

## **RISK MANAGEMENT POLICY FOR POWERGRID INFRASTRUCTURE INVESTMENT TRUST**

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### **A. Preamble**

POWERGRID Unchahar Transmission Limited (the “**Investment Manager**” or “**IM**”) has been appointed as the investment manager of POWERGRID Infrastructure Investment Trust (“**Trust**”), an infrastructure investment trust registered with the Securities and Exchange Board of India (“**SEBI**”) in accordance with the SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended (“**InvIT Regulations**”).

Pursuant to Regulation 26G of the InvIT Regulations, read with Regulation 17(9) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (“**SEBI Listing Regulations**”), the Investment Manager has formulated a Risk Management Policy in relation to the Trust (the “**Policy**”). The Policy aims to provide a framework for management of risks associated with the business of the Trust. The Policy shall become effective from April 1, 2023.

### **B. Risk Management**

Risk means a probability or threat of damage, injury, liability, loss, or any other negative occurrence that may be caused by internal or external vulnerabilities; that may or may not be avoidable by pre-emptive action and Risk Management is the process of systematically identifying, quantifying, and managing all risks and opportunities that can affect achievement of the Trust’s objectives.

Risk management shall include:

- Risk Identification for continuous identification of events that can affect the Trust’s ability to achieve its objectives.
- Risk Assessment for risk analysis and evaluation.
- Risk Mitigation for determining a strategy for treating the risks.
- Risk Monitoring for monitoring the risks and their status including mitigation plan on a periodic basis.

The Risk Management Committee, formed by the Board, shall formulate the framework (“**Risk Management Framework**”) for risk management. The Risk Management Framework shall be reviewed by the Audit Committee and approved by the Board. The process of assessment of identified risks and its mitigation plan will be appraised to the Board at least once in a year.

### **C. Review of this Policy**

This Policy shall be reviewed by the Risk Management Committee periodically, at least once in two years, including by considering the changing industry dynamics and evolving complexity.

### **D. Conflict with Applicable Law**

The Policy shall not contradict with the InvIT Regulations, SEBI Listing Regulations, the Companies Act, 2013, along with the rules framed thereunder, any bye-law, rule, regulation, guideline, circular, order, notification, any requirement under, or notice of, any Ministry of the Government of India, regulatory body, listing agreements with the Stock Exchanges, compulsory guidance, rule, order or decree of any court or any arbitral authority, or directive, delegated or subordinate legislation or any other applicable law (collectively, the “**Applicable Law**”). In case of any discrepancy, the provisions of Applicable Law shall prevail over the provisions of this Policy.

**E. Amendment**

- (i). Any amendment or variation to this Policy shall be undertaken in compliance with the Applicable Law.
- (ii). Notwithstanding the above, this Policy will stand amended to the extent of any change in Applicable Law, including any amendment to the InvIT Regulations and the SEBI Listing Regulations, without any action from the Investment Manager or approval of the unitholders of the Trust.

Adopted by the board of directors of POWERGRID Unchahar Transmission Limited on behalf of the Trust on March 31, 2023.