



POLICY ON APPOINTMENT OF AUDITOR AND VALUER OF TRUST

I. PREAMBLE

Pursuant to Regulation 15(4), 23 and Schedule III of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended (the “**SEBI InvIT Regulations**”) this policy aims to provide a comprehensive framework on the appointment of the auditor and valuer of the National Infrastructure Trust (the “**InvIT**”). Accordingly, Gawar Investment Manager Private Limited (the “**Investment Manager**”), the investment manager to the InvIT appointed pursuant to the investment management agreement dated November 10, 2023 entered into between Axis Trustee Services Limited and the Investment Manager (the “**Investment Management Agreement**”), has formulated this Policy.

II. DEFINITIONS

- (i) “**Auditor**” means the auditor of the InvIT.
- (ii) “**InvIT Regulations**” mean the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended or supplemented, including any guidelines, circulars, notifications and clarifications framed or issued thereunder.
- (iii) “**Policy**” means this policy on the appointment of auditor and valuer of the InvIT.
- (iv) “**SEBI**” means the Securities and Exchange Board of India.
- (v) “**Trustee**” means Axis Trustee Services Limited, the trustee to the InvIT.
- (vi) “**Unitholders**” mean any person who owns Units of the InvIT.
- (vii) “**Valuer**” means the valuer of the InvIT.

III. INTERPRETATION

- (i) Capitalised terms used, but not defined herein, shall have the meaning ascribed to such term under the trust deed dated September 25, 2023 between Gawar Investment Manager Private Limited, Gawar Construction Limited, the sponsor to the InvIT and the Trustee (“**Trust Deed**”) and other InvIT Documents (as defined in the Trust Deed), as the case may be.
- (ii) In case of any inconsistency between the terms of the Trust Deed and this Policy, the terms of the Trust Deed shall prevail.

APPOINTMENT AND ROLE OF AUDITOR OF THE INVIT

- (i) The Investment Manager, in consultation with the Trustee, and pursuant to the recommendation of the Audit Committee, shall appoint the Auditor, in a timely manner and in accordance with the InvIT Regulations.
- (ii) The Investment Manager pursuant to the recommendation of the Audit Committee, shall ensure that the appointment of the Auditor and the fees payable to the Auditor is approved by the Unitholders in accordance with the InvIT Regulations.
- (iii) The Investment Manager shall ensure that the audit of the accounts of the InvIT by the Auditor is carried out in accordance with the InvIT Regulations.
- (iv) The Investment Manager shall appoint an individual or a firm as the Auditor, who shall hold office from the date of conclusion of the annual meeting in which the Auditor has been appointed till the date of conclusion of the sixth annual meeting of the Unitholders in accordance with the procedure for selection of auditors, as may be specified by the SEBI.
- (v) The Investment Manager shall not appoint or re-appoint:
 - (a) An individual as the Auditor for more than one term of five consecutive years, provided that an individual Auditor who has completed such term shall not be eligible for reappointment as the Auditor for a period of five years from the date of completion of the term; and
 - (b) An audit firm as the Auditor for more than two terms of five consecutive years, provided that an audit firm which has completed such term shall not be eligible for re-appointment as the Auditor for a period of five years from the date of completion of the term.
- (vi) The Investment Manager, in consultation with the Trustee, shall have the right to take all necessary steps to remove the Auditor who ceases to comply with the eligibility criteria required under the InvIT Regulations and applicable law.
- (vii) The Auditor shall conduct the audit of the accounts of the InvIT and draft the audit report based on the accounts examined by it after taking into account the relevant accounting and auditing standards under applicable law, including the InvIT Regulations and any guidelines, circulars, notifications and clarifications framed or issued by SEBI, as may be specified from time to time.



(viii) The Auditor shall comply with the conditions prescribed under the InvIT Regulations at all times, including the following:

- (a) The accounts of the InvIT shall be subjected to audit by the Auditors and shall be accompanied by a report of the Auditors which shall be submitted with the stock exchanges, in such manner and at such intervals as may be prescribed under applicable law, including InvIT Regulations;
- (b) The Auditor shall, to the best of its information and knowledge, ensure that the accounts and financial statements give a true and fair view of the state of the affairs of the InvIT, including profit or loss and cash flow for the relevant period and such other matters as may be specified by SEBI;
- (c) The Auditor shall have a right of access at all times to the books of accounts and vouchers pertaining to activities of the InvIT;
- (d) The Auditor shall have a right to obtain such information and explanation pertaining to activities of the InvIT as it may consider necessary for the performance of its duties as auditor from the employees of the InvIT, parties to the InvIT, the special purpose vehicle(s) or any other person in possession of such information;
- (e) The Auditor shall undertake a limited review of the audit of all the entities or companies whose accounts are to be consolidated with the accounts of the InvIT pursuant to applicable Indian Accounting Standards (Ind AS) and any addenda thereto as defined in Rule 2 (1) (a) of the Companies (Indian Accounting Standards) Rules, 2015, in such manner as may be specified by the SEBI; and
- (f) The Auditor should have subjected itself to the peer review process of Institute of Chartered Accountants of India (ICAI) and hold such a valid certificate.

V. APPOINTMENT AND ROLE OF VALUER OF THE INVIT

- (i) The Investment Manager, in consultation with Trustee, shall appoint the Valuer in a timely manner and shall determine the remuneration of such Valuer, in accordance with the InvIT Regulations. A 'Valuer' shall have the meaning provided under the InvIT Regulations.



- (ii) The Investment Manager shall ensure that the appointment of the Valuer is approved by the Unitholders in accordance with the InvIT Regulations.
- (iii) The Investment Manager shall ensure that the valuation of the InvIT assets is conducted by the Valuer in accordance with the InvIT Regulations.
- (iv) The Investment Manager in consultation with the Trustee shall have the right to take all necessary steps to remove the Valuer who ceases to comply with the eligibility criteria required under the InvIT Regulations and applicable law. If the removal of the Valuer and appointment of another valuer to the InvIT is taken up at a meeting of the Unitholders at the request of the Unitholders, such removal of the Valuer shall be approved by the Unitholders in accordance with the InvIT Regulations.
- (v) The remuneration of the Valuer shall not be linked to or based on the value of the assets being valued.
- (vi) The Valuer shall not be an associate of the Sponsor of the InvIT or the Investment Manager or Trustee. The Valuer shall have the minimum number of years of experience in valuation of infrastructure assets as may be required under the InvIT Regulations.
- (vii) The Valuer shall be eligible to act as a valuer in terms of the InvIT Regulations or any clarifications, guidelines, notifications or exemptions issued by SEBI.
- (viii) The Valuer shall not undertake valuation of the same project for more than four years consecutively, provided that the Valuer may be reappointed after a period of not less than two years from the date it ceases to be the Valuer of the InvIT.
- (ix) The Valuer shall not undertake valuation of any assets in which it has either been involved with the acquisition or disposal within the last twelve months other than such cases where the Valuer was engaged by the InvIT for such acquisition or disposal.
- (x) The Valuer shall comply with the following conditions at all times:
 - (a) The Valuer shall ensure that the valuation of the InvIT assets is impartial, true and fair and is in accordance with the InvIT Regulations;
 - (b) The Valuer shall ensure adequate and robust internal controls to ensure the integrity of its valuation reports;



- (c) The Valuer shall ensure that it has sufficient key personnel with adequate experience and qualification to perform valuations;
- (d) The Valuer shall ensure that it has sufficient financial resources to enable it to conduct its business effectively and meet its liabilities;
- (e) The Valuer and any of its employees involved in valuing of the assets of the InvIT, shall not:
 - invest in units of the InvIT or in the assets being valued;
 - sell the assets or units of the InvIT held prior to being appointed as the Valuer; and
 - until the time such person is designated as Valuer of the InvIT and not less than six months after ceasing to be Valuer of the InvIT.
- (f) The Valuer shall conduct valuation of the InvIT assets with transparency and fairness and shall render, at all times, high standards of service, exercise due diligence, ensure proper care and exercise independent professional judgment;
- (g) The Valuer shall act with independence, objectivity and impartiality in performing the valuation;
- (h) The Valuer shall discharge its duties towards the InvIT in an efficient and competent manner, utilizing its knowledge, skills and experience in best possible way to complete given assignment;
- (i) The Valuer shall not accept remuneration, in any form, for performing a valuation of the InvIT assets from any person other than the InvIT or its authorized representative;
- (j) The Valuer shall before accepting any assignment, from any related party of the InvIT, disclose to the InvIT through the Investment Manager or the Trustee, any direct or indirect consideration which the Valuer may have in respect of such assignment;
- (k) The Valuer shall disclose to the InvIT, through the Investment Manager or the Trustee, any pending business transactions, contracts under negotiation and other arrangements with the Investment Manager or any other party whom the InvIT is contracting with and any other factors that may interfere with the Valuer's ability to give an independent and professional valuation of the assets, and other necessary disclosures required under the InvIT



Regulations;

- (l) The Valuer shall not make false, misleading or exaggerated claims in order to secure assignments;
- (m) The Valuer shall not provide misleading valuation, either by providing incorrect information or by withholding relevant information;
- (n) The Valuer shall not accept an assignment which interferes with its ability to do fair valuation; and
- (o) The Valuer shall, prior to performing a valuation, acquaint itself with all laws or regulations relevant to such valuation.

VI. CONFLICT WITH LAW

In the event of any conflict between an applicable law including Companies Act, 2013, the SEBI InvIT Regulations or the SEBI Listing Regulations or any other statutory enactments and the provisions of this Policy, the applicable law shall prevail over this Policy.

VII REVIEW

The Board may review the policy at such intervals as may deem necessary, subject to the applicable law.

VIII AMENDMENTS

Any subsequent amendment/ modification in the Companies Act, 2013, the SEBI InvIT Regulations, the SEBI Listing Regulations and/or other applicable laws in this regard shall automatically apply to the Policy.

Approved and Adopted by the board of directors of Gawar Investment Manager Private Limited (Investment Manager) on behalf of National Infrastructure Trust.

Certified True Copy

Authorised Signatory

Shubham Jain

Company Secretary