the resolution no. 7 proposing the appointment of Ms. Deshpande as an Independent Director on the Board of Investment Manager, for approval of the Unitholders.

ITEM NO. 8

Considering the credentials of Ms. Nupur Garg (DIN: 03414074) the Board of Directors of the Investment Manager (“**Investment Manager**”) of Anzen India Energy Yield Plus Trust, vide its circular resolution dated May 23, 2023, based on the recommendation of the Nomination and Remuneration Committee, had approved the appointment of Ms. Deshpande as an Independent Director of the Company, who shall hold office upto May 22, 2028.

In the opinion of the Board, Ms. Garg fulfils the conditions specified in the Act, LODR and InvIT Regulations, for her appointment as an Independent Director of the on the Board of Investment Manager and is independent of the management.

Ms. Garg does not hold any units of Anzen and is not related to any Director or Key Managerial Personnel of the Investment Manager in any way. Additional information in relation to Ms. Garg is given in the Annexure enclosed herewith.

None of the other Directors, Key Managerial Personnel and their relatives are in any way, concerned or interested in this item of business.

The Investment Manager of Anzen recommends the resolution no. 8 proposing the appointment of Ms. Garg as an Independent Director on the Board of Investment Manager, for approval of the Unitholders.

ITEM NO. 9

Pursuant to Regulation 20(3) of the InvIT Regulations, for the aggregate consolidated borrowings and deferred payments of InvITs and its Special Purpose Vehicles (“**SPVs**”), net of cash and cash equivalents, upto 49% of the value of its assets, an InvIT is required to obtain a credit rating and Unitholders approval.

Anzen India Energy Yield Plus Trust has already obtained credit ratings from CRISIL Ratings Limited and India Ratings and Research Pvt Ltd., the rating letters and rationale for which are available on the Anzen website. As part of the ordinary course of business, the Investment Manager keeps evaluating various projects/ assets and investment opportunities. The Investment Manager may also explore to further optimize the debt equity ratio at Anzen. Therefore, with the perspective of enabling Anzen to meet the additional fund requirements of its business purposes including to fund potential investment opportunity and for cashflow mismatches/ operational requirements, it is proposed to enable Anzen (comprising Anzen and the Project SPVs owned by Anzen) to borrow sums of money not exceeding 49% of the aggregate value of Anzen’s Assets from time to time, including but not limited to issuance of debt securities, raising of term loans, advances, deposits or such other instrument as may be permissible under the InvIT Regulations, on such terms and conditions as the Investment Manager may deem fit in the best interest of Anzen and the Unitholders and in such form, manner and ranking as may be determined by the Investment Manager from time to time, in consultation with the relevant lenders, including providing any undertakings and/or guarantees as may be required in connection therewith.

The resolution contained in Item No. 9 of the accompanying Notice, seeks the approval of the Unitholders so as to enable the Investment Manager to complete all procedural and other formalities in connection with any borrowing that may be availed by Anzen (acting through the Investment Manager and/or the Trustee) and the creation of charge(s) on the assets of Anzen or its SPVs so to secure any such borrowings.

The Investment Manager recommends the resolution no. 9 as set out in the Notice for increase in borrowing limits of Anzen and creation of charge on its assets or its SPVs, for approval of the Unitholders.

ANNEXURE

Name of the Director	Mr. Sunil Mitra	Mr. Shiva Kumar	Ms. Bala C Deshpande	Ms. Nupur Garg
DIN	00113473	06590343	00020130	03414074
Date of birth	24/06/1951	20/02/1953	15/04/1966	09/08/1974
Brief details and Nature of Expertise in specific functional area	<p>Mr. 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 three and a half decades, 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.</p> <p>After completing his term of public service, he chaired a Committee in Planning Commission between October 2011 and August</p>	<p>Mr. 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.</p> <p>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).</p>	<p>Ms. Bala C Deshpande is the Founder Partner of MegaDelta Capital. Of her 32 years of experience, Bala has over two decades of investing experience. She started her investing career as Director Investments in ICICI Venture in 2001 and in 2008 she joined NEA at a General Partner level to set up and head their India Practice. Prior to her investing experience, Bala has had deep operating experience with reputed multi-national firms such as ICI, Cadbury's and BestFoods. She is a Management Graduate from Jammalal Bajaj and has a Master's degree in Economics.</p> <p>ICICI Venture during her time was the Industry leader and Bala was part of the leadership team that consolidated the firm's position by growing the AUM to more than \$2 Bn. She was instrumental in delivering great returns of 3x and 4x across Funds during her tenure. NEA is one of the most reputed VC Funds based in the US and known for its acumen in investing behind world defining Technology with a Capital Under Management of USD 11 bn at the time of her joining. She</p>	<p>Ms. Nupur Garg is a leading investor in private equity and venture capital and an expert advisor to large institutional investors. She is the founder of WinPE (https://winpeforum.com), a not-for-profit initiative to enhance gender diversity in investing and entrepreneurship.</p> <p>Ms. Garg serves as Chairperson of the board of Kids Clinic India Limited (Cloudnine chain of hospitals) and an independent director on the boards of companies including Indigo Paints Limited, Kerala Infrastructure Fund Management Limited and SIDBI, the Indian development finance institution. She is an independent member of the investment committee at the Fund of Funds managed by the National Investment and Infrastructure Fund (NIIF), the quasi sovereign wealth fund sponsored by the government of India, and an advisor to and a member of the investment committee for the Dutch Good Growth Fund (DGGF) investment funds mandate given by the Dutch government for investments in SMEs in frontier markets across 75</p>

	<p>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.</p> <p>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</p>	<p>He has over 40 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.</p> <p>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).</p>	<p>built a very strong team and practice in India as a global partner. At NEA, she has invested and backed many disruptive companies in the mid-market space. In 2018, NEA gave the India team an opportunity to buy-out the India platform given their shift in geographical strategy. Ms. Deshpande leveraged this opportunity to set up an independent practice with the help of 7 global reputed investors.</p> <p>Over the years she has held close to 40 Board positions in companies across a wide spectrum of industries. Her experience as a Board member is also variegated in terms of size and stage from young, high involvement companies to large listed companies. She has played an instrumental role in shaping many innovative businesses and entrepreneurial journeys. These include the first Internet IPO: Naukri.com, first 24-hour news channel: Aaj Tak, first Payment Tech company, several consumer companies such as Shoppers Stop that redefined the sector etc. Currently, she is an Independent Board Member in Info Edge (India) Ltd. for over 16 years. The company has won several awards for exemplary for compliance and corporate governance. She is also an Independent Director in SIDBI</p>	<p>countries. She has served as an external expert on the investment committee for the INR 10,000 crore Fund of Fund for Start-ups for investing in the Indian start-up ecosystem. Ms. Garg advises select fund managers on a confidential basis on matters related to institutionalization, best practices and governance. She also mentors female entrepreneurs across various platforms.</p> <p>Ms. Garg was listed in the BW VC World Most Influential Women 2022, Forbes W-Power list of Self Made Women 2020, among India's top 100 Women Leaders in Finance (AIWMI 2019), awarded the Women Empowerment Entrepreneur Award 2019-20 and the Business Excellence and Innovative Best Practices - Academia Award 2019.</p> <p>Ms. Garg is a CA and an MBA from MIT Sloan School of Management, with executive education from Harvard Business School.</p>
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	<p>the Boards of a number of Public Companies.</p>		<p>Venture Capital Limited and Brainbees Solutions Private Limited (FirstCry.com).</p> <p>She is a nominee Board member of deeply disruptive companies like FSS, a payment Tech company, MediSys a new age digital EduTech company, Panacea Medical Technologies, a Radiation therapy device company for Oncology, GOQii Inc, a Medtech company among others. With her Board participation these companies have grown exponentially, emerged as category leaders and created immense shareholder value.</p> <p>With her deep experience, Ms. Deshpande has a clear perspective of the pitfalls that businesses in India experience in their pursuit for growth. She has seen business failures and entrepreneurial missteps as well in her journey as an investor over the years. She has assimilated these learnings to form clear strategic perspectives about businesses in India from both aspects of leveraging opportunity and managing risk. She strongly believes that perspective is the best value add that she can bring to the table as an Investor and a Board member.</p> <p>She is passionate about Technology and its far-reaching implications on markets, businesses and consumers. She attended the Singularity</p>	
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			University course to sharpen her knowledge in this space.”	
Terms and conditions of appointment including remuneration	Entitled for sitting fees and not liable to retire by rotation.			
Date of first appointment on the Board	November 23, 2021	April 1, 2022	April 1, 2023	May 23, 2023
Shareholding in the Company	NIL			
Relationship with other Directors, Manager and other Key Managerial Personnel of the Company	None			
The number of meetings of the Board attended during the year (FY 2022-23)	8/8	8/8	-	-
Other Directorships	<ul style="list-style-type: none"> • Century Plyboards (India) Ltd. • CESC Ltd • Firstsource Solutions Limited • Patton International Ltd • Magma HDI General Insurance Company Limited • IPE Global Limited 	<ul style="list-style-type: none"> • UTI Trustee Company Private Limited • Edelweiss Financial Services Limited • ECL Finance Limited • Vishuv Invest Private Limited • Edelweiss Asset Reconstruction Company Limited 	<ul style="list-style-type: none"> • Medisys Edutech Private Limited • INFO Edge (India) Limited • SIDBI Venture Capital Limited • Brainbees Solutions Private Limited • Panacea Medical Technologies Private Limited • Financial Software And Systems Private Limited • Megadelta Capital Asset Managers LLP • GOQii Inc • ECLERX Services Limited 	<ul style="list-style-type: none"> • Kids Clinic India Limited • Avyana Business Ventures Private Limited • Kerala Infrastructure Fund Management Limited • Winpe Development Forum • Winpe Development Private Limited • Small Industries Development Bank of India
Membership/ chairmanship	<u>Audit Committee</u>	<u>Audit Committee</u>	<u>Audit Committee</u>	<u>Audit Committee</u>

<p>of committees of other boards</p>	<ul style="list-style-type: none"> • IPE Global Limited - Chairman • Patton International Limited - Chairman • Magma HDI General Insurance Company Limited - Chairman • Firstsoucre Solutions Limited - Member <p><u>Nomination and Remuneration Committee</u></p> <ul style="list-style-type: none"> • IPE Global Limited - Member • Patton International Limited - Chairman • Magma HDI General Insurance Company Limited - Chairman 	<ul style="list-style-type: none"> • Edelweiss Financial Services Limited - Chairman • ECL Finance Limited - Member • Edelweiss Asset Reconstruction Company Limited - Member • UTI Trustee Company Private Limited - Chairman <p><u>Nomination and Remuneration Committee</u></p> <ul style="list-style-type: none"> • Edelweiss Financial Services Limited - Member • ECL Finance Limited - Member <p><u>Stakeholders Relationship Committee</u></p> <ul style="list-style-type: none"> • Edelweiss Financial Services Limited - Member <p><u>Risk Management Committee</u></p> <ul style="list-style-type: none"> • Edelweiss Financial Services Limited - Member • UTI Trustee Company Private Limited - Member 	<ul style="list-style-type: none"> • Brainbees Solutions Private Limited - Member • SIDBI Venture Capital Limited - Member <p><u>Nomination and Remuneration Committee</u></p> <ul style="list-style-type: none"> • Brainbees Solutions Private Limited - Member • SIDBI Venture Capital Limited - Member <p><u>Stakeholders Relationship Committee</u></p> <ul style="list-style-type: none"> • Brainbees Solutions Private Limited - Member 	<ul style="list-style-type: none"> • Kerala Infrastructure Fund Management Limited - Member • Small Industries Development Bank of India - Member • Kids Clinic India Limited - Member <p><u>Nomination and Remuneration Committee</u></p> <ul style="list-style-type: none"> • Kerala Infrastructure Fund Management Limited - Member • Kids Clinic India Limited - Member <p><u>Stakeholders Relationship Committee</u></p> <ul style="list-style-type: none"> • Kids Clinic India Limited - Chairperson
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Anzen India Energy Yield Plus Trust



Annual Report

FY2022-23

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INTRODUCTION

MESSAGE FROM THE LEADERSHIP

It gives me immense pleasure to write to you and present the first Annual Report for Anzen India Energy Yield Plus Trust (“**Anzen Trust**” or “**Anzen**”) for FY 2023.

The Indian economy has demonstrated exceptional resilience in FY 2023. Gross domestic product (GDP) grew 7.2% during the year propelled by domestic demand, both from investment and private consumption. Domestic macroeconomic fundamentals are strengthening: inflation has moderated, current account deficit has narrowed, foreign exchange reserves are comfortable and fiscal consolidation is ongoing. Further, the government's emphasis on infrastructure development, with initiatives such as the National Infrastructure Pipeline, is expected to provide further impetus to growth and job creation.

As India takes strides to become the world’s third largest economy in the next few years and a developed nation by 2047, decarbonisation and sustainable growth have emerged as one of the key enablers of this journey for a green future. I believe that the Indian energy sector offers massive growth potential with the government’s commitment to reach a net zero status by 2070. The Indian government has targeted development of 500 GW non fossil fuel-based capacity and 5 mtpa of green hydrogen by 2030. This provides an investment opportunity of ~Rs 28 tn across the energy sector including generation, transmission, and storage.

Anzen Trust has been set up with an objective of investing in a diversified portfolio of quality energy assets capitalising on India’s energy transition. I am confident that Anzen is well positioned to deliver predictable yields and sustainable growth for its investors through its well-defined investment strategy, support and experience of the Sponsor and the robust regulatory framework for power transmission and renewable energy generation in India.

In November 2022, Anzen raised Rs 7.5 billion through a private placement and received an encouraging response from a diversified set of institutional and other investors. In December 2022, the Trust raised Rs 7.5 billion through its maiden listed Non Convertible Debentures (“**NCDs**”) issuance at a weighted average coupon rate of 8.14%. The NCD’s were rated “Crisil AAA/Stable” by CRISIL Ratings Limited and “IND AAA/Stable” by India Ratings & Research Private Limited. As its initial investment, Anzen Trust has acquired NRSS-XXXI (B) Transmission Limited (“**NRSS**”) and Darbhanga – Motihari Transmission Company Limited (“**DMTCL**”), two operating inter-state transmission assets located in the states of Punjab, Haryana and Bihar. Further, the Trust has the Right of First Offer to acquire 12 solar assets with a combined capacity of ~813 MWp, thereby enhancing the size of its portfolio.

On the operational front, we continued to demonstrate strong performance, both our portfolio companies reported average availability ranging from 99.64% to 100% exceeding the target availability of 98%, thereby earning incentives. Our accreditations to the ISO 14001, ISO 45001 & ISO 55001 standards were reconfirmed - a testament to our commitment towards the environment and health and safety of employees. During the year, our portfolio company, DMTCL received awards from the National Safety Council, India, and the British Safety Council.

In terms of financial performance, consolidated revenues and EBIDTA were Rs 999 million and Rs 852 million respectively for the part period ending March 31, 2023¹. The Trust has distributed INR 3.66/unit to unitholders in the financial year ended March 31, 2023. The Net Debt / AUM as on March 31, 2023, stood at ~ 28%, giving us ample headroom to fuel our next leg of growth. We remain committed to pursue acquisition of quality assets that provide long-term, predictable cash flows and help us deliver superior risk adjusted returns for our Unitholders.

My deepest gratitude to all our stakeholders for their continued support, as we continue our growth journey over the coming years.

VENKAT RAMASWAMY
VICE CHAIRMAN, EDELWEISS GROUP

¹ For the period from November 11, 2022 till March 31, 2023

MANAGEMENT DISCUSSION AND ANALYSIS

Indian Economy Overview

According to the International Monetary Fund's (IMF's) January 2023 update of the World Economic Outlook (WEO), global growth is expected to moderate from 3.4% in 2022 to 2.9% in 2023 and 3.1% per cent in 2024. Advanced economies are projected to register a sharper deceleration as compared to emerging economies.

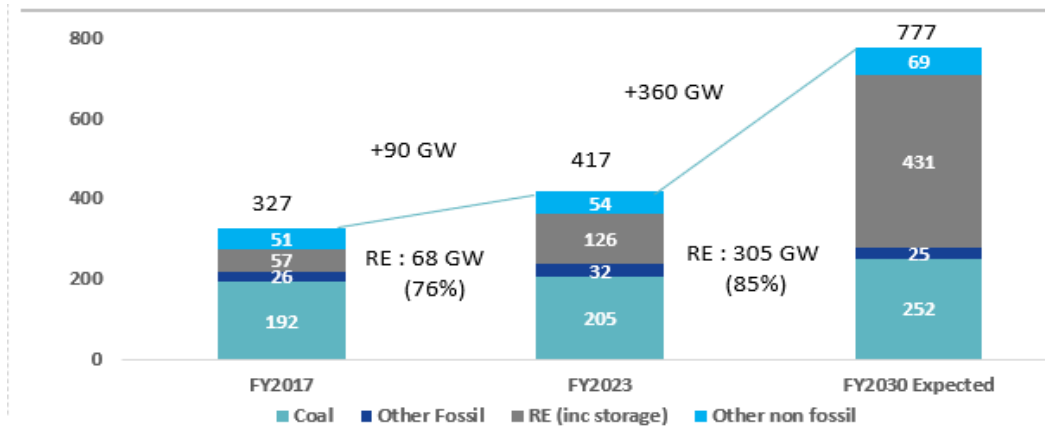
In India, domestic economic activity has been resilient, on the back of consecutive years of strong agricultural production, a post-pandemic rebound in services, buoyant growth in bank credit, a healthy banking and financial system and the government's capex push. Gross domestic product (GDP) grew 7.2% in FY2023 driven by private consumption and investment. However, the consumer price index (CPI) inflation persisted at elevated levels during the year impacted by a series of adverse supply shocks, food inflation and the continuing passthrough of high input costs. Given the same, the Reserve Bank of India (RBI) increased the policy repo rate by 250 basis points (bps) during May 2022-February 2023. The FY2024 Union Budget has indicated a massive 37.4% rise in the capex target, led by roads, railways, and the 50-year interest free capex loan to the states. This will aid in pushing project commissioning amid the strong pipeline of Central infrastructure projects scheduled to be completed in FY2024.

The Indian economy is expected to be one of the fastest growing major economies globally over the next year with GDP growth expected at ~6% in FY2024 – driven by strong domestic drivers, strengthening macroeconomic fundamentals and a stable financial sector. The RBI expects consumer inflation to soften to ~5.3% during the year led by the base effect and expectation of relatively weak domestic growth during this period. However, slowing global growth, geopolitical tensions, upsurge in financial market volatility and tightening global financial conditions, weigh heavily on economic outlook.

Power Sector Outlook

Power demand is expected to grow by 5.5-6% in FY2024 in line with economic growth. Capacity addition is expected at 23-24 GW in FY2024 (~18 GW in FY2023) backed by a strong renewable project pipeline. The overall installed capacity is expected to reach ~440 GW by March 2024.

Figure 1 : Capacity Addition - Power



Source : CEA, Ministry of Power

Power Transmission Update

In the power transmission sector, 14625 ckm transmission line capacity and 75902 MVA transformation capacity was added in FY2023. 6 projects awarded through the competitive bidding route were commissioned and 15 projects were awarded in the past financial year. The project pipeline remains strong - 20 projects are under active bidding by the Central nodal agencies with investment requirement of over Rs. 200-250 bn, mainly to augment the transmission infrastructure for evacuating power from the upcoming renewable energy projects. As per the expansion plan released by CEA towards augmenting the transmission network to meet the 500 GW non-fossil fuel-based capacity target by 2030, the investment requirement is Rs 2.5 tn.

Renewable Energy Update

The solar power segment witnessed a slowdown in bidding activity in CY2022 amid elevated module prices and challenges associated with Approved List of Models and Manufacturers (“ALMM”) and basic customs duty (BCD) on imported modules. In the wind segment, execution was modest with only 5.7 GW commissioned out of the 17.7 GW awarded by the Central nodal agencies and state discoms, underlining execution concerns. In the hybrid segment, 2.4 GW was commissioned during the year.

Discoms in several states received sanctions from Power Finance Corporation (“PFC”) and Rural Electrification Corporation (“REC”) aggregating ~Rs 1 tn to clear dues to the power generating companies through instalments of 12-48 months under the Late Payment Surcharge (“LPS”) rules notified by the Ministry of Power in June 2022. As per the data from PRAAPTI portal, the overdues to renewable power generating companies declined from Rs. 206.8 billion as of June 2022 to Rs. 25.1 billion as on March 20, 2023. This excludes the dues converted into instalments by these discoms. While the implementation of the LPS rules is a near-term positive for the power generating companies, the sustainability of this trend would depend on the improvement in the financial profile of the discoms.

Sector Outlook

The installed power generation capacity is expected to increase to 466 GW by March '25 and further to 620 GW by March '30 with the share of renewable energy at 48% by March '30. The sector is also likely to witness large investments in balancing sources like pumped hydro and battery storage to enable effective integration of RE power with the grid.

The outlook for the power sector remains Stable, led by strong policy support from the Government of India, high tariff competitiveness despite the recent uptick and sustainability initiatives by large commercial & industrial (C&I) customers. However, challenges remain on the execution front, distribution utility finances and tariff viability concerns amid capital cost pressure and hardening interest rates.

Anzen Overview

Anzen India Energy Yield Plus Trust (“**Anzen**” or “**Anzen Trust**”) is an irrevocable trust pursuant to the trust deed under the provisions of the Indian Trusts Act, 1882, and registered with the Securities and Exchange Board of India as an InvIT on January 18, 2022, under Regulation 3(1) of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended (“**InvIT Regulations**”). Anzen Trust’s objective is to invest in a diversified portfolio of energy assets to provide long term predictable yield & growth to investors. Anzen is managed by Edelweiss Real Assets Managers Limited (“**ERAML**”), part of the Edelweiss Alternatives business. Edelweiss Alternatives is one of India’s largest alternative asset managers with an AUM of over US\$ 5 billion.

Anzen Trust has acquired a 100% stake in 2 power transmission projects with a total network of ~855 ckms and 2 substations with 1400 MVA transformation capacity (“Initial Portfolio Assets”). The Trust has the right of first offer (“**ROFO**”) to acquire 74% shareholding in 12 solar projects aggregating ~813 MWp. A brief overview of the initial portfolio assets of Anzen are outlined below :

Particulars	DMTCL	NRSS
Entity Name	Darbhangha-Motihari Transmission Company Limited	NRSS XXXIB Transmission Limited
Location	Bihar	Punjab & Haryana
Circuit kms	~277	~578
Collection mechanism & counter party	PGCIL Pooling mechanism LTTC* - Bihar State Power Transmission Company Limited & 7 other customers	PGCIL Pooling mechanism LTTC - UP Power Corporation Limited & 22 other customers
Full Commercial Operations Date	August 10, 2017	March 27, 2017
TSA expiry date	Aug-52	Mar-52
Remaining tenor of TSA	~29 years	~29 years
Revenue (Rs mn)#	545	392

*LTTC : Long Term Transmission Customer

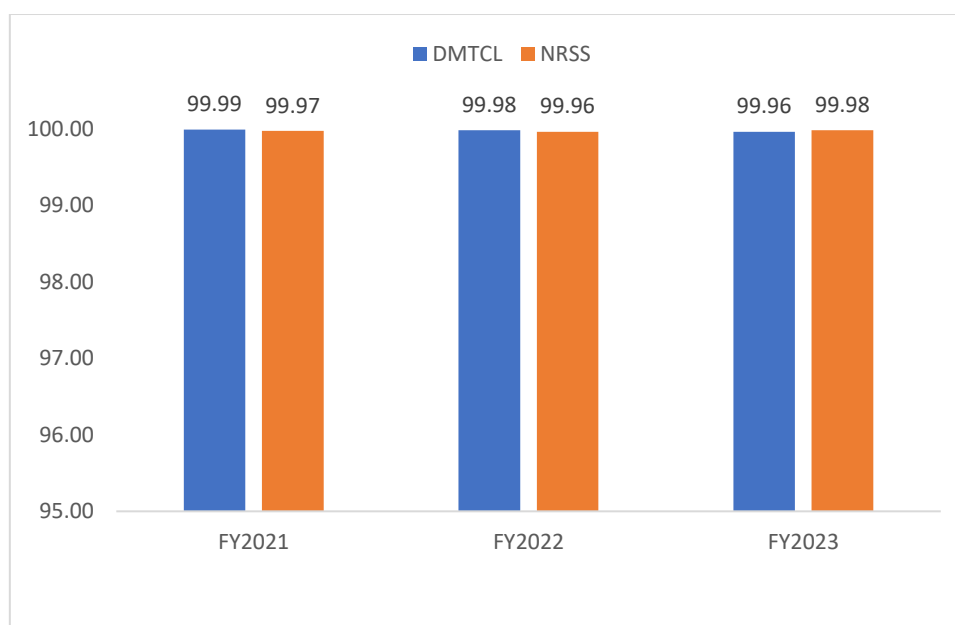
#Anzen commenced its operations from November 11, 2022 therefore financial information is presented for the period from November 11, 2022 to March 31, 2023

Operational and Financial Highlights

The Initial Portfolio Assets have entered into a Project Implementation and Management Agreement (“**PIMA**”) with Sekura Energy Private Limited (Sponsor) in the capacity as Project Manager pursuant to which the Sponsor/Project Manager is responsible for operations, maintenance, and upkeep required for the Initial Portfolio Assets. The Project Manager has adopted comprehensive procedures for asset management and operations and maintenance employing preventive and corrective measures to optimize the long-term performance and overall operational efficiency.

All the Operations and Maintenance (O&M) practices including technical, safety, health and environment, and risk management protocols are aligned to industry practices and validated through independent ISO audits and accreditations under ISO14001 (Environment Management System), ISO45001 (Occupational Health & Safety Management System), ISO27001 (International Standard for Information Security), and ISO55001 (International Standard for Asset Management). The average availability for the Initial Portfolio Assets is outlined below.

Average Availability - Initial Portfolio Assets



Financial Review

The summary of financial statements on a Consolidated and Standalone basis of Anzen Trust for the period ended March 31, 2023 is outlined below :

	Rs in million	
	Consolidated	Standalone
Total Income	999.20	706.11
EBITDA	852.25	694.15
Profit / (Loss) before tax	(357.08)	483.84
Profit/ (Loss) after tax	(319.24)	468.79

The total income of Anzen Trust at a consolidated level was Rs 999.20 million in FY2023, of which Rs 62.51 million was other income. EBIDTA and PAT for the year stood at Rs 852.25 million and Rs (319.24) million. EBIDTA margin on a consolidated basis was ~ 85% with key cost components being repair & maintenance, insurance expenses, and Investment Management fees.

Valuation Review

As per the requirements of InvIT Regulations, Anzen Trust requires to appoint a Registered Valuer who shall perform valuation of the Project Companies once every financial year, as at the end of financial year i.e., as on March 31, of every year. Considering the same, Anzen Trust had appointed Mr. S. Sundararaman bearing IBBI registration number IBBI/RV/06/2018/10238 to perform valuation of DMTCL and NRSS for the financial year ended March 2023.

The full valuation report as received from the Valuer for the year ended March 2023 has been submitted to the Stock Exchanges within the stipulated time period and is available on the website of Anzen Trust. For valuation purposes, the Valuer adopted the Discounted Cash Flow ('DCF') Method under the Income Approach. The Valuation summary of the Initial Portfolio Assets as of March 31, 2023 is as follows:

	Enterprise Value (Rs mn)	Weighted Average Cost of Capital
DMTCL	13,205	8.05%
NRSS	9,981	8.00%
Total	23,186	

Net Asset Value

Pursuant to Regulation 10 of InvIT Regulations, the Net Asset Value ("NAV") of Anzen Trust as on March 31, 2023 is as follows:

A. Statement of Net Assets at Fair Value- Standalone

Particulars	(Rs. Million)	
	Book Value	Fair Value
A. Assets	23,356.37	24,211.48
B. Liabilities (at book value)	7,458.71	7,458.71
C . Net Asset Value (A-B)	15,897.66	16,752.77
D . Number of units	158.00	158.00
E. NAV (C/D)	100.62	106.03

B. Statement of Net Assets at Fair Value- Consolidated**(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

Debt

The consolidated borrowings of Anzen as on March 31, 2023 stood at Rs 7500 million. Anzen has issued Non-Convertible Debentures (“NCDs”) in two series as below. The weighted average coupon rate for both tranches is ~8.14%.

Anzen Trust : NCD Issuance

Series	Date of Allotment	Coupon Rate (%)	Redemption Date	Size of Issue (Rs million)
I	December 1, 2022	8.01	December 1, 2025	4,500
II	December 1, 2022	8.34	December 1, 2027	3,000
				7,500

Credit Rating

Credit ratings of “**CRISIL AAA/Stable**” from CRISIL Limited and “**IND AAA/Stable**” from India Ratings & Research were obtained by Anzen for its listed Non-Convertible Debentures of Rs 7500 million issued during the financial year ended March 2023. As on date, there is no revision in the credit ratings of Anzen.

Outlook

Anzen Trust will leverage sectoral tailwinds to grow its operations by capitalizing on a value accretive acquisition strategy in the power transmission and renewable energy sector and other assets in the energy sector 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 investment objectives. In addition to potentially acquiring the ROFO Assets from Edelweiss Infrastructure Yield Plus (“**EIYP**”) and the Sponsor and its affiliates, the Trust is also seeking to acquire power transmission and solar projects from other third parties. The Trust will capitalise on its experienced operational and management teams to identify, structure, execute, and integrate acquisitions effectively.

RISK FACTORS

BUSINESS RISK

1. Anzen is a newly settled trust with no established operating and financial history and as a result, investors may not be able to assess its prospects on basis of past records.
2. Anzen may be unable to operate and maintain power transmission projects to achieve the prescribed availability. Our operations are subject to changes to current tariff policies or regulations governing the Central Transmission Utility or load dispatch centers by regulatory authorities. 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 Government of India. We may experience loss of tariffs, grid failure, blackouts, and incur significant repair and replacement costs on the occurrence of certain force majeure events. This could impact the financial position of the Trust and its ability to make distributions to unitholders.
3. A significant proportion of revenues is derived from tariffs received from Long Term Transmission Customers (“LTTCS”). Any adverse impact on the business, prospects, financial condition, results of operations or cash flows of the LTTCS could result in the delay or failure to receive payments of transmission charges and impact the financial position of the Trust.
4. Under the Right of First Offer (“ROFO”) Agreement, the Trust has the right to acquire the 74% equity shareholding and debt securities of the Sponsor/its affiliates and Edelweiss Infrastructure Yield Plus (EIYP) in 12 companies that operate solar assets generating 813.2 MW of DC power (the “ROFO Assets”). Furthermore, the remaining 26% equity shareholding of each of the ROFO Assets is held by entities of the JV Group in accordance with their respective joint venture agreements, and the ROFO Agreement neither provides the Trust a right to acquire such 26% equity shareholding in the ROFO Assets, nor is the JV Group party to, or in any way is bound by, the ROFO Agreement. 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.
5. We are highly dependent on Darbhanga-Motihari Transmission Company Limited and NRSS XXXI (B) Transmission Limited (“Portfolio Companies”) for revenue and any adverse development in economic, regulatory and political environment may adversely affect our business, financial condition, results of operations, and prospects. We cannot assure that we will be able to successfully undertake future acquisitions of energy projects or efficiently manage the projects we have acquired or may acquire in the future.
6. The tariffs under the Transmission Service Agreements (“TSAs”) are largely fixed over the term of the agreement, while operation and maintenance costs may increase due to factors beyond our control, including inflation, compliance costs, adverse weather conditions etc. Significant increase in operations and maintenance costs may reduce our profits and adversely impact our business, prospects, financial condition, results of operations and cash flows.

7. The loans provided by Anzen to Portfolio Companies are subject to certain terms and conditions which the Portfolio Companies may or may not be able to comply with.
8. Our borrowings are secured by all of the loans given to the Portfolio Companies and shareholding of the Portfolio Companies, providing our lenders/ debt security holders with substantial rights over our operations.
9. We may not be able to successfully fund future acquisitions of new projects due to the unavailability of debt or equity financing.
10. Our Sponsor may face competition from other renewable energy firms, funds, InvITs, and developers as it continues to invest and acquire energy projects to grow the business.
11. 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.
12. Our operations are subject to environmental, health and safety laws and regulations. Stricter laws and regulations, or stricter interpretation of the existing laws and regulations, may impose new liabilities on the Portfolio Companies, which could materially and adversely affect our business.
13. 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. 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.
14. Our insurance policies may not provide adequate protection against various risks associated with our operations.
15. We are subject to counterparty default risks. Our Sponsor and Investment Manager have arrangements with a number of third-parties in relation to the Portfolio Companies 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.
16. We depend on third-party contractors for certain operations who may violate applicable laws and regulations. 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.
17. Upgrading or renovation work or physical damage to our power transmission projects may disrupt their operations and result in unforeseen costs.
18. Our operations may be affected by strikes, work stoppages or increased wage demands

by employees or other disputes with employees.

19. 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 portfolio companies.
20. 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.
21. The TSAs, power transmission assets and the transmission licenses of the Portfolio Companies are of limited duration and may not be renewed/ replaced. Our TSAs have a term of 35 years and any renewal is subject to the discretion of the Central Electricity Regulatory Commission ("CERC"). Furthermore, the average remaining term of the TSAs of the Portfolio Companies is approximately 29 years.
22. The Valuation Report, and any underlying reports, are not opinions on the commercial merits of the Anzen Trust or the Portfolio Companies, 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.
23. 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.
24. The registered offices of the Investment Manager and Sponsor are not owned by the respective parties. The parties may not be able to renew or extend these agreements at commercially acceptable terms, or at all.

Risks Related to Anzen and its structure

25. Changes in government regulation (particularly in respect of the InvIT Regulations and other taxation legislations) could adversely affect our profitability, prospects, results of operations, cash flows and ability to make distributions to our Unitholders.
26. 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.
27. 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. 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.

28. 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.
29. Upon completion of the Issue, the Sponsor and its affiliates may be able to exercise significant influence over activities of the Anzen Trust on which Unitholders are entitled to vote. The Sponsor's interests may be different from Unitholders.
30. Our Portfolio Companies, the Sponsor (and Project Manager), the Investment Manager and their respective Associates and the Trustee are involved in certain legal proceedings.
31. Parties to the Trust are required to satisfy the eligibility conditions specified under Regulation 4 of the InvIT Regulations on an ongoing basis. We may not be able to ensure such ongoing compliance by the Sponsor, the Investment Manager, the Project Manager and the Trustee, which could result in the cancellation of the registration of the Anzen Trust.
32. 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 and results of operations and our ability to make distributions to the Unitholders.
33. We must maintain certain investment ratios, which may present additional risks to us. 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.
34. The Investment Manager is required to comply with certain ongoing reporting and management obligations in relation to the Anzen Trust. There can be no assurance that the Investment Manager will be able to comply with such requirements in a timely manner or at all.
35. The InvIT Regulations allow for sponsors of listed InvITs to be declassified from the status of sponsors subject to certain conditions. There can be no assurance that in the future, our Sponsor, upon fulfilment of the conditions or any other conditions that SEBI prescribes for declassifications of sponsors, will not exercise its ability to declassify itself from the status of our Sponsor.
36. 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 and prospects of the Trust.

37. The Consolidated Financial Statements presented in this Annual Report may not be indicative of the Anzen Trust's future financial condition and results of operations. Anzen Trust has raised debt financing of Rs. 7.5 bn via listed Non - Convertible Debentures, the covenants and other terms of which Anzen Trust may or may not be able to comply with.
38. While we currently own only transmission sector projects, in the future we expect to expand our acquisition strategy to include other types of renewable energy projects. To the extent that we expand our operations to include new business segments, our business operations may suffer from a lack of experience, which may materially and adversely affect our business, financial condition, results of operations and cash flows

Risks Related to India

39. Our business is dependent on economic growth in India and financial stability in Indian markets, and any slowdown in the Indian economy or in Indian financial markets could have an adverse effect on our business
40. 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 and financial conditions.
41. We are exposed to risks associated with the power sector in India.

Risks Related to Ownership of Units

42. The sale or possible sale of a substantial number of units of Anzen Trust by the Sponsor in the public market following the completion of its lock-in requirement as prescribed under the SEBI InvIT Regulations could adversely affect the price of Units 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
43. 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. Market and economic conditions may affect the market price and demand for the units. There is no assurance that our units will remain listed on the Stock Exchange
44. Any future issuance of units by us may dilute investors' unitholding. The sale or possible sale of a substantial number of units by the Sponsor or another significant unitholder could adversely affect the price of the Unit.
45. Anzen Trust may be dissolved, and the proceeds from the dissolution thereof may be less than the amount invested by the Unitholders. It may be difficult for Anzen Trust to dispose of its nonperforming assets

46. Some decisions on matters relating to the management of Anzen Trust are subject to unitholders' approvals, which if not obtained, could lead to adverse effects on Anzen Trust's business.
47. Our rights and the rights of the Unitholders to recover claims against the Investment Manager or the Trustee or Project Manager are limited. Information and the other rights of Unitholders under Indian law may differ from such rights available to equity shareholders of an Indian company or under the laws of other jurisdictions. It may not be possible for unitholders to enforce foreign judgements.

DISTRIBUTION HISTORY

Pursuant to the provisions of the InvIT Regulations and in line with the Distribution Policy of Anzen Trust, Edelweiss Real Assets Managers Limited, the Investment Manager of Anzen Trust, has made timely distributions to the Unitholders of Anzen.

The details of distributions declared and made during the year ended March 31, 2023, are as under:

Date of Declaration	Total Distribution (per unit)	Date of payment to Unitholders
February 13, 2023	1.24	February 27, 2023

After the closure of the financial year 2022-23 and as on the date of this Report, following distributions were declared by Anzen, pursuant to the provisions of InvIT Regulations and in line with the Distribution Policy:

Date of Declaration	Total Distribution (per unit)	Date of payment to Unitholders
May 25, 2023	2.42	June 7, 2023

CORPORATE GOVERNANCE OVERVIEW

PARTIES TO THE TRUST

INVESTMENT MANAGER

Edelweiss Real Assets Managers Limited (“ERAML” or “Investment Manager”) is the Investment Manager of Anzen Trust. The Investment Manager is a public limited company incorporated on June 25, 2021 under the Companies Act, 2013, having CIN U67110MH2021PLC362755. As per its objective, the Investment Manager may 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 March 31, 2023, was Rs. 111.92 million. The Investment Manager complies 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 personnel’s of the Investment Manager in fund management or advisory services or development in the infrastructure sector is above 30 years.

Board Composition

The current composition of the Board of Directors of ERAML is in line with the InvIT Regulations and other applicable laws. The brief profile of the Directors of ERAML is as follows:

➤ **Mr. Venkatchalam Ramaswamy - Non-Executive Director**

Mr. Venkatchalam Ramaswamy is a Non-Executive Director on the board of the Investment Manager since November 23, 2021. He holds a bachelor of engineering degree in electronics and communication and a master’s degree in business administration from the University of Pittsburgh, USA. He is the founding member of the Edelweiss Group. He is the vice chairman of Edelweiss Financial Services Limited, heading Edelweiss’ Asset Reconstruction Company. He has nearly 30 years of experience in the financial markets and has played a key role in

assisting one of India's first few new age boutique investment bank, to become one of the leading diversified financial services company. Amongst his responsibilities, he also heads Edelweiss's asset management business.

He has also played a key role in building a client-need focused solutions approach in Edelweiss Asset Reconstruction Company. He has experience in building and maintaining large institutional relationships, including with international pension funds and insurance companies, which has aided in the alternative asset management business of Edelweiss Financial Services Limited to become one of the largest such businesses in India.

➤ **Mr. Sunil Mitra – Independent Director**

Mr. 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 three and a half decades, 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.

➤ **Mr. Shiva Kumar – Independent Director**

Mr. 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 40 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).

➤ **Ms. Bala C Deshpande - Independent Director**

Ms. Bala C Deshpande is the Founder Partner of MegaDelta Capital. Of her 32 years of experience, Bala has over two decades of investing experience. She started her investing career as Director Investments in ICICI Venture in 2001 and in 2008 she joined NEA at a General Partner level to set up and head their India Practice. Prior to her investing experience, Bala has had deep operating experience with reputed multi-national firms such as ICI, Cadbury's and BestFoods. She is a Management Graduate from Jammalal Bajaj and has a Master's degree in Economics.

ICICI Venture during her time was the Industry leader and Bala was part of the leadership team that consolidated the firm's position by growing the AUM to more than \$2 Bn. She was instrumental in delivering great returns of 3x and 4x across Funds during her tenure. NEA is one of the most reputed VC Funds based in the US and known for its acumen in investing behind world defining Technology with a Capital Under Management of USD 11 bn at the time of her joining. She built a very strong team and practice in India as a global partner. At NEA, she has invested and backed many disruptive companies in the mid-market space. In 2018, NEA gave the India team an opportunity to buy-out the India platform given their shift in geography strategy. Bala leveraged this opportunity to set up an independent practice with the help of 7 global reputed investors.

Over the years she has held close to 40 Board positions in companies across a wide spectrum of industries. Her experience as a Board member is also variegated in terms of size and stage from young, high involvement companies to large listed companies. She has played an instrumental role in shaping many innovative businesses and entrepreneurial journeys. These include the first Internet IPO: Naukri.com, first 24-hour news channel : Aaj Tak, first Payment Tech company, several consumer companies such as Shoppers Stop that redefined the sector etc. Currently, she is an Independent Board Member in Info Edge (India) Ltd. for over 16 years. The company has won several awards for exemplary for compliance and corporate governance. She is also an Independent Board Director in SIDBI Venture Capital Limited and Brainbees Solutions Private Limited (FirstCry.com).

She is a nominee Board member of deeply disruptive companies like FSS, a payment Tech company, MediSys a new age digital EduTech company, Panacea Medical Technologies, a Radiation therapy device company for Oncology, GOQii Inc, a Medtech company among others. With her Board participation these companies have grown exponentially, emerged as category leaders and created immense shareholder value.

Thanks to her deep experience, Bala has a clear perspective of the pitfalls that businesses in India experience in their pursuit for growth. She has seen business failures and entrepreneurial missteps as well in her journey as an investor over the years. She has assimilated these learnings

to form clear strategic perspectives about businesses in India from both aspects of leveraging opportunity and managing risk. She strongly believes that perspective is the best value add that she can bring to the table as an Investor and a Board member.

For MegaDelta in the coming years, she is keen to back entrepreneurs who redefine markets and create lasting economic value. She is passionate about Technology and its far-reaching implications on markets, businesses and consumers. She attended the Singularity University course to sharpen her knowledge in this space.

➤ **Ms. Nupur Garg - Independent Director**

Ms. Nupur Garg is a leading investor in private equity and venture capital and an expert advisor to large institutional investors. She is the founder of WinPE (<https://winpeforum.com>), a not-for-profit initiative to enhance gender diversity in investing and entrepreneurship.

Ms. Garg serves as Chairperson of the board of Kids Clinic India Limited (Cloudnine chain of hospitals) and an independent director on the boards of companies including Indigo Paints Limited, Kerala Infrastructure Fund Management Limited and SIDBI, the Indian development finance institution. She is an independent member of the investment committee at the Fund of Funds managed by the National Investment and Infrastructure Fund (NIIFF), the quasi sovereign wealth fund sponsored by the government of India, and an advisor to and a member of the investment committee for the Dutch Good Growth Fund (DGGF) investment funds mandate given by the Dutch government for investments in SMEs in frontier markets across 75 countries. She has served as an external expert on the investment committee for the INR 10,000 crore Fund of Fund for Start-ups for investing in the Indian start-up ecosystem. Ms. Garg advises select fund managers on a confidential basis on matters related to institutionalization, best practices and governance. She also mentors female entrepreneurs across various platforms.

Ms. Garg was listed in the BW VC World Most Influential Women 2022, Forbes W-Power list of Self Made Women 2020, among India's top 100 Women Leaders in Finance (AIWMI 2019), awarded the Women Empowerment Entrepreneur Award 2019-20 and the Business Excellence and Innovative Best Practices - Academia Award 2019. Ms. Garg is a CA and an MBA from MIT Sloan School of Management, with executive education from Harvard Business School.

➤ **Mr. Subahoo Chordia - Non-Executive Director**

Mr. 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 21 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.

➤ **Ms. Ranjita Deo - Whole-Time Director and Chief Investment Officer**

Ms. 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 20 years of experience across private equity, corporate /project finance and research. She has previously worked with the Aditya Birla Group 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.

Committee Composition

- **Audit Committee**

The Audit Committee comprises of the Directors of the Investment Manager. The composition of the Audit Committee is in line with the InvIT Regulations. The current composition of Audit Committee is as follows:

Name	Designation
Mr. Shiva Kumar	Independent Director
Mr. Sunil Mitra	Independent Director
Ms. Ranjita Deo	Whole Time Director & Chief Investment Officer

The terms of reference of the Audit Committee are available on the website of Anzen.

During the FY 2022-23, six meetings of the Audit Committee were held on July 15, 2022, July 22, 2022, October 19, 2022, October 28, 2022, January 27, 2023 and February 13, 2023, respectively.

- **NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee comprises of the Directors of the Investment Manager. The composition of the Nomination and Remuneration Committee is in line with the InvIT Regulations. The current composition of the Nomination and Remuneration Committee is as follows:

Name	Designation
Mr. Shiva Kumar	Independent Director
Mr. Sunil Mitra	Independent Director
Ms. Bala C Deshpande	Independent Director

The brief terms of reference of the Nomination and Remuneration Committee are available on the website of Anzen.

During the FY 2022 -23, one meeting of the Nomination Remuneration Committee was held on January 27, 2023 and all the Members were present at the meeting.

- **STAKEHOLDERS RELATIONSHIP COMMITTEE**

The Stakeholders' Relationship Committee comprises of the Directors of the Investment Manager. The composition of the Nomination and Remuneration Committee is in line with the InvIT Regulations. The current composition of the Stakeholders Relationship Committee is as follows:

Name	Designation
Ms. Ranjita Deo	Whole Time Director & Chief Investment Officer
Ms. Bala C Deshpande	Independent Director
Mr. Shiva Kumar	Independent Director

The brief terms of reference of the Stakeholders Relationship Committee are available on the website of Anzen.

During FY 2022 -23, one meeting of the Nomination Remuneration Committee was held on February 13, 2023 and all the Members were present at the meeting.

- **RISK MANAGEMENT COMMITTEE**

The Risk Management Committee comprises of the Directors of the Investment Manager. The composition of the Risk Management Committee is in line with the InvIT Regulations.

The current composition of the Risk Management Committee is as follows:

Name	Designation
Ms. Ranjita Deo	Whole Time Director
Mr. Sunil Mitra	Independent Director

The terms of reference of the Risk Management Committee are available on the website of Anzen.

During the FY 2022 -23, one meeting of the Risk Management Committee was held on February 13, 2023 and all the Members were present at the meeting.

POLICIES*

In order to adhere to the good governance practices the Investment Manager has adopted following policies in relation to Anzen Trust in accordance with InvIT Regulations:

- **Distribution Policy**

The Distribution Policy is formulated to ensure proper, accurate and timely distribution to the unitholders of Anzen Trust. The Distributable Income is calculated in accordance with the Distribution Policy, InvIT Regulations and any circular, notification or guidance issued thereunder.

- **Investor Grievance Redressal Policy**

The Investor Grievance Redressal Policy is formulated to provide efficient services to the investors and to effectively address and redress the grievances of the investors of Anzen Trust in a timely manner.

- **Code of Conduct**

In line with the InvIT Regulations, the Code of Conduct has been adopted by Anzen Trust. All the parties to Anzen Trust shall abide by the Code of Conduct.

- **Borrowing Policy**

The Borrowing Policy has been formulated to outline the process for borrowing monies in relation to the Trust.

- **Policy on Unpublished Price-Sensitive Information and dealing in units by the parties to the Anzen India Energy Yield Plus Trust**

The Policy aims to outline process and procedures for dissemination of information and disclosures in relation to Anzen Trust on the website of Anzen Trust, to the stock exchanges and to all stakeholders at large. The purpose of the policy is also to ensure that the Trust and the Company complies with applicable law, including InvIT Regulations, as amended or supplemented, including any guidelines, circulars, notifications and clarifications framed or issued thereunder, or such other Indian laws, regulations, rules or guidelines prohibiting insider trading and governing disclosure of material, unpublished price sensitive information.

- **Policy on Related Party Transactions**

The Policy in relation to the Related Party Transactions regulates the transactions of Anzen Trust with its Related Parties, based on the laws and regulations applicable to Anzen Trust and best practices and to ensure proper approval, supervision and reporting of the transactions between the Trust and its Related Parties.

- **Whistleblower / Vigil Mechanism Policy**

The Company has adopted Whistleblower/Vigil Mechanism Policy for reporting of suspected or actual occurrence of illegal, unethical or inappropriate events (behaviours or practices), violation of applicable laws and regulations, irregularities, misconduct, fraud, etc. Under the

Policy, all employees (at all levels and grades, whether regular, fixed term contract or temporary), directors, customers, agencies, contractors, vendors, suppliers and/or any of their employees (collectively referred to as 'Stakeholders') can report any incident / event as detailed within the Policy.

- **Document Archival Policy**

The Document Archival Policy aims to provide a comprehensive policy on the preservation and conservation of the records and documents of the Trust. It provides guidance on the preservation and management of documents to help ensuring the authenticity, reliability and accessibility of such documents. The policy aims at identifying, classifying, storing, securing, retrieving, tracking and destroying or permanently preserving records.

- **Policy on appointment of auditor and valuer**

The policy on appointment of auditor and valuer aims to provide a comprehensive policy on the appointment of the auditor and valuer for Anzen Trust.

- **Policy for Determining Materiality of Information for Periodic Disclosures of Anzen India Energy Yield Plus Trust**

This policy for determining materiality of information for periodic disclosures aims to outline process and procedures for determining materiality of information in relation to periodic disclosures required to be made to Trustee and the unitholders of the Trust.

**Note: The above Policies are available on the website of Anzen.*

ANZEN INDIA ENERGY YIELD PLUS TRUST: ANNUAL REPORT 2022-23

MEETINGS HELD DURING THE FINANCIAL YEAR 22-23

Name of Director	Board Meeting (Attended/ Entitled)	Audit Committee Meeting (Attended/ Entitled)	Nomination & Remuneration Committee Meeting (Attended/ Entitled)	Stakeholders Relationship Committee Meeting (Attended/ Entitled)	Risk Management Committee Meeting (Attended/ Entitled)
Mr. Venkatchalam Ramaswamy	6/8	-	-	-	-
Mr. Subahoo Chordia	8/8	-	1/1	-	-
Mr. Sunil Mitra	8/8	6/6	1/1	-	1/1
Mr. Shiva Kumar	8/8	6/6	-	1/1	-
Mr. Prabhakar Panda*	8/8	-	1/1	1/1	1/1
Ms. Ranjita Deo	7/7	6/6	-	1/1	1/1

*Note: Mr. Prabhakar Panda has ceased to be an Independent Director of the Investment Manager with effect from closing hours of March 31, 2023 and Ms. Bala C Deshpande has been appointed as an Independent Director of the Investment Manager with effect from April 1, 2023. Further, Ms. Nupur Garg has been appointed as the Independent Director with effect from May 23, 2023.

SPONSOR & PROJECT MANAGER

Sekura Energy Private Limited (“SEPL”), is the Sponsor and Project Manager of Anzen Trust. SEPL is a portfolio company of Edelweiss Infrastructure Yield Plus. The Sponsor was incorporated in India under the Companies Act, 2013, on April 6, 2018, with corporate identity number U74999MH2018PTC307666.

The Sponsor is an infrastructure company that carries out investments in power transmission companies and renewable energy companies operating in the private sector.

DETAILS OF THE TRUSTEE

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 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.

SECRETARIAL AUDIT

As per the applicable provisions of the InvIT Regulations, Ashita Kaul and Associates, Practicing Company Secretaries, has conducted Secretarial Audit of Anzen for the financial year ended March 31, 2023. The report issued by Ashita Kaul and Associates is annexed to this report. Further, there are no qualifications, observations or adverse remarks mentioned in the said Report.

The Annual Secretarial Compliance Report for the financial year 2022-23 has also been submitted to the Stock Exchanges within the stipulated timeline.

The Secretarial Audit Report of the material subsidiaries are also annexed to this Report in accordance with the LODR Regulations.

COMPLIANCE CERTIFICATE

As per Regulation 26H of the InvIT Regulations, a Compliance Certificate from the Chief Investment Officer and Chief Financial Officer and the Compliance Officer of Investment Manager of Anzen on the Financial Statements and other matters of Anzen for the period ended March 31, 2023, was placed before the Audit Committee and Board of Directors of Investment Manager at its Meeting held on May 25, 2023.

STATUTORY AUDITORS

S R B C & Co LLP, Chartered Accountants (ICAI Firm Registration No.: 324982E/ E300003), have been appointed as the Statutory auditors of Anzen for a term of five consecutive years. The Statutory Auditors shall hold office from conclusion of 1st Annual General Meeting till the conclusion of 6th Annual General Meeting of the Anzen Trust.

INVESTOR COMPLAINTS

The status of complaints is reported to the Stakeholders Relationship Committee and the Board of Directors of the Investment Manager on a quarterly basis. Details of Unitholders' complaints on quarterly basis are also submitted to the Trustee, stock exchanges and published on Anzen's website. During the FY 2022-23, there were no investor complaints received by Anzen Trust.

SEBI COMPLAINTS REDRESSAL SYSTEM (SCORES)

The investor complaints are processed in a centralised web based complaints redress system. The salient features of this system are centralised database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status. Anzen has been registered on SCORES and Investment Manager makes every effort to resolve all investor complaints received through SCORES or otherwise within the statutory time limit from the receipt of the complaint.

COMMUNICATION TO UNITHOLDERS

The Anzen Trust ensures that the following filings and reports are available on its website:

- Projects of Anzen;
- Regulatory filings;
- Codes and Policies of Anzen;
- Board and its committee composition, committee charters and management team;
- Information Memorandum;
- Financial information;
- Distribution history;
- Credit ratings
- Other information, such as press releases, corporate presentations made to investors etc.

SIGNIFICANT AND MATERIAL ORDERS

During the FY 2022-23, there are no significant and material orders passed by the regulators or courts or tribunals impacting the going concern status and the Anzen's operations in future. There are adequate systems and processes in the Anzen commensurate with the size and operations of the Anzen to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. During the FY 2022-2023, no penalty has been imposed by any stock exchange or SEBI, nor has there been any instance of non-compliance with any legal requirements, or on matters having material impact on the operations of Anzen . Anzen Trust have complied with the provisions of the Trust Deed, InvIT Regulations, applicable provisions of LODR and Corporate Governance norms.

BOARD EVALUATION

The Nomination and Remuneration Committee (“NRC”) have approved the criteria and mechanism for carrying out the annual performance evaluation process of the Board, Committees and its Directors. Accordingly, the NRC at its meeting held on January 27, 2023 have approved the questionnaire designed for annual performance evaluation of the Board, Committees and its Directors.

The criteria for performance evaluation inter alia provides Board effectiveness, quality of discussion, contribution at the meetings, business acumen, strategic thinking, time commitment, relationship with the stakeholders, corporate governance practices, review of the terms of reference of the Committees and the contribution of the Committees to the Board in discharging its functions, etc.

The aforesaid questionnaire was circulated to all the Directors of the Company for the annual performance evaluation. The Board evaluated the effectiveness of its functioning and that of the Committees and of individual Directors through the annual performance evaluation process.

Based on the assessment of the responses received to the questionnaire from the Directors on the annual evaluation of the Board, its Committees and the individual Directors, the Board Evaluation Report was placed before the meeting of the Independent Directors held on March 29, 2023, for its consideration. Similarly, the Board at its meeting held on May 12, 2023,

assessed the performance of the Independent Directors and the outcome of the Board performance evaluation exercise.

The Directors were satisfied with the results of the performance evaluation of the Board and its Committees and individual directors (including independent directors).

UNIT PRICE PERFORMANCE

The Trust was established on November 1, 2021 and was registered as an Infrastructure Investment Trust under InvIT Regulations with SEBI on January 18, 2022. Further, Anzen has acquired its initial portfolio of assets namely NRSS-XXXI (B) Transmission Limited and Darbhanga - Motihari Transmission Company Limited from Edelweiss Infrastructure Yield Plus ("EIYP"), an alternative investment fund on November 11, 2022. Pursuant to the said acquisitions, Anzen Trust has allotted 8,30,00,000 units of Rs. 100/- each to EIYP.

In addition, Anzen Trust has raised an amount of Rs. 7500 million through issuance of 75,000,000 units of Rs. 100/- each through private placement basis. The units were allotted on November 11, 2022 and listed on National Stock Exchange of India Limited ("NSE") and BSE Limited on November 16, 2022. The total units issued by Anzen Trust as on March 31, 2023 are 158,000,000 units of Rs 100/- each

Accordingly, past performance of Anzen with respect to unit price and yield for the last 5 years is not available. The last trading price (as on March 29, 2023) of the units of Anzen was Rs. 102.40 on NSE.

CORPORATE INFORMATION

<p>Anzen India Energy Yield Plus Trust</p> <p>Plot No. 294/3, Edelweiss House, Off CST Road, Kalina, Santacruz East, Mumbai – 400 098, Maharashtra, India Tel: +91 (22) 4019 4815 E-mail: InvITcompliances@edelweissalts.com Website: www.anzenenergy.in</p>	<p>Investment Manager</p> <p>Edelweiss Real Assets Managers Limited Plot No. 294/3, Edelweiss House, Off CST Road, Kalina, Santacruz East, Mumbai – 400 098, Maharashtra, India Tel: +91 (22) 4019 4815 CIN: U67110MH2021PLC362755</p>
<p>Registrar and Transfer Agent</p> <p>KFIN Technologies Limited Selenium, Tower B, Plot No. 31 and 32, Financial District, Nanakramguda, Serilingampally, Hyderabad Rangareddi 500 032, Telangana, India Tel.: +91 40 6716 2222 E-mail: anzen.invitpp@kfintech.com</p>	<p>Project Manager and Sponsor</p> <p>Sekura Energy Private Limited 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</p>
<p>Trustee</p> <p>Axis Trustee Services Limited Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli Mumbai 400 025 Tel: +91 22 6230 0451 E-mail: debenturetrustee@axistrustee.in</p>	<p>Debenture Trustee</p> <p>Catalyst Trusteeship Limited Windsor, 6th Floor, Off CST Road, Kalina, Santacruz East, Mumbai, Maharashtra 400098 Tel: +91 (22) 4922 0555 E-mail: complianceCtl-Mumbai@ctltrustee.com</p>
<p>Valuer</p> <p>Mr. S Sundararaman 5B, “A” Block, 5th Floor, Mena Kampala Arcade, New #18 & 20, Thiagaraya Road, T.Nagar, Chennai – 600 017</p>	<p>Auditors</p> <p>S R B C & CO LLP, Chartered Accountants C-401, 4th Floor Panchshil Tech Park Yerwada, Pune 411 006 Firm Registration No: 324982E/E300003</p>

Information of the Contact Person of the InvIT:

Ms. Jalpa Parekh
Company Secretary and Compliance Officer
Plot No. 294/3, Edelweiss House,
Off CST Road, Kalina, Santacruz East,
Mumbai - 400 098
Tel: +91 (22) 4019 4815
Email - InvITcompliances@edelweissalts.com

PUBLICATIONS

The information required to be disclosed to the stock exchanges (including financial results, press releases) have been duly submitted to the NSE and BSE as well as uploaded on Trust's website. Further Trust has opted to publish newspaper advertisements in relation to its the financial results and the same is also published on the website of the Trust.

INDEPENDENT AUDITOR'S REPORT

To the Unit holders of Anzen India Energy Yield Plus Trust

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Anzen India Energy Yield Plus Trust ("the InvIT"), 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 Changes in Unit Holders' Equity and the Statement of Cash Flow for the year then ended, the Statement of Net Assets at fair value as at March 31, 2023, the Statement of Total Returns at fair value, the Statement of Net Distributable Cash Flows ('NDCF's') of the InvIT for the year then ended, and a summary of significant accounting policies and other explanatory notes (hereafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulation, 2014 as amended including any guidelines and circulars issued thereunder (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 inconsistent with InvIT Regulations, of the state of affairs of the InvIT as at March 31, 2023, its profit including other comprehensive income, its cash movements and its movement of the unit holders' funds for the year ended March 31, 2023, its net assets at fair value as at March 31, 2023, its total returns at fair value and the net distributable cash flows of the InvIT for the year ended March 31, 2023.

Basis for Opinion

We conducted our audit of the standalone 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 Standalone Financial Statements' section of our report. We are independent of the InvIT 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 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 standalone financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the standalone 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 standalone 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 standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Key audit matters	How our audit addressed the key audit matter
<p>Impairment of investments in subsidiaries and loans given to subsidiaries <i>(as described in Note 19 of the standalone financial statements)</i></p>	
<p>The InvIT has significant investments in subsidiaries and has granted loans to its subsidiaries amounting to INR 22,700.41 million as at March 31, 2023. The value of investments and loans in aggregate comprise 97% of total assets in the Balance Sheet.</p> <p>The subsidiaries are in the business of owning and maintaining transmission assets and have entered into Transmission Services Agreement ("TSA") with Long Term Transmission Customers ("LTTC").</p> <p>At each reporting period end, management assesses the existence of impairment indicators of investments in subsidiaries and loans given to subsidiaries. In case of existence of impairment indicators, the investment and loan balances are subjected to impairment test, where the fair value of the subsidiary is compared with the value of investments and loans given to such subsidiaries.</p> <p>The processes and methodologies for assessing and determining the fair value of the subsidiary is based on complex assumptions, that by their nature imply the use of management’s judgment, in particular with reference to identification of forecast of future cash flows relating to</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> • Read the policy, evaluated the design and tested the operating effectiveness of controls over assessment of impairment of investments in subsidiaries and loans to subsidiaries and the assumptions used by management. • Obtained and read the valuation report of 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 standalone financial statements.

Key audit matters	How our audit addressed the key audit matter
<p>the period covered by the respective subsidiary's transmission license, debt equity ratio, cost of debt, cost of equity, residual value, etc.</p> <p>Considering the judgment involved in determination of fair values due to inherent uncertainty and complexity of the assumptions used in determination of fair values, this is considered as a key audit matter.</p>	
<p><u>Classification of unit holders' funds as equity</u> <i>(as described in Note 19 of the standalone financial statements)</i></p>	
<p>The InvIT is required to distribute to Unitholders not less than ninety percent of its net distributable cash flows for each financial year. Accordingly, a portion of the unitholders' funds contains a contractual obligation of the Trust to pay to its Unitholders cash distributions. The Unitholders' funds could therefore have been classified as compound financial instrument which contains both equity and liability components in accordance with Ind AS 32 - Financial Instruments: Presentation. However, in accordance with SEBI Circulars No. CIR/IMD/DF/114/2016 dated October 20, 2016 and No. CIR/IMD/DF/127/2016 dated November 29, 2016 ("SEBI Circulars") issued under the InvIT Regulations, the unitholders' funds have been classified as equity in order to comply with the mandatory requirements of Section H of Annexure A to the SEBI Circular dated October 20, 2016 dealing with the minimum disclosures for key financial statements.</p> <p>Considering the judgment required for classification of unit holders' funds as equity and liability, this is considered as a key audit matter.</p>	<p>Our audit procedures included, among others:</p> <ul style="list-style-type: none"> • 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 standalone financial statements for compliance with the relevant requirements of InvIT regulations.

Key audit matters	How our audit addressed the key audit matter
<p><u>Disclosures relating to Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value as per InvIT regulations</u></p>	
<p><i>(as described in Note 19 of the standalone financial statements)</i></p>	
<p>The InvIT is required to disclose Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value pursuant to SEBI circulars issued under the InvIT regulations which requires fair valuation of the assets. Such fair valuation has been carried out by the independent valuer appointed by the InvIT.</p> <p>For the purpose of the above, fair value is determined by forecasting and discounting future cash flows.</p> <p>The processes and methodologies for assessing and determining the fair value is based on complex assumptions, that by their nature imply the use of the management’s judgment, in particular with reference to identification of forecast of future cash flows relating to the period covered by the respective subsidiary’s transmission license, debt equity ratio, cost of debt, cost of equity, residual value, etc.</p> <p>Considering the judgment involved in determination of fair values due to inherent uncertainty and complexity of the assumptions used in determination of fair values, this is considered as a key audit matter.</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> • 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 of 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 standalone 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 standalone financial statements and our auditor’s report thereon. The Annual report is expected to be made available to us after the date of auditor’s report.

Our opinion on the standalone 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 standalone 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 standalone 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 Standalone Financial Statements

The Management of the Investment Manager (‘the Management’) is responsible for the preparation of these standalone financial statements that give a true and fair view of the financial position as at March 31, 2023, financial performance including other comprehensive income, cash flows and the movement of the unit holders’ funds for the year ended March 31, 2023, the net assets at fair value as at March 31, 2023, the total returns at fair value of the InvIT and the net distributable cash flows of the InvIT for the year ended March 31, 2023 in accordance with the requirements of the InvIT Regulations, the Indian Accounting Standards (Ind AS) 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. This responsibility also includes the design, implementation and maintenance of adequate controls for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the ability of InvIT 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 InvIT or to cease operations, or has no realistic alternative but to do so.

The Management is also responsible for overseeing the InvIT’s financial reporting process.

Auditor’s Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 InvIT'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 InvIT's ability 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 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 InvIT to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 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 standalone 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;
- (b) The Balance Sheet and the Statement of Profit and Loss are in agreement with the books of account;
- (c) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards (Ind AS) and/or any addendum thereto as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015, as amended, to the extent not inconsistent with the 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:

Place of Signature: Pune

Date: May 25, 2023

Anzen India Energy Yield Plus Trust
Standalone 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 30)
ASSETS			
(1) Non-current assets			
(a) Financial assets			
(i) Investments	3	11,386.41	-
(ii) Loans	4	11,314.00	-
(iii) Other financial assets	5	0.75	-
(b) Income tax assets (net)		1.92	-
Total non-current assets		22,703.08	-
(2) Current assets			
(a) Financial assets			
(i) Investments	3	472.84	-
(ii) Cash and cash equivalents	6	4.10	-
(iii) Bank balances other than (6) above	7	176.24	-
(iv) Other financial assets	5	0.11	-
Total current assets		653.29	-
Total assets		23,356.37	-
EQUITY AND LIABILITIES			
EQUITY			
(a) Unit capital	8	15,624.79	-
(b) Other equity	9	272.87	-
Total equity		15,897.66	-
LIABILITIES			
(1) Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	10	7,416.24	-
Total non-current liabilities		7,416.24	-
(2) Current liabilities			
(a) Financial liabilities			
(i) Trade payables			
(a) total outstanding dues of micro and small enterprises		-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises	11	23.86	-
(ii) Other financial liabilities	12	1.67	-
(b) Other current liabilities	13	16.94	-
Total current liabilities		42.47	-
Total equity and liabilities		23,356.37	-

Summary of significant accounting policies.

2

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For S R B C & CO LLP
Chartered Accountants
Firm Registration No: 324982E/E300003

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)

per Amit Singh
Partner
Membership Number : 408869
Place : Pune
Date : May 25, 2023

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

Anzen India Energy Yield Plus Trust
Standalone 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 30)
INCOME			
Revenue from operations	14	668.29	-
Interest income on investment in fixed deposits		13.49	-
Income from investment in mutual funds		24.33	-
Total income		706.11	-
EXPENSES			
Finance costs	15	210.31	-
Legal and professional fees		1.11	-
Annual listing fee		2.62	-
Rating fee		2.66	-
Valuation expenses		0.90	-
Trustee fee		0.64	-
Audit fees			
- Statutory audit fees		2.97	-
- Other services (including certification)		0.15	-
Other expenses	16	0.91	-
Total expenses		222.27	-
Profit before tax		483.84	-
Tax expense:			
(i) Current tax	17	15.05	-
(ii) Deferred tax		-	-
Profit for the year [A]		468.79	-
Other Comprehensive Income			
Items that will not be reclassified to profit or loss in subsequent periods		-	-
Items that will be reclassified to profit or loss in subsequent periods		-	-
Total other comprehensive income for the year, net of tax [B]		-	-
Total comprehensive income for the year, net of tax [A+B]		468.79	-
Earnings per unit (Rs. per unit)			
Basic and diluted	18	7.68	-

Summary of significant accounting policies

2

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

Firm Registration No: 324982E/E300003

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)

per Amit Singh

Partner

Membership Number : 408869

Place : Pune

Date : May 25, 2023

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

Anzen India Energy Yield Plus Trust
Standalone 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 30)
Cash flow from operating activities		
Profit before tax	483.84	-
Adjustments to reconcile profit/(loss) before tax to net cash flows:		
Interest income on investment in fixed deposits	(13.49)	-
Income from investment in mutual funds	(24.33)	-
Finance costs	210.31	-
Interest income on loans given to subsidiaries	(556.74)	-
Finance income on non-convertible debentures	(20.65)	-
Finance income on optionally-convertible debentures	(90.90)	-
Operating loss before working capital changes	(11.96)	-
Working capital adjustment		
(Increase) / Decrease in other assets	(0.75)	-
Increase / (Decrease) in trade payables	23.86	-
Increase / (Decrease) in other current liabilities	16.93	-
Cash flow generated from operations	28.08	-
Income tax (paid) / refund received (net)	(16.97)	-
Net cash flow from operating activities [A]	11.11	-
Cash flow from investing activities		
Purchase of OCD of subsidiaries	(2,840.00)	-
Purchase of NCD of subsidiary	(291.00)	-
Loan given to subsidiaries	(11,940.00)	-
Loan repaid by subsidiaries	626.00	-
Proceeds from maturity of fixed deposits	8,752.17	-
Investment in fixed deposits	(8,928.41)	-
Investment in mutual funds	(6,318.56)	-
Proceeds from sale of investment in mutual funds	5,870.05	-
Interest received on loan given to subsidiaries	556.74	-
Interest received on Optionally convertible debentures	135.49	-
Interest received on Non convertible debentures	20.65	-
Interest received on investment in fixed deposits	13.38	-
Net cash flow used in investing activities [B]	(14,343.49)	-
Cash flow from financing activities		
Proceeds from issue of Unit capital*	7,500.00	-
Proceeds from non convertible debentures	7,500.00	-
Payment of Unit issue expenses	(175.21)	-
Payment of Interest on non convertible debentures	(292.39)	-
Payment of distributions to unitholders	(195.92)	-
Net cash flow from financing activities [C]	14,336.48	-
Net increase / (decrease) in cash and cash equivalents [A+B+C]	4.10	-
Cash and cash equivalents at the beginning of the year	-	-
Cash and cash equivalents at the end of the year	4.10	-

*The Trust has issued its units amounting to Rs. 8,300 million in exchange of the equity shares of NRSS and DMTCL. The same has not been reflected in cash flow since it was a non-cash transaction.

Components of cash and cash equivalents:	Year ended March 31, 2023	For the period from November 01,2021 to March 31, 2022 (Refer Note 30)
Balances with banks :		
- On current accounts	4.10	-
- Deposit with original maturity of less than 3 months	-	-
Total cash and cash equivalents	4.10	-

Anzen India Energy Yield Plus Trust
Standalone 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	For the period from November 01,2021 to March 31, 2022
Opening total borrowings (including interest accrued but not due)	-	-
Cash flow		
- Interest paid	(292.39)	-
- Proceeds/(repayments)	7,500.00	-
Interest accrued	294.06	-
Others (ancillary borrowing cost)	(83.76)	-
Closing total borrowings (including interest accrued but not due)	7,417.91	-

Summary of significant accounting policies

2

The accompanying notes are an integral part of the standalone financial statements.

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

Firm Registration No: 324982E/E300003

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)

per Amit Singh

Partner

Membership Number : 408869

Place : Pune

Date : May 25, 2023

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

Anzen India Energy Yield Plus Trust**Standalone 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	Number of units	Amount
As at November 01, 2021 (Refer Note 30)	-	-
Units issued during the year (refer note 8)	-	-
As at March 31, 2022	-	-
Units issued during the year (refer note 8)	158.00	15,800.00
Issue expenses	-	(175.21)
As at March 31, 2023	158.00	15,624.79

B. Other equity

Particulars	Retained earnings	Total
As at November 01, 2021 (Refer Note 30)	-	-
Profit for the period	-	-
Other comprehensive income for the period	-	-
As at March 31, 2022	-	-
Profit for the year	468.79	468.79
Other comprehensive income for the year	-	-
Distribution during the year (refer note below)	(195.92)	(195.92)
As at March 31, 2023	272.87	272.87

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 standalone financial statements.

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

Firm Registration No: 324982E/E300003

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)****per Amit Singh**

Partner

Membership Number : 408869

Place : Pune

Date : May 25, 2023

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

Anzen India Energy Yield Plus Trust

Notes to Standalone 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)

Particulars	(Rs. in Million)	
	Book Value	Fair Value
A. Assets	23,356.37	24,211.48
B. Liabilities (at book value)	7,458.71	7,458.71
C . Net Asset Value (A-B)	15,897.66	16,752.77
D . Number of units	158.00	158.00
E. NAV (C/D)	100.62	106.03

Notes:**1. Project wise break up of Fair value of Assets as at March 31, 2023**

(Rs. in Million)

Particulars	Fair Value
Darbhangha - 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
Payable to EIYP*	(628.92)
Total Assets	24,211.48

The Trust has acquired DMTCL and NRSS with effect from November 11, 2022.

*Pursuant to Securities Purchase Agreement, the entire economic and beneficial interest in all amounts due (net of tax) to the SPVs 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(EIYP) and upon receipt of the amounts (or any part thereof) shall be transferred to EIYP by SPVs. Accordingly, the same has not been considered in fair value of Assets.

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)	468.79
Add/(less): Other Changes in Fair Value not recognized in Total Comprehensive Income	855.11
Total Return	1,323.90

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 dated May 23, 2023 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 21.

As per our report of even date

For S R B C & CO LLP

Chartered Accountants

Firm Registration No: 324982E/E300003

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)****per Amit Singh**

Partner

Membership Number : 408869

Place : Pune

Date : May 25, 2023

Ranjita Deo

CIO & Whole-time Director

DIN No. : 09609160

Vaibhav Doshi

Chief Financial Officer

Jalpa Parekh

Company Secretary

Membership Number : A44507

Place : Pune

Date : May 25, 2023

Anzen India Energy Yield Plus Trust

Notes to Standalone 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)

ADDITIONAL DISCLOSURES AS REQUIRED BY PARAGRAPH 6 OF ANNEXURE A TO THE SEBI CIRCULAR NO. CIR/IMD/DF/127/2016

Statement of Net Distributable Cash Flows (NDCFs) of Anzen India Energy Yield Plus Trust

Description	(Rs in Million) 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.

Anzen India Energy Yield Plus Trust
Notes to Standalone Financial Statements for the year ended March 31, 2023
All amounts in Rupees million unless otherwise stated

1. Trust information

Anzen India Energy Yield Plus Trust ("the Trust" or "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:

1. Darbhanga - Motihari Transmission Company Limited ('DMTCL')
2. NRSS XXXI(B) Transmission Limited ('NRSS')

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 approved for issue in accordance with resolution of Board of Directors of the Investment Manager on May 25, 2023.

2. Significant Accounting Policies

2.1 Basis of preparation

These financial statements are the separate financial statements of the Trust and comprise of 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 Flow, Statement of Changes in Unitholders' Equity for the year then ended, the Statement of Net Assets at fair value as at March 31, 2023, the Statement of Total Returns at fair value and the Statement of Net Distributable Cash Flows ('NDCFs') for the year then ended and a summary of significant accounting policies and other explanatory notes 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 financial statements are presented in Indian Rupees Million, except when otherwise indicated.

These 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.

2.2 Summary of significant accounting policies

The following is the summary of significant accounting policies applied by the Trust in preparing its financial statements:

a) Current versus non-current classification

The Trust 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 Trust 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 Trust has identified twelve months as its operating cycle.

b) Foreign currencies

The Trust's financial statements are presented in INR, which is its functional currency. The Trust does not have any foreign operation and has assessed the functional currency of the Trust to be INR.

Transactions and balances

Transactions in foreign currencies are initially recorded by the entity 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.

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 Trust.

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 Trust 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 Trust 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 analyses the movement of assets and liabilities which are required to be remeasured or reassessed as per the Trust'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 Trust 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.

- Quantitative disclosures of fair value measurement hierarchy (note 21)
- Investment in quoted mutual fund (note 3)
- Financial instruments (including those carried at amortised cost) (note 20)
- Disclosures of statement of Net Assets at fair value and statement of Total returns at fair value

d) Revenue

The specific recognition criteria described below must be met before revenue is recognised.

Interest income

For all debt instruments measured at amortised cost, 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 Trust 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.

Dividends

Income from dividend on investments is accrued in the year in which it is declared, whereby the Trust'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.

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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 Trust 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) 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 Trust 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.

g) Impairment of non current financial assets

The Trust 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 Trust 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 Trust 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 Trust 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.

h) Provisions, contingent liabilities and contingent assets

Provisions are recognised when the Trust 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 Trust 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 Trust, 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.

i) Investments in subsidiaries

The Trust accounts for its investments in subsidiaries at cost less accumulated impairment losses (if any) in its separate financial statements. Investments accounted for at cost which are held for sale are accounted for in accordance with Ind AS 105, Non-current Assets Held for Sale and as held for sale.

j) 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 Trust commits to purchase or sell the asset.

The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Trust's business model for managing them.

With the exception of trade receivables that do not contain a significant financing component or for which the Trust has applied the practical expedient, the Trust initially measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. Trade receivables that do not contain a significant financing component or for which the Trust has applied the practical expedient are measured at the transaction price determined under Ind AS 115. Refer to the accounting policies in section (d) Revenue from contracts with customers.

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.

This category is most relevant to the Trust. 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. This category generally applies to interest receivable and loans given to subsidiaries (Refer Note 4).

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 Trust 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. The Trust does not have financial assets which are subsequently measured at FVTOCI.

Financial assets designated at fair value through OCI (equity instruments)

Upon initial recognition, the Trust 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

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorisation as at amortised cost or as FVTOCI, is classified as at FVTPL.

In addition, the Trust may elect to designate a debt instrument, which otherwise meets amortised cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Trust has not designated any debt instrument as at FVTPL.

Debt instruments included within the FVTPL category are measured at fair value with all changes recognised in the statement of profit or 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 Trust's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Trust 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 Trust has transferred substantially all the risks and rewards of the asset, or (b) the Trust has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Trust 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 Trust continues to recognise the transferred asset to the extent of the Trust's continuing involvement. In that case, the Trust 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 Trust has retained.

Impairment of financial assets

Majority of the financial assets of the Trust which are not reflected at fair value pertain to loans to subsidiaries and other receivables. Considering the nature of business, the Trust does not foresee any credit risk on its loans and other receivables which may cause an impairment. Majority of the other receivable pertain to receivable from subsidiary companies only. Also, the Trust does not have any history of impairment of other receivables.

For the financial assets which are reflected at fair value, no further impairment allowance is necessary as they reflect the fair value of the relevant financial asset itself.

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 Trust'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 Trust 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.

Financial liabilities at amortised cost (Loans and borrowings)

This is the category most relevant to the Trust. 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 Trust 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 Trust's senior management determines change in the business model as a result of external or internal changes which are significant to the Trust's operations. Such changes are evident to external parties. A change in the business model occurs when the Trust either begins or ceases to perform an activity that is significant to its operations. If the Trust 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 Trust 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.

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Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the 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.

k) 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 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 Trust's cash management.

l) Cash distribution to unit holders

The Trust 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.

m) 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.

n) Recent accounting pronouncements

The Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023. These amendments are not expected to have any significant impact in the Trust's standalone financial statements.

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3 Investments

Non-Current

Particulars	As at March 31, 2023	As at March 31, 2022 (Refer Note 30)
(a) Equity investments, at cost (unquoted)		
Darbhanga - Motihari Transmission Company Limited (16,296,661 equity shares of Rs. 10 each fully paid up) (refer note c and note d)	5,453.00	-
NRSS XXXI (B) Transmission Limited (9,832,137 equity shares of Rs. 10 each fully paid up) (refer note c and note d)	4,132.87	-
(b) Non-convertible debentures (unquoted) (at amortised cost)		
Darbhanga - Motihari Transmission Company Limited (291,000 of 16% Non-convertible debentures of Rs. 1,000 each fully paid up) (refer note a)	291.00	-
(c) Optionally convertible debentures (unquoted) (at amortised cost)		
Darbhanga - Motihari Transmission Company Limited (87,710,000 of 18% Optionally convertible debentures of Rs. 10 each fully paid up) (refer note b and c)	877.10	-
NRSS XXXI (B) Transmission Limited (63,243,500 of 18% Optionally convertible debentures of Rs. 10 each fully paid up) (refer note b and c)	632.44	-
	11,386.41	-

- (a) Non Convertible debenture (NCD) of Face value of Rs. 1,000 each were issued by DMTC. The NCD are redeemable at the option of the NCD holder anytime out of cash surplus, but if the NCD holders do not exercise their right of redeeming the NCDs, the same are due for repayment at the end of March 2030.
- (b) Optionally convertible debentures (OCD) of Face value of Rs. 10 each were issued by DMTC and NRSS. 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 the Agreement and valuation report and applicable law. The OCD are redeemable at the option of the OCD holder anytime out of cash surplus.
- (c) Under Ind AS, for these optionally convertible debentures the difference between transaction cost and fair value calculated by present value of all future cash receipts discounted using the prevailing market rate of interest has been reclassified as investment in equity of the subsidiary.
- (d) The Trust has acquired the entire equity share capital of Darbhanga - Motihari Transmission Company Limited ('DMTC') 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 DMTC and NRSS respectively.

Details of the subsidiaries are as follows:

Name of subsidiary	Country of incorporation	Ownership interest%	
		As at March 31, 2023	As at March 31, 2022 (Refer Note 30)
Directly held by the Trust:			
Darbhanga - Motihari Transmission Company Limited	India	100%	-
NRSS XXXI (B) Transmission Limited	India	100%	-

Current

Particulars	As at March 31, 2023	As at March 31, 2022 (Refer Note 30)
Investments at fair value through profit or loss		
Investment in mutual funds		
ABSL Liquid Fund-Growth-Direct Plan - 900,428.32 units (March 31, 2022 : Nil)	326.93	-
ABSL Overnight Fund-Growth-Direct Plan - 10,879.30 units (March 31, 2022 : Nil)	13.19	-
ICICI Prudential Liquid Fund-Direct Plan-Growth - 398,332.91 units (March 31, 2022 : Nil)	132.72	-
Total	472.84	-
Aggregate value of quoted investments	472.84	-
Aggregate value of unquoted investments	11,386.41	-

4 Loans

Non - Current

Particulars	As at March 31, 2023	As at March 31, 2022 (Refer Note 30)
(Unsecured, considered good)		
Loan to subsidiaries (refer note 22)*	11,314.00	-
Total	11,314.00	-

Details of loan to subsidiaries	Rate of Interest	Secured/ unsecured	As at March 31, 2023	As at March 31, 2022 (Refer Note 30)
Darbhanga - Motihari Transmission Company Limited	16%	Unsecured	6,582.50	-
NRSS XXXI (B) Transmission Limited	16%	Unsecured	4,731.50	-

*Loans are non-derivative financial assets which are repayable by subsidiaries any time at its discretion or subject to mutual agreement between the parties. Further, the subsidiaries can prepay all or any portion of the outstanding principal term loan (along with accrued interest) without any pre payment penalty at such terms as may be agreed between the borrower and Trust.

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5 Other financial assets

Particulars	As at March 31, 2023	As at March 31, 2022 (Refer Note 30)
Non - Current (Unsecured, considered good)		
Security deposits	0.75	-
Total	0.75	-
Current (Unsecured, considered good)		
Interest accrued on fixed deposits	0.11	-
Total	0.11	-

6 Cash and cash equivalents

Particulars	As at March 31, 2023	As at March 31, 2022 (Refer Note 30)
Cash and cash equivalents		
Balances with banks in current accounts	4.10	-
Total	4.10	-

Balances with bank on current account does not earn interest.

7 Bank balances other than disclosed in note 6 above

Particulars	As at March 31, 2023	As at March 31, 2022 (Refer Note 30)
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 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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8 Equity

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 InvT 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 Units

The Trust has only one class of Units having a par value of INR 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 each financial year in accordance with the InvT 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	-	-

- (a) 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.

- (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.

9 Other equity

Particulars	As at March 31, 2023	As at March 31, 2022 (Refer Note 30)
Retained earnings		
Balance as at the beginning of the year/ period	-	-
Profit for the year/ period	468.79	-
Less: Distribution to Unit Holders	(195.92)	-
Closing balance	272.87	-

Retained earnings are the profits earned by the Trust till date, less distribution paid to unitholders, if any.

Anzen India Energy Yield Plus Trust

Notes to Standalone Financial Statements for the year ended March 31, 2023

All amounts in Rupees million unless otherwise stated

10 Borrowings

Non - current:

Particulars	Effective Interest Rate	As at March 31, 2023	As at March 31, 2022 (Refer Note 30)
Borrowings at amortised cost			
A. Secured			
8.01% Series A Non convertible debentures (4500 debentures of Rs.1,000,000 each fully paid up) **	8.47%	4,450.33	-
8.34% Series B Non convertible debentures (3000 debentures of Rs.1,000,000 each fully paid up) **	8.70%	2,965.91	-
Less: current maturities of debentures		-	-
Total non-current borrowings		7,416.24	-

**Net of ancillary borrowing costs amounting to Rs. 83.76 million for Series A and Series B.

Non-current borrowings	7,416.24	-
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	01-12-25
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

Interest shall accrue at the end of every quarter and shall be payable on the last date of each quarter.

11 Trade payables (carried at amortised cost)

Particulars	As at March 31, 2023	As at March 31, 2022 (Refer Note 30)
Trade payables		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	23.86	-
Total	23.86	-
Trade payables		
- to related parties	19.90	-
- to others	3.96	-
Total	23.86	-

Trade payables ageing schedule:

Particulars	Outstanding for following periods 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	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	23.86	-	-	-	23.86
Disputed dues of micro and small enterprises	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-
Total					23.86
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					-

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	As at March 31, 2022 (Refer Note 30)
The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year	-	-
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	-	-
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	-	-
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	-	-

Trade payables are not- interest bearing and are normally settled on 30-90 days terms.
For explanation on the Trust's risk management policies, refer note 26

12 Other financial liabilities

Particulars	As at March 31, 2023	As at March 31, 2022 (Refer Note 30)
Current		
Interest accrued but not due on borrowings	1.67	-
Total	1.67	-

13 Other current liabilities

Particulars	As at March 31, 2023	As at March 31, 2022 (Refer Note 30)
Current		
Statutory dues	16.94	-
Total	16.94	-

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Anzen India Energy Yield Plus Trust**Notes to Standalone Financial Statements for the year ended March 31, 2023**

All amounts in Rupees million unless otherwise stated

14 Revenue from operations

Particulars	Year ended March 31, 2023	For the period from November 01,2021 to March 31, 2022 (Refer Note 30)
Interest income (refer note 22)		
- on loans given to subsidiaries	556.74	-
- on non-convertible debentures issued by subsidiaries	20.65	-
- on optionally-convertible debentures issued by subsidiaries	90.90	-
Total	668.29	-

15 Finance costs

Particulars	Year ended March 31, 2023	For the period from November 01,2021 to March 31, 2022 (Refer Note 30)
Finance cost on Non-convertible debentures	210.31	
Total	210.31	-

16 Other expenses

Particulars	Year ended March 31, 2023	For the period from November 01,2021 to March 31, 2022 (Refer Note 30)
Miscellaneous expenses	0.91	-
Total	0.91	-

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Anzen India Energy Yield Plus Trust

Notes to Standalone Financial Statements for the year ended March 31, 2023

All amounts in Rupees million unless otherwise stated

17 Tax expense

The major components of income tax expense for the period are:

Particulars	Year ended March 31, 2023	For the period from November 01,2021 to March 31, 2022 (Refer Note 30)
Current income tax:		
Current income tax charge	15.05	-
Adjustments in respect of current income tax of previous year	-	-
Income tax expense reported in the statement of profit or loss	15.05	-

Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2023:

Particulars	Year ended March 31, 2023	For the period from November 01,2021 to March 31, 2022 (Refer Note 30)
Profit before tax	483.84	-
Enacted income tax rate in India	42.74%	-
Computed expected tax	206.81	-
Effect of:		
Impact of exemption u/s 10(23FC) of the Income Tax Act, 1961 available to the Trust	(191.76)	-
Income tax expense recognised in the statement of profit and loss	15.05	-

18 Earnings per unit (EPU)

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 30)
Profit after tax for calculating basic and diluted earnings per unit attributable to unitholders (INR millions)	468.79	-
Weighted average number of units in calculating basic and diluted earnings per unit (No. in million)	61.04	-
Face value per unit (In INR)	100	-
Basic and diluted earnings per unit (In INR)	7.68	-

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Anzen India Energy Yield Plus Trust
Notes to Standalone Financial Statements for the year ended March 31, 2023
All amounts in Rupees million unless otherwise stated

19 Significant accounting judgements, estimates and assumptions

The preparation of the Trust's 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. 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 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) 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 November 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 October 2016 dealing with the minimum disclosures for key financial statements. In line with the above, the distribution payable to unit holders is recognised as liability when the same is approved by the Investment Manager.

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 or fair value disclosures 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.

(b) 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 20). 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 annually 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.

(c) Impairment of non-current financial assets

Non-current financial assets of the Trust primarily comprise of investments in subsidiaries.

The provision for impairment/(reversal) of impairment of investments in subsidiaries is made based on the difference between the carrying amounts and the recoverable amounts. The recoverable amount of the investments in subsidiaries 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 for impairment on the amounts invested in the respective subsidiary companies 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 21.

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20 Financial Instruments by category

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	4.10	-	-	4.10	4.10
Investments (including loan to subsidiaries)	22,700.41	-	-	22,700.41	23,555.52
Investments in Mutual funds	-	472.84	-	472.84	472.84
Other bank balances	176.24	-	-	176.24	176.24
Other financial assets	0.86	-	-	0.86	0.86
Total	22,881.61	472.84	-	23,354.45	24,209.56
Financial liabilities					
Borrowings	7,416.24	-	-	7,416.24	7,394.03
Trade payables	23.86	-	-	23.86	23.86
Other financial liabilities	1.67	-	-	1.67	1.67
Total	7,441.77	-	-	7,441.77	7,419.56

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, 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 Investments, Loans, other financial assets, borrowings, trade payables and other financial liabilities approximate their fair values.

21 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	472.84	-	-
Assets for which fair values are disclosed:			
March 31, 2022			
Investment in subsidiaries (including loan to subsidiaries)	-	-	-
March 31, 2023			
Investment in subsidiaries (including loan to subsidiaries)	-	-	23,555.52
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.

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%	+0.5%	(1,204.00)
		-0.5%	1,355.00
Tax rate (normal tax and MAT)	MAT - 17.47%	+2%	(402.00)
	Normal tax - 25.17%	-2%	389.00
Escalation rate for expenses	2.5% to 5%	+20%	(220.02)
		-20%	184.42

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Anzen India Energy Yield Plus Trust
Notes to Standalone Financial Statements for the year ended March 31, 2023
All amounts in Rupees million unless otherwise stated

22 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 (w.e.f. November 11, 2022)

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

c) Subsidiaries

Darbhanga - Motihari Transmission Company Limited (w.e.f. November 11, 2022)
 NRSS XXXI (B) Transmission Limited (w.e.f. November 11, 2022)

II. List of related parties as per Regulation 2(1)(zv) of the InvIT Regulations

a) Parties to the 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 Anzen specified in (a) above

Edelweiss Infrastructure Yield Plus
 Edelweiss Alternative Asset Advisors Limited (w.e.f. March 29, 2023)
 Edelweiss Securities and Investments Private Limited (upto March 28, 2023)
 Axis Bank Limited

Promoters of SEPL
 Promoters of ERAML
 Promoters of ERAML
 Promoters of ATSL

c) Directors of the parties to Anzen 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

Anzen India Energy Yield Plus Trust
Notes to Standalone Financial Statements for the year ended March 31, 2023
All amounts in Rupees million unless otherwise stated

III. Related party transactions:

Particulars	Name of related party	Year ended March 31, 2023	For the period from November 01,2021 to March 31, 2022 (Refer Note 30)
Issue of units	Edelweiss Infrastructure Yield Plus	9,380.00	-
Issue of units	Sekura Energy Private Limited	2,380.00	-
Issue of units	Axis Bank Limited	500.00	-
Issue of NCD	Axis Bank Limited	3,000.00	-
Interest expense on NCD	Axis Bank Limited	79.66	-
Interest income on Loan given	Darbhanga - Motihari Transmission Company Limited	313.25	-
Interest income on Loan given	NRSS XXXI (B) Transmission Limited	243.49	-
Interest income on OCD	Darbhanga - Motihari Transmission Company Limited	58.83	-
Interest income on OCD	NRSS XXXI (B) Transmission Limited	32.07	-
Interest income on NCD	Darbhanga - Motihari Transmission Company Limited	20.65	-
Loan given	Darbhanga - Motihari Transmission Company Limited	6,910.00	-
Loan given	NRSS XXXI (B) Transmission Limited	5,030.00	-
Loan repaid	Darbhanga - Motihari Transmission Company Limited	327.50	-
Loan repaid	NRSS XXXI (B) Transmission Limited	298.50	-
Reimbursement of expenses	Sekura Energy Private Limited	101.59	-
Reimbursement of expenses	Edelweiss Alternative Asset Advisors Limited	0.05	-
Unit placement fees	Edelweiss Financial Services Limited	11.09	-
Arranger fees for NCD facilities	Axis Bank Limited	8.89	-
Trustee Fee	Axis Trustee Services Limited	0.26	-
Distribution to unit holders	Edelweiss Infrastructure Yield Plus	116.31	-
Distribution to unit holders	Sekura Energy Private Limited	29.51	-
Distribution to unit holders	Axis Bank Limited	3.97	-
Investment in Equity instruments of DMTCL	Edelweiss Infrastructure Yield Plus	5,453.00	-
Investment in Equity instruments of NRSS	Edelweiss Infrastructure Yield Plus	4,132.87	-
Investment in OCD of DMTCL	Edelweiss Infrastructure Yield Plus	877.10	-
Investment in OCD of NRSS	Edelweiss Infrastructure Yield Plus	632.44	-
Investment in NCD of DMTCL	Edelweiss Infrastructure Yield Plus	291.00	-

IV. Related party balances:

Particulars	Name of related party	As at March 31, 2023 [Receivable/ (Payable)]	As at March 31, 2022 (Refer Note 30)
Loan to subsidiaries	Darbhanga - Motihari Transmission Company Limited	6,582.50	-
Loan to subsidiaries	NRSS XXXI (B) Transmission Limited	4,731.50	-
Trade payables	Sekura Energy Private Limited	(19.59)	-
Trade payables	Edelweiss Alternative Asset Advisors Limited	(0.05)	-
Trade payables	Axis Trustee Services Limited	(0.26)	-
Interest accrued but not due on borrowings	Axis Bank Limited	(0.66)	-
Outstanding OCD	Darbhanga - Motihari Transmission Company Limited	877.10	-
Outstanding OCD	NRSS XXXI (B) Transmission Limited	632.44	-
Outstanding NCD	Darbhanga - Motihari Transmission Company Limited	291.00	-

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:

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 Rs. 4,700 million and Rs. 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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23 Capital and other commitments

The Trust has no commitments as on March 31, 2023 (March 31, 2022 : Nil).

24 Contingent liability

The Trust has no contingent liability as on March 31, 2023 (March 31, 2022 : Nil).

25 Segment reporting

The Trust's activities comprise of owning and investing in SPVs 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.

26 Financial risk management objectives and policies

The Trust's principal financial liabilities comprise of borrowings and other financial liabilities. The main purpose of these financial liabilities is to finance the Trust's operations. The Trust's principal financial assets include investments, loans, cash and bank balances and other financial assets that derive directly from its operations. The Trust may be exposed to market risk, credit risk and liquidity risk. The Investment Manager oversees the management of these risks. All derivative activities for risk management purposes are carried out by specialist teams that have the appropriate skills, experience and supervision. It is the Trust's policy that no trading in derivatives for speculative purposes may be undertaken. The management reviews and agrees policies for managing each of these risks, which are summarised below. The Risk Management policies of the Trust are established to identify and analyse the risks faced by the Trust, 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 Trust's activities. Management has overall responsibility for the establishment and oversight of the Trust's risk management framework.

(a) 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 and as at March 31, 2022.

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. At the reporting date, the exposure to equity investments in subsidiary at carrying value was Rs. 9,585.88 Million (March 31, 2022: Nil) . Sensitivity analyses of significant unobservable inputs used in the fair value measurement are disclosed in Note 21.

(b) 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. The Trust is exposed to credit risk from its investing activities including loans to subsidiaries, deposits with banks and other financial instruments. As at March 31, 2023, the credit risk is considered low since substantial transactions of the Trust are with its subsidiaries.

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Anzen India Energy Yield Plus Trust**Notes to Standalone Financial Statements for the year ended March 31, 2023****All amounts in Rupees million unless otherwise stated****(c) Liquidity risk**

Liquidity risk is the risk that the Trust 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 Trust requires funds both for short term operational needs as well as for long term investment programs. The Trust 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 and liquid investments will provide liquidity.

The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The other financial liabilities are with short term durations. The table below summarises the maturity profile of the Trust'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	-	23.86	-	-	-	23.86
Other financial liabilities	-	1.67	-	-	-	1.67
Interest on borrowings	-	152.24	459.66	1,530.96	-	2,142.86
	-	177.77	459.66	8,947.20	-	9,584.63
As at March 31, 2022						
Non convertible debentures (Secured)	-	-	-	-	-	-
Trade payables	-	-	-	-	-	-
Other financial liabilities	-	-	-	-	-	-
	-	-	-	-	-	-

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Anzen India Energy Yield Plus Trust**Notes to Standalone Financial Statements for the year ended March 31, 2023**

All amounts in Rupees million unless otherwise stated

27 Capital management

For the purpose of the Trust's capital management, capital includes issued unit capital and all other 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 maximize unit holder value.

The Trust 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 and short term investments.

Particulars	As at March 31, 2023	As at March 31, 2022 (Refer Note 30)
Borrowings	7,416.24	-
Trade Payables	23.86	-
Other financial liabilities	1.67	-
Less: cash and other bank balances	(180.34)	-
Net debt [A]	7,261.43	-
Unit capital	15,624.79	-
Other equity	272.87	-
Total equity capital [B]	15,897.66	-
Capital and net debt [C=A+B]	23,159.09	-
Gearing ratio (%) [A/C]	0.31	-

Financial Covenants

In order to achieve this overall objective, the Trust'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 any interest-bearing loans and borrowing in the current year.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2023.

28 Subsequent event

On May 25, 2023, the Board of directors of the Investment Manager approved a distribution of Rs.2.42 per unit for the period January 01, 2023 to March 31, 2023 to be paid on or before 15 days from the date of declaration.

29 Contingent Consideration

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.

30 Previous year figures

The Trust was registered as an 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 November 1, 2021 to March 31, 2022. Further, the financial statements of the Trust for the year ended March 31, 2022 included as comparative financial information in the standalone financial statements, have been certified 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

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)

per Amit Singh

Partner
Membership Number : 408869
Place : Pune
Date : May 25, 2023

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

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.

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
<p><u>Applicability of Appendix D of Ind AS 115 'Service Concession Arrangement'</u> (as described in Note 30 of the consolidated financial statements)</p>	
<p>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.</p> <p>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. Accordingly, management is of the view that Appendix D is not applicable to the Group.</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> • 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 compliance with the relevant accounting standards requirements.

Key audit matters	How our audit addressed the key audit matter
<p>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.</p>	
<p>Impairment of property, plant and equipment <i>(as described in Note 3 and 30 of the consolidated financial statements)</i></p>	
<p>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.</p> <p>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.</p> <p>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.</p> <p>Considering the judgment involved in determination of fair values due to inherent uncertainty and complexity of the assumptions used in determination of fair values, this is considered as a key audit matter.</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> • 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. • Evaluated the adequacy of disclosures included in the consolidated financial statements

Key audit matters	How our audit addressed the key audit matter
Classification of unit holders' funds as equity (as described in Note 30 of the consolidated financial statements)	
<p>The InvIT is required to distribute to Unitholders not less than ninety percent of its net distributable cash flows for each financial year. Accordingly, a portion of the unitholders' funds contains a contractual obligation of the 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.</p> <p>Considering the judgment required for classification of unit holders' funds as equity, this is considered as a key audit matter.</p>	<p>Our audit procedures included, among others the following:</p> <ul style="list-style-type: none"> • 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.
Acquisition of Transmission Special Purpose Vehicles ("SPVs") classified as asset acquisitions (as described in Note 30 of the consolidated financial statements)	
<p>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.</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> • 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.

Key audit matters	How our audit addressed the key audit matter
<p>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.</p> <p>Considering the judgement involved in determining if the acquisition of transmission SPVs constitute business or asset, it is considered as a key audit matter.</p>	<ul style="list-style-type: none"> • 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.
<p>Disclosures relating to Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value as per InvIT regulations <i>(as described in Note 30 of the consolidated financial statements)</i></p>	
<p>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.</p> <p>For the purpose of the above, fair value is determined by forecasting and discounting future cash flows.</p> <p>The processes and methodologies for assessing and determining the fair value 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.</p>	<p>Our audit procedures included, among others the following:</p> <ul style="list-style-type: none"> • 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

Key audit matters	How our audit addressed the key audit matter
<p>Considering the judgment involved in determination of fair values due to inherent uncertainty and complexity of the assumptions used in determination of fair values, this is considered as a key audit matter.</p>	<p>assessed the expert’s competence, capability and objectivity.</p> <ul style="list-style-type: none"> • 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.

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.

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 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;
- (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:

Place of Signature: Pune

Date: May 25, 2023

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

**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)**

per Amit Singh
Partner
Membership Number : 408869
Place : Pune
Date : May 25, 2023

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

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)	-
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

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)

per Amit Singh
Partner
Membership Number : 408869
Place : Pune
Date : May 25, 2023

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

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 of 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

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

**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)**

per Amit Singh
Partner
Membership Number : 408869
Place : Pune
Date : May 25, 2023

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

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

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)

per Amit Singh
Partner
Membership Number : 408869
Place : Pune
Date : May 25, 2023

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

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)

Particulars	(Rs. in million)	
	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

Particulars	(Rs. in million)	
	Fair Value	
Darbhangha - 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)

Particulars	(Rs. in million)	
	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

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)

per Amit Singh
Partner
Membership Number : 408869
Place : Pune
Date : May 25, 2023

Ranjita Deo
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Chief Financial Officer

Jalpa Parekh
Company Secretary
Membership Number : A44507

Place : Mumbai
Date : May 25, 2023

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

Description	(Rs. in Million)
	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.

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)

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.

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.

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 ("NDCF's") 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.

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.

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

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.

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.

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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(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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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

(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	-
Other 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 member.

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

Anzen India Energy Yield Plus Trust
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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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Anzen India Energy Yield Plus Trust
Notes to consolidated financial statements for the year ended March 31, 2023
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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	As at
	March 31, 2023	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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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

Interest shall accrue at the end of every quarter and shall be payable on the last date of each quarter.

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(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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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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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

(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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Notes to consolidated financial statements for the year ended March 31, 2023

All amounts in Rupees million unless otherwise stated

(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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(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 has 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.

(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%
Tax rate (normal tax and MAT)	MAT - 17.47% Normal tax - 25.17%	2.00%	(402.00)
			-2.00%
Inflation rate for expenses	2.5% to 5%	20.00%	(220.02)
			-20.00%

(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.

(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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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

(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)	-

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

(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 Ancillary borrowing cost	1,567.11	-
	-	-
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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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

(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

Edelweiss Alternative Asset Advisors Limited (wef March 29, 2023)

Edelweiss Securities and Investments Private Limited (upto March 29, 2023)

Axis Bank Limited

Promoters of SEPL

Promoters of ERAML

Promoters of ERAML

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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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

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.

(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 23.

(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'.

(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 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 an 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

**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)**

per Amit Singh
Partner
Membership Number : 408869
Place : Pune
Date : May 25, 2023

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

Strictly Private and Confidential

**Prepared for:
Anzen India Energy Yield Plus Trust ("the Trust")**

**Edelweiss Real Assets Managers Limited
("the Investment Manager")**

Valuation as per SEBI (Infrastructure Investment Trusts) Regulations, 2014 as amended

Fair Enterprise Valuation

Valuation Date: 31st March 2023

**Mr. S Sundararaman,
Registered Valuer,
IBBI Registration No - IBBI/RV/06/2018/10238**

S. SUNDARARAMAN

Registered Valuer

Registration No - IBBI/RV/06/2018/10238

RV/SSR/R/2024/10

Date: 23rd May 2023

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.

Edelweiss Real Assets Managers Limited

(acting as the Investment Manager to Anzen India Energy Yield Plus Trust)

Plot 294/3, Edelweiss House,
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Santacruz (E), Mumbai - 400 098,
Maharashtra, India.

Sub: Financial Valuation as per SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended

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 April 2023 as an independent valuer, as defined as per Regulation 2(zzf) of the SEBI InvIT Regulations, by **Edelweiss 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 purpose of the financial valuation of the special purpose vehicles (defined below and hereinafter together referred as "**the SPVs**") of Sekura Energy Private Limited ("**the Sponsor**" or "**Sekura**") as per the requirements of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended ("**SEBI InvIT Regulations**").

I am enclosing the Report providing opinion on the fair enterprise value of the SPVs as defined hereinafter on a going concern basis as at 31st March 2023 ("**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 SPVs 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 investment advice, specifically, I do not express any opinion on the suitability or otherwise of entering into any financial or other transaction with the Trust.

Mr. S Sundararaman, Registered Valuer

Registered Valuer Registration No - IBBI/RV/06/2018/10238

5B, "A" Block, 5th Floor, Mena Kampala Arcade, New #18 & 20, Thiagaraya Road, T.Nagar, Chennai - 600 017, India

Telephone No.: +91 44 2815 4192

S. SUNDARARAMAN

Registered Valuer

Registration No - IBBI/RV/06/2018/10238

The Trust operates and maintains the following special purpose vehicles which are to be valued as per Regulation 21 read with Chapter V of the SEBI InvIT Regulations:

Sr. No.	Name of the SPV	Term
1	Darbhanga-Motihari Transmission Company Limited	DMTCL
2	NRSS XXXI (B) Transmission Limited	NRSSB

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 information provided to me by the Investment Manager in relation to the SPVs 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 SPVs.

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 11 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 11 of this Report.

This letter should be read in conjunction with the attached Report.

Yours faithfully,

SWAMINATHAN
SUNDARARAMAN
AN

Digitally signed by
SWAMINATHAN
SUNDARARAMAN
Date: 2023.05.23 14:56:28
+05'30'

S. Sundararaman

Registered Valuer

IBBI Registration No.: IBBI/RV/06/2018/10238

Asset Class: Securities or Financial Assets

Place: Chennai

UDIN: 23028423BGYWGW6804

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Definition, abbreviation & glossary of terms

Abbreviations	Meaning
BOOM	Build-Own-Operate-Maintain
Capex	Capital Expenditure
CCIL	Clearing Corporation of India Limited
CCM	Comparable Companies Multiples
COD	Commercial Operation Date
CTM	Comparable Transactions Multiples
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 31 st March
GAAP	Generally Accepted Accounting Principles
GW	Giga Watts
Ind AS	Indian Accounting Standards
INR	Indian Rupee
Investment Manager/ ERAML	Edelweiss 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
SEBI InvIT Regulations	SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended
Sponsor/ Sekura	Sekura Energy Private Limited
SPV	Special Purpose Vehicle
RV	Registered Valuer
TBCB	Tariff Based Competitive Bidding
the Trust or InvIT	Anzen India Energy Yield Plus Trust
the Trustee	Axis Trustee Services Limited
WACC	Weighted Average Cost of Capital

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1. Executive Summary

1.1. Background

The Sponsor

1.1.1. Sekura Energy Private Limited ("the Sponsor" or "Sekura") has floated an infrastructure investment trust under the SEBI InvIT Regulations called "Anzen India Energy Yield Plus Trust" ("the InvIT" or "the Trust"). Sekura 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.

1.1.2. 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

The Trust

1.1.3. 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 ("SEBI InvIT Regulations") with effect from 18th January 2022, bearing registration number IN/InvIT/21-22/0020.

1.1.4. Axis Trustee Services Limited ("the Trustee") has been appointed as the Trustee of the Trust.

Investment Manager

1.1.5. Edelweiss 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.

1.1.6. Shareholding of the Investment Manager as on the Valuation Date is as under:

Sr. No.	Particulars	No. of shares	%
1	*Edelweiss Alternative Asset Advisors Limited	62,000	100.0%
	Total	62,000	100.0%

Source: Investment Manager

* Includes Shares held by nominees of Edelweiss Securities

1.1.7. Financial Assets to be Valued

The following SPVs are to be considered for Fair Enterprise Valuation:

Sr. No.	Name of the SPV	Term
1	Darbhanga-Motihari Transmission Company Limited	DMTCL
2	NRSS XXXI (B) Transmission Limited	NRSSB

(DMTCL and NRSSB are hereinafter together referred to as "the SPVs")

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1.2. Purpose and Scope of Valuation

Purpose of Valuation

1.2.1. As per Regulation 21(4) of Chapter V of the SEBI InvIT Regulations,

"A full valuation shall be conducted by the valuer not less than once in every financial year: Provided that such full valuation shall be conducted at the end of the financial year ending March 31st within two months from the date of end of such year."

In this regard, the Investment Manager intends to undertake the fair enterprise valuation of the SPVs as on 31st March 2023.

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 SPVs 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 SPVs 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 SPVs 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 SPVs 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 SPVs. 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 SPVs 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

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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 SPVs is 31st March 2023 ("**Valuation Date**"). The RV is not aware of any other events having occurred since 31st March 2023 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 SPVs 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 SPVs on a stand-alone basis by using the Discounted Cash Flow (“DCF”) method under the income approach. Following table summarizes my explanation 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	All the SPVs are generating income based on pre-determined TSA. Hence, the growth potential of the SPVs 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 SPVs 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 SPVs, 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 each of the SPVs. In order to arrive at the fair EV of the individual SPVs under the DCF Method, I have relied on the Unaudited provisional financial statements as at 31st March 2023 prepared in accordance with the Indian Accounting Standards (Ind AS) and the financial projections of the respective SPVs prepared by the Investment Manager as at the Valuation Date based on their best judgement.

The discount rate considered for the respective SPVs for the purpose of this valuation exercise is based on the Weighted Average Cost of Capital (“WACC”) for each of the SPVs.

As all the SPVs under consideration have executed projects under the Build-Own-Operate and Maintain (“BOOM”) and the ownership of the underlying assets shall remain with the SPVs even after the expiry of the concession period. Accordingly, terminal period value i.e. value on account of cash flows to be generated even after the expiry of concession period has been considered in the current valuation exercise.

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Based on the methodology and assumptions discussed further, RV has arrived at the fair enterprise value of the SPVs as on the Valuation Date:

Sr. No.	SPVs	Approx. Projection Period (Balance Project Period)	WACC	Fair Value of EV* (INR Mn)
1	DMTCL	~29 Years and 4 Months	8.05%	13,205
2	NRSSB	~29 Years	8.00%	9,981
Total				23,186

* 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. (Refer Appendix 1 & 2 for the detailed workings)

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. Total Expenses considered during the projected period by increasing / decreasing it by 20%
4. Terminal period value considered for the SPVs increasing / decreasing it by 20%

1. Fair Enterprise Valuation Range based on WACC parameter (0.5%)

Sr. No.	SPVs	INR Mn					
		WACC + 0.5%	EV	Base WACC	EV	WACC - 0.5%	EV
1	DMTCL	8.55%	12,527	8.05%	13,205	7.55%	13,968
2	NRSSB	8.50%	9,455	8.00%	9,981	7.50%	10,573
Total of all SPVs			21,983		23,186		24,541

2. Fair Enterprise Valuation Range based on WACC parameter (1.0%)

Sr. No.	SPVs	INR Mn					
		WACC + 1.0%	EV	Base WACC	EV	WACC - 1.0%	EV
1	DMTCL	9.05%	11,920	8.05%	13,205	7.05%	14,833
2	NRSSB	9.00%	8,986	8.00%	9,981	7.00%	11,246
Total of all SPVs			20,906		23,186		26,079

3. Fair Enterprise Valuation Range based on Operating Expense parameter (20%)

		INR Mn		
Sr. No.	SPVs	EV at Expenses + 20%	EV at Base Expenses	EV at Expenses - 20%
1	DMTCL	12,856	13,205	13,554
2	NRSSB	9,792	9,981	10,170
Total		22,648	23,186	23,724

4. Fair Enterprise Valuation Range based on Terminal Period Value ("TV") parameter (20%)

		INR Mn		
Sr. No.	SPVs	EV at TV - 20%	EV at Base TV	EV at TV + 20%
1	DMTCL	12,982	13,205	13,427
2	NRSSB	9,797	9,981	10,165
Total		22,780	23,186	23,592

The above represents reasonable range of fair enterprise valuation of the SPVs.

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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 SPVs;
 - 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 SPVs – 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 transmission assets of the SPVs;
 - 2.2.8. Determination of fair value of the EV of the SPVs on a going concern basis.

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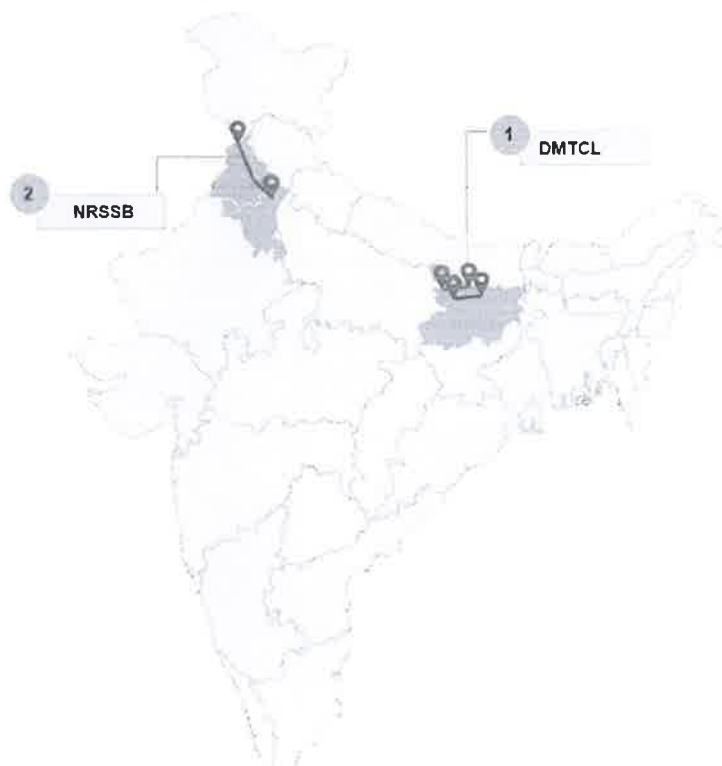
3. Overview of Sponsor, InvIT and SPVs

3.1. Sponsor / Sekura Energy Private Limited (Sekura)

- 3.1.1. Sekura Energy Private Limited is the Sponsor of the Trust. 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.
- 3.1.2. Sekura is also the Project Manager of the Trust.
- 3.1.3. I understand that Sekura is a 100% subsidiary of Edelweiss Infrastructure Yield Plus Fund (the "EIYP Fund").
- 3.1.4. Edelweiss Infrastructure Yield Plus is an alternative investment fund having SEBI Registration Number IN/AIF1/17-18/0511 dated 9th January 2018.
- 3.1.5. Sekura has settled the InvIT 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.

3.2. The Trust

- 3.2.1. **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).
- 3.2.2. I understand that Anzen India Energy Yield Plus Trust, acting through the Trustee, has acquire the equity held by EIYP Fund in the 2 SPVs following which units will be issued to EIYP Fund by the Trust. Accordingly the Purchase Price of DMTCL is INR 4,700 Mn and that of NRSSB is INR 3,600 Mn.
- 3.3. Following is a map of India showing the area covered by the proposed SPVs of the Trust:



Source: Investment Manager

Background of the SPVs

3.3. Darbhangha-Motihari Transmission Company Limited (“DMTCL”):

3.3.1. Summary of project details of DMTCL are as follows:

Parameters	Details
Project Cost	INR 10,927 Mn
Total Length	277.2 Ckms
Location of Assets	Bihar
TSA signing Date	6 th August 2013
SCOD as per TSA	9 th August 2016
Revised SCOD	10 th August 2017
TL issuance Date	30 th May 2014
Expiry Date of License	25 years from issue of Transmission License
Concession period	35 years from Revised SCOD
COD of last element of the SPV	10 th August 2017

Source: Investment Manager

3.3.2. DMTCL was incorporated on December 18, 2012 and entered into a transmission service agreement dated August 6, 2013 with its LTTCs for transmission of electricity for transmission system for Eastern Region System Strengthening Scheme – VI on a BOOM basis. The project was awarded on October 17, 2013, through the tariff based competitive bidding (“TBCB”) mechanism, for a period of 35 years from the SCOD.

3.3.3. DMTCL operates two transmission lines of approximately 277.2 ckms comprising one 400 kV double circuit line of approximately 125.7 ckms 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 approximately 151.5 ckms. The DMTCL project was fully commissioned in August 2017.

3.3.4. The project consists of the following transmission lines and substations:

Particulars	kms	COD	Location
400 kV Double Circuit Triple Snowbird Conductor Transmission System	62.8	31-Mar-17	Darbhangha (Bihar) to Muzaffarpur (Bihar)
LILO of 400 kV D/C Quad Moose Barh – Gorakhpur Transmission Line at 400/132 kV Motihari GIS Sub-station	75.8	10-Aug-17	Barh to Motihari (Bihar) - 37.6 km Motihari to Gorakhpur (Uttar Pradesh) - 38.2 km
2 X 500 MVA 400/220 kV Darbhanga Gas Insulated Substations (GIS)	NA	31-Mar-17	Substation Darbhanga (Bihar)
2 X 200 MVA 400/132 kV Motihari Gas Insulated Substations (GIS)	NA	10-Aug-17	Substation Motihari (Bihar)

Source: Investment Manager

3.3.5. The equity shareholding of DMTCL as on Report Date is as follows:

Sr. No.	Particulars	No. of shares	%
1	*AnZen India Energy Yield Plus Trust	1,62,96,667	100.0%
	Total	1,62,96,667	100.0%

* Including shares held by nominees of AnZen

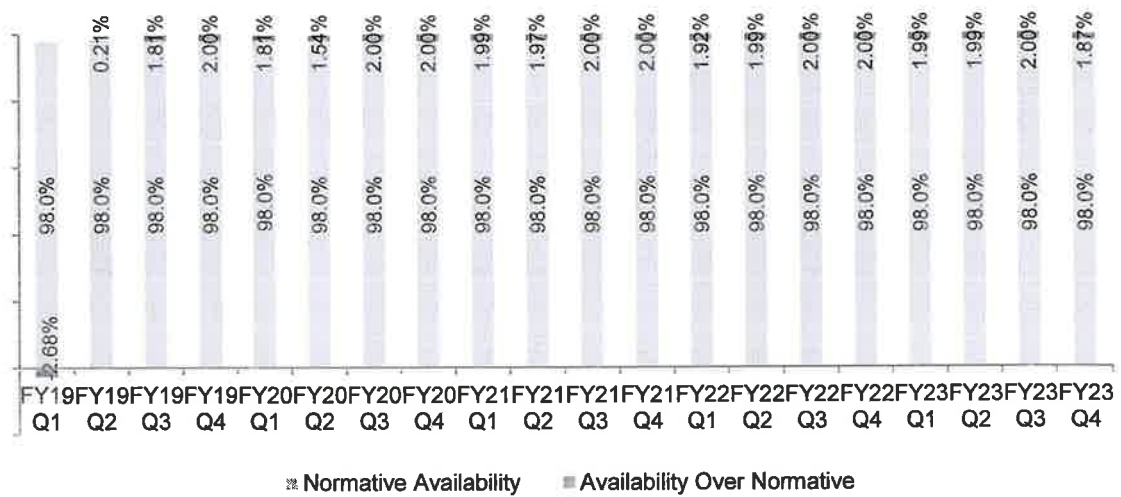
Source: Investment Manager

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3.3.6. Past incidents involving Transmission Assets of DMTCL:

- During the period from August 2017 till March 2021, there were few incidents involving damages to towers due to flooding of Gandak River in the Barh-Motihari-Gorakhpur, and an instance of damage to substation in Darbhanga, due to flooding in Kamala River. Some of these disruptions were covered by Force majeure clause of the TSA.
- Considering that company has incurred capital expenditure for tower strengthening over the years and the fact that there has been no tower collapse in last 2 years since March 2023, we find it appropriate to take a company specific risk premium of 0.5% as compared to 1% in the previous valuations carried out by us.

3.3.7. Operating Efficiency history of DMTCL:

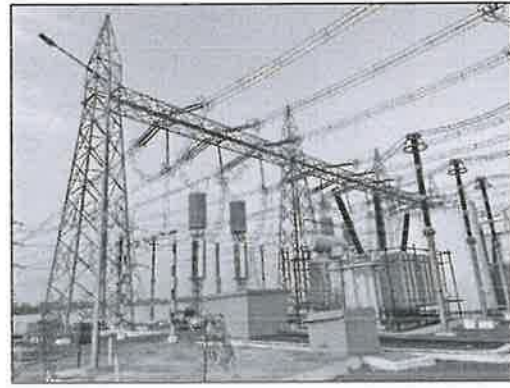
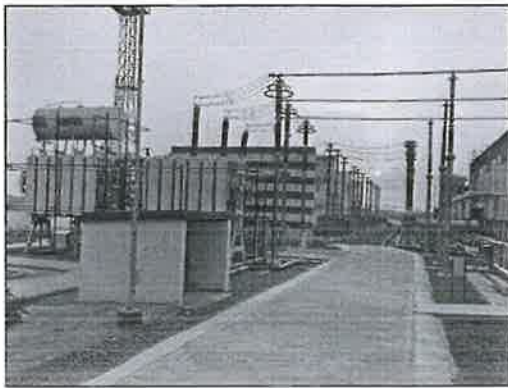


Source: Investment Manager

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3.3.8. My team had conducted physical site visit of the transmission assets of DMTCL on 21st April 2023, to the extent appropriate. Refer below for the pictures of DMTCL transmission assets:



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3.4. NRSS XXXI (B) Transmission Limited ("NRSSB")

3.4.1. Summary of project details of NRSSB are as follows:

Parameters	Details
Project Cost	INR 6,680 Mn
Total Length	577.7 Ckms
Location of Assets	Punjab and Haryana
TSA signing Date	2 nd January 2014
SCOD as per TSA	11 th September 2016
Revised SCOD	27 th March 2017
TL issuance Date	25 th August 2014
Expiry Date of License	25 years from issue of Transmission License
Concession period	35 years from Revised SCOD
COD of last element of the SPV	27 th March 2017

Source: Investment Manager

3.4.2. NRSSB was incorporated on July 29, 2013 and entered into a transmission service agreement dated January 2, 2014 with its LTTCs (for transmission of electricity for transmission system for Northern Region System Strengthening Scheme – XXXI(B) on a BOOM basis). The project was awarded on February 26, 2014 through the TCB mechanism, for a period of 35 years from the SCOD.

3.4.3. NRSSB operates two transmission lines of approximately 577.7 ckms comprising one 400 kV double circuit line of approximately 278.4 ckms from Kurukshetra (Haryana) to Malerkotla (Punjab) and another 400 kV double circuit line of approximately 299.3 ckms from Malerkotla (Punjab) to Amritsar (Punjab). The NRSS project was fully commissioned in March 2017.

3.4.4. The project consists of the following transmission lines and substations:

Particulars	kms	COD	Location
400 kV Double Circuit Transmission System	139.2	18-Jan-17	Kurukshetra (Haryana) to Malerkotla (Punjab)
400 kV Double Circuit Transmission System	149.7	27-Mar-17	Malerkotla (Punjab) to Amritsar (Punjab)

Source: Investment Manager

3.4.5. The equity shareholding of NRSSB as on Report Date is as follows:

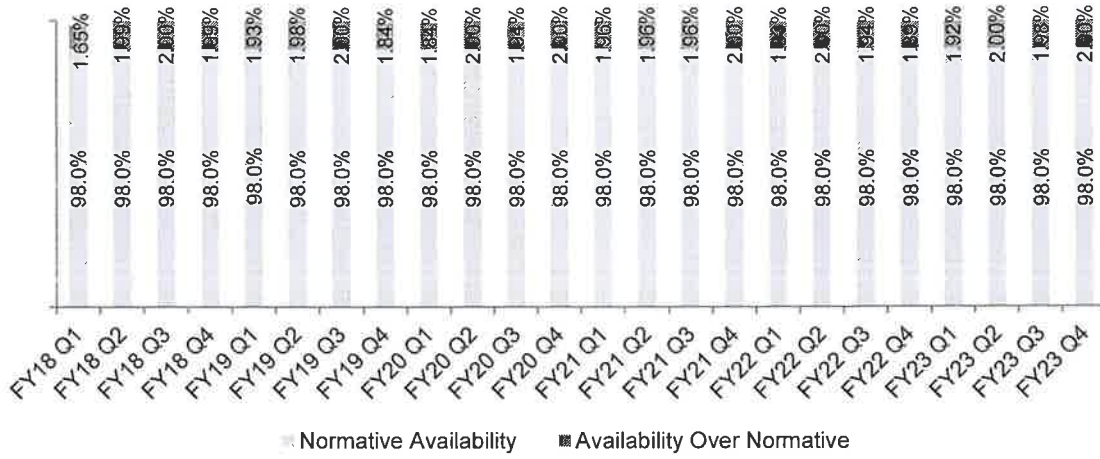
Sr. No.	Particulars	No. of shares	%
1	*AnZen India Energy Yield Plus Trust	98,32,143	100.0%
	Total	98,32,143	100.0%

* Including shares held by nominees of AnZen

Source: Investment Manager

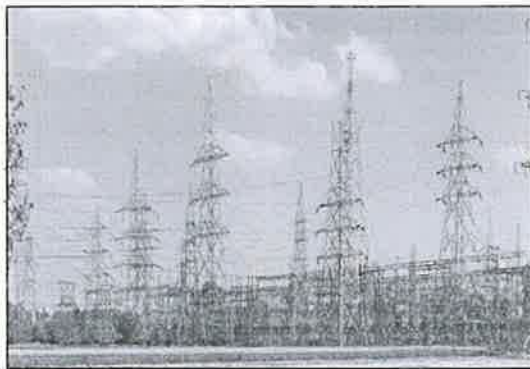
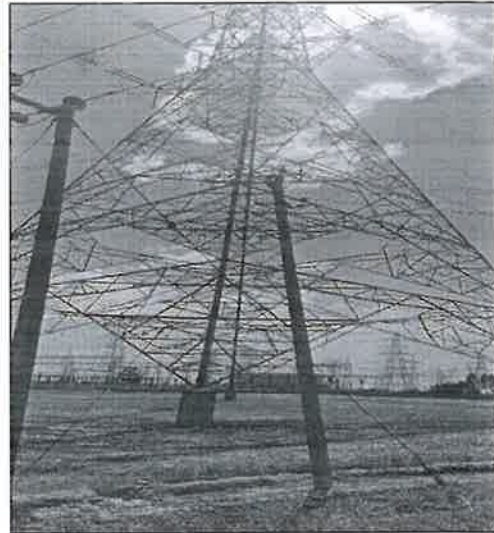
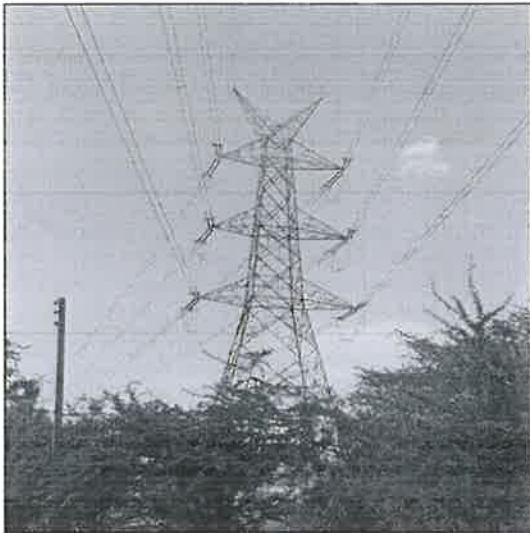
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3.4.6. Operating Efficiency history of NRSSB:



Source: Investment Manager

3.4.7. My team had conducted physical site visit of the transmission assets of NRSSB on 21st April 2023, to the extent appropriate. Refer below for the pictures of NRSSB transmission assets:



4. Overview of the Industry

4.1. Introduction:

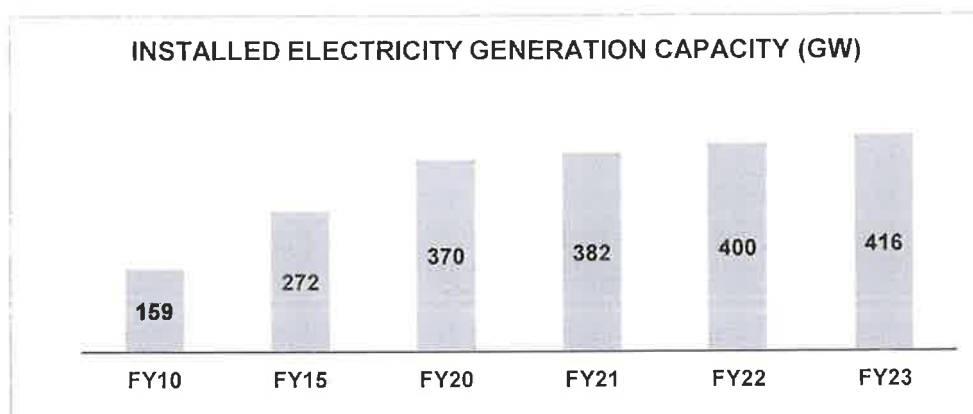
- 4.1.1 India is the third largest producer and third largest consumer of electricity in the world, with the installed power capacity reaching 416 GW as of 31st March 2023. The country also has the fifth largest installed capacity in the world. The country has 4th ranking for renewable energy installed capacity.
- 4.1.2 While conventional sources currently account for 73% of installed capacity, with the Government of India's ("GOI") ambitious projects and targets, power generated from Renewable Energy Sources ("RES"), which currently accounts for 27% of installed capacity, is expected to quickly overtake power generated from conventional sources. With a consistent focus on the renewable sector, the percentage share of installed capacity is expected to shift towards renewable capacity.
- 4.1.3 Peak Energy Demand grew at a compounded annual growth rate ("CAGR") of 4% from 148 GW in Fiscal 2014 to 203 GW in Fiscal 2022, while peak supply grew at a CAGR of 5% over the same period. As a result, the peak shortage dropped from 3 GW to 1 GW.
- 4.1.4 Whilst India is the third largest producer of electricity in the world, in 2014, the share of electricity in India's final energy demand was only 17% compared with 23% in the member countries of Organization for Economic Cooperation and Development (OECD) and ranks well below the global average in electricity consumption. The Draft NEP envisages the share of electricity in India's total energy consumption to rise to about 26% in 2040.
- 4.1.5 The transmission sector is divided into inter-state and intra-state transmission projects, in addition to some dedicated transmission projects, and is owned by across Central, State and private sector entities. In addition, transmission network also includes cross-border interconnections with neighboring countries viz, Bangladesh, Bhutan, Nepal and Myanmar to facilitate optimal utilization of resources.

4.2. Power Demand & Supply:

- 4.2.1. Peak power and energy deficits have considerably reduced over the years. For the year ended 2021-22, peak power and energy deficits were 0.60% and 0.70%, respectively, substantially lower than 10.60% and 8.50%, respectively, recorded for the year ended 2012.
- 4.2.2. India has seen a robust growth in the installed power generation capacity in the past four years. With a generation of 1,598 Tera-Watt Hour ("TWh"), India is the third largest producer and the third largest consumer of electricity in the world.
- 4.2.3. As of 31st March 2023, India had installed 168.96 Gigawatts ("GW") of renewable energy capacity. The Government plans to double the share of installed electricity generation capacity of renewable energy to 40% till 2030.
- 4.2.4. New renewable energy infrastructure can now be built within two years from initial plans through to completion, years faster than any new coal or LNG fired plants. Unlike conventional thermal generation capacity which takes more than 5 years, renewable capacity addition takes less than 2 years to develop.

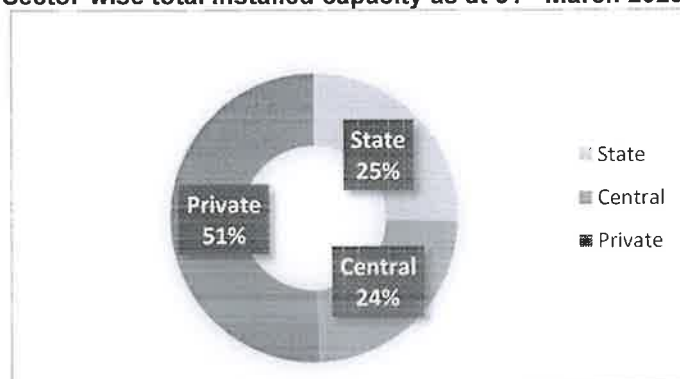
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4.2.5. The per capita electricity consumption in India has increased by about 20% from 1,010 kWh in FY 2015 to 1,208 kWh in FY 2020.



4.2.6. Details of Installed power capacity in India are as follows :-

Sector-wise total installed capacity as at 31st March 2023:

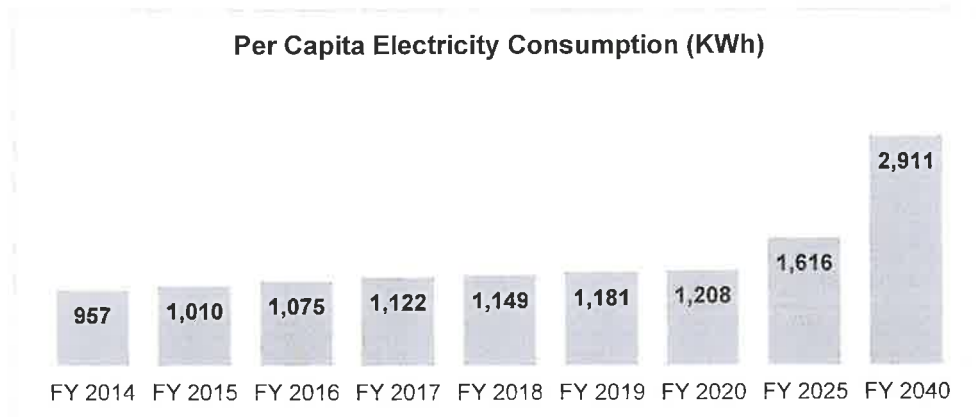


4.2.7. **India's Total Installed Power Capacity as on 31st March 2023 (in GW):**

Particulars	Total Capacity (GW)	% of Total
Thermal:		
- Coal & Lignite	211.86	50.92%
- Gas	24.82	5.97%
- Diesel	0.59	0.14%
Nuclear	6.78	1.63%
Renewable Energy Source		
- Hydro & Small Hydro	51.79	12.45%
- Wind	42.63	10.25%
- Solar	66.78	16.05%
- Others	10.80	2.60%
Total	416.06	100.0%

4.2.8. New renewable energy infrastructure can now be built within two years from initial plans through to completion, years faster than any new coal or LNG fired plants. Unlike conventional thermal generation capacity which takes more than 5 years, renewable capacity addition takes less than 2 years to develop.

4.2.9. The per capita electricity consumption in India has increased by about 20% from 1,010 kWh in FY 2015 to 1,208 kWh in FY 2020.



4.2.10. In addition, various initiatives introduced by the GoI, such as, Power for All, Deendayal Upadhyaya Gram Jyoti Yojana, Integrated Power Development Scheme (IPDS) and Ujwal DISCOM Assurance Yojana Scheme will improve and strengthen the demand and supply of electricity in India as well as assist the DISCOMs in improving operational and financial efficiencies.

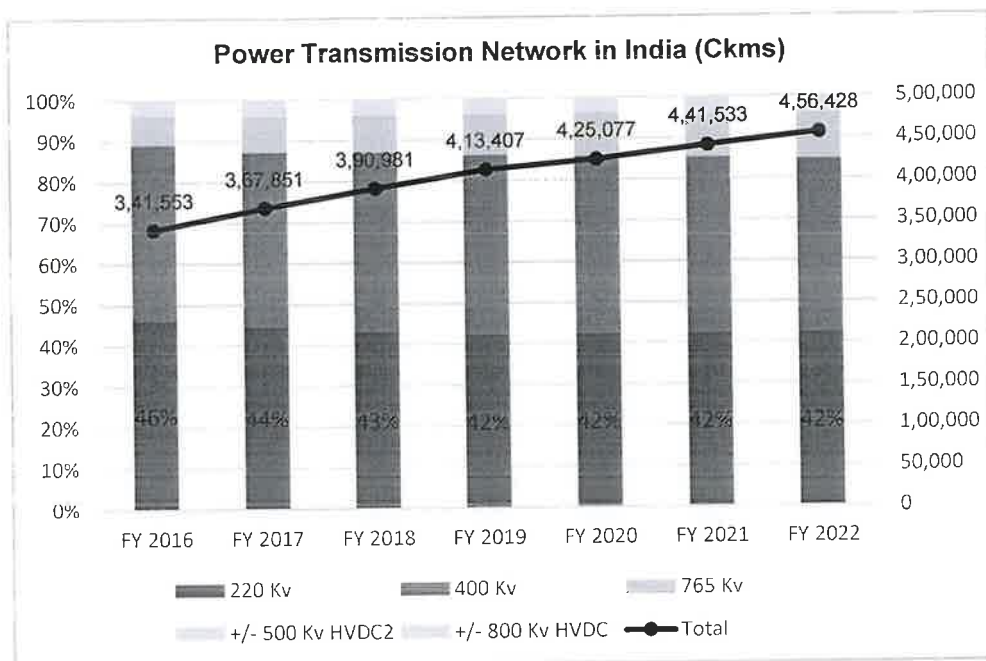
4.3. India's economic outlook:

- 4.3.1. The GDP of India has grown 6.8% during FY 2018-19. The GDP growth for the year 2019-20 was 4.2% which was affected due to the COVID-19 crisis. World Bank has estimated GDP growth to be in the range of 7.5%-12% for the year 2020-21. Also, the GD growth for the year 2021-22 was 8.7%.
- 4.3.2. National Statistical Office has estimated GDP Growth to be in the range of 7 – 8% for the year 2022 -23.
- 4.3.3. Planned thermal capacity additions have slowed down significantly and the Government of India (GoI) has set massive renewable power capacity targets. (450GW by 2030 – ambitious but signifies the policy marker's intentions)
- 4.3.4. Power is one of the key sectors attracting FDI inflows into India as 100 per cent FDI is allowed in this sector.
- 4.3.5. From April 2000 to September 2022, India recorded FDI of US\$ 13.034 billion in non-conventional energy sector. New and renewable energy sector witnessed maximum power generation capacity addition, since 2000.
- 4.3.6. In the Union Budget 2022-23, Rs. 19,500 Crore (US\$ 2.57 billion) has been allocated for PLI scheme to boost the manufacturing of high-efficiency solar modules, while Rs. 5,500 Crore (US\$ 786.95 million) has been allocated towards Deen Dayal Upadhyay Gram Jyoti Yojana (DDUGJY).
- 4.3.7. The Union Budget for 2023-24 has provided for a Budgetary allocation of Rs 7,327 crore for the solar power sector including grid, off-grid, and PM-KUSUM projects. This is a 48 per cent increase over the previous Rs 4,979 crore provided in the Revised Estimates in the document.
- 4.3.8. As per Economic Survey 2018-19, additional investments in renewable plants up to year 2022 would be about US\$ 80 billion and an investment of around US\$ 250 billion for the period 2023-2030.
- 4.3.9. Reduced macroeconomic vulnerability, coupled with improved government spending in infrastructure sectors, has enhanced India's Global Competitive Index (GCI) ranking to 43 in 2019-20 from 68 in 2018-1

4.4. Power transmission network in India:

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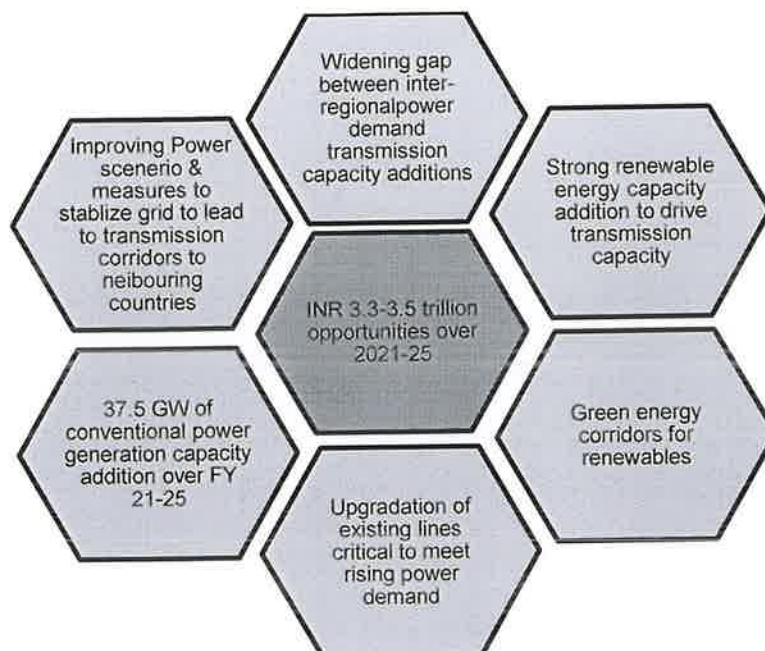
- 4.4.1. The government's focus on providing electricity to rural areas has led to the T&D system being extended to remote villages. The total length of transmission lines in the country has grown at a slow rate of 6% CAGR during FY 11 and FY 17. The total transmission network has increased from ~3.13 Lakhs Ckms in FY 15 to around ~4.69 Lakhs Ckms in FY23.
- 4.4.2. Inter-state transmission has seen considerable growth in the past decade, which led to the creation of a synchronous National Grid, achievement of 'One Nation-One Grid-One Frequency', which has been an enabler for power markets in the country. The total inter-regional transmission capacity of the National Grid was 1,12,250 MW as on March 31, 2023.



(Source: NIP & CEA Executive Summary)

- 4.4.3. As on January 2019 approx. 7.2% of total transmission network is owned by private players which showcase the need of more private sector participation in this space. India has been underinvested as far as transmission is concerned.
- 4.4.4. PGCIL has remained the single largest player in inter regional power transmission capacity addition contributing to 45%-50% of the total investment in the sector. With a planned expenditure outlay of INR 1.10 Trillion for the 12th five-year plan, PGCIL has spent around INR 1.12 Trillion over 2013-17.
- 4.4.5. Of the total capacity-addition projects in transmission during the 12th FYP, about 42% can be attributed to the state sector. The share of private sector in transmission line and substation additions since the beginning of 12th FYP is 14% and 7%, respectively, as the majority of high-capacity, long-distance transmission projects were executed by PGCIL and state transmission utilities during this period.

4.4.6. Key Growth Drivers for growth in transmission sector:



4.4.7. In order to strengthen the power system and ensure free flow of power, significant investments would be required in the T&D segment. Moreover, commissioning of additional generation capacity, rising penetration of renewable energy, regional demand-supply mismatches, up gradation of existing lines, rising cross border power trading would necessitate huge investments in transmission sector in India.

4.4.8. Thus, going forward, the share of power sector investments are expected to veer towards the T&D segment. Moreover, strong government focus on the T&D segment will also support investments. CRISIL Research expects the transmission segment share in total power sector investments to rise sharply to 33% over 2017-21 from only 20% over 2012-16. Thus, it is expected that transmission segments investments will increase 1.5 times to INR 3.1 trillion over 2017-21 as compared to the previous 5 year period.

4.5. Factors Encouraging Investments In Power Transmission In India:

4.5.1. Operational power transmission projects have minimal risks:

In the project construction phase, transmission assets face execution risks including right of way, forest and environment clearances, increase in raw material prices etc. However, post commissioning, with the implementation of Point of Connection (PoC) mechanism, there is limited offtake and price risk. Thus, operational transmission projects have annuity like cash flows and steady project returns.

4.5.2. Availability based regime:

As per the TSA, the transmission line developer is entitled to get an incentive amount in the ratio of the transmission charge paid or actually payable at the end of the contract year. Maintaining availability in excess of the targeted availability gives the relevant asset the right to claim incentives at pre-determined rates, ensuring an adequate upside to maintaining availability.

4.5.3. Counter-party risk diversified:

Given PAN-India aggregation of revenue among all TSPs and not asset specific billing, the counter party risk is diversified. If a particular beneficiary delays or defaults, the delay or shortfall

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is prorated amongst all the licensees. Thus, delays or defaults by a particular beneficiary will have limited impact, which will be proportionate to its share in overall ISTS.

4.5.4. Payment security:

The TSA includes an arrangement for payment security, which reduces under recovery of revenues. Payment security is available in terms of a revolving letter of credit of required amount that can be utilized to meet the revenue requirement in case of a shortfall.

4.5.5. Collection risk offset owing to presence of CTU:

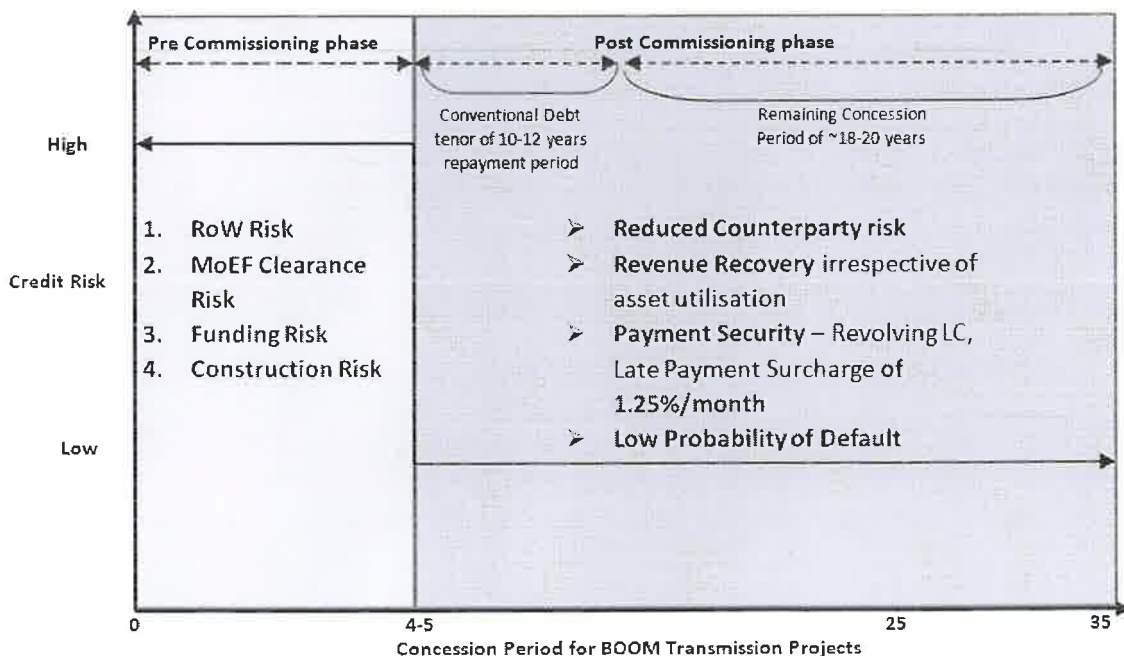
According to CERC (sharing of inter-state transmission charges and losses) regulations, 2010, CTU has been assigned the responsibility of carrying out activities including raising of transmission charge bills on behalf of all ISTS licensees, collecting the amount and disbursing the same to ISTS licensees. Thus, a private transmission licensee no longer needs to collect transmission charges from multiple DISCOMs for each transmission project. Instead, the transmission revenue payable to the licensee is disbursed by the CTU on a monthly basis.

4.5.6. Increase in Pace of Awarding Projects under TBCB :

Between 2010-11 and 2014-15, the pace of award of project was slow with only Rs. 180-190 billion (~USD 2.48-2.62 billion) of projects being awarded. However, the pace of award of project has significantly increased. In fact, in 2015-16, projects aggregating to ~Rs. 260 billion (~USD 3.58 billion) were awarded. Awarding of projects through TBCB picked up from fiscal 2017 onwards. In fact, between fiscals 2017 and 2020, projects worth ~312 billion have been awarded by BPCs (REC, PFC).

4.5.7. Power Transmission infrastructure has better risk return profile as compared to other infrastructure projects:

Returns from various infrastructure projects (other than transmission line projects) like roads, ports and power generation rely mostly on the operational performance of the assets, which in turn is dependent on factors where developers have limited control. For instance, in the roads sector (non-annuity based project) the company's profits are dependent on collection of toll revenues, the port sector bears risk of cargo traffic, while in the case of power generation, it depends on availability of fuel and offtake by distribution companies while in the case of ISTS transmission projects the charges are independent of the total power transmitted through the transmission lines and hence factors such as volume, traffic do not fluctuate the revenues.



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(Sources: CRISIL Search FY 2020-21, FY 2005-2021: Power Supply Position Reports published by the CEA for March 2022, Shelf Prospectus of India Grid Trust dated 22 April 2021, CEA Executive Summary on Power Sector: March 2022, Installed capacity report FY 2021, CRISIL Opportunities in power transmission in India - March 2022, PGCIL and Adani Transmission Limited Annual Reports, Central Electricity Authority of India cea.nic.in)

5. Valuation Methodology and Approach

- 5.1. The present valuation exercise is being undertaken in order to derive the fair EV of the SPVs.
- 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.

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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.

Conclusion on Valuation Approach

- 5.7. 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 SPVs. In addition, this valuation will fluctuate with changes in prevailing market conditions, and prospects, financial and otherwise, of the SPVs, and other factors which generally influence the valuation of companies and their assets.
- 5.8. 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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Cost Approach

The existing book value of EV of the SPVs comprising of the value of its Net fixed assets, Net intangible assets and working capital based on the Unaudited provisional financial statements as at 31st March 2023 and audited financial statements as at 31st March 2022 prepared as per Indian Accounting Standards (Ind AS) are as under:

Sr No.	SPVs	INR Mn	
		Book EV*	
		Unaudited	Audited
		31 st March 2023	31 st March 2022
1	DMTCL	7,470	7,998
2	NRSSB	4,304	4,614
	Total	11,775	12,613

* 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 SPVs have entered into TSA, the revenue of the SPVs are pre-determined for the life of the projects. 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.

Market Approach

The present valuation exercise is to arrive at the fair EV of the SPVs engaged in the power transmission business for a specific tenure. Further, the tariff revenue expenses are very specific to the SPVs depending on the nature of their geographical location, stage of project, terms of profitability. In the absence of any exactly comparable listed companies with characteristics and parameters similar to that of the SPVs, 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 SPVs are not listed on any recognized stock exchange of India. Hence, I was unable to apply market price method.

Income Approach

Currently, each of the SPVs are completed and are revenue generating SPVs. The cash flows of the SPVs for the projected period are driven by the contracts entered by the SPVs as on date like the TSA, O&M Agreements, etc. The revenues of the projects are defined for 35 years under the TSA. Hence, the growth potential of the SPVs 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.

6. Valuation of the SPVs

- 6.1. I have estimated the fair EV of the SPVs using the DCF Method. 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 statements of the SPVs as provided by the Investment Manager.

Valuation

The key assumptions for transmission revenue, incentives and penalty of the SPVs, are as follows:

- 6.1.1. **Transmission Revenue:** Power transmission projects, including the SPVs, earn revenue from electricity transmission tariffs pursuant to TSAs read with the Tariff Adoption Order ("TAO") passed by CERC in accordance with the Electricity Act. These SPVs receive availability based tariffs under the TSAs irrespective of the actual quantum of power transmitted through the line. The tariff for the SPVs is contracted for the period of the relevant TSA, which is up to 35 years from the scheduled commissioning date.
- 6.1.2. The SPVs have 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 scheduled 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.
- 6.1.3. Tariffs under these TSAs are billed and collected pursuant to the 'Point of Connection' (PoC) mechanism, a regulatory payment pooling system offered to interstate transmission system (ISTS) such as the systems operated by majority of the SPVs. 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 SPVs.
- 6.1.4. The tariff rates are comprised of a fixed levelised non-escalable transmission charges and incentives for maintaining targeted availability. There are no escalable transmission charges as per the terms of the respective adoption of tariff order for the SPVs.
- **Non Escalable Transmission Revenue:** As mentioned before, the Non-Escalable Transmission Revenue remains fixed for the entire life of the project. I have corroborated the revenue considered in the financial projections with the respective TSA read with TAO and documents provided to us by the Investment Manager.
 - In case of both the SPVs, the transmission lines could not be commissioned on their scheduled commissioning dates due to change in law and force majeure events, including the amendment of Forest Guidelines, delay in grant of forest clearance, change in Gantry coordinates, Right of Way Issues, etc. The scheduled commercial operation dates have been revised to actual commercial operation dates of the respective SPVs vide CERC orders dated 29th March 2019. These delays have also been acknowledged by APTEL in its Order dated 3rd December 2021. Further details relating to the CERC Orders are provided below:

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SPVs	Order date	Status	Description
DMTCL	13 th January 2020	Received	In terms of the CERC Order passed in Review Petition no. 08/RP/2019 of Original Petition no. 238/MP/2017, CERC has granted relief to DMTCL by admitting INR 1,848.21 Lakhs 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.
NRSSB	15 th January 2020	Received	In terms of CERC Order passed in Review Petition no. 07/RP/2019 of Original Petition no. 195/MP/2017, CERC has granted relief to NRSSB by admitting INR 1,029.71 Lakhs 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 2.78% of yearly transmission charges to recover with effect from Project Actual Commercial Operation Date.
DMTCL & NRSSB	13 th May 2022 (DMTCL) 11 th May 2022 (NRSSB)	Received	CERC has granted relief to the SPVs on account of certain events including the additional Interest During Construction incurred due to Force Majeure Events by allowing an increase of 8.30% (for NRSSB) & 13.64% (for DMTCL) of yearly transmission charges with effect from the actual Commercial Operation Date of respective SPVs.

Accordingly, I have received computation of such incremental revenue from the Investment Manager.

- **Escalable Transmission Revenue:** Escalable Transmission Revenue is the revenue component where the revenue is duly escalated based on the rationale as provided in the respective TSA read with TAO. There are Nil escalable transmission charges as per the terms of the respective adoption of tariff order for the SPVs.
- 6.1.5. **Incentives:** As provided in the respective TSA, if the annual availability exceeds 98%, the SPVs shall be entitled to an annual incentive as provided in TSA. Provided no incentives shall be payable above the availability of 99.75%. Based on the past track record of the SPVs and the general industry standard, the annual availability shall be above 98% where the SPVs shall be entitled to the incentives as provided in their respective TSA, as represented to us by the Investment Manager.
- 6.1.6. **Penalty:** If the annual availability in a contract year falls below 95%, the SPVs shall be liable for an annual penalty as provided in the TSA. Based on my analysis, in the present case, it is assumed that the annual availability will not fall below 95% and hence, penalty is not considered in the financial projections.
- 6.1.7. **Expenses:** Expenses are estimated by the Investment Manager for the projected period based on the inflation rate as determined for the SPVs. I have relied on the projections provided by the Investment Manager.

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- **Operations & Maintenance (“O&M”):** O&M expenditure is estimated by the Investment Manager for the projected period based on the inflation rate as determined for the SPVs. The Investment Manager has projected expenses to be incurred for the O&M of the SPVs including, but not limited to, transmission line maintenance expenses, rates and taxes, legal and professional fees and other general and administration expenses. I have relied on the projections provided by Investment Manager on the O&M expenses for the projected period.
 - **Insurance Expenses:** I understand from the Investment Manager that the insurance expenses of the SPVs are not reasonably expected to inflate for the projected period. I have relied on the projections provided by the Investment Manager on the insurance expenses for the projected period.
- 6.1.8. **Depreciation:** The book depreciation has been provided by the Investment Manager till the life of the SPVs. For calculating depreciation as per Income Tax Act for the projected period, I have considered depreciation rate as specified in the Income Tax Act and WDV as provided by the Investment Manager.
- 6.1.9. **Capex:** As represented by the Investment Manager, the maintenance capex has already been considered in the Operations & Maintenance expenditure for the projected period whereas the SPVs are not expected to incur any expansion capex in the projected period.
- 6.1.10. **Tax and Tax Incentive:** There have been changes in tax regime pursuant to introduction of Taxation Laws (Amendment) Ordinance 2019 made on 20th September 2019 which was enacted to make certain amendments in the Income Tax Act 1961 and the Finance (No. 2) Act 2019.

As per the discussions with the Investment Manager, the old provisions of Income Tax Act have been considered for the projected period of the SPVs for the current valuation exercise, which inter alia provide benefits of additional depreciation, section 115JB and section 80-IA (Section 80-IA is not applicable for DMTCL). After the utilization / lapse of such benefits, the tax outflows are calculated as per the new provisions of Income Tax Act (i.e. Section 115BAA, with base corporate tax rate of 22%) the SPVs.

- 6.1.11. **Working Capital:** The Investment Manager has represented the working capital requirement of the SPVs for the projected period. The operating working capital assumptions for the projections as provided by the Investment Manager comprises of prepaid expense, security deposit, trade receivables, trade payables and others.

Tariffs under the ISTS project TSAs, which contribute to the majority of the SPVs, are billed and collected pursuant to the PoC mechanism. 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 SPVs. Any shortfall in collection of transmission charges by the CTU is shared on a pro rata basis by all transmission service providers. Payment securities in the form of a revolving letter of credit, a late payment surcharge of 1.25% per month for delay in payment beyond 60 days from the date of billing, pursuant to provisions of the project TSAs (and a late payment surcharge of 1.50% per month pursuant to the Sharing of Charges and Losses Regulations) and lack of alternate power infrastructure, deter beneficiaries from defaulting. I have obtained the working capital assumptions from the Investment Manager and have corroborated the debtor assumptions of 90 days with the past receivable collection days and other data points to extent appropriate.

- 6.1.12. **Terminal Period Cash Flows:** Terminal value represents the present value at the end of explicit forecast period of all subsequent cash flows to the end of the life of the asset or into perpetuity if the asset has an indefinite life.

I understand, based on the representation of the Investment Manager, that the SPVs are expected to generate cash flow even after the expiry of concession period as the projects are on BOOM model and the ownership will remain with the respective SPVs even after

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the expiry of concession period. The value of SPVs at the end of the concession period may be dependent on the expected renewal/extension of concession period with limited capital expenditure or the estimated salvage value the assets of the SPVs can fetch.

Considering the estimation uncertainty involved in determining the salvage value and basis my discussion with the Investment Manager on the cash flow estimates for the period after the concession period, I found it appropriate to derive terminal period value, which represents the present value at the end of explicit forecast period/concession period of all subsequent cash flows to the end of the life of the asset, based on the perpetuity value derivation / Gordon growth model with 0% terminal growth rate. Accordingly, for the terminal period (i.e. after the expiry of 35 years), a terminal growth rate of 0% has been applied on cash flows based on Investment Manager's estimate for the SPVs.

6.2. Impact of Ongoing Material Litigation on Valuation

As on 31st March 2023, there are ongoing litigations as shown in Appendix 4. Further, 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.

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6.3. Calculation of Weighted Average Cost of Capital for the SPVs

6.3.1. **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 SPVs.

$$K(e) = R_f + (ERP * \text{Beta}) + \text{CSR P}$$

Wherein:

K(e) = cost of equity

R_f = risk free rate

ERP = Equity Risk Premium

Beta = a measure of the sensitivity of assets to returns of the overall market

CSR P = 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 SPVs based on the above calculation (Refer Appendix 2).

6.3.2. **Risk Free Rate:**

I have applied a risk free rate of return of 7.17% on the basis of the zero coupon yield curve as on 31st March 2023 for government securities having a maturity period of 10 years, as quoted on the Website of Clearing Corporation of India Limited ("CCIL").

6.3.3. **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. Based on the aforementioned, a 7% equity risk premium for India is considered appropriate.

6.3.4. **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 SPVs for an appropriate period.

Based on my analysis of the listed InvITs and other companies in power and infrastructure sectors, I find it appropriate to consider the beta of Power Grid Corporation of India Limited ("PGCIL") for the current valuation exercise.

I have further unlevered the beta of PGCIL based on market debt-equity of the respective company using the following formula:

$$\text{Unlevered Beta} = \text{Levered Beta} / [1 + (\text{Debt} / \text{Equity}) * (1-T)]$$

However, for the current valuation exercise, I have adjusted the unlevered beta of PGCIL based on advantageous factors to the SPVs like completion of projects, revenue certainty, and concentration in transmission business, lack of execution uncertainty etc. to arrive at the adjusted unlevered beta appropriate to the SPVs.

Further I have re-levered it based on debt-equity at 70:30 based on the industry standard using the following formula:

$$\text{Re-levered Beta} = \text{Unlevered Beta} * [1 + (\text{Debt} / \text{Equity}) * (1-T)]$$

Accordingly, as per above, I have arrived at re-levered betas of the SPVs. (Refer Appendix 2)

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6.3.5. 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 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 NRSSB. However, while determining the WACC of DMTCL, I have considered a CSRP of 0.5 % mainly on account of past incidents as mentioned in para 3.3.6.

6.3.6. Cost of Debt:

The calculation of Cost of Debt post-tax can be defined as follows:

$$K(d) = K(d) \text{ pre-tax} * (1 - T)$$

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 8.14%, as represented by the Investment Manager.

6.3.7. 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 SPVs.

6.3.8. 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:

$$WACC = [K(d) * \text{Debt} / (\text{Debt} + \text{Equity})] + [K(e) * (1 - \text{Debt} / (\text{Debt} + \text{Equity}))]$$

Accordingly, as per above, I have arrived the WACC for the explicit period of the SPVs.
(Refer Appendix 2 for detailed workings).

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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 SPVs.
- 7.3. Based on the above analysis, the fair EV as on the Valuation Date of the SPVs is as mentioned below:

Sr. No.	SPVs	Approx. Projection Period (Balance Project Period)	WACC	Fair Value of EV* (INR Mn)
1	DMTCL	~29 Years and 4 Months	8.05%	13,205
2	NRSSB	~29 Years	8.00%	9,981
Total				23,186

(Refer Appendix 1 for detailed workings)

- 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 SPVs as on the Valuation Date.
- 7.6. The fair EV of the SPVs is estimated using DCF method. The valuation requires 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. Total Expenses considered during the projected period by increasing / decreasing it by 20%
 4. Terminal period value considered for the SPVs increasing / decreasing it by 20%

1. Fair Enterprise Valuation Range based on WACC parameter (0.5%)

Sr. No.	SPVs	INR Mn					
		WACC + 0.5%	EV	Base WACC	EV	WACC - 0.5%	EV
1	DMTCL	8.55%	12,527	8.05%	13,205	7.55%	13,968
2	NRSSB	8.50%	9,455	8.00%	9,981	7.50%	10,573
Total of all SPVs			21,983		23,186		24,541

2. Fair Enterprise Valuation Range based on WACC parameter (1.0%)

Sr. No.	SPVs	INR Mn					
		WACC + 1.0%	EV	Base WACC	EV	WACC - 1.0%	EV
1	DMTCL	9.05%	11,920	8.05%	13,205	7.05%	14,833
2	NRSSB	9.00%	8,986	8.00%	9,981	7.00%	11,246
Total of all SPVs			20,906		23,186		26,079

3. Fair Enterprise Valuation Range based on Operating Expense parameter (20%)

Sr. No.	SPVs	INR Mn		
		EV at Expenses + 20%	EV at Base Expenses	EV at Expenses - 20%
1	DMTCL	12,856	13,205	13,554
2	NRSSB	9,792	9,981	10,170
Total of all SPVs		22,648	23,186	23,724

4. Fair Enterprise Valuation Range based on Terminal Period Value ("TV") parameter (20%)

Sr. No.	SPVs	INR Mn		
		EV at TV - 20%	EV at Base TV	EV at TV + 20%
1	DMTCL	12,982	13,205	13,427
2	NRSSB	9,797	9,981	10,165
Total of all SPVs		22,780	23,186	23,592

The above represents reasonable range of fair enterprise valuation of the SPVs

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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 SPVs 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 SPVs

A. List of one-time sanctions/approvals which are obtained or pending:

The list of sanctions/ approvals obtained by the SPVs till the date of this Report is provided in Appendix 3.1 to Appendix 3.2. As informed by the Investment Manager, there are no applications for government sanctions/licenses by the SPVs for which approval is pending as on 31st March 2023.

B. List of up to date/ overdue periodic clearances:

The list of clearances obtained by the SPVs till the date of this Report is provided in Appendix 3.1 to Appendix 3.2. Investment Manager has confirmed that the SPVs are not required to take any periodic clearances other than those mentioned in Appendix 3.1 and Appendix 3.2.

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C. Statement of assets included:

The details of assets of the SPVs as per unaudited provisional financial statements as at 31st March 2023 are as mentioned below:

Sr. No.	SPVs	INR Mn		
		Net Fixed Assets	Non-Current Assets	Current Assets
1	DMTCL	7,120	20	976
2	NRSSB	4,033	9	619
Total of all SPVs		11,152	29	1,595

D. Estimates of already carried as well as proposed major repairs and improvements along with estimated time of completion:

I have been informed that maintenance is regularly carried out by the SPVs in order to maintain the working condition of the assets and there are no material maintenance charges which has been deferred to the upcoming year, as the maintenance activities are carried out regularly.

The maintenance charges of Transmission Lines incurred by the SPVs for the period from 1st April 2022 to 31st March 2023 are given in the below table:

Sr. No.	Name of the SPV	INR Mn
		Infrastructure maintenance charges
1	DMTCL	0.13
2	NRSSB	0.81

E. 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 SPVs (proposed InvIT assets).

F. 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 and tax assessments are updated in Appendix 4 and 5 respectively.

Investment Manager has informed us that it expects majority of the cases to be settled in favour of the SPVs. 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.

G. 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 SPVs for the Financial Year ("FY") ended 31st March 2018, 31st March 2019, 31st March 2020, 31st March 2021 and 31st March 2022;
- 9.2 Unaudited provisional financial statements of the SPVs for the Financial Year ("FY") ended 31st March 2023;
- 9.3 Projected incremental tariff revenue workings (including due to change in law claims in NRSSB and DMTCL);
- 9.4 Projected financial information for the remaining project life for each of the SPVs;
- 9.5 Details of projected Major Repairs & Capital Expenditure (Capex);
- 9.6 Technical Study Report by Tata Projects Limited for the SPVs dated 11th July 2022;
- 9.7 Details of brought forward losses and MAT credit (as per Income Tax Act) of the SPVs as at 31st March 2023;
- 9.8 Details of Written Down Value (WDV) (as per Income Tax Act) of SPVs as at 31st March 2023;
- 9.9 Shareholding pattern of the equity shares issued by the SPVs and other entities mentioned in this Report as at 31st March 2023 and as at the date of this report;
- 9.10 Transmission Service Agreement of the SPVs with Long Term Transmission Customers and Tariff Adoption Order issued by CERC;
- 9.11 List of licenses / approvals, details of tax litigations, civil proceeding and arbitrations of the SPVs;
- 9.12 Management Representation Letter by the Investment Manager dated 18th May 2023;
- 9.13 Relevant data and information about the SPVs provided to us by the Investment Manager either in written or oral form or in the form of soft copy;
- 9.14 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 SPVs 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, considering the outbreak of COVID-19 Pandemic and the consequent economic slowdown, 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 a significant impact on the valuation of the SPVs.

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.

Further, considering the current crisis in relation to COVID-19 in India and across the globe, I have been informed by the Investment Manager, that the forecasts / projections provided for the valuation exercises are prepared after reasonably evaluating and incorporating the impact of outbreak of COVID-19 pandemic as per prevalent conditions as on date.

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 31st March 2023 ("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 SPVs till 31st March 2023. The Investment Manager has represented that the business activities of the SPVs have been carried out in normal and ordinary course between 31st March 2023 and the Report Date and that no material changes have occurred in the operations and financial position between 31st March 2023 and the Report date.
- 10.4. I have been informed by the Investment Manager that there will be limited impact of the on-going COVID-19 pandemic outbreak on the operations of the SPVs and the projections provided to me are after considering the same.
- 10.5. 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 SPVs or any of other entity mentioned in this Report and have considered them at the value as disclosed by the SPVs in their regulatory filings or in submissions, oral or written, made to me.
- 10.6. 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.
- 10.7. 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 SPVs 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.
- 10.8. 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.
- 10.9. 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.
- 10.10. 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

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- 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.
- 10.11. 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.
 - 10.12. 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.
 - 10.13. Any discrepancies in any table / appendix between the total and the sums of the amounts listed are due to rounding-off.
 - 10.14. 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.
 - 10.15. 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.
 - 10.16. My conclusion assumes that the assets and liabilities of the SPVs, reflected in their respective latest balance sheets remain intact as of the Report date, except for changes occurring due to ordinary course of business.
 - 10.17. 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.
 - 10.18. 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.
 - 10.19. 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.
 - 10.20. 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 wilful default or gross negligence as established in civil or criminal proceedings.
 - 10.21. 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.

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- 10.22. 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.
- 10.23. I am not an advisor with respect to legal, tax and regulatory matters for the proposed transaction. No investigation of the SPVs' claim to title of assets has been made for the purpose of this Report and the SPVs' 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.
- 10.24. I have no present or planned future interest in the Trustee, Investment Manager or the SPVs 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 SPVs.
- 10.25. 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.

10.26. 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.

10.27. Limitation on account of COVID-19 and Uncertainty in Valuation

- i. It is important to highlight that the COVID-19 pandemic has created uncertainty in valuation. The mitigation in the spread of COVID-19 and commencement of vaccination process has led to relaxation of restrictions and consequent opening up of the economy. Accordingly, the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and durations.
- ii. I have been informed by the Investment Manager, that the forecasts / projections provided for the valuation exercises are prepared after reasonably evaluating and incorporating the impact of outbreak of COVID-19 pandemic as per prevalent conditions as on date. The estimates and judgement made by the Investment Manager, could vary on future developments, including, among other things, any new information concerning the impact created by the COVID-19

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pandemic on the economy and consequent effect on the business and on the customer's ability to make the payment. The Investment Manager continues to monitor any material changes to future economic conditions, which will be given effect, where relevant, in the respective future period. Accordingly, I would recommend a degree of caution to the values arrived under current circumstances.

- 10.28. 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 Digitally signed by
SWAMINATHAN
SUNDARARAMA
N Date: 2023.05.23 14:57:37
+05'30'

S. Sundararaman

Registered Valuer

IBBI Registration No.: IBBI/RV/06/2018/10238

Asset Class: Securities or Financial Assets

Place: Chennai

UDIN: 23028423BGYWGW6804

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Appendix 1 – Valuation of SPVs as on 31st March 2023

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

Appendix 1.1 – Valuation of DMTCL as on 31st March 2023

WACC 8.05%										INR Mn
Year	Revenue	EBITDA	EBITDA Margin	Capex	Changes in WC	Taxation	FCFF	CAF	Discounting Factor	PV of Cash Flows
FY24	1,407	1,255	89%	-	37	118	1,100	0.50	0.96	1,058
FY25	1,408	1,273	90%	-	1	129	1,143	1.50	0.89	1,017
FY26	1,436	1,298	90%	-	7	141	1,150	2.50	0.82	948
FY27	1,409	1,270	90%	-	(7)	143	1,133	3.50	0.76	864
FY28	1,410	1,268	90%	-	(1)	150	1,119	4.50	0.71	790
FY29	1,410	1,265	90%	-	1	155	1,109	5.50	0.65	724
FY30	1,411	1,262	89%	-	0	160	1,102	6.50	0.60	666
FY31	1,412	1,259	89%	-	0	164	1,094	7.50	0.56	612
FY32	1,413	1,256	89%	-	(1)	168	1,088	8.50	0.52	564
FY33	1,413	1,252	89%	-	1	172	1,079	9.50	0.48	517
FY34	1,414	1,249	88%	-	0	175	1,074	10.50	0.44	476
FY35	1,415	1,245	88%	-	0	260	985	11.50	0.41	404
FY36	1,416	1,242	88%	-	(1)	293	950	12.50	0.38	361
FY37	1,417	1,238	87%	-	1	295	942	13.50	0.35	331
FY38	1,417	1,234	87%	-	0	296	938	14.50	0.33	305
FY39	1,418	1,230	87%	-	0	297	932	15.50	0.30	281
FY40	1,419	1,226	86%	-	(1)	298	928	16.50	0.28	259
FY41	1,420	1,221	86%	-	1	298	921	17.50	0.26	237
FY42	1,421	1,216	86%	-	0	299	917	18.50	0.24	219
FY43	1,422	1,211	85%	-	0	298	912	19.50	0.22	201
FY44	1,423	1,206	85%	-	(1)	298	909	20.50	0.20	186
FY45	1,425	1,200	84%	-	1	297	901	21.50	0.19	171
FY46	1,426	1,195	84%	-	0	297	898	22.50	0.18	157
FY47	1,427	1,188	83%	-	0	296	892	23.50	0.16	145
FY48	1,428	1,182	83%	-	(1)	295	888	24.50	0.15	133
FY49	1,429	1,175	82%	-	1	293	881	25.50	0.14	122
FY50	1,431	1,169	82%	-	0	292	876	26.50	0.13	113
FY51	1,432	1,161	81%	-	0	291	870	27.50	0.12	103
FY52	1,434	1,154	81%	-	(1)	289	866	28.50	0.11	95
FY53*	517	414	80%	-	(6)	104	316	29.18	0.10	33
TV	1,435	1,146	80%	-	-	287	859	29.18	0.10	90
Present Value of Explicit Period Cash Flows										12,092
Present Value of Terminal Period Cash Flows										1,113
Enterprise Value										13,205

* 9th August 2052

Appendix 1.2 – Valuation of NRSSB as on 31st March 2023

WACC		8.00%									INR Mn
Year	Revenue	EBITDA	EBITDA Margin	Capex	Changes in WC	Taxation	FCFF	CAF	Discounting Factor	PV of Cash Flows	
FY24	1,013	939	93%	-	(0)	106	833	0.50	0.96	802	
FY25	1,013	941	93%	-	1	111	829	1.50	0.89	739	
FY26	1,013	940	93%	-	-	116	825	2.50	0.83	681	
FY27	1,013	939	93%	-	-	119	820	3.50	0.76	626	
FY28	1,013	938	93%	-	(1)	123	816	4.50	0.71	577	
FY29	1,013	936	92%	-	1	126	809	5.50	0.66	530	
FY30	1,013	935	92%	-	-	129	806	6.50	0.61	489	
FY31	1,013	933	92%	-	-	131	802	7.50	0.56	450	
FY32	1,013	932	92%	-	(1)	134	799	8.50	0.52	415	
FY33	1,013	930	92%	-	1	136	793	9.50	0.48	382	
FY34	1,013	928	92%	-	-	138	790	10.50	0.45	352	
FY35	1,013	926	91%	-	-	139	787	11.50	0.41	325	
FY36	1,013	924	91%	-	(1)	141	784	12.50	0.38	300	
FY37	1,013	922	91%	-	1	142	779	13.50	0.35	276	
FY38	1,013	920	91%	-	-	143	777	14.50	0.33	255	
FY39	1,013	918	91%	-	-	144	773	15.50	0.30	235	
FY40	1,013	916	90%	-	(1)	215	701	16.50	0.28	197	
FY41	1,013	913	90%	-	1	225	688	17.50	0.26	179	
FY42	1,013	911	90%	-	-	225	686	18.50	0.24	165	
FY43	1,013	908	90%	-	-	225	683	19.50	0.22	152	
FY44	1,013	905	89%	-	(1)	225	681	20.50	0.21	141	
FY45	1,013	902	89%	-	1	224	677	21.50	0.19	130	
FY46	1,013	900	89%	-	-	224	675	22.50	0.18	120	
FY47	1,013	896	88%	-	-	224	673	23.50	0.16	110	
FY48	1,013	893	88%	-	(1)	223	671	24.50	0.15	102	
FY49	1,013	890	88%	-	1	223	666	25.50	0.14	94	
FY50	1,013	886	88%	-	-	222	665	26.50	0.13	87	
FY51	1,013	882	87%	-	-	221	661	27.50	0.12	80	
FY52*	1,002	869	87%	-	0	218	651	28.49	0.11	73	
TV	1,013	879	87%	-	-	221	658	28.49	0.11	73	
Present Value of Explicit Period Cash Flows										9,062	
Present Value of Terminal Period Cash Flows										919	
Enterprise Value										9,981	

* 26th March 2052

Appendix 2 – Weighted Average Cost of Capital of the SPVs

Particulars	DMTCL	NRSSB	Remarks
Risk Free Rate (Rf)	7.17%	7.17%	Risk Free Rate has been considered based on zero coupon yield curve as at 31st March 2023 of Government Securities having maturity period of 10 years, as quoted on CCIL's website.
Equity Risk Premium (ERP)	7.00%	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)	0.63	0.64	Beta has been considered based on the beta of companies operating in the similar kind of business in India.
Base Cost of Equity	11.57%	11.62%	Base $Ke = Rf + (\beta \times ERP)$
Company Specific Risk Premium (CSRP)	0.50%	0.00%	Risk Premium/ (Discount) Specific to the SPVs
Adjusted Cost of Equity (Ke)	12.07%	11.62%	Adjusted $Ke = Rf + (\beta \times ERP) + CSRP$
Pre-tax Cost of Debt	8.14%	8.14%	As represented by the Investment Manager
Effective tax rate of SPV	22.26%	20.88%	Average tax rate for the life of the SPVs have been considered
Post-tax Cost of Debt	6.33%	6.44%	Effective cost of debt. $Kd = Pre\ tax\ Kd * (1 - Effective\ Tax\ Rate)$
Debt/(Debt+Equity)	70.00%	70.00%	The debt - equity ratio computed as $[D/(D+E)]$ is considered as 70% as per industry standard.
WACC Adopted	8.05%	8.00%	$WACC = [Ke*(1-D/(D+E))] + [Kd*(1-t)*(D/(D+E))]$

Appendix 3.1 – DMTCL: Summary of approvals and licences (1/2)

Sr. No.	Approvals	Date of Issue	Validity (in years)	Issuing Authority
1	Transmission License	30-May-14	25	Central Electricity Regulatory Commission
2	<u>Transmission Service Agreement</u>			
	Transmission Service Agreement between DMTCL & LTTCs	6-Aug-13	Valid	
	Transmission Service Agreement between DMTCL & Power Grid Corporation of India Ltd	4-Aug-16	Valid	
	Revenue Sharing Agreement between DMTCL & Power Grid Corporation of India Ltd	1-Oct-21	Valid	
3	Approval under section 68(1) of Electricity Act, 2003	24-Jul-13	Valid	Ministry of Power, Government of India
4	Approval from GOI under section 164 of Electricity Act, 2003 - Under Gazette of India	4-Sep-14	25	Ministry of Power, Government of India
5	Connection Agreement between DMTCL and the CTU (Power Grid Corporation of India Ltd)	2-Mar-17	Valid	
6	Tariff Adoption order under section 63 of the Electricity Act, 2003	20-May-14	Valid	Central Electricity Regulatory Commission
7	<u>Approval for Energisation under regulation 43 of CEA</u>			
	Electrical installations of 62.79 km of 400 kV D/C Muzaffarnagar – Darbhanga Transmission Line	14-Dec-21	Valid	Central Electricity Authority, Ministry of Power, GOI
	400/220 kV GIS substation at Darbhanga, Bihar	14-Dec-21	Valid	Central Electricity Authority, Ministry of Power, GOI
	LILO section of 400 kV D/C Barh – Motihari - Gorakhpur Line at 400 kV substation of DMTCL	31-May-22	Valid	Central Electricity Authority, Ministry of Power, GOI
	400/132 kV GIS substation at Motihari, Bihar	18-Apr-22	Valid	Central Electricity Authority, Ministry of Power, GOI
8	<u>Defence Clearance</u>			
	NOC from aviation angle for construction of Transmission line by DMTCL	18-Oct-16	Valid	Air HQ, Ministry of Defence
9	<u>Aviation Clearance</u>			
	NOC for Height Clearance for Pole ID 16	16-Sep-16	7	Airports Authority Of India
	NOC for Height Clearance for Pole ID 47	20-Sep-16	7	Airports Authority Of India

Source: Investment Manager

Appendix 3.1 – DMTCL: Summary of approvals and licences (2/2)

St. No.	Approvals	Date of Issue	Validity (in years)	Issuing Authority
10	<u>Power & Telecommunication Coordination Committee ("PTCC") Clearance</u> Approval to the route of 400 KV D/C triple snowbird Muzaffarpur - Darbhanga transmission line Approval to the route of LILO of 400 KV D/C Bath - Gorakhpur at Motihari transmission line	11-Jul-16 20-Aug-16	Valid Valid	Power & Telecom Co-ordination Committee, GOI Power & Telecom Co-ordination Committee, GOI
11	<u>Road Crossing</u> NOC for crossings of 400 KV D/C Muzaffarpur-Darbhanga lines over NH-28 NH-28, at Gorakhpur-Gopalganj, for Barh-Gorakhpur transmission line	23-Nov-16 07-Sep-16	Valid Valid	National Highway Authority of India National Highway Authority of India
12	<u>Railway Crossing</u> Narayanpur anant-Silaut Railway Stations	29-Sep-16	Valid	East Central Railway, Sonpur
13	<u>Diversion of Forest Land/ Permission for felling of trees</u> Diversion of Forest land in favour of DMTCL (Gopalganj and Motihari) Diversion of Forest land in favour of DMTCL (Gopalganj and East Champaran)	5-Jun-18 9-Jan-17	Valid Valid	Ministry of Environment, Forests & Climate Change, GOI Ministry of Environment, Forests & Climate Change, GOI
14	<u>Power Line Crossing</u> Approval for crossing of 400 KV D/C Muzaffarpur-Darbhanga line with Muzaffarpur-Samastipur Line Approval for crossing of 400 KV D/C Muzaffarpur-Darbhanga line with Muzaffarpur-Gopalganj Line at Loop in Loop out NOC for under pass gantry power line crossing of 400 KV D/C Muzaffarpur-Darbhanga at Muzaffarpur, Bihar with Purnea-Muzaffarpur transmission line NOC for power line crossing arrangement for LILO of 400 KV D/C Barh-Gorakhpur transmission line up to 400/132 GIS substation with Muzaffarpur-Gorakhpur transmission line	16-May-15 19-Sep-15 02-Nov-15 06-Jul-15	Valid Valid Valid Valid	Bihar State Power Transmission Co Ltd, Patna Bihar State Power Transmission Co Ltd, Patna Powerlinks Transmission Limited Powerlinks Transmission Limited

Source: Investment Manager

Appendix 3.2 – NRSSB: Summary of approvals and licences (1/2)

Sr. No.	Approvals	Date of Issue	Validity (in years)	Issuing Authority
1	Transmission License	25-Aug-14	25	Central Electricity Regulatory Commission
2	<u>Transmission Service Agreement</u> Transmission Service Agreement between NRSS & LTTCs Supplementary Transmission Service Agreement between NRSSB & Power Grid Corporation of India Ltd	2-Jan-14 4-Aug-16	Valid Valid	
3	Approval under section 68(1) of Electricity Act, 2003	16-Sep-13	Valid	Ministry of Power, Government of India
4	Approval from GOI under section 164 of Electricity Act, 2003 - Under Gazette of India	15-Oct-14	25	Ministry of Power, Government of India
5	Connection Agreement between NRSS XXI (B) TL and the CTU (Power Grid Corporation of India	14-Dec-16	Valid	
6	Tariff Adoption order under section 63 of the Electricity Act, 2003	7-Aug-14	Valid	Central Electricity Regulatory Commission
7	Approval for Energisation under regulation 43 of CEA - Malerkotla-Amritsar	24-Jun-22	Valid	Central Electricity Authority, Ministry of Power, GOI
8	Approval for Energisation under regulation 43 of CEA - Kurukshetra-Malerkotla	24-Jun-22	Valid	Central Electricity Authority, Ministry of Power, GOI
9	<u>Defence Clearance</u> NOC from aviation angle for construction of Transmission line Malerkotla-Amritsar NOC from aviation angle for construction of Transmission line Kurukshetra-Malerkotla NOC of PTCC for 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	14-Feb-17 17-Oct-16 18-Jan-16	Valid Valid Valid	Air HQ, Ministry of Defence Air HQ, Ministry of Defence Directorate General of Signals, Integrated HQ of Ministry of Defense (Army)
10	<u>Aviation Clearance</u> NOC for Height Clearance Malerkotla-Amritsar NOC for Height Clearance Kurukshetra-Malerkotla	22-Feb-16 6-Apr-16	7 7	Airports Authority Of India Airports Authority Of India
11	<u>Power & Telecommunication Coordination Committee ("PTCC") Clearance</u> Approval to the route of 400 KV D/C Malerkotla-Amritsar transmission line	14-Mar-17	Valid	Power & Telecom Co-ordination Committee, GOI

Source: Investment Manager

Appendix 3.2 – NRSSB: Summary of approvals and licences (2/2)

Sr. No.	Approvals	Date of Issue	Validity (in years)	Issuing Authority
12	Road Crossing			
	NOC for crossings of 400 KV D/C Malerkotla-Amritsar lines over NH-95 near Mullanpur of Ludhiana	07-Apr-16	Valid	National Highway Authority of India
	NOC for crossings of 400 KV D/C Kurukshetra-Malerkotla lines over NH-64 of Patiala-Bathinda	10-May-16	Valid	National Highway Authority of India
13	Railway Crossing			
	400 KV D/C overhead line crossing the railway track between Kup and Malerkotla Railway station	21-Apr-16	Valid	Northern Railway, Ambala Cantt
	Crossing between Mullanpur and Chaukiman railway stations	28-Jun-16	Valid	Northern Railway, Firozpur
	Crossing between Gahadrana halt and Malsian Shahkot railway stations	6-Jun-16	Valid	Northern Railway, Firozpur
	Crossing between Dadwandi and Sultanpur Lodhi railway stations	22-Jun-16	Valid	Northern Railway, Firozpur
	Crossing between Goindwal Sahib and Malmori railway stations	24-Jun-16	Valid	Northern Railway, Firozpur
	Crossing between Sangrana Sahib and Gohalwar Varpal railway stations	23-Nov-16	Valid	Northern Railway, Firozpur
	400 KV D/C overhead line crossing the railway track between Amin and Kurukshetra Railway station	7-Nov-16	Valid	Northern Railway, New Delhi
	Crossing between Pindarsi and Thanesar city railway stations	7-Nov-16	Valid	Northern Railway, New Delhi
	Crossing between Kakrala and Chintawala city railway stations	21-Apr-16	Valid	Northern Railway, Ambala Cantt
14	Division of Forest Land/ Permission for felling of trees			
	Division of Forest land in favour of NRSS (B) at Amritsar	22-Aug-17	Valid	Ministry of Environment, Forests & Climate Change, GOI
	Division of Forest land in favour of NRSS (B) from Kurukshetra and Malerkotla	4-Jul-16	Valid	Ministry of Environment, Forests & Climate Change, GOI
	Division of Forest land in favour of NRSS (B) from Kurukshetra and Malerkotla	16-Jun-17	Valid	Ministry of Environment, Forests & Climate Change, GOI
15	Power Line Crossing			
	Approval for crossing of 400 KV D/C Malerkotla Amritsar TL over Jalandhar Moga TL of Powergrid	29-Sep-15	Valid	PGCIL
	Approval for crossing of 400 KV D/C Malerkotla Amritsar TL over Kishenpur Moga TL of Powergrid	05-Nov-15	Valid	PGCIL
	Approval for crossing of 400 KV D/C Malerkotla Amritsar TL over Patiala Malerkotla TL	30-Nov-15	Valid	PGCIL
	Approval for crossing of 400 KV D/C Malerkotla Amritsar TL over Malerkotla Ludhiana TL	30-Nov-15	Valid	PGCIL
	Approval for crossing of 400 KV D/C Malerkotla Amritsar TL over Jamalpur Moga TL	23-Nov-15	Valid	Punjab State Transmission Corporation Ltd
	Approval for crossing of 400 KV D/C Kaithal Patiala TL by Kurukshetra Malerkotla TL	26-Jul-16	Valid	PGCIL
	Approval for crossing of 400 KV D/C Patiala Patran TL by Kurukshetra Malerkotla TL	28-Oct-15	Valid	Punjab State Transmission Corporation Ltd
	Approval for crossing of 400 KV D/C Rajpura Dhuri TL by Kurukshetra Malerkotla TL	05-Aug-15	Valid	Punjab State Transmission Corporation Ltd
	Approval for crossing of 400 KV D/C Nabha Dhuri TL by Kurukshetra Malerkotla TL	05-Nov-15	Valid	Punjab State Transmission Corporation Ltd
	Approval for crossing of 400 KV D/C Malerkotla - Bamala, Dhuri, Gobindgarh TL by Kurukshetra Malerkotla TL	21-Dec-15	Valid	Punjab State Transmission Corporation Ltd

Source: Investment Manager

Appendix 4.1 – Summary of Ongoing Litigations – DMTCL (1/2)

Sr. No	Matter	Pending Before	Particulars	Amount Involved (INR Million)
1	Regulatory	APTEL, New Delhi	<p>Background of the case: DMTCL filed a petition dated October 26, 2017, before the CERC against Bihar State Power Transmission Co. Ltd, amongst others, for seeking extension of SCOD and compensation for force majeure and change in law events which impacted the ERS-S-VI as per the scope of work specified in the TSA dated August 6, 2013, and for the grant of an increase in transmission charges to offset the cost of Rs. 21.75 crore 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.</p> <p>Thereafter, DMTCL filed an appeal dated June 20, 2020 ("Appeal I") before the Appellate Tribunal for Electricity at New Delhi ("APTEL"), against the Review Order, wherein DMTCL challenged, amongst others, (i) the Impugned Order, 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.</p> <p>APTEL 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, (iii) tariff would be levied only for services provided, (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. DMTCL submitted relevant details to CERC in relation to 69.60 crore incurred towards IDC and IEDC along with consequential carrying costs, 3.15 crore towards change in length of transmission lines, 1.84 crore on account of increase in number of power line crossing along with carrying costs, along with additional expenditure of approximately 7.32 crores along with carrying costs, amongst other things.</p> <p>Accordingly, CERC through order dated May 13, 2022 allowed DMTCL's claims, however, the claims in relation to carrying costs were disallowed. Consequently, DMTCL filed an appeal dated June 24, 2022 challenging the said CERC order seeking the payment of carrying costs in relation to IDC, IEDC and other costs claimed by DMTCL and approved by the said CERC order.</p>	NQ
<p>Current Status: The matter is currently pending in appeal at APTEL. In the listing on 16 January 2023 for the Tribunal to hear the urgent application filed by DMTCL, the Tribunal, citing pendency of matters for years, did not agree to take this matter on an urgent basis but granted liberty to file a fresh urgent listing application after June 2023.</p>				

Source: Investment Manager

Appendix 4.1 – Summary of Ongoing Litigations – DMTCL (2/2)

Sr. No	Matter	Pending Before	Particulars	Amount Involved (INR Million)
2	Regulatory	CERC (filed by PGCIL)	<p>Background of the matter: DMTCL filed a claim for recovery of INR 0.55 Cr plus interest which was borne by it as IDC and IEDC for PGCIL's 2x400 kV line bays at Muzaffarpur sub-station for the period 31 August 2016 to 21 April 2017. CERC through its order dated 13 May 2022 referred to in (1) above, also allowed DMTCL to recover this amount from PGCIL, in furtherance of this, PGCIL paid INR 0.55 Cr to DMTCL but no interest was paid.</p> <p>Subsequently, PGCIL filed a petition in CERC to seek mechanism for recovery of INR 0.55 Cr plus interest which it had paid to DMTCL, and has made DMTCL a party to this petition.</p> <p>Current Status: This matter was last heard on 16 March 2023. Post that, PGCIL disbursed an interest amount of INR 0.21 Cr to DMTCL. Currently pleadings are ongoing in the matter, and subject to that CERC has reserved the order.</p>	NIL (at present)
3	Regulatory	CERC	<p>Background of the matter: DMTCL filed a petition against <i>inter alios</i> Bihar power utilities (such as BSPTCL, NBPDC and SBPDCL), for recovery of deemed transmission charges (plus applicable late payment surcharge and carrying cost) from the date of its deemed commercial operations being 31 March 2017, up to 15 April 2017, for its 2 x 500 MVA, 400/220kV Darbhanga sub-station and Muzaffarpur-Darbhanga 400kV D/C line with triple snowbird, which remained unrecovered due to non-availability of 220 kV downstream transmission network developed by BSPTCL.</p> <p>Current Status: The petition was filed on 24 April 2023 and is yet to be registered.</p>	INR 26.5 million plus applicable late payment surcharge INR 3.5 million for change in tariff plus applicable carrying cost

Source: Investment Manager

Appendix 4.2 – Summary of Ongoing Litigations - NRSSB (1/2)

Sr. No	Matter	Pending Before	Particulars	Amount Involved (INR Million)
1	Civil Suit	Civil Court, Pehowa, Kurukshetra	<p>Background of the case: This suit has been filed by landowners Jagtar Singh & Mukesh Kumar of agricultural land located at Tehsil Pehowa, District Kurukshetra, Haryana at which they were having two separate tubewells/ submersible pumps for their irrigation purpose with two separate Kohtas constructed with allegedly having 22 no. of fruit bearing trees on the same land. Though both the landowners have expressly admitted to receive compensation from the Transmission Licensee (NRSS XXXI B) for the installation of transmission tower and lines through their land and having accepted the same. However, filed the existing suit of mandatory injunction as well as for the recovery of damage occurred due to the installation of the transmission system, which has allegedly led to reduce their value of land, destruction of tubewell power supply connections and the Kohtas, cost required for digging of two new bores, alleged destruction of 22 no. of fruit trees and alleged loss of cultivation at their land.</p> <p>Current Status: NRSSB has filed its written statement, reply to application under O39R18.2 as well as application under O7R11 and under O1R10 of CPC. The plaintiff has also filed its reply to O1R10 and O7R11. The next date is scheduled on 4 May 2023.</p>	2.0
2	Civil Suit	Add. District & Session Court, Ludhiana (Punjab)	<p>Background of the case: This suit has been filed by Mr. Amarjeet Singh Ruprai (Land owner) claiming additional compensation for the land over which the transmission lines have been drawn on the ground that the same has become unusable completely due to stringing of high tension wire. Land owner is claiming additional compensation for the total land parcel basis commercial circle rate over which the transmission lines have been drawn on the ground that the same has become unusable completely.</p> <p>Current Status: The next hearing is scheduled on 8 May 2023.</p>	70.0
3	Petition	CERC	<p>Background of the case: In the tariff determination process u/s 62 of EA-2003 of PGCIL Malerkotla & Amritsar bays for the tariff period of 2014-2019, CERC decided liability of IDC/ IEDC on account of mismatching of PGCIL constituted terminal bays (upstream network) & NRSS XXXI (B) constructed lines (downstream network). Later upon NRSS XXXI (B) Appealed against this CERC Order, APTEL set aside CERC Order for the recovery of IDC/IEDC charges from NRSS since NRSS XXXI (B) transmission line delay was condoned under fore majeure provision of TSA and matter remanded back to CERC to pass a reasonable order based on the present facts of the matter. Further, despite of APTEL Judgement & matter remanded to CERC, vide Order dt. 26/04/2022, CERC ultimately again decided this liability of IDC/ IEDC pertains to up/ downstream element mismatching to be recovered by NRSS.</p> <p>Current Status: NRSSB has filed appeal challenging CERC Order dt. 26.04.2022 in which notice have been issued to respondents & next listing is scheduled on 25th August 2022.</p>	12.8
4	Regulatory	APTEL, New Delhi	<p>Background of the case: In the tariff determination process u/s 62 of EA-2003 of PGCIL Kurukshetra bays for the tariff period of 2014- 2019, CERC decided liability of transmission charges on account of mismatching of PGCIL constituted terminal bays (upstream network) & NRSS XXXI (B) constructed lines (downstream network). Later upon NRSS XXXI (B) Appealed against this CERC Order , for getting set aside CERC Order for the recovery of transmission charges on the grounds that NRSSB COD was delayed on account of FM events and situation beyond their control , such grounds are also upheld by APTEL in other matters.</p> <p>Current status: Next listing is on 19 May 2023.</p>	2.0
5	Petition	CERC	<p>Background of the case: Central Transmission Utility (CTUIL) filed a petition before CERC dated 19 March 2021 against NRSS seeking directions for installation of optical fibre ground wire (OPGW) on the 400kV Kurukshetra-Malerkotla transmission line owned by NRSS.</p> <p>Current Status: On 30 March 2022, CTUIL filed an affidavit in CERC, stating that PGCIL has informed that it has no objection if NRSS lays down the OPGW on its own. NRSSB has submitted its detailed project report to the CTUIL for taking up this work, and further discussions were also held on 13 March 2023 for which minutes have been circulated by CTUIL.</p>	86.0

Source: Investment Manager

Appendix 4.2 – Summary of Ongoing Litigations - NRSSB (2/2)

Sr. No	Matter	Pending Before	Particulars	Amount Involved (INR Million)
6	Regulatory	APTEL, New Delhi	<p>Background of the case: NRSSB filed a petition dated 4 September 2017, before the CERC for seeking extension of SCOD and compensation for force majeure and change in law events as per the provisions of the Transmission Services Agreement, and for grant of an increase in transmission charges to offset costs on account of additional IDC and IEDC and carrying cost.</p> <p>CERC passed orders on 30 November 2017 and 29 March 2019, allowing NRSSB to recover expenditure incurred on account of change in law, 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 and carrying cost.</p> <p>Thereafter, NRSSB filed appeals dated 9 August 2019 and 19 March 2020 before the Appellate Tribunal for Electricity ("APTEL") at New Delhi challenging the CERC orders, claims in relation to IDC and IEDC along with seeking grant of consequential interest.</p> <p>Consequently, APTEL vide its order dated 14 September 2020, set aside the first CERC order and held that NRSSB 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"). Further, APTEL vide order dated 13 December 2021 held that NRSSB was liable to be fully compensated for the IDC and IEDC incurred on account of change in law and force majeure events amongst other things and remanded the matter back to CERC ("Remand Order II").</p> <p>However, APTEL, vide order dated 11 May 2022 in relation to clarification application filed by NRSSB upheld Remand Order II, however, disallowing NRSSB's claim for carrying costs in relation to IDC and IEDC.</p> <p>In furtherance of this, NRSSB has filed an appeal dated 23 June 2022 challenging order dated 11 May 2022 and seeking compensation in relation to the carrying costs for IDC and IEDC.</p> <p>Separately, CERC vide order dated 26 April 2022 stated that the liability for payment of the IDC and IEDC is on NRSSB and not PGCIL, contrary to the finding of the APTEL in the Remand Order I. Accordingly, NRSSB filed appeal dated 10 June 2022 challenging this order and seeking a declaration from APTEL to hold NRSSB not liable for the payment of IDC and IEDC.</p> <p>Current Status: The matter is currently pending in appeal at APTEL. In the listing on 16 January 2023 for the Tribunal to hear the urgent application filed by NRSSB, the Tribunal, citing pendency of matters for years, did not agree to take this matter on an urgent basis but granted liberty to file a fresh urgent listing application after June 2023.</p>	NQ

Source: Investment Manager

Appendix 5.1 – Summary of Tax Notices – DMTCL

Sr. No	Period	Act	Section	Particulars	Amount Involved (INR Million)
1	AY 2019-20	Income Tax	143 (1)	<p>Background of the case: Intimation received on 24 June 2020. As per the intimation order loss of current year to be carry forward is disallowed to the extent of Rs.497,763 on account of issues identified in proposed adjustment notice. Rectification for reprocessing the return was filed on 09.03.2020, 22.05.2020 & 07.07.2020. However, rectification was processed unchanged on 19.08.2020.</p> <p>Current Status: A physical submission for rectification will be filed once rectification rights are transferred to AO.</p>	NA
2	FY 2017-18	Bihar VAT	31	<p>Background of the case: Notice u/s 24 is received for FY 2017-18 on 13.05.2022 and consultant has attended personal hearing on 31.05.2022. Draft order has been received on 30th January 2023 raising a demand of Rs.11,77,902. The management had filed requisite details in response to said notice. No further communication is received from Department.</p> <p>Current Status: Regular followups are done with the consultant as well the officer to issue final order.</p>	1.2

Source: Investment Manager

Appendix 5.2 – Summary of Tax Notices – NRSSB

Sr. No	Period	Act	Section	Particulars	Amount Involved (INR Million)
1	AY2020-21	Income Tax	143(1)	<p>Background of the case: Intimation issued u/s 143(1) dated 09 November 2021 for AY 2020-21 in the case of NRSSB, refund is issued after adjusting outstanding demand of INR 1.79 Lacs and interest of INR 0.12 Lacs. There are differences on account of various 43B items. Once the rectification is processed for AY 2018-19, the company will apply for refund for AY 2020-21. Once the rectification is processed for AY 2018-19, the company will apply for refund for AY 2020-21.</p> <p>Current Status: Rectification Application has been filed for 43B differences. Order u/s 154 is yet to be received.</p>	NA
2	AY2021-22	Income Tax	143 (1) (a)	<p>Background of the case: Inconsistency in the amount of profit chargeable to tax u/s 41 specified in return & in audit report. Appropriate response is filed on 25.04.2022. Adjustment of INR 10.79 Lacs is done by CPC u/s 143(1) on 30.05.2022. As per the intimation, CPC had calculated refund of INR 21,72,020 (including interest u/s 244A of INR 1,42,090). Refund of INR 21,72,020 was received on 8 July 2022. To rectify the adjustment of INR 10.79 lakhs, Company has filed rectification online. To this Company has received an order u/s 154 on 4 April 2023 rectifying the adjustment and restating the losses to the extent of INR 10.79 lakhs. However, the Company has received a demand of INR 1,31,940. This demand is on account of reduction in interest on income-tax refund from INR 1,42,090 to INR 10,150.</p> <p>Current Status: In relation to the same the Company is deliberating with the Consultants on the possible solution.</p>	NA
3	AY 2022-23	Income Tax	143 (1) (a)	<p>Background of the case: Intimation issued u/s 143(1)(a) dated 14.12.2022. As per the intimation CPC has proposed adjustment to total income of Rs. 5,23,647 due to inconsistency in amount mentioned at Sl. No. 3(a) of Part A OI "Increase in the profit or decrease in loss because of deviation, if any, as per Income Computation Disclosure Standards notified under section 145(2)" in return as compared to amount mentioned in clause 13 (e) of audit report. Response to intimation rejecting the proposed adjustment has been filed on 02.01.2023. In response, CPC has issued intimation u/s 143(1) on 19.01.2023 reducing the losses to the extent of Rs. 5,23,647. Consultants have liaised with CPC wherein they were informed to upload a JSON file under return data correction alongwith comments. The company have also uploaded on the JSON file on 16.02.2023. In response, the company received an order u/s 154 without rectification of losses.</p> <p>Current Status: The company have written an email to efilingswebmanager on 09.03.2023 and 06.04.2023 and are waiting for their response. The company will be raising grievance on IT portal.</p>	NA

Source: Investment Manager

<<End of Report>>

ANNUAL SECRETARIAL COMPLIANCE REPORT OF
ANZEN INDIA ENERGY YIELD PLUS TRUST
(An Infrastructure investment trust registered with SEBI vide Registration No. IN/InvIT/21-22/0020)
FOR THE YEAR ENDED 31ST MARCH 2023
(Pursuant to SEBI Circular No. CIR/CFD/CMD1/27/2019 dated 8th February, 2019)

To,
Anzen India Energy Yield Plus Trust
Plot No. 294/3, Edelweiss House, off CST Road,
Kalina, Santacruz – East,
Mumbai 400098

We have examined:

- a) all the documents and records made available to us and explanation provided by **Anzen India Energy Yield Plus Trust (the “Listed Entity”)** and **Edelweiss Real Assets Managers Limited (“the Investment Manager”)** acting as the Investment Manager of the Listed Entity,
- b) the filings/ submissions made by the listed entity to the stock exchanges,
- c) website of the listed entity,
- d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the financial year ended 31st March, 2023 (“**Review Period**”) in respect of compliance with the provisions of:

- a) The Securities and Exchange Board of India Act, 1992 (“**SEBI Act**”) and the Regulations, circulars, guidelines issued thereunder; and
- b) The Securities Contracts (Regulation) Act, 1956 (“**SCRA**”), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India (“**SEBI**”);

¹The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include (“**SEBI Regulations**”):

- a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

¹ Units of **Anzen India Energy Yield Plus Trust** have been listed on BSE Limited and National Stock Exchange of India Limited (“NSE”) since November 16, 2022.

Non-Convertible Debentures of **Anzen India Energy Yield Plus Trust** are listed on BSE since December 2, 2022.



ASHITA KAUL & ASSOCIATES
Company Secretaries
F-76-A, 1st Floor, Eternity Commercial Complex,
Teen Haath Naka, LBS Marg, Thane West 400604
Tel. No. 9892332128

- b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 – **Not Applicable**;
- c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011– **Not Applicable**;
- d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 – **Not Applicable**;
- e) Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014 – **Not Applicable**;
- f) Securities and Exchange Board of India (Issue and Listing of Non-convertible Securities) Regulations, 2021;
- g) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
- h) Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 read with circulars and guidelines issued thereunder.

And based on the above examination, we hereby report that, during the Review Period:

- a) The listed entity has complied with the provisions of the above Regulations and circulars /guidelines issued thereunder, except in respect of matters specified below:

Sr. no	Compliance Requirement (Regulations/circulars/guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of the Practicing Company Secretary	Management Response	Remarks
Not Applicable										



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Tel. No. 9892332128

b) The listed entity has taken the following actions to comply with the observations made in previous reports:

Sr. no	Compliance Requirement (Regulations/circulars/guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken by	Type of Action	Details of Violation	Fine Amount	Observations/ Remarks of The Practicing Company Secretary	Management Response	Remarks
Not Applicable										

Additional Affirmations:

Sr. No.	Particulars	Compliance status (Yes/No/Not Applicable)	Observations/Remarks by PCS*
1.	<u>Secretarial standard:</u> The Compliance of listed entities are in accordance with the Secretarial Standards issued by the Institute of Company Secretaries of India.	Not Applicable	The Listed Entity being Infrastructure Investment Trust registered with SEBI is not subject to the Secretarial Standard,
2	<u>Adoption and timely updation of the policies:</u> <ul style="list-style-type: none"> • All applicable policies under SEBI regulations are adopted with the approval of board of directors of the listed entities. • All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated as per the regulations/circulars/guidelines issued by SEBI 	Yes	-



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3.	<u>Maintenance and disclosure on Website:</u> <ul style="list-style-type: none"> • The listed entity is maintaining a functional website. • Timely dissemination of the documents/information under separate section on website. • Web-links provided in annual corporate governance reports under Regulation 27 (2) are accurate and specific which re-directs to the relevant documents/section of the website. 	Yes	The Listed Entity has been listed on BSE and NSE since 16.11.2022, and since then the due disclosures have been made on the website.
4.	<u>Disqualification of Director:</u> None of the Director of the company are disqualified under section 164 of companies Act,2013	Yes	-
5.	<u>To examine details related to subsidiaries of listed entites:</u> <ol style="list-style-type: none"> a) Identification of material subsidiary companies. b) Requirements with respect to disclosure of material as well as other subsidiaries. 	Not Applicable	The Regulation 16 (1) (c) of the Securities And Exchange Board of India (Listing Obligations And Disclosure Requirements) Regulations, 2015 is not applicable to Listed Entity.
6.	<u>Preservation of Documents:</u> The listed entity is preserving and maintaining records as prescribed under SEBI regulations and disposal of records as per policy of preservation of documents and archival policy prescribed under SEBI LODR regulations, 2015.	Yes	-
7.	<u>Performance Evaluation:</u> The listed entity has conducted performance evaluation of the Board, Independent Directors and the committees at the start of	Yes	-



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	every financial year as prescribed in SEBI regulations.		
8.	<p><u>Related Party Transactions:</u></p> <p>a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions.</p> <p>b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ ratified/rejected by the audit committee.</p>	Yes	-
9.	<p><u>Disclosure of events or information:</u></p> <p>The listed entity has provided all the required disclosures under regulation 30 alongwith Schedule III of SEBI LODR Regulations,2015 within the time limits prescribed thereunder.</p>	Yes	-
10.	<p><u>Prohibition of Insider Trading:</u></p> <p>The listed entity is in compliance with Regulation 3(5) and 3(6) SEBI (Prohibition of Insider Trading), Regulations 2015.</p>	Yes	-
11.	<p><u>Actions taken by SEBI or stock exchange ,if any:</u></p> <p>No actions taken against the listed entity/its investment manager/directors/subsidiaries either by SEBI or by stock exchange (including under the Standard Operating Procedures issued by SEBI through various circulars) under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder.</p>	Not Applicable	No Action taken during the review period.



ASHITA KAUL & ASSOCIATES
Company Secretaries
F-76-A, 1st Floor, Eternity Commercial Complex,
Teen Haath Naka, LBS Marg, Thane West 400604
Tel. No. 9892332128

12.	<u>Additional Non-compliances, if any:</u> No any additional non-compliance observed for all SEBI regulation/circular/guidance note.	Yes	-
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For Ashita Kaul & Associates
Practicing Company Secretaries



Ashita

Proprietor
FCS 6988/CP 6529
Peer Review: 1718/2022

Place: Thane
Date: 15th May 2023
UDIN: F006988E000306232

Note: This report is to be read with our letter of even date which is annexed as 'Annexure A' and forms an integral part of this report.

Annexure A

To,

Anzen India Energy Yield Plus Trust

Plot No. 294/3, Edelweiss House, off CST Road,
Kalina, Santacruz – East,
Mumbai 400098

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Listed Entity. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. Some part of Audit was conducted offline. We have also conducted online verification and examination of the relevant documents and records as facilitated by the listed entity for the purpose of issuing this Annual Secretarial Compliance Report. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the listed entity.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of SEBI laws, rules, regulation and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of compliance done by the listed entity. .
6. The Annual Secretarial Compliance Report is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

For Ashita Kaul & Associates
Practicing Company Secretaries

Place: Thane
Date: 15th May 2023
UDIN: F006988E000306232



Ashita

Proprietor
FCS 6988/CP 6529
Peer Review: 1718/2022



SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Darbhanga-Motihari Transmission Company Limited
504 & 505, 5th Floor, Windsor,
Off CST Road, Kalina, Santacruz (East),
Mumbai – 400 098.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Darbhanga-Motihari Transmission Company Limited** (CIN: U40300MH2012PLC342541) having its registered office at 504 & 505, 5th Floor, Windsor, Off CST Road, Kalina, Santacruz (East), Mumbai – 400 098 (hereinafter called the "Company") for the Financial Year ended on March 31, 2023 (the "audit period"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, registers, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the "Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings¹;

¹ Not applicable to the Company during the audit period



- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011²;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009³;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014⁴;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021⁵;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009⁶;
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998⁷;
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Non-Convertible Debentures of the Company issued by the Company on a Private Placement basis and listed on the Whole Sale Debt Segment of BSE Limited (the "Stock Exchange")⁸.
- (vi) The following laws (to the extent applicable) that are specifically applicable to the Company based on their sector/industry are:
- a) Cigarettes and Other Tobacco Products Act, 2003 and the Rules framed thereunder;
 - b) Environment protection Act and Batteries Management and Handling Rules, 2001;
 - c) Environment protection Act and E-waste Management and Handling Rules;
 - d) Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulations, 2010;

² Not applicable to the Company during the audit period

³ Not applicable to the Company during the audit period

⁴ Not applicable to the Company during the audit period

⁵ Not applicable to the Company during the audit period

⁶ Not applicable to the Company during the audit period

⁷ Not applicable to the Company during the audit period

⁸ Applicable upto December 15, 2022



- e) Central Electricity Authority (Safety requirements for construction, operation and maintenance of electrical plants and electric lines) Regulations 2011; and
- f) The Environment (Protection) Act, 1986.

We have also examined compliance with the applicable clauses of the Secretarial Standard on Meetings of the Board of Directors (SS-1) and on General Meetings (SS-2) issued by The Institute of Company Secretaries of India related to meetings and minutes. During the audit period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above and in respect of the laws specifically applicable (to the extent applicable) to the Company based on its sector/industry, in so far as registration, submission of various returns/information to be filed with the respective authorities, *except* in respect of the matter specified below:

Non-submission of Proceedings of 9th Annual General Meeting dated September 30, 2022 with the Stock Exchange as per the Regulation 51(2) read with Schedule III - Part B of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive and Independent Directors. There were no changes in the composition of the Board of Directors during the audit period under review.

Adequate notice is given to all the Directors to schedule the Board Meetings and Committee Meetings; agenda and detailed notes on agenda were sent at least seven days in advance and at few instances at shorter notice and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All Resolutions (including Circulars) of the Board of Directors and its Committees are approved on the basis of majority and are duly recorded in the respective minutes. There were no dissenting views by any member of the Board of Directors during the Audit Period.

We further report that there are adequate systems and processes in the Company which commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, guidelines and standards.

We further report that during the audit period:

- (i) the Company has entered into Securities Purchase Agreement (hereinafter referred as "Agreement") dated June 29, 2022 with Sekura Energy Private Limited ("SEPL") and Edelweiss Infrastructure Yield Plus ("EIYP"). Pursuant to the said agreement, SEPL had transferred 1,20,59,532 equity shares representing ~74% of the total issued, subscribed and paid-up share capital of the Company to EIYP.

Thus, consequent to the aforesaid transfer of equity shares, the Company ceased to be the Subsidiary of SEPL w.e.f. June 30, 2022.

- (ii) the Company had entered into Investment Agreement and Amendment Agreement (hereinafter referred as "Agreements") dated October 16, 2018 and May 25, 2019 with Essel Infraprojects Limited ("EIL") and Edelweiss Infrastructure Yield Plus ("EIYP"). Pursuant to the said agreements, EIYP acquired 42,37,135 equity shares



representing 26% of the total issued, subscribed and paid-up share capital of the Company from EIL on September 29, 2022.

Thus, consequent to the aforesaid transfer of equity shares, the Company is wholly owned by EIYP.

- (iii) the Company has obtained the approval of members under Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by way of Ordinary Resolution passed at the 9th Annual General Meeting held on September 30, 2022 for material Related Party Transaction to pay Non-cumulative interest of Rs. 15,78,78,000 (Rupees Fifteen Crore Seventy-Eight Lakh Seventy-Eight Thousand only) at an Annual Coupon rate not exceeding 18% per annum on the outstanding value of Optionally Convertible Debentures to Edelweiss Infrastructure Yield Plus as per the terms of Debenture Subscription Agreement dated May 25, 2019.
- (iv) the Company has entered into Securities Purchase Agreement hereinafter referred as "Agreement" dated November 1, 2022 with Axis Trustee Services Limited (as trustee to the Anzen India Energy Yield Plus Trust (the "Anzen Trust")), Edelweiss Real Assets Managers Limited (as the investment manager of the Anzen Trust), Sekura Energy Private Limited (as the sponsor of the Anzen Trust) and Edelweiss Infrastructure Yield Plus ("EIYP"). Pursuant to the said agreement, EIYP transferred 1,62,96,667 equity shares representing 100% of the total issued, subscribed and paid-up share capital of the Company to Anzen Trust on November 11, 2022.

Thus, consequent to the aforesaid transfer of equity shares, the Company is wholly owned by Anzen Trust, the Promoter of the Company w.e.f. November 11, 2022.

- (v) the Company has obtained the approval of members under Regulation 18(3A)(c) of Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 by way of Special Resolution passed at the Extra-Ordinary General Meeting held at Shorter Notice on November 28, 2022 to appoint Mr. Vijayanand Semletty, Mr. Pramod Sharma and Mr. Sandip Das on the Board of the Company, as Directors nominated by Edelweiss Real Assets Managers Limited (in its capacity as the investment manager of the Anzen India Energy Yield Plus Trust (the "Anzen Trust")) in consultation with Axis Trustee Services Limited (in its capacity as the trustee to the Anzen Trust).
- (vi) the Company has obtained the approvals of members under Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by way of Ordinary Resolution passed at the Extra-Ordinary General Meeting held at Shorter Notice on November 28, 2022 for following purpose:
- A) Availing term loan for an amount not exceeding Rs. 442 Crore (Rupees Four Hundred and Forty-Two Crore Only) from Anzen India Energy Yield Plus Trust, Shareholder of the Company; and
- B) Approval for availing term loan for an amount not exceeding Rs. 750 Crore (Rupees Seven Hundred and Fifty Crore Only) from Anzen India Energy Yield Plus Trust, Shareholder of the Company.
- (vii) the Company has made Full Early Redemption of the 8,600 Listed, Senior, Rated, Secured, Redeemable Non-Convertible Debentures ("NCDs") listed at BSE Limited ("BSE") along with the applicable interest thereon on December 15, 2022. The Company has filed an application dated December 22, 2022 for early redemption



with BSE. Subsequently, BSE vide its Notice dated January 18, 2023 delisted NCDs w.e.f. January 19, 2023.

Thus, consequent to the aforesaid Early Redemption of NCDs, the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are not applicable to the Company from the date of redemption of NCDs i.e. December 15, 2022.

(viii) the Company has obtained the approval of members by way of Special Resolution passed at the Extra-Ordinary General Meeting held at Shorter Notice on March 20, 2023 for change in terms of 8,77,10,000 Optionally Convertible Debentures, as per the terms sheet, with effect from November 16, 2022.

This report is to be read with our letter of even date which is annexed as **Annexure A** and forms an integral part of this report.

For **M/s. SAHANI & KOTHARI ASSOCIATES**

Company Secretaries

"A Peer Reviewed Unit"

CSI Unique Code: P2016MH056500



Karan S. Sahani

Karan S. Sahani

Partner

M. No. FCS 12005 C.P. No. 17189

Place: Mumbai

Date: May 25, 2023

UDIN: F012005E000376490

'Annexure A'

To,
The Members,
Darbhanga-Motihari Transmission Company Limited
504 & 505, 5th Floor, Windsor,
Off CST Road, Kalina, Santacruz (East),
Mumbai - 400098.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provided a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and book of accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulation, standards is the responsibility of management. Our examination was limited to the verification of procedures on the test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **M/s. SAHANI & KOTHARI ASSOCIATES**

Company Secretaries

"A Peer Reviewed Unit"

ICSI Unique Code: P2016MH056500



Baran

Karan S. Sahani

Partner

M. No. FCS 12005 C.P. No. 17189

Place: Mumbai
Date: May 25, 2023

UDIN: F012005E000376490



SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
NRSS XXXI (B) Transmission Limited
504 & 505, 5th Floor, Windsor,
Off CST Road, Kalina, Santacruz (East),
Mumbai - 400098.

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **NRSS XXXI (B) Transmission Limited** (CIN: U40106MH2013PLC342540) having its registered office at 504 & 505, 5th Floor, Windsor, Off CST Road, Kalina, Santacruz (East), Mumbai - 400 098 (hereinafter called the "Company") for the Financial Year ended on March 31, 2023 (the "audit period"). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, registers, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period complied with the statutory provisions listed hereunder and also that the Company has proper board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of:

- (i) The Companies Act, 2013 (the "Act") and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings¹;

¹ Not applicable to the Company during the audit period



- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ("SEBI Act"):-
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011²;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009³;
 - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014⁴;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021⁵;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009⁶;
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998⁷;
 - (i) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of Non-Convertible Debentures of the Company issued by the Company on a Private Placement basis and listed on the Whole Sale Debt Segment of BSE Limited (the "Stock Exchange")⁸.
- (vi) The following laws (to the extent applicable) that are specifically applicable to the Company based on their sector/industry are:
- (a) Cigarettes and Other Tobacco Products Act, 2003 and the Rules framed thereunder;
 - (b) Environment protection Act and Batteries Management and Handling Rules, 2001;
 - (c) Environment protection Act and E-waste Management and Handling Rules;
 - (d) Central Electricity Authority (Measures relating to Safety and Electric Supply) Regulations, 2010;

² Not applicable to the Company during the audit period

³ Not applicable to the Company during the audit period

⁴ Not applicable to the Company during the audit period

⁵ Not applicable to the Company during the audit period

⁶ Not applicable to the Company during the audit period

⁷ Not applicable to the Company during the audit period

⁸ Applicable upto December 6, 2022



- (e) Central Electricity Authority (Safety requirements for construction, operation and maintenance of electrical plants and electric lines) Regulations 2011; and
- (f) The Environment (Protection) Act, 1986.

We have also examined compliance with the applicable clauses of the Secretarial Standard on Meetings of the Board of Directors (SS-1) and on General Meetings (SS-2) issued by *The Institute of Company Secretaries of India related to meetings and minutes*. During the audit period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above and in respect of the laws specifically applicable (to the extent applicable) to the Company based on its sector/industry, in so far as registration, submission of various returns/information to be filed with the respective authorities, *except* in respect of the matters specified below:

Non-submission of the Proceedings of 9th Annual General Meeting dated September 30, 2022 with the Stock Exchange as per the Regulation 51(2) read with Schedule III - Part B of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all the Directors to schedule the Board Meetings and Committee Meetings; agenda and detailed notes on agenda were sent at least seven days in advance and at few instances at shorter notice and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All Resolutions (including Circulars) of the Board of Directors and its Committees are approved on the basis of majority and are duly recorded in the respective minutes. There were no dissenting views by any member of the Board of Directors during the Audit Period.

We further report that there are adequate systems and processes in the Company which commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations, guidelines and standards.

We further report that during the audit period:

- (i) the Company has entered into Securities Purchase Agreement (hereinafter referred as "Agreement") dated June 29, 2022 with Sekura Energy Private Limited ("SEPL") and Edelweiss Infrastructure Yield Plus ("EIYP"). Pursuant to the said agreement, SEPL had transferred 72,75,780 equity shares representing 74% of the total issued, subscribed and paid-up share capital of the Company to EIYP.

Thus, consequent to the aforesaid transfer of equity shares, the Company ceased to be the Subsidiary of SEPL w.e.f. June 30, 2022.

- (ii) the Company had entered into Investment Agreement and Amendment Agreement (hereinafter referred as "Agreements") dated October 16, 2018 and May 25, 2019 with Essel Infraprojects Limited ("EIL") and Edelweiss Infrastructure Yield Plus ("EIYP"). Pursuant to the said agreements, EIYP acquired 25,56,358 equity shares



representing 26% of the total issued, subscribed and paid-up share capital of the Company from EIL on August 5, 2022.

Thus, consequent to the aforesaid transfer of equity shares, the Company is wholly owned by EIYP.

- (iii) the Company has obtained the approval of members under Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by way of Ordinary Resolution passed at the 9th Annual General Meeting held on September 30, 2022 for material Related Party Transaction to pay Non-cumulative interest of Rs. 11,38,38,300 (Rupees Eleven Crore Thirty-Eight Lakh Thirty-Eight Thousand Three Hundred Only) at an Annual Coupon rate not exceeding 18% per annum on the outstanding value of Optionally Convertible Debentures to Edelweiss Infrastructure Yield Plus as per the terms of Debenture Subscription Agreement dated May 25, 2019.
- (iv) the Company has entered into Securities Purchase Agreement (hereinafter referred as the "Agreement") dated November 1, 2022 with Axis Trustee Services Limited (as trustee to the Anzen India Energy Yield Plus Trust (the "Anzen Trust")), Edelweiss Real Assets Managers Limited (as the investment manager of the Anzen Trust), Sekura Energy Private Limited (as the sponsor of the Anzen Trust) and Edelweiss Infrastructure Yield Plus ("EIYP"). Pursuant to the said agreement, EIYP transferred 98,32,143 equity shares representing 100% of the total issued, subscribed and paid-up share capital of the Company to Anzen Trust on November 11, 2022.

Thus, consequent to the aforesaid transfer of equity shares, the Company is wholly owned by Anzen Trust, the Promoter of the Company, w.e.f. November 11, 2022.

- (v) the Company has obtained the approval of members under Regulation 18(3A)(c) of Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 by way of Special Resolution passed at the Extra-Ordinary General Meeting held at Shorter Notice on November 28, 2022 to appoint Mr. Vijayanand Semletty, Mr. Pramod Sharma and Mr. Sandip Das on the Board of the Company, as Directors nominated by Edelweiss Real Assets Managers Limited (in its capacity as the investment manager of the Anzen India Energy Yield Plus Trust (the "Anzen Trust")) in consultation with Axis Trustee Services Limited (in its capacity as the trustee to the Anzen Trust).
- (vi) the Company has obtained the approvals of members under Regulation 23 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 by way of Ordinary Resolution passed at the Extra-Ordinary General Meeting held at Shorter Notice on November 28, 2022 for following purpose:
- A) Availing term loan for an amount not exceeding Rs. 442 Crore (Rupees Four Hundred and Forty-Two Crore Only) from Anzen India Energy Yield Plus Trust, Shareholder of the Company; and
- B) Availing term loan for an amount not exceeding Rs. 750 Crore (Rupees Seven Hundred and Fifty Crore Only) from Anzen India Energy Yield Plus Trust, Shareholder of the Company.
- (vii) the Company has made Full Early Redemption of 6,800 Listed, Senior, Rated, Secured, Redeemable Non-Convertible Debentures ("NCDs") listed at BSE Limited ("BSE") along with the applicable interest thereon on December 6, 2022. The Company has filed an application dated December 15, 2022 for early redemption



with BSE. Subsequently, BSE vide its Notice dated December 30, 2022 delisted NCDs w.e.f. January 2, 2023.

Thus, consequent to the aforesaid Early Redemption of NCDs, the provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are not applicable to the Company from the date of redemption of NCDs i.e. December 6, 2022.

- (viii) the Company has obtained the approval of members by way of Special Resolution passed at the Extra-Ordinary General Meeting held at Shorter Notice on March 20, 2023 for change in terms of 6,32,43,500 Optionally Convertible Debentures as per the terms sheet, with effect from November 16, 2022.

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

For **M/s. SAHANI & KOTHARI ASSOCIATES**

Company Secretaries

"A Peer Reviewed Unit"

ICSI Unique Code: P2016MH056500



A handwritten signature in blue ink that reads "Karan S. Sahani".

Karan S. Sahani

Partner

M. No. FCS 12005 C.P. No. 17189

Place: Mumbai

Date: May 25, 2023

UDIN: F012005E000376512

'Annexure A'

To,
The Members,
NRSS XXXI (B) Transmission Limited
504 & 505, 5th Floor, Windsor,
Off CST Road, Kalina, Santacruz (East),
Mumbai - 400098.

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provided a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and book of accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulation, standards is the responsibility of management. Our examination was limited to the verification of procedures on the test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **M/s. SAHANI & KOTHARI ASSOCIATES**

Company Secretaries

"A Peer Reviewed Unit"

ICSI Unique Code: P2016MH056500



Karan S. Sahani

Karan S. Sahani
Partner

M. No. FCS 12005 C.P. No. 17189

Place: Mumbai
Date: May 25, 2023

UDIN: F012005E000376512

LITIGATIONS

The brief details of material litigations and regulatory actions, pending, against the InvIT, sponsor(s), Investment Manager, Project Manager(s), or any of their associates and the Trustee as at March 31, 2023 are as follows:

- **ANZEN TRUST** - There are no material litigations pending against Anzen Trust.
- **INVESTMENT MANAGER & ITS ASSOCIATES** - The details of litigations of investment manager & its associates are as follows:-

A. Nuvama Wealth & Investment Limited (“NWIL”)

Criminal Litigation

By NWIL

NWIL has filed a criminal writ petition (“**Petition**”) against State of Maharashtra and BKC police station before the High Court of Bombay praying that Central Bureau of Investigation or any other investigating agency be directed to investigate the offence committed by Pranav Patki under the provisions of IPC. The matter is currently pending.

NWIL has filed a criminal complaint dated March 2, 2016 (“**Complaint**”) with the Gandhi Nagar Police Station, Jammu against AEN Collective Market Management Private Limited and its directors (collectively, the “**Accused**”) under the applicable criminal laws of the State of Jammu and Kashmir and the Trademarks Act, 1999 restraining the Accused from posing as the complainant’s franchise and conducting fraudulent transactions. Subsequently, NWIL filed an application under the applicable Criminal Procedure Code of the State of Jammu and Kashmir (“**Application**”) before the Chief Judicial Magistrate, Jammu (“**Court**”) for investigation of the Complaint. The Court *vide* its order dated April 26, 2016, issued a direction to the Gandhi Nagar Police Station, Jammu to register a first information report and commence investigation. Additionally, NWIL filed a complaint dated October 20, 2016 with the cyber-crime cell against the Accused for violating of sections 66A and 66D of the IT Act by fraudulently and dishonestly using electronic email media by creating fabricated email id ‘edelweissfal@gmail.com’ online uploaded on cyber cell website (on-line) to mislead the public at large by using NWIL’s registered logo. The matter is currently pending and A.K. Dewani *vide* his letter dated November 17, 2016 has raised a complaint with the RBI against NWIL demanding that the value of bonds invested in pursuance of the fraud committed by the Accused be refunded to him stating that the Accused is related to NWIL. A copy of this letter has also been sent to the RBI and the RBI has forwarded the letter to NWIL advising them to resolve the complaint amicably within ten days. A.K. Dewani has through an undated letter highlighted that the total amount of fake bonds issued by Accused is ₹ 2.33 million. Thereafter, NWIL denied any involvement of itself. The matter is currently pending.

NWIL has filed a criminal complaint dated December 14, 2021 before Station House Officer, Desh Bandhu Gupta Road, Pahar Ganj, New Delhi against its ex-employee, Ishan Pundit, and other unknown persons for he is having engaged in illicit activities of unauthorised trading in clients account thereby causing a loss of about ₹ 1.24 million. The investigation is pending.

NWIL has filed criminal cases under section 138 of the Negotiable Instrument Act, 1881, against our clients for dishonor of cheques towards trading account dues, which are currently pending before the Magistrate Court.

Against NWIL

Rajat Tyagi ("**Complainant**") has filed a complaint and lodged FIR on February 22, 2020 ("**FIR**") under section 406 of IPC with the Kotwali police station, Bijnor, Uttar Pradesh against Mohit Singhal, advisor of NWIL. The authorized Complainant alleged unauthorised share transactions to an amount of ₹ 0.25 million. By its email dated May 14, 2021, NWIL filed its reply dated May 11, 2021 alongwith relevant recordings and transcripts with Investigating Officer ("**IO**") against the undated letter of the Complainant for re-investigation of case. No further information has been sought by IO.

Manish Varshney ("**Complainant**") filed a first information report dated March 28, 2012 ("**FIR**") against Anagram Capital Limited (now amalgamated with NWIL) and its employees Manoj Tomar and Manoj Gupta (collectively, the "**Accused**") under sections 406, 417 and 506 of IPC for alleged fraudulent trading using the Complainant's trading account. Subsequently, Manoj Gupta filed a criminal petition under Article 226 of the Constitution of India, 1949 before the High Court of Judicature at Allahabad ("**Court**"), seeking a stay order and directions to quash the FIR. The Court granted a stay and directed the police to submit a police report under section 173(2) of the CrPC. The police had filed false report on May 17, 2012, and accordingly the writ was disposed off on March 6, 2013 as infructuous. The matter is currently pending.

Amarjeet Arora filed a complaint before Economic Offence Wing, Ludhiana for alleging wrong transactions carried out in his account. NWIL received a notice from Economic Offences Wing asking to produce documents from account opening date, which were furnished in first week of May 2013. During personal visit to Ludhiana on May 14, 2013 by NWIL's representative, Investigating Officer directed NWIL to produce more documents in respect of trades executed from March 2012 till April 2013 along with voice recording. Statement has been recorded by investigating officer on July 26, 2013, and relevant documents have been taken on record. Final hearing took place on September 13, 2013 before the investigating officer for closure of complaint. The matter is currently pending.

A first information report dated December 5, 2013 was filed by Gaurang Doshi ("**Complainant**") against one Mehul Kantilal Vala, ex-employee of the Complainant under section 154 of the CrPC for violation of sections 408, 418, 381 and 506(2) of IPC with Ellisbridge Police Station at Ahmedabad, for alleged theft of the physical share certificates of different companies, challan of the banks and cash of ₹ 0.03 million aggregating to value of ₹4.00 million, pursuant to which NWIL received a notice dated December 11, 2013 from Ellisbridge Police Station at Ahmedabad, amongst other things, requesting to produce relevant documents pertaining to delivery instruction slips ("**DIS**") lodged by Mehul Kantilal Vala along with relevant share certificates as well as demat account statement of the Complainant, which has been provided by NWIL *vide* its letter dated December 13, 2013 and December 23, 2013. The erstwhile company official Rakesh Kori of Ahmedabad office recorded his statement on behalf of the company. The matter is currently pending.

Baburajan Pillai, a client of NWIL, filed a police complaint before S Roopesh Raj, PSI, Anjalummoodu, Kollam Police station under sections 408, 418, 468 and 420 of IPC for unauthorised trading in his account. His complaint is that one of NWIL's officials took

300 Bank of India share certificates from the client and carried out unauthorized trading in his account. All the shares were sold at loss. Branch officials have visited the police station from time to time and have filed requisite documents. Thereafter, a notice dated January 7, 2016, was sent by the police, under section 91 of CrPC directing NWIL to provide the relevant documents, which have been duly submitted. The matter is currently pending.

H. R. Verma ("**Complainant**") filed a criminal complaint ("**Complaint**") before the Judicial Magistrate First Class, Bhopal ("**Judicial Magistrate**") under sections 406, 420, 467, 468, 471 and 120B of IPC against Sanjay Kumar, Asha Batham, Anita Gupta and Edelweiss Financial Advisory Limited (now amalgamated with NWIL) (collectively, the "**Accused**") for fraudulent transfer of shares of 4,000 shares of Reliance Industries Limited from their designated accounts. The Judicial Magistrate dismissed the Complaint *vide* an order dated March 16, 2015 ("**Order**"). Subsequently, the Complainant filed a criminal revision petition under section 397 of the CrPC before the District and Sessions Court, Bhopal ("**Court**") against the Order of the Judicial Magistrate. The Court heard the matter and directed the Judicial Magistrate to conduct further investigations and allowed a revision *vide* an order dated December 22, 2015. Subsequently, by way of order dated December 22, 2015, the matter was transferred to the Judicial Magistrate First Class, Bhopal. The matter is currently pending.

George Ommen ("**Complainant**") filed a criminal case dated July 10, 2008 ("**Criminal Case**") before the Chief Judicial Magistrate Court at Ernakulum ("**Court**") against Anagram Securities Limited (now amalgamated with NWIL) and its employees, alleging criminal breach of trust and misappropriation of the Complainant's money by conducting unauthorised trades leading to a loss of ₹0.03 million under sections 406, 409 and 34 of the IPC. Subsequently, the Complainant moved an application dated December 24, 2014 ("**Application Order**") before the Court to implead Rashesh Shah as one of the co-accused in the Criminal Case, subsequent to the amalgamation of Anagram Securities Limited with NWIL. Pursuant to an order dated July 7, 2015 ("**Order**"), the Court allowed the application for impleading Rashesh Shah as one of the co-accused in the Criminal Case. Pursuant to a criminal miscellaneous application, Rashesh Shah applied to stay the Order and all further proceedings in the Criminal Case. NWIL filed a quashing petition at High Court against the order and criminal complaint. The High Court of Kerala subsequently stayed the Order. On November 25, 2015 a stay order passed in the criminal miscellaneous application by High Court of Kerala (Ernakulum) was produced before the Metropolitan Magistrate Court. By an order dated January 10, 2018, the High Court of Kerala has set aside the Order dated July 7, 2015 passed by the Magistrate Court, Ernakulum to implead Rashesh Shah as party respondent as in the finding the High Court concluded that the procedure adopted by the Metropolitan Magistrate Court to implead Rashesh Shah per se is illegal. On February 15, 2019, George Ommen filed another petition to implead Rashesh Shah as an accused and the same has been dismissed by the Court. Complainant thereafter, on May 27, 2019 filed fresh petition before Chief Judicial Magistrate, Kochi for substitution of Anagram Securities Limited to Edelweiss Financial Services Limited. On August 31, 2019, NWIL filed its objection to the fresh petition. Complainant, thereafter, filed two separate Petitions both dated October 22, 2022 for substitution of M/s Anagram Securities Ltd to our Company Edelweiss Financial Services Ltd and Petition under Section 91 of Cr. PC 1973 inter-alia prying to direct NWIL to produce relevant documents showing the amalgamation of M/s Anagram Securities Ltd. with our Company and also to produce Memorandum of Association of our Company

respectively. NWIL filed its objections dated November 22, 2022, to the said Petitions. The matter is currently pending.

On December 11, 2020, NWIL received a notice under section 54 of PMLA from Directorate of Enforcement, Government of India, Jaipur (“ED”) in respect of investigation against clients, M/s. Bhavishya Credit Cooperative Society and 11 others, amongst other things, requesting to provide details of shareholding with present value. ED also directed not to allow any further sale/ transfer transaction in the account of said clients without NOC from ED. NWIL vide its email dated December 21, 2020 requested ED to provide certain additional information in order to comply with the said notice. The matter is currently pending.

Malvika Saluja and Jyotika Saluja both of Bhubhneswar, investors in Edelweiss Multi Strategy Fund Management Private Limited (“EMSFMPL”) filed two separate criminal complaints both dated February 3, 2021 with Laxminagar Police Station, Bhubhneswar against employees of NWIL, namely, Debasis Nayak, Dipankar Datta and Raja Ram, amongst other things, alleging forgery in respect of documents submitted with EMSFMPL for investment in Hexogen Product. On February 9, 2021, NWIL’s officials received telephonic directions from Laxminagar Police Station to provide details and documents relating to the said investments in the matter. NWIL’s official Debasis Nayak appeared before the investigating officer alongwith his advocate on March 3, 2021 and recorded his statement. Thereafter, no further case has been registered before Laxmi Sagar Police Station, Bhubaneshwar.

Mr. Bhopalam filed a criminal complaint against Dinesh Kumar G and Niraj R. Sharma, officials of NWIL, with Thousand Lights Police Station, Chennai – 6, amongst other things, raising concerns about his investment of ₹1.50 million made in crossover fund series II offered by Edelweiss Asset Management Limited. Based on telephonic call received from police station, both the officials attended police station on August 3, 2021, and denied all alleged concerns raised by the client. On June 15, 2022, said Dinesh Kumar and Niraj R Sharma had attended the police station as per the call received from the said police. The matter is currently pending.

NWIL has been served with notice dated September 9, 2021 issued by the office of the Assistant Commissioner of Police, Section V: Economic Offences Wing, Mandir Marg, New Delhi against NWIL’s senior branch manager for the branch at Karol Bagh, Delhi under Section 91 of CrPC, amongst other things, informing that the investigation is being conducted in case FIR No. 5 of 2021 registered under sections 420, 467, 468, 471 read with sections 34 and 120B of IPC against NWIL and others and directed to appear alongwith documents and details pertaining to D H Limited (Client) such as account opening forms for trading and demat with all supporting, ledgers, brokerage and other charges details etc. NWIL, vide its letter dated September 15, 2021 responded to the notice, and submitted all required documents and information before investigating officer. The investigation is pending.

Smt. Iti, a client of Edelweiss Financial Advisors Limited (“EFAL”) (now amalgamated with NWIL), filed a first information report on June 30, 2012 (“FIR”), before Hari Parvat, Janpad Police Station, Agra (“Station”) against Saurabh Jain, Richa Jain and Mahendra Jain (collectively “Accused”), under sections 420, 467, 468, 471 read with section 120B of the IPC and sections 66, 66C and 66D of the IT Act, for alleged unauthorised trading by modifying her trading account and password with NWIL. The total amount claimed by Smt. Iti is ₹ 13.80 million. Thereafter, notices were received by three of the directors of Edelweiss Financial Services Limited (“Directors”) from the police station and was followed by a supplemental charge sheet of the police station

filed with the Chief Judicial Magistrate, Agra (“**CJM, Agra**”). In response, a quashing petition under section 482 of CrPC was filed by the Directors in the Allahabad High Court (“**AHC**”) which stayed the proceedings before the CJM, Agra. Similarly, a supplemental charge sheet was also filed by the police station against employees and directors of NWIL including Prashant Mody with the CJM, Agra. This was also stayed by the AHC pursuant to a Section 482 application. Further, in August 2019, the AHC clubbed the above section 482 applications. The matter is currently pending.

NWIL received two notices both dated July 7, 2021, issued by Senior Inspector of Police, District Investigation Unit, Chanakya Puri Police Station, New Delhi under section 91 and 160 of CrPC, informing that the investigation is being conducted in case FIR No. 5 of 2021 and FIR No. 6 of 2021, both registered under sections 420, 467, 468, 471 read with sections 34 and 120B of IPC, based on the complaints of Shri Jagrit Sahni and Shri Gurmanak Sahni respectively (“**Complainants**”) against one Rajesh Ambwani (no relation with Edelweiss) and Ms. Saloni Singh (represented herself as relationship manager of NWIL) for having induced the Complainants with dishonest intention to invest a sum of ₹ 6.00 million and ₹ 2.50 million respectively and caused the loss for the same. NWIL furnished the required details and documents vide its letter dated July 12, 2021 and July 26, 2021. The investigation is pending.

Chayya Jitendra Mohite, a client of NWIL has filed a criminal writ petition being No. 225 of 2020 (“**Petitioner**”) before High Court of Mumbai against senior police officer, Vakola Police Station, Mumbai and State of Maharashtra, (the “**Respondents**”), amongst other things, praying for an order directing Respondent to register FIR on the Petitioner’s complaint dated June 25, 2020 filed with Respondent against NWIL, ECL Finance and S. R. Batliboi and Company LLP and thereafter transfer the same to Economics Offences Wing (“**EOW**”) or Central Bureau of Investigation (“**CBI**”) for further investigation. Petitioner, amongst other things, alleged the opening of his and his family members loan account/s with ECL Finance without knowledge and consent. On January 20, 2021, NWIL and ECL Finance appeared before the Hon’ble Court as intervener, when Hon’ble Court allowed the Petitioner to amend the petition and served the copies thereof upon all the Respondents and interveners. The petition is currently pending for hearing.

Rajiv Kumar Saxena (“**Complainant**”) has filed a criminal complaint against NWIL and one of our employees for commission of criminal breach of trust, cheating and forgery at the CR Park Police Station, New Delhi. The complainant has alleged that he had paid a total of ₹ 2.50 million to NWIL by way of cheques for the purpose of investment in two schemes, wherein he was promised a return of 2% per month on the investment of ₹ 1.00 million, while the remaining ₹1.50 million was kept with Edelweiss Crossover Opportunities Fund and was to be invested in the NSE IPO. The Complainant has not received any returns nor a copy of the agreement. The matter is currently pending.

On June 26, 2022, Neera Sagar (“**Complainant**”) filed a complaint against Lalit Kumar and Gaurav Korjee (employees of NWIL) for commission of criminal breach of trust and cheating at the SHO Police Station, Chandigarh. The Complainant has alleged that she had paid ₹ 1.00 million to Lalit Kumar for the purpose of investment, wherein she was promised a return of 15.2% on such investment. However, the Complainant has not received any returns in relation to such investment. The Complainant claimed that she approached Gaurav Karjee and requested him to resolve the aforesaid matter, however, the Complainant received no assistance. On July 13, 2022, Lalit Kumar and Gaurav Korjee visited SHO Police Station, Chandigarh, where Lalit Kumar confirmed that the transaction related to the investments of the Complainant was completed in

his personal capacity and was not initiated on behalf of NWIL. The matter is currently pending.

On September 26, 2022, NWIL (“**Company**”) received a notice dated September 9, 2022 from Kesarbagh Police Station, Uttar Pradesh, against Vibhor Shankar, an employee of NWIL, pursuant to a complaint filed by a client, Ritesh Nigam. Vibhor Shankar, employee of NWIL had already filed an FIR dated August 23, 2022 before Mahanagar Police Station, Uttar Pradesh, against Ritesh Nigam under section 323, 342, 504 and 506 of IPC. The Company is currently in process of filing an adequate response to the complaint filed by Ritesh Nigam. The matter is currently pending.

On August 9, 2021, an NWIL official, Nitin Kantap received a call from Goa Crime Branch Police station in respect of the complaint filed by a client, namely, Ceasor Fernandes against another NWIL official, Amit Pendnekar. Both the NWIL officials have recorded their statement vide letter dated August 12, 2021. NWIL received letter on May 11, 2022 from Economic Offences Wings of Goa Police (“**EOW**”) to appear before the officer. Subsequently, both the NWIL officials visited EOW on July 11, 2022 and have submitted their detailed replies on July 16, 2022 as directed by investigating officer. No further communication has been received from the police. The matter is currently pending.

(iii) Regulatory proceedings against NWIL

SEBI had issued notice under Regulation 25 of the SEBI (Intermediaries) Regulations, 2008 dated October 4, 2018 in the matter of Economic Offence Wing Investigation relating to investigation into alleged fraud involving physical shares and demat accounts. In the notice it is alleged that there was lack of due skill, care, diligence, professionalism and efficiency by NWIL while dealing with Yatin Parekh, client of NWIL, named in the investigation report in the aforesaid matter. NWIL had duly responded to the SEBI letter on October 25, 2018. SEBI vide its email dated February 18, 2022 had intimated about transfer of matter to new designated authority (“**DA**”) and scheduled for hearing before new DA. The matter is currently pending for hearing.

NWIL has been served with summons issued by investigation authority (“**IA**”), Securities and Exchange Board of India (“**SEBI**”) under section 11C (3) of the Securities and Exchange Board of India Act, 1992 in relation to the trading activities of NWIL’s client, Bhawarlal Ramnivas Jajoo in the scrip of Reliance Industries Limited for a period from March 1, 2020 to March 31, 2020. NWIL vide its letter dated December 16, 2020 furnished the required information and data alongwith supporting documents and complied with the same. No further communication is received from IA. The investigation is pending.

National Stock Exchange of India Limited (“**NSE**”) vide its email letter dated March 5, 2021, sought certain information relating to certain dealers and authorised person (“**AP**”) who had transacted in the scrip of ZEE Entertainment Enterprises Limited (“**ZEEL**”). NWIL vide its email dated March 6, 2021 provided the required information. Further, SEBI vide its order dated August 12, 2021 held that, Amit Bhanwarlal Jajoo, an authorized person of NWIL, and Mr. Manish Jajoo, a dealer of NWIL, along with other persons were actively involved in the placement and execution of transactions mentioned hereinabove. SEBI in the order also advised NWIL to examine code of conduct and employment terms. It is pertinent to state that Mr. Manish Jajoo is not an employee of NWIL, but an approved user of the AP. SEBI vide its confirmatory order dated February 18, 2022 had lifted the restrictions imposed on the entities vide interim order dated August 12, 2021 subject to the outcome of the appeal proceedings filed by SEBI against the order of SAT before the Hon’ble Supreme Court of India. The matter is currently pending.

On January 19, 2022 NSE issued a show cause notice to NWIL (“SCN”), pursuant to an off-site inspection. The crux of the observation in the SCN was that on 23 dates during the period October 1, 2021 to December 17, 2021 the funds available in the client bank accounts of NWIL together with balances available with clearing member and funds with clearing corporation were less than the funds payable (credit balances) to clients. NSE also observed certain instances wherein NWIL had reported incorrect amounts under the head collaterals deposited with the clearing member.

NWIL has submitted a detailed response to NSE on January 31, 2022 wherein it has demonstrated that, it was well capitalised and has maintained a networth of over ₹3,000 million and further, NWIL demonstrated that it had sufficient balances in its own bank accounts, exchange dues accounts and borrowed credit lines from banks which were sufficient to meet any obligations due to client and such amounts were far in excess of the shortage as pointed out by NSE. NWIL also mentioned that it had ensured from January 2022 that the balances available in the client bank accounts along with the cash collateral with clearing member and clearing corporation were sufficiently in excess of the credit balances due to clients. NWIL also mentioned that it had not reported any incorrect amounts under the head collaterals deposited with clearing member and such discrepancy was on account of liquid mutual funds being included in the working.

B. Nuvama Wealth Management Limited (“NWML”) (Formerly, Edelweiss Securities Limited)

(i) **Criminal Litigations**

Sharad Jagtiani, a client of NWML, Edelweiss Securities Limited, filed an application dated November 11, 2008 under Section 156(3) of the CrPC before the Additional Chief Metropolitan Magistrate, Rohini Courts, Delhi (“Court”) against directors and senior officer of NWML, alleging unauthorised trading in futures and options (“F&O”) in Sharad Jagtiani’s account and a loss of approximately ₹ 4.10 million to Sharad Jagtiani’s son on account of cheating, breach of trust and conspiracy. A first information report dated January 16, 2009 (“FIR”) was registered in Subhash Palace Police Station, Delhi, alleging loss of approximately ₹ 4.10 million in the stock market trade on account of cheating, breach of trust and conspiracy by the Sharad Jagtiani. The police proceeded to investigate the allegations and on October 11, 2010, a closure report (“Report”) was filed by the investigating officer before the Court. The Report was challenged by Sharad Jagtiani by way of application under section 173 (8) of the CrPC. The matter is currently pending.

S & D Financials Private Limited (“SDFL”), a client of NWML, filed an application under Section 156(3) of the CrPC pursuant to which a first information report dated March 22, 2008 (“FIR”) was registered under various sections of IPC against NWML and others. In the FIR, amongst other things, alleged unauthorised trading, criminal breach of trust and cheating 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, amongst other things, stated that (a) there are arbitration proceedings initiated by NWML against SDFL for non-payment of monies which are currently pending; and (b) there was a running account maintained between NWML and SDFL and only when SDFL suffered a loss in January 2008, it chose to file a criminal complaint on frivolous grounds to avoid payment of monies to NWML. The matter is currently pending.

C. Edelweiss Financial Services Limited ("EFSL")

(i) Criminal proceedings filed by EFSL

EFSL *vide* its letter dated December 30, 2011 had filed a complaint under various sections of IPC, the IT Act, 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 EFSL. EFSL also moved a criminal writ petition before Bombay High Court against the State of Maharashtra and others, praying, amongst other things, 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 High Court of Bombay *vide* its order dated July 23, 2012, directed the police to register a first information report on August 6, 2012 ("**FIR**"). Subsequently, Harindra Singh and Shailendra Singh filed a Criminal Application before the High Court of Bombay praying, amongst other things, for quashing the FIR. Further, Rajeev Mehrotra filed a criminal application before High Court of Bombay, amongst other things, praying for declaration that investigation under FIR is null and void and for staying further proceedings in the FIR. The 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.

On June 13, 2020, EFSL filed a criminal complaint against LeapUp-Edutech Private Limited and its two directors ("**Accused**") for having committed offences under provisions of IPC, amongst other things, defamation, cheating, criminal breach of trust, hatching a criminal conspiracy along with mischief for publishing defamatory video against EFSL, on its private channel on YouTube. The video has been taken down by the Accused. The matter is currently pending.

EFSL has filed various criminal cases under section 138 of the Negotiable Instrument Act, 1881, against its clients for dishonor of cheques, which are currently pending before the Magistrate Court.

(ii) Civil proceedings filed against EFSL

1. EFSL has been served with provisional attachment order dated May 18, 2020 ("**PAO**") from the office of the Enforcement Directorate, 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 non-performing asset were taken over by our group entity, Edelweiss Asset Reconstruction Company Limited ("**EARC**") under assignment deed from State Bank of Patiala (now merged with State Bank of India) in its ordinary course of business. EFSL promoter has been served with show cause notice dated July 10, 2020 from the Adjudicating Authority, PMLA, New Delhi ("**Authority**"). EFSL has been served with show cause notice dated July 10, 2020 under Section 8 of PMLA amongst other things inquiring about source of income, earning or assets by means of which EFSL acquired attached property and directed to appear before the Adjudicating Authority, New Delhi along with supporting evidence/documents. On January 15, 2021, EFSL submitted its Application

dated December 7, 2020 before Adjudicating Authority, PMLA and advanced submissions that it has been incorrectly arraigned in the present proceedings. EARC, also filed its reply dated November 2, 2020 before the Authority on merit to decline confirmation of PAO. Upon noting the submission of EFSL, the Adjudicating Authority adjourned the matter for final arguments. The Authority vide its order dated December 28, 2021 confirmed the PAO against the proprietries under provisions of the PMLA Act and ordered to continue pending investigation. Being aggrieved, EARC preferred an Appeal being no 4530 of 2022 before the Hon'ble Appellate Tribunal constituted under PMLA Act challenging said order and the same is pending for hearing. EFSL also adopted further appropriate steps by way of Appeal challenging the said order. The matter is currently pending.

(iii) Regulatory proceedings involving EFSL

EFSL (ought to have been ECL Finance Limited) has been served with a notice dated February 16, 2022 ("**Notice**") issued by Member Secretary, Micro and Small Enterprises Facilitation Council, MMR Region, Mumbai inter-alia informing that one M/s. Pagdandi Marketing Solutions Private Limited, the complainant has filed a petition on Samadhan Portal under Section 18(1) of Micro Small Medium Enterprises Development Act, 2006. The Complainant, being channel partner of ECL Finance Limited for sourcing equipment and mortgaged finance, alleged against ECL Finance Limited for non-payment of commission / invoice amounting to ₹ 2.36 million along with interest of ₹ 2.30 million aggregating to ₹ 4.66 million for processing of loan business. ECL Finance Limited is in process of filing of defense statement on merit alongwith required balance sheet. EFSL also filed its application dated July 7, 2022 challenging maintainability of the aforesaid petition on merit, along with a copy of criminal complaint filed against the directors of the Complainant. The Petition is pending for hearing.

The Securities and Exchange Board of India ("**SEBI**") vide its letter dated July 27, 2020, addressed to EFSL made certain observations relating to merchant banking activities of the Company during inspection carried out in the month of February, 2020 and advised to be careful in future, thereby avoiding any lapses. EFSL has submitted its response on August 26, 2020 dealing with all the observations on merit.

D. **ECL Finance Limited ("ECL Finance")**

i. **Civil proceedings filed by ECL Finance**

Except as disclosed below and under "*Litigation involving group companies – Edelweiss Financial Services Limited – Civil Proceedings filed by EFSL*", there are no other civil proceedings filed by ECL Finance.

ii. **Civil proceedings against ECL Finance**

Except as disclosed below and under this Chapter, there are no other civil proceedings filed against ECL Finance.

- A. SAM Family Trust and AHA Holdings Private Limited ("**Applicants**") have filed securitization applications being dairy nos. 1260 of 2021 and 1261 of 2021 respectively along with applications for interim stay before the Debt Recovery Tribunal, Pune ("**DRT**") on November 21, 2021 against Catalyst Trusteeship Limited, EARC, ECL Finance, Smaaash Entertainment Private Limited

("Smaaash") and resident Naib Tahsildar, Mahul ("Defendants"), amongst other things, challenging demand notice dated July 3, 2020 for ₹ 2,689.37 million issued by defendant no. 1, under sub-section (2) of Section 13 of SARFAESI Act, 2002, 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 nonpayment of interest is contrary to RBI guidelines. Furthermore, alleged assignment agreement dated June 28, 2019, executed by ECL Finance in favour of EARC assigning the benefits of NCDs is contrary to regulatory framework of SARFAESI Act, 2002, the SARFAESI Guidelines, 2003 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 ("DRAT). The DRAT, vide order dated June 3, 2022 stayed the DRT order. Further, DRAT has order to maintain status quo of the property being adjudicated vide its order dated June 27, 2022. The matter is currently pending.

Additionally, Smaaash and AHA Holdings Private Limited ("Applicants") have filed a commercial suit being suit nos. 1292 of 2022 and 987 of 2022 respectively along with an application for interim stay on the assignment agreement entered between ECL Finance and EARC before the High Court of Bombay on January 13, 2022. ECL Finance Limited, EARC, Catalyst Trusteeship Limited and Reserve Bank of India have been listed as defendants in the suit ("Defendants"). The suit inter alia challenges the invoking of pledge of shares by EARC that were pledged by Smaaash with EARC. The single judge bench appreciated that dues are acknowledged but since DRT has stayed all SARFAESI actions and NPA declaration by ECL Finance, the single judge bench stayed defendants to act upon the assignment agreement till the next date of hearing. Against which ECL Finance, EARC, Catalyst Trusteeship Limited ("Appellants") filed an appeal before Division Bench of High Court Bombay being commercial appeal nos. 13541 of 2022 and 13542 of 2022 respectively against Smaaash and AHA Holdings Private Limited ("Respondents") challenging the order of the single judge bench citing all the debt, dues and default admitting emails and balance sheet, where the division bench appreciated the facts placed and reversed the order of the single judge bench in appellants' favour. The matter is currently pending.

- B. Rani ("Plaintiff") has filed a suit against ECL Finance and others before for the District Court of Munsiff at Poonamalee for declaration and injunction that the deed of mortgage dated February 23, 2018 which was executed in favour of ECL Finance Limited is invalid and amongst other things, claiming ownership with respect to the mortgaged property. The suit property is one of the properties forming part of the security for the loan of ₹1,450 million sanctioned by ECL Finance to Neptune Developers Private Limited. The Plaintiff has challenged the ownership right of Neptune Developers Private Limited with respect to the said property. Subsequently, ECL Finance has assigned the debt along with underlying securities (which includes mortgage of said property) to Assets Care and Reconstruction Enterprise Limited ("ACRE ARC") under deed of assignment dated March 27, 2020. The matter is currently pending.
- C. Bhumiraj Builders Private Limited ("Plaintiff") have filed a suit against ECL Finance, Edelweiss Asset Reconstruction Company Limited and Edelweiss Rural

and Corporate Services Limited in the High Court of Bombay. The Plaintiff has alleged that ECL Finance has malafidely and prematurely declared the loan as NPA, has illegally assigned the loan to Edelweiss Asset Reconstruction Company Limited, unilateral and incorrect imposition of interest rates, and mismanagement in the diversion of funds. Further, it has also been alleged that Edelweiss Asset Reconstruction Company Limited malafidely initiated a corporate insolvency resolution plan against the Plaintiff. The Plaintiff has prayed for an amount of ₹ 45,458.77 million along with interest, and a permanent injunction in order to restrain Edelweiss Asset Reconstruction Company Limited from acting up on the assignment of the loan. The matter is currently pending.

- D. Ecstasy Realty Private Limited ("**Plaintiff 1**") and Shobhit Jagdish Rajan ("**Plaintiff 2**") filed a suit before the Hon'ble High Court at Bombay against Catalyst Trusteeship Limited ("**Defendant 1**" or "**Debenture Trustee**"), ECL Finance ("**Defendant 2**"), Edelweiss Investment Adviser Limited ("**Defendant 3**"), Edelweiss Rural and Cooperate Services Limited ("**Defendant 4**") and certain lenders, and claimed restructuring of the debentures on account of certain emails, which has been refused by Debenture Trustee and the lenders. The Plaintiffs prayed for, a) upholding the terms of the Debenture Trust Deed dated March 27, 2018, and b) urged for damages amounting to over ₹ 2,400.00 million from ECL Finance. The grounds for the prayer have been based on sale of flats by ECL Finance, which were purchased from the Plaintiffs and non-disbursement of the bridge loan sought from ECL Finance. The matter is currently pending.
- E. A suit has been filed by Canterbury and Alpha Buildcorp before District Judge - Commercial Court, Gautam Budh Nagar, Uttar Pradesh, ("**Court**") for seeking permanent injunction against ECL Finance and CFM Asset Reconstruction Private Limited from taking any action under loan agreement dated June 27, 2019 and for declaration of the loan agreement dated June 27, 2019 as null and void. By way of order dated April 26, 2022 passed by the Court, ECL Finance and CFM Asset Reconstruction Private Limited have been restrained from initiating any coercive action against Canterbury and Alpha Buildcorp. The outstanding due is ₹ 1127.82 million. The matter is currently pending.

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 ₹7,200 million against, amongst others, the pledge of certain equity shares of Fortis Healthcare Limited ("**Fortis**") by Fortis Holdings as a security towards repayment of loan amount (Fortis and RHC Holdings collectively referred to as the "**Borrowers**").

- F. Daiichi Sankyo Company Limited ("**Daiichi**"), a creditor has obtained an arbitration award dated April 29, 2016 and April 30, 2016 against Malvinder Singh and 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 Respondents. Daiichi thereafter filed an execution application before High Court of Delhi for enforcement of said award. During the proceedings before High Court of Delhi, the promoters of Fortis Holdings and some of their companies had given certain undertakings and subsequently High court of Delhi restrained them from pledging their respective shareholding in Fortis and other Companies. Daiichi has claimed that the promoters and their companies had created pledge in violation of the

undertakings given and order passed by High Court of Delhi. Daiichi also prayed for declaring the pledge as void and alternatively, if the pledge shares are already sold then a direction to banks and NBFCs to deposit/refund the shares price of sold shares. Daiichi, amongst other things, prayed against ECL Finance to set aside the creation of 3,09,55,000 Fortis Healthcare Limited shares held by Fortis Healthcare Holdings Private Limited and pass a consequential order of attachment and sale of 3,09,55,000 Fortis Healthcare Limited shares held by Fortis Healthcare Holdings Private Limited or in the alternative direct ECL Finance to deposit a sum equivalent to the value of 3,09,55,000 Fortis Healthcare Limited shares held by Fortis Healthcare Holdings Private Limited as on June 21, 2017 before the High Court of Delhi. On December 18, 2020, ECL Finance filed its reply before the High Court of Delhi. The Supreme Court of India vide order dated September 22, 2022, directed the High Court of Delhi to conduct a forensic audit of the banks and NBFC's. The matter is currently pending.

- G. GVK Energy and others ("**Plaintiffs**") have filed a suit for declaration and permanent injunction on the sale of Alaknanda Hydro Power Company Limited ("**Alaknanda**") against ECL Finance, Ecap Equities Limited, Edelweiss Finvest Limited, Edelweiss Asset Reconstruction Company Limited and others ("**Defendants**"). The Plaintiffs had taken various loans which they had secured by way of shares. The Plaintiffs committed default in repayment of loans and a settlement agreement was entered into, after the default of which, one of the Defendants invoked the shares. The Plaintiffs have prayed for reliefs including stay on the operation of the invocation notice dated May 27, 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. It was agreed that the shares of the Alaknanda were to be sold at the best price. ECL Finance submitted that they are in process of selling the shares. The High Court of Delhi, vide order dated May 31, 2022 has asked for it to be intimated of any good offers for selling shares. Further, if in the interim, another offer is received by the plaintiffs, they shall intimate the same to the Court and the Defendants. 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. Further, it was ordered that the defendants shall not sell any other shares that have been pledged by the Plaintiffs with the Defendants until the impugned shares are sold. However, it was clarified that the defendants shall be free to invoke the pledged shares. The Plaintiffs have filed another interim application no. 9762/2022, seeking restraining order against defendants for taking any action on the demand notices issued by them. The matter is currently pending.
- H. ECL Finance and NWIL have been served with writ petition, along with summons filed by Yes Bank AT1 Bondholders Associations ("**Yes Bank**") before the High Court of Bombay against RBI & 15 others including Union Of India, SEBI, Yes Bank, CDSL and BSE seeking to quash and set aside the impugned letter dated March 14, 2022 and March 17, 2020 of Yes bank, which allegedly wrote down Yes Bank's bonds and made a claim of ₹ 1,600 million against Yes Bank. ECL Finance and NWIL, have also been made a party as respondent no. 11 and 15 respectively. Yes Bank also filed an application for interim relief against ECL Finance and NWIL, for orders against the directors and promoters of NWIL and ECL Finance, directing them to not to leave India, during the pendency of the proceeding. The matter is currently pending.

(i) Criminal proceedings filed by ECL Finance

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, Economic Offences Wing, Unit – V, Crime Branch, Mumbai (“**EOW**”) for criminal breach of trust and cheating amounting to ₹ 82.9 million. During the investigation, one more person, Mukesh Kanani was implicated as an accused (“**Accused No. 2**”). FIR was registered against the Accused No. 1 and 2 for an offence under sections 420 34 of IPC. EOW filed charge sheet against both the accused. The matter is currently pending.

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, a first information report dated December 2, 2014 (“**FIR**”) 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.

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.

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, amongst other things, 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 sections 403, 406, 420 read with section 34 of IPC. Kunal Jiwrajka, 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 3, 2021. Being aggrieved, the said Accused preferred an Appeal before the Bombay High Court being No. ABA/385 /2021. ECL Finance filed Intervention Application for opposing the said anticipatory bail application. The matter is currently pending.

ECL Finance has 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 clients for dishonor of cheques. Further, in some of the cases, clients have filed appeal against ECL finance. These cases are currently pending across different courts in India.

(ii) Criminal proceedings against ECL Finance

Except as disclosed below and under this Chapter, there are no other civil proceedings filed against ECL Finance.

The Directorate of Enforcement ("**Complainant**") filed an original complaint dated September 3, 2016 with the adjudicating authority under the Section 5(5) of 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 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, (Prevention of Money Laundering Act), 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.

ECL Finance filed a criminal writ petition on June 12, 2018 against State of Maharashtra and others, amongst other things, challenging order dated April 18, 2017 passed by the 47th Magistrate Court, Esplanade Court at Mumbai directing ECL Finance to satisfy the claim of 18 Flat purchasers in project Godrej Central and Kamla Aquina, as and when said purchasers approach to the Magistrate's Court. This case pertains to project Godrej Central and Kamla Aquina, which is one of security provided by Rajiv Construction Company ("**Kamla Group**") for NCD of about ₹870 million subscribed by ECL Finance. Since the promoters of the developer company were taken in police custody by Economic Offence Wing, Mumbai for various complaints filed by the flat purchasers alleging fraud in various projects, the Project Aquina which is offered as a security has remain incomplete. In order to complete the project through Project Management Contract ("**PMC**") to recover ECL Finance's dues from the flat purchasers, ECL Finance had moved an application to the Magistrate Court for allowing accused promoters of Rajiv Construction Company to execute the PMC agreement etc. However, while deciding the application, Economic Offence Wing had submitted that beside the flat purchasers, which are known to ECL Finance, there were 18 more flat purchasers. ECL Finance had refused to entertain claim of those 18 flat purchasers as the promoters were not taken no objection certificate from ECL Finance to sell those 18 flats and had not deposited the advance with ECL Finance though the property was mortgaged with ECL Finance. The Magistrate while allowing the application of ECL Finance had directed ECL Finance to consider the claim of those 18 flat purchasers. Thus, ECL Finance filed the present Petition. Subsequently, this account has been assigned by ECL Finance to Omkara Assets Reconstruction Private Limited vide Assignment Agreement dated June 15, 2020. The matter is currently pending.

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, amongst other things, 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 and Area Development Authority of the tenants etc. Sanghvi Gruha Nirman Private Limited, thereafter in order to raise finance for construction of building mortgage the said properties with ECL Finance under mortgaged deed dated March 21, 2016, wherein complainant was the confirming party. Pursuant thereto ECL Finance granted a loan of ₹ 1,500 million to Sanghvi Gruha Nirman Private Limited, however said Sanghvi Gruha Nirman Private Limited failed to

utilize the loan amount towards constructions of building. Due to raising of loan against the land properties and not doing construction, he could not deliver the flats to the original tenants and compelled to pay rents to the original tenants. On December 5, 2020 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.

ECL Finance has received notices dated December 28, 2020 from Investigating Officer (“IO”), Mahanagar Police Station, Lucknow, UP issued under Section 41 (A) of CrPC addressed in the name of ECL Finance, Ms. Madhur Bhatia, relationship manager, Romanshu Tandon, Himanshu Chhatrawal, Zonal Manager and Rashesh Shah, Chairman (the “**Accused**”), amongst other things, informing that FIR No. 497 of 2020 has been registered against the Accused under sections 406 and 420 of IPC based on the 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 alongwith 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.

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. *inter-alia* informing that he is investigating crime in FIR No. 371 of 2020 registered under Sections 420, 467, 468, 471 read with Section 120 B of IPC filed by one Vinod Kumar Bothra (“**Complainant**”) against Moolchand Bothra, Trilokchand Das Ahuja, Kamal Kumar Bothra, Sunil Jain, Saurabh Khandelwal and Manager, ECL Finance. The Complainant alleged that accused made a forged mortgaged document, in respect of plot of land being No. F-69, Bindayaka Industrial Estate, RIICA, Jaipur belongs to his partnership firm Jain Industries without his knowledge and consent and availed a loan from ECL Finance.

SHO requested to furnish certain mortgaged loan documents pertaining to Borrowers, Jain Industries such as Loan Agreement, statement of accounts etc. During September 2021, officials of ECL Finance attended investigation and submitted copies of required information and documents. SHO vide another notice dated December 15, 2021 requested to furnish original loan agreement alongwith name and contact details of sanctioning authorities. ECL Finance is in process of complying with the same. The investigation is pending.

ECL Finance received a court notice from Karkardooma Court, Delhi (“**Court**”) on October 7, 2022, in relation to a revision petition filed by Yamita Rai Asthana (“**Complainant**”). The Complainant had preferred a revision of the order dated July 20, 2022, passed by Metropolitan Magistrate of the Court. The Complainant had alleged that her husband availed certain loan facilities from ECL Finance without her consent and forged her signatures in order to avail such facilities against Fantasy Cargo Private Limited (“**FCPL**”), where the Complainant is a director. The aforesaid complaint got dismissed and the Court directed that there is no requirement of any field investigation. However, Metropolitan Magistrate has taken cognizance of the

offence under section 200 of Cr.P.C. The case will be relisted for pre-summoning evidence. The matter is currently pending.

E. Edelweiss Global Wealth Management Limited (“EGWML”)

(i) Criminal Proceedings against EGWML

1. EGWML received notice dated September 4, 2020 from Economic Offence Wing, Gurugram in regard to the complaint dated August 20, 2020 filed by one of its 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.

F. Edel Finance Company Limited (“Edel Finance”)

(ii) Civil proceedings filed by Edel Finance - None

(iii) Criminal proceedings by Edel Finance

Edel Finance has filed various criminal cases under Section 138 of the Negotiable Instrument Act, 1881, against their clients for dishonor of cheques dues, which are currently pending before Magistrate Court.

G. Ecap Equities Limited - None

H. Edelweiss Finvest Limited - None

I. Edelweiss Asset Management Limited (“EAML”)

(i) Criminal proceedings against EAML

Edelweiss Arbitrage Fund has been served with a Show Cause Notice (“SCN”) dated January 10, 2019, from the office of Registrar / Adjudicating Authority (Prevention of Money Laundering Act) to appear before Adjudicating Authority (Prevention of Money Laundering Act), New Delhi (“Adjudicating Authority”) to show cause as to why Provisional Attachment Order dated December 8, 2018, in relation to the investment made by one of the client, Mainak Agency Private Limited and some of the directors of Edelweiss Mutual for a value of about ₹ 3.51 million for having alleged unethical dealing in the case of Augusta Westland, Italy VVIP Helicopter Case. On March 25, 2019, EAML, being Investment Manager filed its reply, amongst other things, conforming freeze of concern mutual fund account and fluctuation of value of units depending upon NAV at the time of redemption. The Adjudicating Authority vide 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 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.

(ii) Criminal proceedings by EAML

1. A Complaint was filed before Additional Chief Metropolitan Magistrate, 71st Court, Bandra by EAML against Anil Nath (“**Accused**”), amongst other things, 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.

J. Edelweiss Asset Reconstruction Company Limited (“EARC”)

(i) Civil proceedings filed by EARC

1. IDFC First Bank Limited (Assignor bank and applicant in the original application) filed an application in Debt Recovery Tribunal, Hyderabad (“**DRT**”) 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. After assignment of debts, EARC has filed an application for implement as an applicant, in its capacity as assignee, in the original application (“**OA**”) filed by IDFC Bank Limited in DRT, which was allowed.

Defendants 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 a 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) has undergone liquidation under IBC, EARC had filed an interim application for bringing on record the liquidator. The said interim application for bringing on record the liquidator has been allowed and the matter was listed on August 17, 2022 for the purpose of evidence. The matter is currently pending.

(ii) Civil proceedings against EARC

Except as disclosed below and under this chapter, there are no other civil proceedings filed against EARC.

1. 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**”), amongst other things, praying for an order that EARC be directed not to act upon the assignment agreement dated December 10, 2015 executed between PNB and EARC for want of paying requisite stamp duty before any lawful authority including DRT/NCLT, Chandigarh etc. CCRA vide its interim order dated February 3, 2020 passed an order to issue notice to District Collector, Ludhiana to submit certified copy of the assignment agreement dated December 10, 2015 and to submit his opinion on quantum of stamp duty, if any payable and if so, by which party. CCRA further passed an order to issue notice to EARC for appearance before CCRA and to contest the stamp duty liability amounting to about ₹ 14.59 million and interest, if any. On February 19, 2020 EARC entered its appearance, however on account of pandemic Covid-19, matter adjourned from time

to time. On October 07, 2020 EARC filed its reply and an application for maintainability of miscellaneous application, which was rejected by CCRA. The matter is pending for final arguments.

In the meantime, EARC filed a Civil Writ Petition being No. 13346 of 2020 before the High Court at Punjab and Chandigarh against (i) State of Punjab through CCRA, Punjab, (ii) Deputy Commissioner, Ludhiana and (iii) Joint Sub Registrar cum Naib Tehsildar, Mullanpur Dhakan, Ludhiana, amongst other things, challenging the ex-parte interim order dated February 03, 2020 passed by CCRA.

Winsome Yarns Limited, filed an application before the Hon'ble High Court to become a party in Civil Writ Petition filed by EARC, which was allowed by the Court vide its Order dated November 5, 2020 with the observations that Winsome Yarns Limited shall assist the Court on the legal aspect of payment of stamp duty. On December 7, 2020, the Hon'ble High Court observed that the CCRA would dispose of the pending application of EARC qua maintainability and pass an appropriate order thereon in accordance with law. The said writ petition was disposed off vide order dated October 26, 2021 wherein the Hon'ble High Court of Punjab and Haryana, while allowing said petitions has set aside impugned orders in all the petitions and the consequence of the same is that EARC no longer has any stamp duty liability as on date. The matter is pending before CCRA

CCRA vide its order dated December 18, 2020 held that the Financial Commissioner has the jurisdiction to adjudicate the Miscellaneous Application No. 24 of 2020 and is maintainable for final adjudication. Application is pending for final adjudication.

(iii) Criminal proceedings filed by EARC

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 Entertainment Limited and its directors and officials (collectively referred to as "**Accused**") under Section 138 read with Section 141 of the Negotiable Instruments 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 towards its liabilities in respect of non-convertible debentures. The said cheque was dishonored on its presentation vide its order July 31, 2019. The Court issued summons against the Accused under Section 138 of Negotiable Instrument Act, 1881. The Accused has been given time to settle the dues. The Court issued non-bailable warrants against the accused and have asked for report on execution of the warrants from the police. The matter is currently pending and is listed for hearing on October 01, 2022.

EARC has 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 clients for dishonor of cheques. Further, in some of the cases, clients have filed appeal against EARC. These cases are currently pending across different courts in India.

(iv) Criminal proceedings against EARC

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 who were purportedly willing to make an equity infusion into the Perfect Group companies on the basis of various representations made by the promoters and the Investors.

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 thereafter decided to move towards recovery from secured assets in accordance with law. To stall such recovery, dated February 26, 2019 there was a complaint filed by the Hitesh Chatwal (one of the Investors) with Economic Offences Wing against the promoters and EARC. Subsequently, the said complaint was closed by Economic Offences Wing after investigations.

EARC thereafter, received letter dated February 26, 2019 from inspector of Police G.C III, Economic Offences Wing Mumbai directing officials of EARC to attend his office regarding fresh complaint filed by Hitesh Chatwal in January 2020 along with the supporting documents namely, due diligence of Perfect group companies, ledger book maintained for business between Edelweiss and Perfect Group, balance sheet reports of Perfect Group between the Fiscal 2015 to Fiscal 2018. The matter is currently pending.

Pankaj Sharma filed a contempt application before the Court of Civil Judge Gurgaon under section 94(C) read with Order XXXIX (2A) and Section 151 of the CPC against EARC for disobedience and breach of injunction. The injunction was granted in civil suit filed by Pankaj Sharma against RPS Clothing (“**Borrower**”), where stay was granted in taking any action against the properties of Borrower and praying for civil imprisonment of Siby Antony, an employee of EARC. On January 31, 2020, advocates appearing for EARC argued that the present suit is infructuous since Pankaj Sharma has not even made EARC the party to the suit. The presiding judge had also asked Pankaj Sharma to withdraw the suit. The matter is currently pending for arguments on the issue of maintainability.

Debt of Aqua Logistics Limited (“**Aqua**”) was acquired by EARC from Bank of India. Post assignment, EARC initiated action under SARFAESI with respect to an asset belonging to the guarantor being a residential premises at Mumbai and in the process filed an application before the Chief Magistrate Court (“**CMM Court**”), seeking possession orders. In the said proceedings, the third party filed an intervention application contesting the SARFAESI proceedings initiated by EARC. The said third party claimed to have a right over the secured asset on the basis of an arbitration award and an attachment warrant issued by the Bombay High Court over the secured asset in the execution proceedings initiated by the said third party for execution of the award passed in his favour. The said third party has also filed an application, under section 340 of CrPC against EARC and its officers. EARC filed a chamber summons for vacating the attachment warrant passed by the High Court in the execution proceedings of the third party. The Bombay High Court passed an interim order in favour of EARC staying the attachment warrant. After a series of litigation proceedings, EARC obtained possession orders from the CMM Court, and the Commissioner appointed by the CMM Court took possession of the mortgaged property and handed over the possession to the authorised officer of EARC. EARC put the mortgaged asset for auction under SARFAESI and successfully auctioned the asset in March 2020. EARC has simultaneously filed a recovery suit against Aqua Logistics Ltd, qua the principal borrower and Harish G. Uchil and Rajesh G. Uchil qua guarantors before Debt

Recovery Tribunal - II, Mumbai and the same is pending adjudication and is currently at the stage of evidence. The principal borrower is undergoing liquidation under the orders of Bombay High Court. The matter is currently pending.

The Enforcement Director attached the Orissa plant of Bhushan Power and Steel Limited (“BPSL”) in October 2019 while BPSL was in Corporate Insolvency Resolution Process (“CIRP”) under 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 the Committee of Creditors through Punjab National Bank, seeking clarification on retrospective applicability of section 32A under IBC. The matter is currently pending.

K. Comtrade Commodities Services Limited (formerly known as Comtrade Commodities Limited) (“Comtrade Commodities”)

(i) Criminal proceedings filed against Comtrade Commodities

Comtrade Commodities has been served with the notice dated January 9, 2019 from the office of Economic Offence Wing Special Investigation Team, Mumbai (“EOW”) issued under Section 91 of CrPC, amongst other things, informing that 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 several acts of forgery and criminal breach trust pursuant to criminal conspiracy hatched by them. Economic Offence Wing, therefore, directed to provide the information along with supporting documents such as total year wise brokerage from AY 2009-10 till 2012-13, year wise volume of turnover executed in all pair trade contracts since AY 2009-10 till 2012-13 with brokerage earned etc., more particularly mentioned therein. Comtrade Commodities *vide* its letter dated January 22, 2019 provided the required details as were called for. The matter is currently pending.

Comtrade Commodities has been served with the Notice dated February 15, 2019 on March 16, 2019 from the office of Economic Offence Wing, National Spot Exchange Limited – Special Investigation Team (“EOW”), Mumbai issued under Section 91 of CrPC, amongst other things, informing that department is investigating the offences registered against National Spot Exchange Limited (“NSEL”), its directors, Financial Technologies India Limited, its directors, borrowers, brokers and others for committing several acts of forgery and criminal breach trust pursuant to criminal conspiracy hatched by them. Economic Offence Wing is investigating the complaint of SEBI against 300 brokers for illegal trading on NSEL. Economic Offence Wing, directed to provide the information along with supporting documents like original membership form with agreement with NSEL, certified Registrars of Companies’ documents, PAN card, volume of trades, brokerage etc. and attend the office of Economic Offence Wing to record statement. Comtrade Commodities *vide* its letter dated March 25, 2019 provided the required details as called for. The matter is currently pending.

On September 26, 2018, Comtrade Commodities has been served with show cause notice (“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 pair contract in National Spot Exchange Limited (“NSEL”).

Comtrade Commodities *vide* its letter dated October 15, 2018 replied to the SCN along with supporting documents. Further to the written submission, SEBI granted personal hearing to Comtrade Commodities on December 11, 2019. The matter is currently pending.

(ii) Regulatory Proceedings involving Comtrade Commodities

The Economic Offences Wing (“EOW”) is investigating a matter against National Spot Exchange Limited and others.

Further to this, EOW has served a notice on Comtrade Commodities dated October 28, 2021 requiring 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* its reply dated January 21, 2022 that were requisitioned by EOW *vide* its notice dated December 31, 2021.

L. Edelweiss Housing Finance Limited (“EHFL”)

(i) Civil proceedings filed by EHFL - None

(ii) Criminal proceedings filed by EHFL

EHFL 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 4th Floor, Shree Samarth Ashirwad Apartment, Thane (“**Secured Property**”). Subsequently, EHFL filed a first information report (“**FIR**”) dated January 20, 2015 under Section 154 of the CrPC against the Accused before the Authority under sections 420, 465, 468, 471, 120-B, 467 and 34 of the IPC. Thereafter, EHFL issued a notice dated January 20, 2016 under section 13(2) of the SARFAESI to the Accused for payment of the outstanding amount due. However, we did not receive any reply to such notice. Hence, EHFL filed an application under Section 14 of the SARFAESI on September 22, 2016 before the Court of District Magistrate, Thane (“**Court**”) seeking possession of the Secured Property. 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 EHFL. Subsequently, Reshma Khan, alleging to be the real owner of the Secured Property, instituted a special civil suit dated April 19, 2017 before the Civil Judge, Senior Division, Thane against EHFL and the Executive Magistrate, Thane Tahsildar Office Station, Thane (“**Defendants**”) praying, amongst other things, 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.

EHFL 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 flat No. 6, 2nd floor and flat No. 10 on 4th floor, Chaya Smruti, Suncity Road,

Pune ("**Secured Property**"). Subsequently, EHFL filed an application dated August 9, 2016 before District Magistrate, Pune ("**Authority**") under Section 14 of SARFAESI 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. Subsequently, Anil Kenjalkar, alleging to be the original owner of the Secured Property ("**Applicant**"), instituted a special civil suit dated April 13, 2017 before the Civil Judge, Junior Division, Pune ("**Court**") against EHFL, Collector of Pune and other parties ("**Defendants**") praying, amongst other things, to restrain the Defendants from creating any third party interest or taking possession of flat no. 6 on 2nd floor, Chaya Smruti, Suncity Road, Pune and for an ad-interim injunction to be passed in favour of the Applicant ("**Suit dated April 13, 2017**"). Further, the Applicant has filed an application for condonation of delay dated May 19, 2017 before the Debt Recovery Tribunal, Pune, praying, amongst other things, to restrain EHFL from taking physical possession of the Secured Property. Thereafter, Anil Kenjalkar withdrew his case before the Debt Recovery Tribunal, Pune and filed a fresh case before Debt Recovery Tribunal, Pune, amongst other things, challenging taking of symbolic possession and other incidental reliefs. EHFL filed an application dated October 24, 2017 before the Court under Section 9A of the CPC to set aside the Suit dated April 13, 2017. By an order dated October 9, 2021, the Civil Judge, Pune rejected the Suit filed by Anil Kenjalkar. The matter is currently pending with the Debt Recovery Tribunal.

EHFL issued a notice dated October 20, 2016 to P. Aravindan and A. Aruna (collectively, the "**Accused**") under Section 13(2) of SARFAESI for payment of the amount due to EHFL in relation to charge created on the property under a home loan dated August 30, 2014 entered between us and the Accused ("**Home Loan Agreement**"). EHFL issued another notice dated January 3, 2017 under Section 13(4) of the SARFAESI to the Accused, on non-receipt of any payment under Section 13(2) notice, for taking possession of the charged property in relation to the Home Loan Agreement. The matter is currently pending. Thereafter, EHFL filed a complaint against P. Aravindan, Tholkappian, J. Vinayagamoorthy, K. Babu and B. Saravanan before the Commissioner of Police, Egmore, Chennai *vide* letter dated September 27, 2017 alleging that pursuant to an internal investigation conducted by EHFL, it was found that P. Aravindan and Tholkappian along with the previous employees of EHFL, J. Vinayagamoorthy, K. Babu and B. Saravanan had, amongst other things, forged the '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.

EHFL issued a notice dated October 20, 2016 to Prem Anand ("**Accused**") under Section 13(2) of SARFAESI for payment of the amount due to us in relation to charge created on the property under a home loan dated January 1, 2015 entered between EHFL and the Accused ("**Home Loan Agreement**"). EHFL issued another notice dated January 3, 2017 under Section 13(4) of the SARFAESI to the Accused, on non-receipt of any payment under section 13(2) notice, for taking possession of the charged

property in relation to the Home Loan Agreement. Thereafter, EHFL filed a complaint against the Accused, Tholkappian and J. Vinayagamoorthy before the Commissioner of Police, Egmore, Chennai *vide* its letter dated September 27, 2017 alleging that pursuant to an internal investigation conducted by us, it was found that the Accused along with Tholkappian and a previous employee of EHFL, J. Vinayagamoorthy, had, amongst other things, forged the 'Know Your Customer' ("**KYC**") documents and other transactional documents in relation to the Home Loan Agreement. The matter is currently pending.

EHFL disbursed a loan to Om Prakash Singh on December 31, 2017 for an amount of ₹ 20.05 million for purchase of Residential Property in Jangpura Extension Delhi. Om Prakash Singh owner of V3 Mobi Communication Private Limited ("**Company**"), a company engaged in developing software and proving online platform for trading. The Company had been defaulting since March 2018 and was hence declared a non-performing asset ("**NPA**") in August 2018. EHFL filed a complaint to the Police and Economic Offences Wing, New Delhi ("**EOW**") on June 28, 2018. EHFL filed an application before the Delhi High Court for seeking stay of sale proceeding and the Delhi High Court allowed the stay on sale proceeding and directed Punjab National Bank to file their reply on October 29, 2018. A securitization application under Section 17 of the SARFAESI Act was filed before DRT-II on September 6, 2018. The complaint has been registered after rigorous follow up with EOW and a first information report was lodged on dated September 28, 2018 by EOW. EHFL filed an application before Chief Metropolitan Magistrate Court, Delhi seeking the status of investigation from EOW. The matter is currently pending.

EHFL issued a notice dated January 20, 2016 against Somprashant M. Patil and Sonali S. Patil (collectively, the "**Accused**") under Section 13(2) of SARFAESI. We thereafter issued a notice dated March 29, 2016 under Section 13(4) of SARFAESI to the Accused intimating them about the symbolic possession of the mortgaged property by EHFL. Further, EHFL received notices dated July 15, 2015 and April 25, 2016 from Chinchwad Police Station seeking certain documents in relation to the loan granted by EHFL to the Accused, pursuant to a first information report filed by Ganpat Datta Salunkhe against the Accused, for which we have provided the relevant documents. The matter is currently pending.

Rayabrapu Ranapratap availed a loan from EHFL for the 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. EHFL has filed a criminal complaint on February 9, 2019, against Rayabrapu Ranapratap under various sections of IPC for showing the nonexisting property and obtained the loan amount fraudulently before PS Hanmakonda Warangal District. The matter is currently pending.

EHFL 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 obtaining the loan amount fraudulently on February 22, 2018, before Station Head Officer Barakhamba Road, New Delhi. The matter is currently pending for investigation.

EHFL has filed five separate criminal complaints against its borrowers, Amit Sesmal Jain and nine others before Economic Offences Wing, Pune under various sections of CrPC for fraudulently siphoning off EHFL's money amounting to ₹14 million while availing home loan facility from the Pune branch. These cases and matter are pending for inquiry.

EHFL had provided 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 and Stamps it was found that the Borrower in connivance with seller submitted fraudulent registered property agreements to EHFL towards the home loan. The Borrower had also fraudulently obtained multiple financing from other financial institutions on the same property. Currently, charge of other financial institutions including EHFL is registered on subject property. EHFL has filed an application under Section 14 of SARFAESI Act before District Magistrate Court, Nagpur on December 8, 2020 and the said matter is pending for orders from District Magistrate.

EHFL had provided a 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 the 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 EHFL is first as our disbursement is prior to other financial institutions. We have filed an application under Section 14 of SARFAESI 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.

EHFL had provided a home loan of ₹ 2 million to Bhausahab Balasaheb Jahdavi ("**Borrower**"). The Borrower turned delinquent and on carrying out further checks, it was found that the 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 EHFL. Though EHFL is yet to initiate the SARFAESI proceedings, we have reported this case as fraud to National Housing Board. EHFL filed a criminal complaint against the Borrower before Senior Police Inspector, Police Station, Khed on July 29, 2022. The matter is currently pending.

EHFL had provided a 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 the Borrower had submitted fraudulent property papers/registered agreements with absence of layout plan, mismatched dimensions of property stated in the 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. EHFL has filed Criminal complaint with SR Nagar Police Station, Hyderabad City against Borrower on September 8, 2020. The matter is pending for investigation.

EHFL had provided a 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 the builder had done multiple transactions on the subject property and sold the property to multiple buyers. The builder has provided fraudulent registered property agreement to the Borrower which was submitted to EHFL towards the home loan. The builder has absconded and is not traceable. Currently, the subject property is occupied by third parties, and they are claiming to be the owner of the property. EHFL has filed criminal complaint on September 24, 2020 against the Borrower at Koramangala Police station, Bangalore. The matter pending for investigation.

EHFL had provided a home loan of ₹ 2 million to Menta Bhanuprakash ("**Borrower**"). The Borrower turned delinquent and on carrying out further checks, it was found that the Borrower defrauded EHFL by submitting colour xerox/fake property documents. The subject property falls under prohibited property list. EHFL has filed application under section 14 of SARFAESI before the District Magistrate Court, Nellore on December 22, 2019. The said application is pending for order.

EHFL had provided a home loan of ₹ 4.99 million to Rajkumar Silarpur ("**Borrower**"). The Borrower turned delinquent and on carrying out further checks, it was found that the Borrower had misrepresented the facts about seller and submitted an invalid sale deed. The general power of attorney basis which the sale deed was executed was not valid as the seller was not alive at the time of execution and consequently the sale deed also becomes invalid. The subject property is in the possession of some third party, B. Karunakar, who is claiming to be the original owner of the property. The third party has filed an application before the Debt Recovery Tribunal on October 6, 2020 against EHFL, which is pending for hearing. EHFL has filed application under section 14 of SARFAESI before District Magistrate Court, Secunderabad on January 8, 2021 and is pending for orders.

EHFL had provided a home loan of ₹ 2.82 million to Sham Suryawanshi ("**Borrower**"). The Borrower turned delinquent and on carrying out further checks, it was found that the Borrower in connivance with the builder and landowner submitted fraudulent registered property agreements to EHFL. The builder sold the property initially to Magal Jagtap, and parallelly allotted the same flat to one of the landowner, who in turn sold the same flat to Rahul Khadve. Subsequently, Rahul Khandve sold the property to the Borrower. EHFL has filed an application under section 14 of SARFAESI before District Magistrate Court, Pune on December 22, 2019. The Upper District Magistrate, Pune vide its order July 31, 2021 directed Tahsildar, Haveli, Pune to handover possession of mortgaged property to EHFL. The matter is pending for possession.

EHFL had provided a home loan of ₹ 1.5 million to Yernamma Kommineni (“**Borrower**”). The Borrower turned delinquent and on carrying out further checks, it was found that the Borrower in connivance with the seller defrauded EHFL by misrepresenting the facts and creating a false profile and submitting fake business and income documents. The Borrower is not traceable. The subject property was overvalued by more than ₹1.9 million (It was valued at ₹3 million at acquisition. The latest valuation is at ₹1.08 million). The valued property lies near the highway/main road and is different from the subject property mentioned in the sale deed, that lies in the interiors. EHFL has sold the property in auction to third party. EHFL is in process of filing an original application for loss on sale before the Debt Recovery Tribunal. Though EHFL is yet to initiate SARFAESI proceedings, we have reported this case as fraud to the National Housing Board.

EHFL had provided a 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 that the Borrowers in connivance with the developer have defrauded EHFL by misrepresenting the unit numbers being mortgaged with us, submitting forged approved plan, and issuing no-objection certificate, 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 were put on the fabricated plan. On February 25, 2021, EHFL filed a criminal complaint against the Borrowers, and Neeraj M Ved, Proprietor of Shreenath Corporation, Builders and Developers alleging forgery, criminal breach of trust and cheating with BKC Police Station, Bandra, Mumbai. The complaint is pending for investigation.

EHFL had provided a 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 EHFL by misrepresenting the unit numbers being mortgaged with us, submitting forged approved plan, and issuing no-objection certificate, 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, EHFL filed a criminal complaint against the Borrowers, and Neeraj M Ved, Proprietor of Shreenath Corporation, Builders and Developers alleging forgery, criminal breach of trust and cheating with BKC Police Station, Bandra, Mumbai. The Complaint is pending for investigation.

EHFL filed a complaint before the Senior Police Inspector, Chaturshrungi Police Station, Pune against Ganesh Shankar Rakshe and Rupali Ganesh Rakshe (collectively, the “**Accused**”) vide its letter dated June 22, 2021 alleging fraud and cheating with reference to a property situated at the Flat No 703, 7th floor, in the Building No.1 known as “California Heights S. No. 101/2, situated at Rakhewadi, Tal. Khed, District Pune (“**Secured**

Property"). Subsequently, EHFL issued a demand notice dated April 30, 2019 to Ganesh Rakshe and Rupali Rakshe ("**Accused**") under Section 13(2) of SARFAESI for payment of the amount due to us in relation to charge created on the property under a home loan dated 31, May 2017 entered between EHFL and the Accused ("**Home Loan Agreement**"). Thereafter, EHFL came to know that borrower has availed multiple loans from various other Banks and Financial Institutions by submitting forged documents. Hence, we have issued Loan Recall Notice dated June 20, 2021.

EHFL filed a complaint before the senior police inspector, Chaturshrungi Police Station, Pune against Ganesh Shankar Rakshe and Rupali Ganesh Rakshe (collectively, the "**Accused**") by way of its letter dated March 4, 2021 alleging fraud and cheating with reference to a property situated at the Flat No 703, 7th floor, in the Building No.1 known as "California Heights S. No. 101/2, situated at Rakhewadi, Tal. Khed, District Pune ("**Secured Property**"). EHFL had provided home loan of ₹ 1.96 million to the Accused. The Accused availed multiple loans from various other banks and financial institutions by submitting forged documents. The matter is currently pending for investigation.

EHFL had provided home loan of ₹ 2.36 million to Aashish Nandkumar Gaikwad and Sonali Aashish Gaikwad ("**Borrowers**"). It was notified to EHFL that the Borrowers have availed multiple loans from various other banks and financial institutions by submitting forged documents. Accordingly, EHFL filed a criminal complaint dated December 4, 2021 before the Dy. Commissioner of Police- Central, Faridabad, Haryana against 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 the property situated at H/No. 2161, Type MIG, Sec 28 HB Colony, Faridabad, Haryana. It is alleged that the accused persons have submitted the forged title and loan documents and availed a loan of ₹ 150 million. Subsequently, under detailed verification it's 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. EHFL reported this case as Fraud to Central Fraud Monitoring Cell, RBI, Bengaluru and Department of Non-Banking Supervision, RBI, Mumbai as well as National Housing Bank, Department of Supervision, New Delhi. Arbitration Award has been passed against Borrower on May 11, 2022, which is challenged by the Borrower before Delhi Court on August 18, 2022. The matter is currently pending.

EHFL 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, 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 the property situated at House No. 2148, Type - MIG, Sector 28, Housing Board Colony, Faridabad - 121 008. The Accused persons have submitted the forged title and loan documents, while

availing mortgage loan of ₹ 118 million. Subsequently, under detail verification it's revealed that the Borrowers, the Accused Nos. 1 and 2 are not original owners of the mortgaged property and property has been claimed by the Accused Nos. 4 and 5 after purchasing from Accused No. 6. EHFL reported this case as Fraud to Central Fraud Monitoring Cell, RBI, Bengaluru and Department of Non-Banking Supervision, RBI, Mumbai as well as National Housing Bank, Department of Supervision, New Delhi. The investigation is currently pending. During the investigation EHFL, also noticed similar fraud committed by the Accused Nos. 3, 4, 5 and 7 in another mortgage loan account wherein the borrowers Ms. Smita Singh and Abhishek Singh availed a mortgaged loan of ₹ 29,50,000 against the property namely, Flat No. 406, Tower - D-5, 4th Floor, KLJ Platinum Plus situated at Village Neemka, Sector - 77, Faridabad, Haryana. This mortgaged property is occupied and claimed by Gaurav Agarwal and Ms. Chetana Agarwal, daughter, and son-in-law of the Accused Nos. 4 and 5 under gift deed. The investigation is currently pending. EHFL reported this case as fraud to Central Fraud Monitoring Cell, RBI, Bengaluru and Department of Non-Banking Supervision, RBI, Mumbai as well as National Housing Bank, Department of Supervision, New Delhi.

EHFL has 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 clients for dishonor of cheques. Further, in some of the cases, clients have filed appeal against EHFL. These cases are currently pending across different courts in India.

(iii) **Criminal proceedings filed against EHFL**

EHFL sanctioned a 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 being flat number 1203, Tower B, 12 Floor, Bhagtani Krishaang, Powai, Mumbai ("**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 EHFL. A notice dated August 26, 2013 was issued to the Borrower for recalling the total loan amount sanctioned to which no reply was received by EHFL. Thereafter, a first information report 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 Economic Offences Wing, Mumbai Police, ("**Authority**"), Enforcement Director, Government of India, Mumbai ("**ED**"), *inter-alia* attached the Suit Property being the proceeds of crime *vide* its provisional attachment order dated August 27, 2014, which was confirmed *vide* an order dated February 20, 2015 ("**Impugned Order**"). EHFL received a show cause notice ("**SCN**") dated September 30, 2014 issued by the Authority seeking confirmation of the provisional attachment through the Impugned Order. Subsequently, EHFL 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 EHFL *vide* its order dated November 28,

2016, granting us liberty to approach the Appellate Tribunal, New Delhi (“**Tribunal**”) under PMLA. EHFL filed an appeal dated January 5, 2017 before the Appellate Tribunal under Section 26 of PMLA for quashing of the Impugned Order passed by the Authority. The matter is currently pending.

(iv) Regulatory matters involving EHFL

EHFL received a show cause notice (“**SCN**”) dated June 30, 2020 issued by the National Housing Bank (“**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 EHFL amongst other things for non-adherence of certain policy circular. EHFL has submitted its reply on SCN on July 21, 2020. The NHB vide its email dated October 15, 2020 has sought for additional information. EHFL has submitted its reply on October 19, 2020. No further information has been sought by the NHB.

M. Edelweiss Investment Advisors Limited (“EIAL”)

(i) Civil proceedings by EIAL

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**”), amongst other things, 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 next hearing is schedule on July 15, 2022.

EIAL (“**Plaintiff**”) filed a Commercial Suit bearing Lodging No. COMSL/12616/2021 on June 9, 2021, alongwith an application for interim injunction before the Bombay High Court against Wondervalue Realty Developers Pvt Ltd and 12 others. The Plaintiff, amongst other things, prayed for a declaration that the 15 Investment Agreements dated November 20, 2017, February 17, 2018, May 15, 2018 and June 27, 2018 (“**Investment Agreements**”) in respect of redevelopment of the project ‘HBS Towers’, at Worli, Mumbai are valid, subsisting and binding upon the Defendants and for an order / direction that Defendants No 1 to 9 be directed to pay an aggregate sum of ₹ 2873.61 million as on May 24, 2021, along with interest thereon at the rate of 18% p.a. and for other reliefs more particularly mentioned in the plaint. The matter is currently pending at pre-admission stage.

(ii) Civil proceedings against EIAL

Om Builders Private Limited (“**Plaintiff**”) filed a suit against Orbit Abode Private Limited (“**Defendant no. 1**”) and EIAL (“**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.

(iii) Criminal proceedings by EIAL

EIAL filed a criminal complaint dated January 14, 2021 ("**Complaint**") with the Joint Commissioner of Police, Economic Offence Wing, Mumbai against Lily Realty Private Limited, Asit Koticha, Mrs. Kanan Koticha and other unknown persons ("**Accused**") for having committed offence, amongst other things, criminal breach of trust, fraud, criminal conspiracy, cheating. EIAL in its Complaint has, amongst other things, alleged that the Accused in connivance with each other and with malafide intent failed to construct the residential project named "Pashmina Waterfront" at Bhattarahalli Village, Bidarahalli Hobli, Bangalore (the "**Project**") wherein EIAL invested a sum of ₹ 300 million against certain units aggregating 82,485 sq. ft. saleable area alongwith 82 car parks under MOU dated October 29, 2015. The Accused further disposed off the three flats that were available as security in terms of the guarantee agreement, shortly after creating the security documents in favour of EIAL and did not disclose the same to the Hon'ble Delhi High Court while passing the order dated September 29, 2020 whereby the Accused were restrained from dealing with the aforesaid three flats. The Complaint is pending for investigation.

N. Edelweiss Retail Finance Limited ("Edelweiss Retail")

(i) Civil proceedings filed by Edelweiss Retail - None

(ii) Criminal proceedings filed by Edelweiss Retail

Edelweiss Retail has 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 clients for dishonour of cheques. Further, in some of the cases, clients have filed appeal against Edelweiss Retail. These cases are currently pending across different courts in India.

O. Edelweiss Rural & Corporate Services Limited (erstwhile Edelweiss Commodities Services Limited) ("ERCSL")

(i) Civil proceedings against ERCSL - None

(ii) Criminal proceedings by ERCSL

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 Indian Penal Code, 1960 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.

ERCSL has filed various criminal cases under section 138 of the Negotiable Instrument Act, 1881, against their clients for dishonour of cheques dues, which are currently pending before Magistrate Court.

(iii) Criminal proceedings against ERCSL

Edelweiss Commodities Services Limited (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 Economic Offence Wing - National Spot Exchange Limited - Special Investigation Team, Mumbai ("**EOW**") 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, FTIL, its directors, borrowers, brokers and others for committing several acts of forgery and criminal breach trust. Further, Economic Offences Wing is investigating complaint of SEBI against 300 brokers for illegal trading on National Spot Exchange Limited. ERCSL furnished all the information as called for by Economic Offences Wing. The matter is currently pending.

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 all the original documents listed therein, in respect of the criminal case registered against ERCSL under Sections 3, 7 and 8 of the Essential Commodities Act, 1955 and Maharashtra Scheduled Commodities Wholesale Dealers Licensing Order, 2015. The Notice emanates from a 2015 matter in which the Deputy Controller of Rationing, Civil Supply Department of Maharashtra ("**Authority**") issued show cause notices to ERCSL for alleged violation of applicable stock limits. Pursuant to the directions issued by the Authority, the ceased stock was released. Furthermore, ERCSL received a notice from the Office of the Deputy Commissioner of Police, Cyber Crime Cell/Economic Offences Wing ("**Police**") dated August 16, 2016, received by the Police, regarding alleged hoarding of pulses. All information sought by the authorities has been duly provided. The matter is currently pending with authorities.

The Deputy Controller of Rationing, Civil Supply Department of Maharashtra ("**Authority**") issued a show cause notices dated October 23, 2015, dated October 30, 2015, October 31, 2015 and dated 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 and registration of first information reports ("**FIR**") under the Act. ERCSL argued that the stock limits were not applicable to ERCSL as the stock was imported. Pursuant to the directions issued by the Authority, the ceased stock was released, subject to certain conditions. ERCSL, upon fulfilment of the specified conditions and execution of the undertakings, lifted and sold the released stock in open market and subsequently informed the Authority. The matter is currently pending.

ERCSL received a notice from Office of the Deputy Commissioner of Police, Cyber Crime Cell / Economic Offences Wing ("**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. No request for information or for personal appearance is pending to be complied with. The matter is currently pending.

Food Safety and Standards Authority of India 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 (“**FSSAI**”) license. The matter is currently pending.

(iv) Regulatory Proceedings involving ERCSL

Edelweiss Commodities Services Limited (now known as Edelweiss Rural and Corporate Services Limited, “**ERCSL**”) has been served with a letter from the Enforcement Directorate (“**ED**”) on August 26, 2016, concerning an enquiry for an alleged violation of the provisions of the Foreign Exchange Management Act, 1999 (“**FEMA**”) in relation to import of pulses by commodities importer and advised to produce certain details like memorandum of association, annual report/balance sheet, bank accounts and details of pulses import since 2011. ERCSL duly complied with the requisitions in September 2016. In June 2021, ERCSL also furnished with additional information about the pulses business – listing of all suppliers, imports, local sales, bank statements, warehousing details and other information. Personal appearances of the ERCSL’s executives were sought and the same have been complied with. A show cause notice (“**SCN**”) has been served to the ERCSL and the then directors/key executives in this matter in August 2021 by ED under sections 16(3), 10(6) and 42(1) of FEMA. The authorities have alleged that ERCSL has contravened provisions of Section 10(6) of FEMA read with Regulation 6(1) of the FEMA (Realisation, Repatriation and Surrender of Foreign Exchange) Regulations, 2000. Mr Venkat Ramaswamy and Mr Rujan Panjwani, both Executive Directors, Edelweiss Financial Services Ltd, have received the said notice in their capacity as directors in ERCSL. ERCSL has filed the response to the SCN. The matter is currently pending.

P. Edelweiss Tokio Life Insurance Company Limited (“Edelweiss Tokio”)

(i) Criminal proceedings against Edelweiss Tokio

Sekhar Kumar Chanda (“**Complainant**”), a policyholder filed a first information report dated March 13, 2018, before Baguihati Police Station, Kolkata under Section 420, 468, 470 and 471 of IPC alleging signature forgery and cheating vis-à-vis mis-selling against Edelweiss Tokio and others. Police authorities have filed final report before Additional Chief Judicial Magistrate, BDN, North 24 Parganas, Kolkata for discharge of accused persons. The matter is currently pending for final orders.

Q. Edelweiss Custodial Services Limited (“ECSL”)

(i) Civil proceedings against ECSL

On October 4, 2020, ECSL was served with three arbitration petitions (“**Arbitration Petitions**”) filed by Lalit Shah, Lalit Shah HUF and Prafulla Shah (“**Petitioners**”), all of whom claim to be clients of Anugrah Stock and Broking Private Limited (“**Anugrah**”). The principal grievance raised in these Arbitration Petitions is that stocks / securities / units entrusted by the Petitioners with Anugrah have been wrongly sold by Anugrah and ECSL. The Petitioners have also sought a direction that Anugrah and ECSL remit back the securities / stocks / units belonging to the Petitioner or deposit in Court an equivalent aggregate sum. The petition has been

filed under Section 9 of the Arbitration and Conciliation Act, 1996, seeking interim relief pending arbitration. The matter is currently pending.

Writ Petition has been filed before the Bombay High Court by Jaidev Krishnan Iyer, Ashwin Kantilal Mehta and Vimal Kishor Sikchi, Mahendra Kumar Mohta respectively, who claim to be end investors who have invested their monies and given shares as collateral to Anugrah Stock and Broking Private Limited ("**Anugrah**"). The Petitioners have alleged that the securities placed by them were wrongfully liquidated by Anugrah and ECSL. The main prayers of these Petitions is to seek a Special Investigation Team to conduct investigation into the affairs of NSE, NCL, BSE, ECSL, ICICI Bank, Anugrah and Teji Mandi Analytics Private Limited and their auditors to ascertain the role played by each of the entities and submit a report. As Economic Offences Wing ("**EOW**") is already seized of the matter on account of the complaints filed with it by certain end-investors of Anugrah, EOW has been directed to submit a report on the progress of the investigation. The matter is currently pending.

Writ Petition has been filed before the Bombay High Court by Nimish Shah and others including Karim Maredia, Alpita Apurva Mayekar and others, end clients of Anugrah Stock and Broking Private Limited ("**Anugrah**"), amongst other things, seeking a direction against SEBI to take action against all respondents including NSE, NCL, CDSL, Edelweiss Custodial Services Limited, Anugrah and Teji Mandi, and pass appropriate orders to protect the interest of the petitioners and other investors. As the petition involves a common cause of action and similar/overlapping reliefs, the parties were given the liberty to make an application to tag the above petition with other writ petitions filed before the Bombay High Court. All the writ petitions have been tagged together and common orders have been passed in all the writ petitions. The matter is currently pending for hearing.

(ii) Criminal proceedings involving ECSL

On a complaint made by certain end-clients of Anugrah Stock and Broking Private Limited ("**Anugrah**"), the Economic Offence Wing ("**EOW**") registered a first information report dated September 9, 2020 against Anugrah and its affiliates/promoters for defrauding customers under Ponzi scheme and lured investors with assured returns of 15% to 20%. Although ECSL is not an accused in that matter, the Economic Offence Wing passed a direction marking a debit lien on ECSL's Clearing Account held with Citibank to the tune of ₹ 4,603.2 million. ECSL challenged this direction before the 47th Additional Chief Metropolitan Magistrate's Court at Esplanade, Mumbai. The Additional Chief Metropolitan Magistrate's 47th Court at Esplanade, Mumbai has temporarily lifted the lien on

ECSL's clearing account by passing a stay order, on ECSL submitting an Undertaking that ECSL will maintain unencumbered assets which were worth Rs.4,603.2 million till the miscellaneous application filed by ECSL is finally decided. The matter is currently pending.

(iii) Regulatory proceedings involving ECSL

NSE Clearing Limited ("**NCL**") had issued a Show Cause Notice ("**SCN**") dated January 8, 2020, after completing the limited purpose inspection to understand the issue raised by the trading member Vrise Securities Private Limited ("**Vrise**"). NCL

made certain observations in its SCN, and a personal hearing was scheduled before the Member and Core Settlement Guarantee Fund Committee (“MCSGFC”) of NCL. The MCSGFC of NCL passed an order dated February 12, 2020 stating that ECSL should reinstate such securities that are liquidated by ECSL. ECSL thereafter filed an appeal against the impugned order with Securities Appellate Tribunal (“SAT”) and a miscellaneous application. SAT by its order dated February 26, 2020 granted a stay on the matter until the matter is disposed of and directed ECSL to maintain its unutilized and free collateral with NCL above ₹240 million till the appeal has been decided. The matter is currently pending.

NSE Clearing Ltd (“NCL”) had issued a Show Cause Notice (“SCN”) dated September 19, 2020 after completing the limited purpose inspection to understand the issue raised by the trading member Anugrah Stock and Broking Private Limited (“Anugrah”). NCL made, amongst other things, certain observations in its SCN, and personal hearing was scheduled before Member and Core Settlement Guarantee Fund Committee (“MCSGFC”) of NCL. The MCSGFC of NCL passed an order dated October 20, 2020 stating that post detailed scrutiny of NSE, the quantum of securities to be re-instated will be intimated by NSE to ECSL for further action. Further, a penalty of ₹ 0.1 million has also been levied. ECSL thereafter filed an appeal against the impugned order with Securities Appellate Tribunal (“SAT”) and SAT by its order dated November 5, 2020 while granting a stay order, amongst other things, directed ECSL to give an undertaking to NCL that ECSL will deposit ₹2,120 million or any other amount as may be directed by tribunal after disposal of appeal. The matter is currently pending.

NSE Clearing Ltd (“NCL”) had issued a show cause notice (“SCN”) dated August 24, 2021 after completing the regular inspection of books of ECSL. NCL made, amongst other things, certain observations in its SCN which was duly responded by ECSL vide its letter dated September 8, 2021. On October 6, 2021, a personal hearing was concluded before the Member and Core Settlement Guarantee Fund Committee (“MCSGFC”) of NCL and in pursuance thereof, ECSL submitted its written submission dated October 13, 2021. NCL had further sought clarifications on certain points vide its letter dated March 17, 2022 which are duly responded by ECSL vide its letter dated April 27, 2022 to NCL. The matter is currently pending.

SEBI jointly with the clearing corporations had conducted joint inspection of clearing business of ECSL for the period April 2020 to December 2021 and raised certain observations vide its letter dated March 30, 2022. The same has been responded by ECSL to SEBI on April 8, 2022. The matter is currently pending.

R. Edelweiss Finance & Investments Limited (“EFIL”)

- (i) Civil proceedings filed by EFIL - Nil

Details of disciplinary action taken by SEBI or Stock Exchanges against the associates of the Investment Manager in the last five financial years, including outstanding action

EFSL along with other Merchant Bankers (“Appellants”) preferred an appeal before the Securities Appellate Tribunal, Mumbai (“SAT”) on May 19, 2016, amongst other things, challenging an order dated March 31, 2016 (“Order”) passed by an adjudicating officer of SEBI (“Respondent”) imposing a penalty of ₹ 10 million jointly and severally on the Appellants for violation of certain disclosure requirements set forth under the SEBI ICDR Regulations, 2009 and adherence to the code of conduct set forth under the Merchant Bankers Regulations, 1992 for the merchant bankers in relation to the initial public offer of Electrosteel Steels Limited. SAT vide its order dated November 14, 2019, has reduced the penalty amount from ₹ 10 million to ₹ 5 million, and the said order was compiled by the Appellants jointly.

SEBI had issued a show cause notice (No. EAO/MC/DPS/17392/2018) to NWML (“NWML”) wherein it was alleged that NWML had failed to segregate its own proprietary funds from client funds (e.g., made proprietary fund pay in obligation from the client bank accounts) and had other lapses in internal control measures in relation to access to its Institutional Trading Desk Dealing Room operations. Accordingly, NWML was found to be in violation of SEBI Circular No. SMD/SED/CIR/93/2331 date November 18, 1993 and clause 3 of SEBI circular No. Cir/ISD/1/2011 dated March 23, 2011, read with clauses A (2) and A (5) of the code of conduct specified under schedule II read with Regulation 9(f) of the SEBI (Stockbrokers and Sub Brokers) Regulations, 1992. NWML had submitted its response vide letter dated July 3, 2018 that it has undertaken remedial measures.–NWML filed for settlement application with SEBI and the proposed terms were put forth. The High-Powered Advisory Committee (“HPAC”) recommended that the case be settled at an amount of Rs. 3.53 million, which was agreed upon by the panel of SEBI whole time members. The settlement order was granted to NWML and passed on March 13, 2019.

- **AXIS TRUSTEE SERVICES LIMITED** - There are no material litigations or any outstanding criminal litigation or non-ordinary course regulatory actions against the Trustee of Anzen.

- **SPECIAL PURPOSE VEHICLES**

- Darbhanga – Motihari Transmission Company Limited (“DMTCL”)

1) IDC, IEDC and corresponding carrying cost

Background of the case: DMTCL filed a petition dated 26 October 2017, before the CERC against *inter alios* Bihar State Power Transmission Co. Ltd, for seeking extension of 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, and for grant of an increase in transmission charges to offset costs on account of additional IDC and IEDC and corresponding carrying cost.

CERC passed an order on 29 March 2019, allowing DMTCL to recover expenditure incurred on account of change in law 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, and corresponding carrying cost.

Thereafter, DMTCL filed an appeal dated 20 June 2020 (“Appeal I”) before the Appellate Tribunal for Electricity (“APTEL”) at New Delhi, wherein DMTCL challenged, amongst others, the CERC order, 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.

APTEL passed an order dated 3 December 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, (iii) tariff would be levied only for services provided, (iv) DMTCL would be allowed to recover amounts paid to PGCIL along with interest pursuant to order dated 1 September 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.

After submissions of requisite information by DMTCL, CERC through order dated 13 May 2022 allowed DMTCL’s claims, however, the claims in relation to carrying costs were disallowed. Consequently, DMTCL filed an appeal dated 24 June 2022

challenging the said CERC order seeking the payment of carrying costs in relation to IDC, IEDC and other costs claimed by DMTCL.

Current Status: The matter is currently pending in appeal at APTEL. In the listing on 16 January 2023 for the Tribunal to hear the urgent application filed by DMTCL, the Tribunal, citing pendency of matters for years, did not agree to take this matter on an urgent basis but granted liberty to file a fresh urgent listing application after June 2023.

Amount involved: Our estimate is approx. INR 27 Cr. (till March 22) subject to decision of the tribunal.

2) PGCIL filing regarding IDC and IEDC

Background of the matter: DMTCL filed a claim for recovery of INR 0.55 Cr plus interest which was borne by it as IDC and IEDC for PGCIL's 2x400 kV line bays at Muzaffarpur sub-station for the period 31 August 2016 to 21 April 2017. CERC through its order dated 13 May 2022 referred to in (1) above, also allowed DMTCL to recover this amount from PGCIL. In furtherance of this, PGCIL paid INR 0.55 Cr to DMTCL but no interest was paid.

Subsequently, PGCIL filed a petition in CERC to seek mechanism for recovery of INR 0.55 Cr plus interest which it had paid to DMTCL, and has made DMTCL a party to this petition.

Current Status: This matter was last heard on 16 March 2023. Post that, PGCIL disbursed an interest amount of INR 0.21 Cr to DMTCL. Currently pleadings are ongoing in the matter, and subject to that CERC has reserved the order.

Amount involved: NIL (at present) - There is no amount claimed by PGCIL against DMTCL

3) PGCIL filing regarding IDC and IEDC

Background of the matter: DMTCL filed a petition against *inter alios* Bihar power utilities (such as BSPTCL, NBPDC and SBPDCL), for recovery of deemed transmission charges (plus applicable late payment surcharge and carrying cost) from the date of its deemed commercial operations being 31 March 2017, up to 15 April 2017, for its 2 x 500 MVA, 400/220kV Darbhanga sub-station and Muzaffarpur-Darbhanga 400kV D/C line with triple snowbird, which remained unrecovered due to non-availability of 220 kV downstream transmission network developed by BSPTCL.

Current Status: The petition was filed on 24 April 2023 in CERC and is yet to be registered.

Amount involved: INR 2.65 Cr plus applicable late payment surcharge, INR 0.35 Cr for change in tariff plus applicable carrying cost.

4) Brief overview of miscellaneous matters in DMTCL:

Virtuous Energy Pvt. Ltd. (VEPL) Arbitration notice dated 30 August 2021 - Legal response issued for this. No further correspondence.

NHAI request for utility relocation and shifting of DMTCL Line for the development of economic corridors - Hajipur to Darbhanga -to improve efficiency of freight movement under Bharatmala Pariyojna. NHAI Letter dated 17 January 2022 - prelim site visit has happened and discussion are ongoing. With CEA intervention, discussions are ongoing with NHAI.

Legal notice received from one landowner, Mr. Kailash Prasad Singh., for seeking tree compensation for laying transmission lines over the land, dated 26 February 2022. Legal response issued to this landowner.

Notice issued by DMTCL to landowner Shri Kanhaiya Lal, resident of Distt. – Siwan, to stop all ongoing construction activities in the RoW corridor of Barh-Motihari-Gorakhpur LILO section. Notice issued to this landowner.

- **NRSS-XXXI (B) Transmission Limited (“NRSS”)**

- 1) **IDC, IEDC and corresponding carrying cost**

Background of the case: NRSS filed a petition dated 4 September 2017, before the CERC for seeking extension of SCOD and compensation for force majeure and change in law events as per the provisions of the Transmission Services Agreement, and for grant of an increase in transmission charges to offset costs on account of additional IDC and IEDC and carrying cost.

CERC passed orders on 30 November 2017 and 29 March 2019, allowing NRSS to recover expenditure incurred on account of change in law, 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 and carrying cost.

Thereafter, NRSS filed appeals dated 9 August 2019 and 19 March 2020 before the Appellate Tribunal for Electricity (“APTEL”) at New Delhi challenging the CERC orders, claims in relation to IDC and IEDC along with seeking grant of consequential interest.

Consequently, APTEL vide its order dated 14 September 2020, set aside the first CERC order and 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”). Further, APTEL vide order dated 13 December 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 amongst other things and remanded the matter back to CERC (“Remand Order II”).

However, APTEL, vide order dated 11 May 2022 in relation to clarification application filed by NRSS upheld Remand Order II, however, disallowing NRSS’s claim for carrying costs in relation to IDC and IEDC.

In furtherance of this, NRSS has filed an appeal dated 23 June 2022 challenging order dated 11 May 2022 and seeking compensation in relation to the carrying costs for IDC and IEDC.

Separately, CERC vide order dated 26 April 2022 stated that the liability for payment of the IDC and IEDC is on NRSS and not PGCIL, contrary to the finding of the APTEL in the Remand Order I. Accordingly, NRSS filed appeal dated 10 June 2022 challenging this order and seeking a declaration from APTEL to hold NRSS not liable for the payment of IDC and IEDC.

Current Status: The matter is currently pending in appeal at APTEL. In the listing on 16 January 2023 for the Tribunal to hear the urgent application filed by NRSS, the Tribunal, citing pendency of matters for years, did not agree to take this matter on an urgent basis but granted liberty to file a fresh urgent listing application after June 2023.

Amount involved: Our estimate is approx. INR 14 Cr. (till March 22) subject to decision of the tribunal.

2) Terminal bay mismatch – Malerkotla Amritsar

Background of the case: This is regarding tariff determination of PGCIL's Malerkotla and Amritsar bays for the tariff period of 2014- 2019. CERC decided that liability of IDC/ IEDC on account of mismatching of PGCIL constructed terminal bays (upstream network) and NRSS constructed lines (downstream network) is on NRSS.

NRSS appealed against the CERC order, and APTEL set aside this order since NRSS transmission line delay was condoned under force majeure provision of TSA and matter was remanded back to CERC to pass a reasoned order based on the present facts of the matter. However, despite APTEL order, vide order dated 26 April 2022, CERC ultimately again decided that liability of IDC/ IEDC pertains to upstream/downstream element mismatching and is to be recovered from NRSS.

Current Status: NRSS has filed an appeal challenging the CERC order in APTEL. The matter was listed on 9 January 2023 in which pleadings were completed from both sides and matter was reserved for arguments and order pronouncement.

Amount involved: INR 1.28 Cr (now this amount has been revised to INR 1.004 Cr)

Terminal bays mismatch – Kurukshetra

Background of the case: This is regarding tariff determination of PGCIL's Kurukshetra bays for the tariff period of 2014- 2019. CERC decided that liability of transmission charges on account of mismatching of PGCIL constructed terminal bays (upstream network) and NRSS constructed lines (downstream network) is on NRSS.

NRSS appealed against the CERC order in APTEL on the grounds that NRSS COD was delayed on account of force majeure events and this situation was beyond their control, and APTEL has upheld similar grounds in other matters.

Current status: Next listing is on 19 May 2023.

Amount involved: INR 0.20 Cr

3) OPGW matter

Background of the case: Central Transmission Utility (CTUIL) filed a petition before CERC dated 19 March 2021 against NRSS seeking directions for installation of optical fibre ground wire (OPGW) on the 400kV Kurukshetra-Malerkotla transmission line owned by NRSS.

Current Status: On 30 March 2022, CTUIL filed an affidavit in CERC, stating that PGCIL has informed that it has no objection if NRSS lays down the OPGW on its own. NRSS has submitted its detailed project report to the CTUIL for taking up this work, and further discussions were also held on 13 March 2023 for which minutes have been circulated by CTUIL.

Amount involved: Basis DPR estimates, this may involve a capex of INR 8.6 Cr and that subject to CERC order, this may be recovered either as annual tariff or as one time reimbursement.

4) Jagtar Singh Matter

Background of the case: Landowners Jagtar Singh & Mukesh Kumar have filed the existing suit of mandatory injunction and a recovery suit for damage due to the installation of the transmission system, which they allege has led to reduction in the land value, destruction of tubewell, power supply connections, cost required for digging of two new bores, alleged destruction of 22 no. of fruit trees and alleged loss of cultivation at their land. The land is located at Tehsil Pehowa, District Kurukshetra, Haryana, and NRSS has paid them compensation for installation of transmissions towers and lines through their land.

Current Status: The matter is pending in Civil Court, Pehowa, Kurukshetra. NRSS has filed its written statement, reply to application under O39R1&2 as well as application under O7R11 and under O1R10 of CPC. The plaintiff has also filed its reply to O1R10 and O7R11. The next date is scheduled on 4 May 2023.

Amount involved: INR 0.20 Cr.

5) Amarjeet Singh Ruprai matter

Background of the case: This suit has been filed by landowner Mr. Amarjeet Singh Ruprai claiming additional compensation for the land over which the transmission lines have been laid, on the ground that the land has become unusable due to stringing of high tension wire above it, and is claiming additional compensation for the total land parcel.

Current Status: The matter is pending in Addnl District and Session Court, Ludhiana, Punjab. The next hearing is scheduled on 8 May 2023.

Amount involved: INR 7 Cr.

6) **Brief overview of miscellaneous matters in NRSS (as of 24 April 2023)**

Virtuous Energy Pvt. Ltd. (VEPL) Arbitration notice dated 30 August 2021 - Legal response issued for this. No further correspondence.

NHAI request for seeking cost estimates associated with the shifting of NRSS XXXI (B) Transmission Line for the construction of Delhi- Ludhiana - Amritsar - Katra Expressway. (NHAI Letter dated 05 November 2020). With CEA intervention, discussions are ongoing with NHAI.

NHAI request for shifting of NRSS XXXI (B) Transmission Line for the construction of Delhi- Ludhiana - Amritsar - Katra Expressway (Phase-1, PKG-08) in State Punjab. (NHAI Letter dated 03 February 2022). With CEA intervention, discussions are ongoing with NHAI.

NHAI request for shifting of NRSS XXXI (B) Transmission Line for the construction of Ludhiana - Bathinda Expressway in State of Punjab (NHAI Letter dated 05 April 2022). With CEA intervention, discussions are ongoing with NHAI.

NHAI request for shifting of NRSS XXXI (B) Transmission Line for the construction of Sirhind- Sehna -06 Lane Access Controlled Highway under Bharatmala Pariyojna Phase II (Lot-09, Package I) in State of Punjab (NHAI Letter dated 28 April 2022). With CEA intervention, discussions are ongoing with NHAI.

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.

- **LITIGATION INVOLVING THE SPONSOR AND PROJECT MANAGER AND ITS ASSOCIATES**

- **Solaire Surya Urja Private Limited (SSUPL)**

Background of the case: Petition filed by SPUPL under Section 79 of the Electricity Act, 2003 read with Article 16.3.1 of the PPA seeking extension of the SCOD for two 70 MW solar power projects, and seeking refund of the amount which was wrongfully and forcibly collected by NTPC Limited purportedly as liquidated damages for delay in commencement of supply of power, along with consequential carrying costs.

The petition was disposed off by CERC on 04 August 2021 after rejecting the claims of SSUPL for refund of liquidated damages.

Subsequently, SSUPL filed an appeal with APTEL on 27 September 2021 challenging the legality, propriety and correctness of the CERC order dated 04 August 2021.

Current Status: In the last hearing held on 9 January 2023, detailed arguments were made by SPUPL's counsel, and the matter was reserved for arguments and order pronouncement. Next date of hearing is awaited.

Amount involved: INR 7.6 Cr + 14% carrying cost

- **Solairepro Urja Private Limited (SPUPL)**

Background of the case: SPUPL filed a petition for seeking direction to AP State Load Dispatch Centre (SLDC) to implement the must-run station accorded to SUPPL's solar project in letter and spirit, and compensate SUPPL for unlawful and arbitrary curtailment of generation from the its solar project.

CERC had originally directed the Respondents to file their reply on merits, by 6 December 2021, with a copy to SUPPL, and to file the rejoinder by 22 December 2021.

However, in a similarly placed matter (Prayatna Power), AP SLDC approached the AP High Court, which granted an interim stay on all further proceedings on the file of the CERC, pending further orders of the High Court.

APSLDC has filed an affidavit recently bringing on record the said stay order by AP High Court, to put forth its plea that the proceeding in current case cannot continue in view of the case being pari materia with Prayatna Power case (342/MP/2019)

Current Status: The matter was listed on 21 March 2023 in CERC, in which hearing CERC directed the respondents to file their reply on merits and then for the petitioner to file their rejoinder timely. Next date would be communicated separately.

Amount involved: INR 9.91 Cr + interest

- **Solairepro Urja Private Limited (SPUPL)**

Background of the case: SPUPL filed a petition before CERC under S. 79 of the Electricity Act, seeking relief on account of amendments imposed on safeguard duty through notification no. 01/2018 customs (SG) dated 30 July 2018, issued by the

Department of Revenue, Ministry of Finance. CERC through order dated 05 February 2020, disposed off the matter by allowing SPUPL to claim the safeguard duty and directed NTPC Limited to pay the compensation amount to SPUPL by claiming the same from AP distribution companies.

Thereafter, a petition was filed by the AP distribution companies against the CERC order.

Current Status: Order issued by AP HC on 06 January 2023 and matter was remanded back to CERC to hear afresh the submissions by the respective state distribution companies and pass a reasoned order.

The matter was listed on 16 February 2023 before CERC in which respondent distribution companies were directed to file their submission within 2 weeks and next date was fixed for 11 April 2023.

Amount involved: INR 162.40 Cr

➤ **Solairepro Urja Private Limited (SPUPL)**

Background of the case: Writ petition filed challenging the ultra vires nature of the impugned Notification No.8/2017-Integrated Tax (Rate) dated 28-06-2017 (Annexure-10) and Notification No.10/2017-Integrated Tax (Rate) dated 28-06-2017 (Annexure-11) issued by the Union of India on the recommendation of Goods and Service Tax Council, as the same lacks legislative competency and is ultra vires to the Integrated Goods and Service Tax Act, 2017 (herein after referred to as the 'IGST Act').

SPUPL imported modules for Kadapa from Jinko Solar under the supply contract on Cost, Insurance and Freight (CIF) terms. IGST was paid on ocean freight for the period from December 2018 to April 2019.

The Supreme Court in Mohit Minerals case has now decided on the constitutional challenge to the levy of Goods and Services Tax (GST) on ocean freight for Cost, Insurance and Freight (CIF) imports.

Basis the Supreme Court Judgement, it stands confirmed that the reverse charge levy on ocean freight, which can be traced to Notification No. 10/2017-IGST (Rate) dated 28 June 2017, did not have the force of law. Any amounts collected from CIF importers towards ocean freight services lacks / lacked legal sanction and thus were collected in violation of Article 265 of the Constitution.

Current Status: Matter to be listed along with batch matters in AP High Court. Hearing date awaited.

Amount involved: INR 3.09 Cr

➤ **Ujjvalatejas Solaire Urja Pvt. Ltd. (USUPL), Nirjara Solaire Urja Pvt. Ltd. (NSUPL) and Suprasanna Solaire Energy Pvt. Ltd. (SSEPL)**

Background of the case: Petitions were filed by USUPL, NSUPL and SSEPL for recovery of outstanding energy invoices along with applicable late payment surcharge to be recovered from the PPA offtakers. Monthly payments have been pending since December 2020.

While Telangana State Electricity Regulatory Commission (TSERC) had already reserved the matter for final order which was awaited, in the interim the Telangana distribution companies approached TSERC and requested on 1 February 2023 to reconsider their submissions. Meanwhile, the Telangana distribution companies have started making payments of past dues with effect from December 2020 and a large part of the outstanding dues (but not LPS) have been paid as on date.

Current Status: TSERC has reopened the case and listed these matters again on 24 April 2023.

Amounts involved: As of petition filing date: INR 40.12 Cr for USUPL, INR 20.36 for NSUPL, INR 39.6 Cr for SSEPL. These amounts are inclusive of past dues plus late payment surcharge, and are subject to change based on orders of the commission.

➤ **Enviro Solaire Private Limited (ESPL)**

Background of the case: Petition filed against UPPCL, UP SLDC, SECI, NTPC etc. through Solar Power Developers Association 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.

Current Status: Petition filed in CERC is listed on 25 April 2023 for admission.

Amount involved: NA

➤ **Summary of litigations involving roads entities¹**

✓ **JSEL**

Background of the case: Sekura Roads Private Limited (“SRPL”) has filed a commercial suit dated September 27, 2021 before the High Court of Bombay seeking certain reliefs in its disputes with IL&FS Transportation Networks Limited (“ITNL”), Infrastructure Leasing and Financial Services Limited (“IL&FS”) and Jorabat Shillong Expressway Limited (“JSEL”). Amongst other reliefs, SRPL requested the Hon’ble High Court to declare that the Share Purchase Agreement dated December 10, 2020 (“SPA”) executed between SRPL, IL&FS, ITNL and JSEL for the sale of ITNL’s shareholding in JSEL to SRPL had not lapsed and continued to remain valid, binding and subsisting.

On October 13, 2021, the High Court of Bombay passed an injunction order, restraining IL&FS/ ITNL/ JSEL from in any manner disposing of or encumbering or transferring or, alienating or creating any third-party right or interest in the shares, assets and properties of JSEL, except in performance of the SPA in favour of SRPL. The High Court clarified that the said injunction would continue pending the disposal of IL&FS’s application to the National Company Law Tribunal, Mumbai (NCLT) in terms of the SPA and for one week thereafter.

¹ **Note:** The subsidiaries of SRPL - Dhola Infra Private Limited and Dibang Infra Private Limited, are in discussions with Ministry of Road Transport and Highways regarding certain change of scope claims under their respective concession agreements. These matters are being pursued by Navayuga Engineering Company Limited (NECL) with the ministry. These matters were not a part of the FPM of the Anzen Invlt and hence have not been included here.

Against the order dated October 13, 2021, IL&FS filed an appeal (Commercial Appeal (L) No. 25664 of 2021) before the Hon'ble High Court of Bombay. On November 22, 2021, the Hon'ble High Court of Bombay was pleased to admit the appeal. However, the Hon'ble High Court did not stay the operation of the order dated October 13, 2021. The said appeal is presently pending.

Current Status: The parties subsequently negotiated a revised understanding for the transaction, and have approached NCLT to approve the transaction.

Amount involved: NA

• **TAX PROCEEDINGS**

Details of all material direct tax and indirect tax matters against the InvIT, the Special Purpose Vehicles, the Sponsor, the Project Manager, the Investment Manager and their respective associates, as on March 31, 2023 are as follows:

- Anzen - Nil
- Investment Manager and its associates - Nil
- Sponsor and its associate - Nil
- Axis Trustee Services Limited - Nil
- Special Purpose Vehicles - Details are as follows:

Sr.No	Entity	Act / Law	Period	Issue Involved / Brief	Tax amount involved (Rs. In Lakhs)	Current Status
1	NRSS	Income Tax	AY 2018-19	Assessment u/s 143(2). Also NeAC intimation issued on 14.10.2020.	1.79	We had received detailed notice from ITD in respect of e-assessment. We had filed appropriately drafted submissions online (basis limited details/documents available with us) in response to the same from time to time. Consequently, clean Assessment order u/s 143(3) had been passed on 22.02.2021 without any disallowances, accepting the income declared in ITR. Although, no disallowances/adverse remarks are made by Officer in the Order, the Computation sheet & Demand notice which are attachments to the Order erroneously states as under:- a. reduces the amount of Loss allowed to be c/f by INR 34 crores (from INR 138.5 crores to INR 104.5 crores). b. raises MAT demand of INR

						1.79 lakhs. These being error/mistake apparent on the face of Assessment order, we had filed rectification application u/s 154 of the IT Act on 01.04.2021 requesting Officer to rectify these errors. We have received draft assessment order on 12.01.2023. As per draft assessment order AO has rectified and nullified the MAT demand. W.r.t. losses AO has said that rights to rectify losses are with CPC. Regular follow up with consultant is in process to get the final order.
4	DMTCL	Income Tax	AY 2019-20	Proposed Adjustment / Intimation 143(1)	-	Intimation received on 24 June 2020. As per the intimation order, loss of current year to be carry forward is disallowed to the extent of Rs.4,97,763 on account of issues identified in proposed adjustment notice. Rectification for reprocessing the return was filed on 09.03.2020, 22.05.2020 & 07.07.2020. However, rectification was processed unchanged on 19.08.2020. Thus, a physical submission for rectification will be filed once rectification rights are transferred to AO. Discrepancy on account of: A] PF contribution paid after due date but before filling of return. B] IFOS income received in AY 2019-20 but was offered to tax in AY 2018-19 on accrual basis.
6	DMTCL	Bihar VAT	FY 2017-18	VAT Notice u/s 31	-	We had filed requisite details in response to said notice. No further communication is received from Department. Notice u/s 24 is received for FY 2017-18 on 13.05.2022 and consultant has attended

						personal hearing on 31.05.2022. Draft order has been received on 30th January 2023 raising a demand of Rs.11,77,902. Regular followups are done with the consultant as well the officer to issue final order.
7	DMTCL	Bihar VAT	FY 2016-17	VAT Notice u/s 27	-	Non-furnishing of Tax Audit Report under section 24 of Bihar VAT Act . Personal hearing attended on 05.11.2021 and department has intimated that certain tax audit forms are not filed for FY 2016-17 for which notice will be issued and penalty notice will be raised. Further, another notice for personal hearing is received dated 20.12.2021 to attend in person on 30.12.2021 with required books of accounts. Adjournment letter was filed on 30.12.2021 requesting time for 15 days. Hearing attended by consultant in Feb 2022 and response/clarification submitted on 10.02.2022 and 29.03.2022 for issues raised by the officer. Assessment order is received dated 13.04.2022 issuing a refund of INR 14,08,455/- and imposing penalty of INR 47,000/- and INR 96,250/-. Matter is closed for FY 2016-17. We have advised the consultant to coordinate with officer to adjust the demand of FY 2017-18 against refund of FY 2016-17 and issue net refund.
8	NRSS	Income Tax	AY 2020-21	Proposed Adjustment / Intimation 143(1)	-	Intimation was issued u/s 143(1) on 9.11.2021, wherein refund is issued after adjusting outstanding demand of INR 1.79 Lacs and interest of INR 0.12 Lacs. Further, there are differences on account of various 43B items. Once the

						rectification is processed for AY 2018-19, the company will apply for refund for AY 2020-21. Rectification Application has been filed for 43B differences. Order u/s 154 is yet to be received.
9	DMTCL	Income Tax	AY 2021-22	Intimation u/s 143(1)	2.43	Inconsistency in the amount of profit chargeable to tax under section 41 specified in return & in audit report. Appropriate response is filed on 25.04.2022 providing clarification on disclosure. Adjustment of INR 18 Lacs is done by CPC u/s 143(1). Rectification was filed on 30.06.2022. Rectification Order u/s 154 - 07.04.2023 (Demand of INR 2,42,693 raised since Interest u/s 244A as calculated in 143(1) reduced from INR 2,58,872 to INR 16,180). Grievance raised.
10	NRSS	Income Tax	AY 2021-22	Intimation u/s 143(1)	-	Inconsistency in the amount of profit chargeable to tax u/s 41 specified in return & in audit report. Appropriate response is filed on 25.04.2022. Adjustment of INR 10.79 Lacs is done by CPC u/s 143(1) on 30.05.2022. As per the intimation, CPC had calculated refund of INR 21,72,020 (including interest u/s 244A of INR 1,42,090). Refund of INR 21,72,020 was received on 8 July 2022. To rectify the adjustment of INR 10.79 lakhs, Company has filed rectification online. To this Company has received an order u/s 154 on 4 April 2023 rectifying the adjustment and restating the losses to the extent of INR 10.79 lakhs. However, the Company has received a demand of INR 1,31,940. This demand is on account of reduction in interest on income-tax refund

						from INR 1,42,090 to INR 10,150. In relation to the same the Company is deliberating with the Consultants on the possible solution.
11	DMTCL	Income Tax	AY 2022-23	Proposed Adjustment / Intimation 143(1)(a) and Intimation 143(1)	-	Intimation issued u/s 143(1)(a) dated 14.12.2022 for AY 2022-23. As per the intimation CPC has proposed adjustment to total income of Rs. 8,64,096 due to inconsistency in amount mentioned at Sl. No. 3(a) of Part A OI "Increase in the profit or decrease in loss because of deviation, if any, as per Income Computation Disclosure Standards notified under section 145(2)" in return as compared to amount mentioned in clause 13 (e) of audit report. Response to intimation rejecting the proposed adjustment has been filed on 02.01.2023. In response, CPC has issued intimation on 17.01.2023 reducing the losses to the extent of Rs. 8,64,096. We have re-processed the ITR on 25.01.2023 and received a rectification order u/s 154 wherein the losses are not rectified. Consultants have liaised with CPC wherein they were informed to upload a JSON file under return data correction alongwith comments. We have also uploaded on the JSON file on 02 March 2023. Rectification order passed on 02.05.2023 wherein a demand has been raised since interest u/s 244A is reduced from INR 180660 to INR 54198. Grievance to be raised

12	NRSS	Income Tax	AY 2022-23	Intimation 143(1)(a) and 143(1)	-	<p>Intimation issued u/s 143(1)(a) dated 14.12.2022. As per the intimation CPC has proposed adjustment to total income of Rs. 5,23,647 due to inconsistency in amount mentioned at Sl. No. 3(a) of Part A OI "Increase in the profit or decrease in loss because of deviation, if any, as per Income Computation Disclosure Standards notified under section 145(2)" in return as compared to amount mentioned in clause 13 (e) of audit report. Response to intimation rejecting the proposed adjustment has been filed on 02.01.2023. In response, CPC has issued intimation u/s 143(1) on 19.01.2023 reducing the losses to the extent of Rs. 5,23,647. Consultants have liased with CPC wherein they were informed to upload a JSON file under return data correction alongwith comments. We have also uploaded on the JSON file on 16.02.2023. In response, we received an order u/s 154 without rectification of losses. We have written an email to efilingswebmanager on 09.03.2023 and 06.04.2023. We are in receipt of an rectification order dated 02.05.2023 rectifying the proposed adjustment of Rs. 5,23,647 and reinstating the losses. However they have raised a demand due to decrease in interest u/s 244 A from Rs. 125,880 to Rs. 46,423. We are in the process of raising a grievance.</p>
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