

**POLICY ON APPOINTMENT OF AUDITOR AND VALUER
INDIA GRID TRUST**

A. **Preamble:** The Policy on Appointment of Auditor and Valuer (“**Policy**”) aims to provide a comprehensive policy on the appointment of auditor and valuer of the India Grid Trust (“**Trust**”). Accordingly, Sterlite Infraventures Limited, the investment manager to the Trust (“**Investment Manager**”) appointed pursuant to the Investment Management Agreement dated November 10, 2016, as amended by an amendment agreement dated December 1, 2016, has formulated this Policy.

B. **Appointment of Auditor of the Trust**

- (i). The Investment Manager, in consultation with the trustee to the Trust (“**Trustee**”), shall appoint the auditor of the Trust (“**Auditor**”), in a timely manner and in accordance with the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 (“**InvIT Regulations**”).
- (ii). The Auditor, so appointed, shall be one who has subjected himself to the peer review process of the Institute of Chartered Accountants of India (“**ICAI**”) and who holds a valid certificate issued by the Peer Review Board of ICAI.
- (iii). The Investment Manager shall ensure that the appointment of the Auditor and the fees payable to the Auditor is approved by the Unitholders, in accordance with the InvIT Regulations.
- (iv). The Investment Manager shall appoint an Auditor for a period of not more than five consecutive years; provided that the Auditor, not being an individual, may be reappointed for a period of another five consecutive years, subject to approval of Unitholders in the annual meeting in accordance with the InvIT Regulations.
- (v). The Auditor shall comply with the following conditions at all times:
 - a) the Auditor shall conduct audit of the accounts of the Trust and draft the audit report based on the accounts examined by him and after taking into account the relevant accounting and auditing standards, as may be specified by the Securities and Exchange Board of India (“**SEBI**”), the ICAI and shall comply with the requirements of the InvIT Regulations;
 - b) the Auditor shall, to the best of his information and knowledge, ensure that the accounts and financial statements give a true and fair view of the state of the affairs of the Trust, including profit or loss and cash flow for the period and such other matters as may be specified by SEBI;
 - c) the Auditor shall have a right of access at all times to the books of accounts and vouchers pertaining to activities of the Trust; and
 - d) the Auditor shall have a right to require such information and explanation pertaining to activities of the Trust as he may consider necessary for the performance of his duties as auditor from the employees of Trust or parties to the Trust or the special purpose vehicle(s) or any other person in possession of such information.

C. **Appointment of Valuer of the Trust**

- (i). The Investment Manager, in consultation with Trustee, shall appoint the valuer of the Trust (“**Valuer**”), to undertake both financial and technical valuation of the assets of the Trust, in a timely manner and in accordance with the InvIT Regulations. A ‘Valuer’ shall have the meaning set forth in the InvIT Regulations.

- (ii). The remuneration of the Valuer shall not be linked to or based on the value of the assets being valued.
- (iii). The Valuer shall not be an associate of the sponsor or the Investment Manager or Trustee.
- (iv). The Valuer shall have not less than five years of experience in valuation of infrastructure assets.
- (v). A Valuer shall not undertake valuation of the same project for more than four years consecutively, provided that the Valuer may be reappointed after a period of not less than two years from the date it ceases to be the Valuer of the Trust.
- (vi). The Valuer shall not undertake valuation of any assets in which it has either been involved with the acquisition or disposal within the last twelve months other than such cases where the Valuer was engaged by the Trust for such acquisition or disposal.
- (vii). The Valuer shall comply with the following conditions at all times:
 - a) the Valuer shall ensure that the valuation of the Trust assets is impartial, true and fair and is in accordance with Regulation 21 of 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 Trust , shall not:
 - invest in units of the Trust or in the assets being valued; and
 - sell the assets or units of the Trust held prior to being appointed as the Valuer,until the time such person is designated as Valuer of the Trust and not less than six months after ceasing to be Valuer of the Trust;
 - f) the Valuer shall conduct valuation of the Trust assets with transparency and fairness and shall render, at all times, high standards of service, exercise due diligence, ensure proper care and exercise independent professional judgment;
 - g) the Valuer shall act with independence, objectivity and impartiality in performing the valuation;
 - h) the Valuer shall discharge its duties towards the Trust in an efficient and competent manner, utilizing its knowledge, skills and experience in best possible way to complete given assignment;
 - i) the Valuer shall not accept remuneration, in any form, for performing a valuation of the Trust assets from any person other than the Trust or its authorized representative;
 - j) the Valuer shall before accepting any assignment, from any related party of the Trust, disclose to the Trust, through the Investment Manager, any direct or indirect consideration which the Valuer may have in respect of such assignment;
 - k) the Valuer shall disclose to the Trust, through the Investment Manager, any pending business transactions, contracts under negotiation and other arrangements with the investment manager or any other party whom the Trust is contracting with and any other factors that may interfere with the Valuer's ability to give an independent and professional valuation of the assets, and other necessary disclosures required under the InvIT Regulations;

- l) the Valuer shall not make false, misleading or exaggerated claims in order to secure assignments;
- m) the Valuer shall not provide misleading valuation, either by providing incorrect information or by withholding relevant information;
- n) the Valuer shall not accept an assignment which interferes with its ability to do fair valuation;
- o) the Valuer shall, prior to performing a valuation, acquaint itself with all laws or regulations relevant to such valuation; and
- p) any valuation undertaken by the Valuer shall be in compliance with international valuation standards and any valuation standards as may be specified by ICAI for valuation of infrastructure assets or such other valuation standards as may be specified by SEBI; provided that in case of any conflict, standards specified by ICAI shall prevail.

D. Notwithstanding the above, this Policy will stand amended to the extent of any change in applicable law, including any amendment to the InvIT Regulations, without any action from the Investment Manager or approval of the Unitholders of the Trust.

Adopted by the Board of Directors of Sterlite Infraventures Limited on behalf of the Trust on March 18, 2017.

Certified True Copy

Authorised Signatory