

Terms of reference of the Audit Committee

The terms of reference of the Audit Committee are as follows:

- (a). providing recommendations to the Board regarding any proposed distributions;
- (b). oversight of the Anzen India Energy Yield Plus Trust (“Anzen Trust”) financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- (c). giving recommendations to the Board regarding appointment, re-appointment, remuneration and terms of appointment of the statutory auditor of the Anzen India Energy Yield Plus Trust and the audit fee, subject to the approval of the unitholders;
- (d). approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- (e). reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the Board for approval, with particular reference to:
 - changes, if any, in accounting policies and practices and reasons for the same;
 - major accounting entries involving estimates based on the exercise of judgment by management;
 - significant adjustments made in the financial statements arising out of audit findings;
 - compliance with listing and other legal requirements relating to financial statements;
 - disclosure of any related party transactions;
 - modified opinion(s) and qualifications in the draft audit report;
- (f). reviewing, with the management, all periodic financial statements, including but not limited to quarterly, half-yearly and annual financial statements of Anzen Trust, whether standalone or consolidated or in any other form as may be required under applicable law, before submission to the Board for approval;
- (g). reviewing, with the management, the statement of uses/application of funds raised through the issue of units by the Anzen Trust (including but not limited to public issue, rights issue, preferential issue, private placement etc.) and any issue of debt securities and the statement of funds utilised for purposes other than those stated in the offer documents/

notice, and making appropriate recommendations to the Board for follow-up action;

- (h). reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- (i). approval or any subsequent modification of transactions of the Anzen Trust with related parties;
- (j). recommending such related party transactions to the Board or the unitholders, as may be required under the InvIT Regulations;
- (k). scrutiny of loans including inter-corporate loans and investments of Anzen Trust;
- (l). reviewing all valuation reports required to be prepared under applicable law, periodically, and as required, under applicable law;
- (m). evaluation of internal financial controls and risk management systems of Anzen Trust;
- (n). reviewing, with the management, performance of statutory auditors of Anzen Trust, adequacy of the internal control systems, as necessary;
- (o). reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- (p). discussion with internal auditors of any significant findings and follow up there on;
- (q). reviewing the findings of any internal investigations in relation to Anzen Trust, into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- (r). reviewing the procedures put in place by the Investment Manager for managing any conflict that may arise between the interests of the unitholders, the parties to Anzen Trust and the interests of the Investment Manager, including related party transactions, the indemnification of expenses or liabilities incurred by the Investment Manager, and the setting of fees or charges payable out of Anzen Trust's assets;
- (s). discussing with statutory auditors and valuers prior to commencement of the audit or valuation, respectively, about the nature and scope, as well as post-audit/ valuation discussion to ascertain any area of concern;
- (t). reviewing and monitoring the independence and performance of the valuer of Anzen Trust;

- (u). to look into the reasons for substantial defaults in the payment to the depositors, debenture holders and creditors;
- (v). evaluating any defaults or delay in payment of distributions to the unitholders or dividends by the SPVs to the Holding Companies and by the Holding Companies and/or SPVs, as applicable, to Anzen Trust and payments to any creditors of Anzen Trust or the Holding Companies or the SPVs, and recommending remedial measures;
- (w). to review the functioning of the whistle blower mechanism;
- (x). approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- (y). reviewing the utilization of loans and/ or advances from/investment by the Holding Company in the SPV exceeding rupees 100 crore or 10% of the asset size of the SPV, whichever is lower;
- (z). approving any management information systems or interim financial statements to be submitted by Anzen Trust to any unitholder or regulatory or statutory authority;
- (aa). considering and commenting on the rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on Anzen Trust and its unitholders;
- (bb). approving any reports required to be issued to the unitholders under the InvIT Regulations; and
- (cc). formulating any policy for the Investment Manager as necessary, in relation to its functions, as specified above.
- (dd). mandatorily review the following information:
 - (a). management discussion and analysis of financial condition and results of operations;
 - (b). statement of significant related party transactions (as defined by the audit committee), submitted by management;
 - (c). management letters / letters of internal control weaknesses issued by the statutory auditors;
 - (d). internal audit reports relating to internal control weaknesses;
 - (e). the appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee; and

(f). statement of deviations:

- quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1) of the LODR Regulations.
- annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7) of the LODR Regulations.

(ee) Any other matter as per the Corporate Governance Framework.