

**A. Preamble**

Pursuant to the investment management agreement dated October 26, 2023, the board of directors (the “**Board**”) of Walter Infra Manager Private Limited (the “**Investment Manager**”), the investment manager to Nxt-Infra Trust, has adopted the following policy and procedures (the “**Policy**”) with respect to Related Party Transactions of the Trust (*as defined below*) and conflict of interest situations. The Board may review and make amendments to the Policy from time to time as it may deem appropriate, subject to applicable law.

The Policy is adopted to regulate the transactions of Nxt-Infra Trust (the “**Trust**”) with its Related Parties (*as defined below*), based on the laws and regulations applicable to the Trust and best practices and to ensure proper approval, supervision and reporting of the transactions between the Trust and its Related Parties.

**B. Objectives**

The objective of the Policy is to ensure proper approval, supervision and reporting of the transactions between the Trust and its Related Parties.

**C. Definitions**

- (i). “**Act**” means the Companies Act, 2013, as amended.
- (ii). “**Associate**” of any person shall have the meaning ascribed to such term under the Trust Deed / InvIT Regulations.
- (iii). “**Audit Committee**” means the audit committee of the Investment Manager constituted by the Board pursuant to InvIT Regulations.
- (iv). “**Director**” means a director on the board of directors of the Investment Manager.
- (v). “**Investment Manager**” means Walter Infra Manager Private Limited, the investment manager of the Trust.
- (vi). “**Project Manager**” means Walter Infra Project Manager Private Limited, the project manager of the Trust.
- (vii). “**Related Party of the Trust**”/ “**Related Parties**” shall be as per the definition given under the Companies Act, 2013, as amended and shall also include (i) the Sponsor, the Investment Manager, the Project Manager and the Trustee; (ii) any promoters, directors or partners of persons mentioned in clause (i) above; and (iii) all parties covered under the applicable accounting standards.
- (viii). “**Related Party Transactions**” shall mean any transactions between the Trust and any Related Party of the Trust. Further, any transaction between the Trust and one or more infrastructure investment trusts having a common investment manager or sponsor, or a transaction where any of the Investment Manager or the Sponsor are



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an Associate of the investment manager or sponsor of the other infrastructure investment trust(s), shall be deemed to be related party transactions for such parties.

- (ix). **“Sponsor”** shall mean Actis Highway Infra Limited, the sponsor of the Trust.
- (x). **“SPV”** shall have the meaning ascribed to such term in the InvIT Regulations.
- (xi). **“Trust Deed”** shall mean the trust deed dated October 26, 2023, entered into by and between the Sponsor and the Trustee, and as amended, modified, supplemented or restated from time to time, together with all annexures, schedules and exhibits, if any.
- (xii). **“Trustee”** means Catalyst Trusteeship Limited, the trustee to the Trust.
- (xiii). **“Unit”** shall mean an undivided beneficial interest of the InvIT, and such Units together represent the entire beneficial interest of the InvIT.
- (xiv). **“Unitholder”** means any person who owns Units of the Trust.

#### **D. Policy**

- (i). In accordance with the InvIT Regulations, the Investment Manager will ensure that all future Related Party Transactions shall be:
  - (a). on an arm’s length basis;
  - (b). in accordance with the relevant accounting standards;
  - (c). in the best interest of the Unitholders;
  - (d). consistent with the strategy and investment objectives of the Trust; and
  - (e). compliant with applicable law, including the InvIT Regulations.
- (ii). Review and approval of Related Party Transactions:
  - (a). Each transaction which is identified as a Related Party Transaction shall be pre-approved by the Audit Committee (which in turn, will have taken into consideration the inputs from the Finance and Investment Committee) prior to entering into such transaction.
  - (b). The Audit Committee may grant omnibus approval for Related Party Transactions. Each such omnibus approval shall be valid for a period not exceeding one year from the date of such approval, and Related Party Transactions undertaken after the expiry of such period shall require fresh approval of the Audit Committee. The Audit Committee shall review, on a periodic basis, the details of Related Party Transactions entered into by the Trust pursuant to the omnibus approval.
- (iii). Rectification of Related Party Transaction:



- (a). In the event the Investment Manager becomes aware of any Related Party Transaction that has not been approved prior to its consummation by the Audit Committee or the Unitholders (“**Approving Authority**”), as may be required, in accordance with this Policy and applicable laws, the said Related Party Transaction shall be placed before the Approving Authority, as promptly as practicable, along with all relevant information and facts.
- (b). The Approving Authority shall consider all facts and circumstances, and evaluate all options available, including but not limited to ratification, revision or termination of the said Related Party Transaction, and shall take such actions as it may deem appropriate.
- (c). The Committee, may, at its discretion, shall also examine the internal control and reasons for failure in reporting/obtaining prior approval of such RPT and give necessary directions as it may deem appropriate.

In such cases the said Related Party Transaction shall not be deemed to violate this Policy, or be invalid or unenforceable, so long as post facto approval of Approving Authority is obtained as promptly as reasonably practical after it is entered into or after it becomes reasonably apparent that the transaction is covered by this Policy.

- (iv). Criteria and details required for granting omnibus approval:
  - (a). the Audit Committee shall lay down the criteria (after taking into consideration the inputs from the Finance and Investment Committee) for granting the omnibus approval in line with the policy on related party transactions of the listed entity and such approval shall be applicable in respect of transactions which are repetitive in nature;
  - (b). the Audit Committee shall satisfy itself regarding the need for such omnibus approval and that such approval is in the interest of the listed entity;
  - (c). the omnibus approval shall specify:
    - (i). the name(s) of the related party, nature of transaction, period of transaction, maximum amount of transactions that shall be entered into;
    - (ii). the indicative base price / current contracted price and the formula for variation in the price if any; and
    - (iii). such other conditions as the audit committee may deem fit: Provided that where the need for related party transaction cannot be foreseen and aforesaid details are not available, audit committee may grant omnibus approval for such transactions subject to their value not exceeding rupees one crore per transaction
  - (d). the Audit Committee shall review, at least on a quarterly basis, the details of related party transactions entered into by the listed entity pursuant to each of the omnibus approvals given.

- (e). Such omnibus approvals shall be valid for a period not exceeding one year and shall require fresh approvals after the expiry of one year.
- (v). The Investment Manager will establish an internal control system so as to ensure that all future Related Party Transactions are compliant with the InvIT Regulations and applicable accounting standards. Further, the Investment Manager shall comply with the InvIT Regulations in relation to Related Party Transactions. The Investment Manager shall also ensure compliance with any additional guidelines issued in this regard by Securities and Exchange Board of India and other relevant regulatory, statutory or governmental authorities from time to time.
- (vi). In addition to any other requirement that may be prescribed in terms of the InvIT Regulations or other applicable law, all Related Party Transactions to be entered into in the future will be decided by the Board after the examination of the nature of the transaction and its supporting documents or such other data as may be deemed necessary by the Board.
- (vii). The Investment Manager will ensure that if the total value of all the Related Party Transactions in a financial year pertaining to acquisition or sale of assets, whether directly or through a holding company or SPV, or investments into securities, exceeds 5% of the value of the assets of the Trust or any other threshold prescribed by the InvIT Regulations, approval from the Unitholders shall be obtained prior to entering into any such subsequent transaction with any Related Party, in accordance with Regulation 22 of the InvIT Regulations.
- (viii). The Investment Manager will ensure that if the value of the funds borrowed from Related Parties in a financial year exceeds 5% of the total consolidated borrowings of the Trust, any holding company and the SPVs, or any other threshold prescribed by the InvIT Regulations, approval from the Unitholders shall be obtained prior to entering into any such subsequent transaction with any Related Party, in accordance with Regulation 22 of the InvIT Regulations.
- (ix). As a general rule, the Investment Manager must demonstrate to the Board that future Related Party Transactions satisfy the criteria set out in Paragraph D(i) at the time of recommending the same for the approval of the Board.
- (x). The Investment Manager will maintain records all Related Party Transactions entered into by the Trust and the basis on which they are entered into.
- (xi). The Investment Manager will also incorporate into its internal audit plan a review of all material Related Party Transactions entered into by the Trust during each financial year, including a review of the implementation of the agreements, including any right of first offer or right of first refusal arrangements, to acquire assets from the Sponsor.
- (xii). The Board shall review the Related Party Transactions within a prescribed timeline, as per the InvIT Regulations and applicable law, to ascertain that the guidelines and procedures established to monitor the Related Party Transactions have been complied with. The review by the Board will include the examination of the nature of the transaction and its supporting documents or such other data as may be deemed necessary by the Board.

- (xiii). The Investment Manager shall ensure that the profits from Related Party Transactions have arisen from legitimate business transactions.
- (xiv). While considering a Related Party Transaction, any director on the Board who has a potential interest in any Related Party Transaction will recuse himself or herself and abstain from discussion, review and voting on the Related Party Transaction in terms of the InvIT Regulations and applicable law. Further, while considering voting on a Related Party Transaction which requires approval of the Unitholders, voting by any person who is a related party in such transaction as well as Associate of such person(s) shall not be considered on the specific issue.
- (xv). In connection with any review of Related Party Transaction, the Audit Committee/Unitholders has authority to modify or waive any procedural requirements of this Policy in the best interest of the Trust.

#### **E. Potential Conflict of Interest**

- (i). Subject to applicable law and this Policy, all resolutions in writing of the Board in relation to matters concerning Related Party Transactions of the Trust must be approved by a majority of the Directors of the Investment Manager.
- (ii). Where matters concerning the Trust relate to transactions entered into or to be entered into by the Investment Manager for and on behalf of Trust with a Related Party, the Board is required to consider the terms of the transactions to satisfy itself that the transactions are conducted in accordance with the parameters set out in this Policy.
- (iii). As part of its review of the internal audit reports, the Board will review the internal audit reports of the implementation of the agreements to acquire assets from the Sponsor to ensure compliance. The review will include an examination of supporting documents and such other data deemed necessary to the Board.

#### **F. Disclosure and Reporting**

- (i). The Investment Manager shall submit to the Trustee, quarterly reports on the activities of the Trust, *inter alia* including the status of compliance with the requirements specified under the InvIT Regulations in relation to Related Party Transactions, within such time as may be prescribed in the InvIT Regulations and applicable law.
- (ii). Related Party Transactions shall be disclosed: (a) in the offer document with respect to any such transactions entered into prior to the offer of units and any such proposed transactions subsequent to the offer; and (b) to the stock exchanges and the Unitholders periodically, in accordance with the InvIT Regulations and the agreements to be entered into with the stock exchanges in relation to the listing of the Units. The Investment Manager shall adequately disclose the details of any fees or commissions received or to be received by such related party(ies) to the stock exchanges.
- (iii). In accordance with the InvIT Regulations, the annual report and the half-yearly report to be submitted by the Investment Manager to all Unitholders, electronically or by physical copies, and to the stock exchanges, as may be applicable within such time as may be



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prescribed under the InvIT Regulations, shall contain, inter alia, details of all related party transactions, including acquisitions or disposal of any projects, directly or through the HoldCos or SPVs during the year, the value of which exceeded 5% of the value of the assets of the Trust.

**G. Conflict with Applicable Law**

The Policy shall not contradict with the provisions of any applicable law. In case of any discrepancy, the provisions of applicable law shall prevail over the provisions of this Policy.

**H. Amendment**

- (i). Any amendment or variation to this Policy shall be undertaken in compliance with the InvIT Regulations and other 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, without any action from the Investment Manager or approval of the unitholders of the Trust.

Approved by the board of directors of Walter Infra Manager Private Limited (Investment Manager) on behalf of Nxt-Infra Trust on December 27, 2023.

Certified True Copy

Sd/-

Authorised Signatory

Name: Rakshit Jain

Designation: Director & CEO

