DISTRIBUTION POLICY OF NDR INVIT TRUST

A. Preamble

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 (the "**InvIT Regulations**"), prescribes certain conditions in relation to distribution to be made to the unitholders of an infrastructure investment trust ("**Unitholders**"). The Distribution Policy (the "**Policy**"), aims to outline the process and procedure for distribution in relation to NDR INVIT Trust (the "**Trust**"). Accordingly, NDR InvIT Managers Private Limited (the "**Investment Manager**"), the investment manager to the Trust appointed pursuant to the investment management agreement dated March 31, 2023 (the "**Investment Management Agreement**"), has formulated this Policy.

B. The net distributable cash flows of the Trust (the "**Distributable Income**") shall be based on the cash flows generated by it and from the underlying operations undertaken by the special purpose vehicles (together, the "**SPVs**") and any holding companies (such holding companies together, the "**Holding Companies**" and together with the SPVs, the "**Portfolio Assets**") held by the Trust.

C. Cash flows receivable by the Trust may include dividends, proceeds from buy-back or capital reduction from any Portfolio Asset; and/or interest income or principal repayment or prepayment received from the SPVs in relation to any debt provided by the Trust to the SPVs, or a combination of both.

D. Distributions may be made from the monies received by the Trust, in accordance with the provisions of the InvIT documents and applicable law.

E. In terms of the InvIT Regulations, the SPVs shall distribute not less than 90% of its net distributable cash flows to its respective holding company ("**Holdco**") or the Trust, as applicable, in the proportion of its holding in the SPV, subject to applicable provisions of the Companies Act, 2013, as amended or Limited Liability Partnership Act, 2008, as amended, as applicable.

F. With regard to distribution of net distributable cash flows by the Holdco to the Trust, 100% of cash flows received by the Holdco from underlying SPVs shall be distributed to the Trust and with respect to the cash flows generated by a Holdco on its own, not less than 90% of such net distributable cash flows shall be distributed by the Holdco to the Trust.

G. In the event any infrastructure assets is sold by the Trust or any Portfolio Asset or if the equity shares or interest in any Portfolio Asset is sold by the Trust, then in accordance with the InvIT Regulations:

- if the Trust proposes to re-invest the sales proceeds into any other infrastructure asset, it shall not be required to distribute any sales proceeds to the Trust or the Unitholders; and
- if the Trust proposes not to invest the sales proceeds into any other infrastructure asset within a period of one year, it shall be required to distribute the same in accordance with the InvIT Regulations.

H. The Trust shall distribute at least 90% of the Distributable Income to the Unitholders. Such distribution shall be declared and made such that the time period between any two declarations of distribution shall not exceed one year. In accordance with the InvIT Regulations, distributions by the Trust shall be made no later than 15 days from the date of such declarations. The distribution, when made, shall be made in Indian Rupees.

I. All distributions to the Unitholders shall be made in compliance with the InvIT Regulations, Income-tax Act, 1961 and other applicable law.

J. The Distributable Income and the net distributable cash flows of any SPV shall be calculated in accordance with the InvIT Regulations. The indicative method of calculating net distributable cash flows for the SPV and the Trust is provided below:

I. Calculation of net distributable cash flows at the SPV level:

Description
Profit after tax as per Statement of profit and loss/ income and expenditure (standalone) (A)
Add: Depreciation and amortisation as per statement of profit and loss/ income and expenditure.
Add / less: Loss / gain on sale of Infrastructure Assets
Add: Proceeds from sale of Infrastructure Assets adjusted for the following: • related debts settled or due to be settled from sale proceeds; • directly attributable transaction costs; • proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations
Add: Proceeds from sale of Infrastructure Assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently.
Add / less: Any other item of non-cash expense / non-cash income (net of actual cash flows for these items), if deemed necessary by the Investment Manager, including but not limited to • any decrease/increase in carrying amount of an asset or a liability recognised in the statement of profit and loss/ income and expenditure on measurement of the asset or the liability at fair value; • interest cost as per the effective interest rate method; • deferred taxes; • lease rents recognised on a straight-line basis, etc.
• Less: Repayment of external debt (principal)/ redeemable preference shares/ debentures, etc. if deemed necessary by the Investment Manager
Total Adjustments (B)
Net Distributable Cash Flows (C) = (A+B)

II. Calculation of net distributable cash flows at the consolidated InvIT level:

Description
Profit after tax as per statement of profit and loss/ income and expenditure (consolidated) (A)

Add: Depreciation and amortisation as per statement of profit and loss/ income and expenditure. (consolidated)
Add / less: Loss / gain recognised on sale of infrastructure assets or equity shares or interest in SPVs
Add: Proceeds from sale of infrastructure assets or equity shares or interest in SPVs adjusted for the following: • related debts settled or due to be settled from sale proceeds; • directly attributable transaction costs; • proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT Regulations
Add: Proceeds from sale of infrastructure assets or equity shares or interest in SPVs not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently.
Add / less: Any other item of non-cash expense / non-cash income (net of actual cash flows for these items), if deemed necessary by the Investment Manager, including but not limited to • any decrease/increase in carrying amount of an asset or a liability recognised in the statement of profit and loss/ income and expenditure on measurement of the asset or the liability at fair value; • interest cost as per the effective interest rate method; • deferred taxes; • lease rents recognised on a straight-line basis, etc.
Less: Repayment of external debt (principal)/ redeemable preference shares/ debentures, etc., if deemed necessary by the Investment Manager
Total Adjustments (B)
Net Distributable Cash Flows (C) = (A+B)

K. In terms of the InvIT Regulations, if the distribution is not made within 15 days of declaration, the Investment Manager shall be liable to pay interest to the Unitholders at the rate of 15% per annum or such other rate as may be specified under applicable law, whichever is lower, until the distribution is made. Such interest shall not be recovered in the form of fees or any other form payable to the Investment Manager by the Trust.

L. In accordance with the InvIT Regulations, in the event any amount remains unclaimed or unpaid out of the distributions declared by the Trust, such amount shall be transferred to the "Investor Protection and Education Fund" constituted by SEBI in terms of Section II of the Securities and Exchange Board of India Act, 1992 in a manner as may be specified by SEBI.

M. **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.

N. **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.

Adopted by the Board of Directors or InvIT Committee, as the case may be, of NDR Invit Managers Private Limited on behalf of the Trust on April 25, 2023.

Certified True Copy

Sd/-

Authorised Signatory
Name: Krishnan Iyer Subramanian
Designation: Chief Executive Officer