



DISTRIBUTION POLICY OF RAAJMARG INFRA INVESTMENT 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**”), and the master circular issued by the Securities and Exchange Board of India dated July 11, 2025 bearing reference number SEBI/HO/DDHS-PoD-2/P/CIR/2025/102 (“**Master Circular**”) prescribes certain conditions in relation to distribution to be made to the unitholders of an infrastructure investment trust (“**Unitholders**”). This distribution policy (the “**Policy**”) aims to outline the process and procedure for the distribution to be undertaken by Raajmarg Infra Investment Trust (the “**Trust**”), subject to the provisions of the InvIT Regulations. Accordingly, Raajmarg Infra Investment Managers Private Limited (the “**Investment Manager**”), the investment manager to the Trust appointed pursuant to the investment management agreement dated December 02, 2025, as may be amended from time to time (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/or any holding companies (such holding companies individually referred to as “**Holdco**” and together, the “**Holding Companies**”) and together with the SPVs, the “**Portfolio Assets**”) held by the Trust. The computation of the Distributable Income will at all times be compliant with the prevailing provisions of the InvIT Regulations.
- C. Distributions may be made from the monies received by the Trust, in accordance with the provisions of the documents executed in relation to the InvIT and applicable law.
- D. In terms of the InvIT Regulations and Master Circular, each SPVs shall distribute not less than 90% of its net distributable cash flows (“**NDCF**”) to its respective 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.
- E. In terms of the InvIT Regulations, with regard to distribution of NDCF by the Holdco, if any, to the Trust, 100% of cash flows received by the Holdco from underlying SPVs shall be distributed to the Trust (net of any expenses and applicable taxes including withholding taxes and adjustment for negative cash flows of the Holdco as permitted under InvIT Regulations) and with respect to the cash flows generated by a Holdco on its own, not less than 90% of such NDCF shall be distributed by the Holdco to the Trust.
- F. In the event any infrastructure asset 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 and this Policy:
- 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 Unitholders or the Trust; 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.
- G. In terms of the InvIT Regulations, the Trust shall distribute at least 90% of the Distributable Income to the Unitholders in proportion to their respective unit holdings. The distributions shall be made in accordance with



the timelines as prescribed under the InvIT Regulations. The Trust shall ensure that such distribution of available Distributable Income is made at least once in every quarter during the financial year. All distributions shall be effected within the prescribed timelines from the record date, as stipulated under the applicable SEBI InvIT Regulations. The first distribution (whether monthly/quarterly/half-yearly, etc.) out of the NDCF computed for a financial year (or period thereof) should be as mandated in the InvIT Regulations. Thereafter, minimum distribution requirement should be met on a cumulative basis for the subsequent distributions out of the NDCF for such financial year.

- H. All distributions to the Unitholders shall be made in compliance with the InvIT Regulations, Income-tax Act, 2025 (“IT Act”), and other applicable law.
- I. For the purposes of the IT Act, any income distributed by the Trust to the Unitholders shall be deemed to be of the same nature and in the same proportion in the hands of the Unitholder as if it had been received by, or accrued to, the Trust. Accordingly, the Trust may follow either the receipt approach or the accrual approach subject to the provisions of the IT Act and applicable accounting standards, however, the same shall be followed on a consistent basis.
- J. The Distributable Income and the NDCF of any SPV shall be calculated in accordance with the InvIT Regulations. The indicative method of calculating NDCF for the SPV and the Trust is provided below:

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

Particulars
Cash flow from operating activities as per Cash Flow Statement of HoldCo/ SPV
(+) Cash Flows received from SPV’s which represent distributions of NDCF computed as per relevant framework (refer note 1 and 8 below) (relevant in case of HoldCos)
(+) Treasury income / income from investing activities (interest income received from FD, tax refund, any other income in the nature of interest, profit on sale of Mutual funds, investments, assets etc., dividend income etc., excluding any Ind AS adjustments. Further clarified that these amounts will be considered on a cash receipt basis)
(+) Proceeds from sale of infrastructure investments, infrastructure assets or shares of SPVs or Investment Entity adjusted for the following <ul style="list-style-type: none"> • Applicable capital gains and other taxes • 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) of InvIT Regulations or any other relevant provisions of the InvIT Regulations
(+) Proceeds from sale of infrastructure investments, infrastructure assets or sale of shares of SPVs or Investment Entity not distributed pursuant to an earlier plan to reinvest as per Regulation 18(7) of InvIT Regulations or any other relevant provisions of the InvIT Regulations, if such proceeds are not intended to be invested subsequently
(-) Finance cost on Borrowings as per Profit and Loss Account excluding finance cost on any shareholder debt/loan from trust. The amortization of any transaction costs can be excluded provided such transaction costs have already been deducted while computing NDCF of previous period when such transaction costs were paid

(-) Debt repayment (to include principal repayments as per scheduled EMI's except if refinanced through new debt including overdraft facilities and to exclude any debt repayments / debt refinanced through new debt, in any form or equity raise as well as repayment of any shareholder debt / loan from Trust)
(-) any reserve required to be created under the terms of, or pursuant to the obligations arising in accordance with, any: (i). loan agreement entered with banks / financial institution from whom the Trust or any of its SPVs/ HoldCos have availed debt, or (ii). terms and conditions, covenants or any other stipulations applicable to debt securities issued by the Trust or any of its SPVs/ HoldCos, or (iii). terms and conditions, covenants or any other stipulations applicable to external commercial borrowings availed by the Trust or any of its SPVs/ HoldCos, or (iv). agreement pursuant to which the SPV/ HoldCo operates or owns the infrastructure asset, or generates revenue or cashflows from such asset (such as, concession agreement, transmission services agreement, power purchase agreement, lease agreement, and any other agreement of a like nature, by whatever name called); or (v). statutory, judicial, regulatory, or governmental stipulations; or – (refer note 2 below)
(-) any capital expenditure on existing assets owned / leased by the SPV or HoldCo, to the extent not funded by debt / equity or from reserves created in the earlier years (refer note 9 below)
NDCF for HoldCo/SPVs

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

Particulars
Cashflows from operating activities of the Trust
(+) Cash flows received from SPV's / Investment entities which represent distributions of NDCF computed as per relevant framework (refer note 1 and 8 below)
(+) Treasury income / income from investing activities of the Trust (interest income received from FD, any investment entities as defined in Regulation 18(5), tax refund, any other income in the nature of interest, profit on sale of Mutual funds, investments, assets etc., dividend income etc., excluding any Ind AS adjustments. Further clarified that these amounts will be considered on a cash receipt basis)
(+) Proceeds from sale of infrastructure investments, infrastructure assets or shares of SPVs/HoldCos or Investment Entity adjusted for the following <ul style="list-style-type: none"> • Applicable capital gains and other taxes • 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) of InvIT Regulations or any other relevant provisions of the InvIT Regulations
(+) Proceeds from sale of infrastructure investments, infrastructure assets or sale of shares of SPVs/ HoldCos or Investment Entity not distributed pursuant to an earlier plan to re-invest as per Regulation 18(7) of InvIT Regulations or any other relevant provisions of the InvIT Regulations, if such proceeds are not intended to be invested subsequently



<p>(-) Finance cost on Borrowings as per Profit and Loss Account. However, amortization of any transaction costs can be excluded provided such transaction costs have already been deducted while computing NDCF of previous period when such transaction costs were paid</p>
<p>(-) Debt repayment at Trust level (to include principal repayments as per scheduled EMI's except if refinanced through new debt including overdraft facilities and to exclude any debt repayments / debt refinanced through new debt in any form or funds raised through issuance of units)</p>
<p>(-) any reserve required to be created under the terms of, or pursuant to the obligations arising in accordance with, any:</p> <ul style="list-style-type: none">(i). loan agreement entered with financial institution, or(ii). terms and conditions, covenants or any other stipulations applicable to debt securities issued by the Trust or any of its SPVs/ HoldCos, or(iii). terms and conditions, covenants or any other stipulations applicable to external commercial borrowings availed by the Trust or any of its SPVs/ HoldCos, or(iv). agreement pursuant to which the Trust operates or owns the infrastructure asset, or generates revenue or cashflows from such asset (such as, concession agreement, transmission services agreement, power purchase agreement, lease agreement, and any other agreement of a like nature, by whatever name called); or(v). statutory, judicial, regulatory, or governmental stipulations; or – (refer note 2 below)
<p>(-) any capital expenditure on existing assets owned / leased by the InvIT, to the extent not funded by debt / equity or from contractual reserves created in the earlier years (refer note 9 below)</p>
<p>NDCF at Trust Level</p>

Notes / other rules:

1. NDCF computed at SPV level for a particular period to be added under this line item, even if the actual cashflows from SPV to the Trust has taken place post that particular period, but before finalization and adoption of accounts of the Trust.
2. The Trust retains the option to distribute any surplus amounts, unless such surplus is required to create reserves for any subsequent period. However, any reserve created out of debt funds at the time of availing debt as per the terms of the financing documents shall not be reduced.
3. The option to retain 10% distribution under Regulation 18(6) of the InvIT Regulations needs to be computed by taking together the retention done at SPV level and Trust level.
4. Surplus cash available in Trust/ Holdco/SPVs due to:
 - (i) 10% of NDCF withheld in line with the InvIT Regulations in any earlier year or half year or;
 - (ii) Such surplus being available in a new Holdco/SPV on acquisition of such Holdco/SPV by the Trust; or
 - (iii) Any other reason, excluding if such surplus cash is available due to any debt raise

could be considered for distribution by the Holdco/SPV to the Trust/ Holdco, or by the Trust to its Unitholders in part or in full. Also, such distribution of surplus funds shall be separately disclosed after the NDCF computation for the respective period.



Provided that with regard to the point 4 (ii) above, if an acquisition of such SPV was funded by external debt, then surplus cash available with such SPV should first be used to repay such external debt. After such debt repayment, remaining surplus, if any, can be used for distribution.

5. Similarly, any restricted cash (disclosed as such) should not be considered for NDCF computation by the SPV/ Holdco or Trust (e.g. unspent CSR balance for any year deposited in a separate account as per Companies Act, 2013 which will be utilized in subsequent years, DSRA reserve, major maintenance reserve etc.)
 6. Further, it is expressly provided that no Trust or Holdco/SPV can distribute any cashflows by obtaining external debt, except to the extent clarified in note 2 and 7 (this will exclude any working capital / OD facilities obtained by Trust / SPVs as part of Treasury management / working capital purposes as long as they are squared off within the quarter).
 7. Further, it is also clarified that proceeds from sale of infrastructure investments, infrastructure assets or shares of SPVs or Investment Entity adjusted for transaction costs or repayment of debt taken for such assets or other items as mentioned above which is intended to be reinvested or planned to be reinvested as per Regulation 18(7) of the InvIT Regulations, could be temporarily parked in Overdraft accounts or used to repay any additional / unrelated debt. Further if such proceeds are not intended to be reinvested as per the timeline provided in the InvIT Regulations and such net proceeds are to be distributed back to Unitholders, then redrawing such temporarily parked funds to distribute such net proceeds will not be considered as a contravention of note 6 above.
 8. Cash flows received from Holdco/SPV's / Investment entities which represent distributions of NDCF computed as per relevant framework at the Trust and/or Holdco level for further distribution to Unitholders shall exclude any such cash flows used by the Trust and/or Holdco for onward lending to any other Holdco/SPVs / Investment entities to meet operational / interest expenses or debt servicing of entities.
 9. Capital expenditure include amounts incurred and paid towards asset enhancement and are capitalized to asset value in the financial statements including lease payments. It is further clarified that Existing Assets as referred to in this line item includes any new structure / building / other infrastructure constructed on an existing infrastructure asset which is already a part of the Trust.
 10. Debt repayment at Trust level will not be reduced from NDCF to the extent such debt is refinanced at the Holdco/SPV level and such proceeds from refinancing have been transferred by the Holdco/SPV to the Trust for such debt repayment. Similarly, debt repayment at Holdco/SPV level will not be reduced from NDCF to the extent such debt is refinanced at the Trust level and such proceeds from refinancing have been transferred by the Trust to the Holdco/SPV for such debt repayment.
- K. In terms of the InvIT Regulations, if the distribution is not made in accordance with the prescribed timeline under the InvIT Regulations, 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 11 of the Securities and Exchange Board of India Act, 1992 in a manner as may be specified by SEBI, provided such amount transferred shall not bear any interest.

M. Distribution on Disposition

Disposition shall mean any transaction or series of transactions whereby the Investment Manager in consultation with the trustee of the Trust (“**Trustee**”), in accordance with the InvIT Regulations, sells or otherwise disposes for cash or other consideration the Trust’s right, title and interest in and to any or all of the investments or from the sale of any Trust Asset or on account of closure of project or termination of project or winding up of an SPV (“**Disposition**”).

The Trustee in consultation with the Investment Manager shall distribute the cash proceeds realized on any Disposition net of all fees, charges, taxes and costs relating to such Disposition, and net of all expenses pro rata to the total subscription amount of a Unitholder provided that such proceeds from Disposition are not used for investments in any project in which the Trust is permitted to invest, acquire or set up in accordance with InvIT Regulations or in any SPV, within a period of one year of such Disposition.

Any tax paid by the Trust on behalf of the Unitholders or tax deducted on investments made (including temporary investments) shall be considered to be towards amounts distributed as mentioned above.

N. Distribution on Dissolution

In the event of dissolution or winding up of the Trust, all of the Trust Assets or the proceeds therefrom shall be distributed or used as follows and in the following order of priority:

- (a) First, towards the payment of the debts and liabilities of the Trust, including without limitation any fees, any amounts due to the Investment Manager, the Project Manager of the Trust or a service provider and the expenses of liquidation;
- (b) Second, towards the setting up of any reserves which the Trustee or the authority in-charge of the dissolution of the Trust may deem reasonably necessary for any contingent or unforeseen liabilities or obligations of the Trust; and
- (c) Third, towards the Unitholders in accordance with the terms of the Indenture of Trust, the InvIT Regulations, the Indian Trusts Act, 1882, the Offer Document and the Final Offer Document.

O. Limitation to the Liability of the Unitholders

- (a) The liability of each Unitholder towards the payment of any amount (that may arise in relation to the Trust including any taxes, duties, fines, levies, liabilities, costs or expenses) shall be limited only to the extent



of the capital contribution of such Unitholder and after such capital contribution shall have been paid in full by the Unitholder, the Unitholder shall not be obligated to make any further payments.

- (b) The Unitholder(s) shall not have any personal liability or obligation with respect to the Trust

P. Deduction of Taxes

- (a) In accordance with the Indenture of Trust, the Trustee may in consultation with the Investment Manager, make any deductions of taxes, cess, fees, charges, assessments and duties that may be required to be deducted or withheld under applicable laws before making any payment to any Unitholder, whether by way of distribution, redemption of any Units or otherwise.
- (b) The Trustee may in consultation with the Investment Manager, also deduct any stamp duties or government taxes, registration fees or charges payable by it or for which the Trustee may be liable in respect of any payment to any Unitholder, whether by way of distribution, redemption of any Units or otherwise, or in connection with any documents executed in that regard.
- (c) Subject to applicable law, the Trustee or the Investment Manager, as the case may be, shall not be liable to account to any Unitholder or otherwise for any payment made or suffered by the Trustee or the Investment Manager in good faith to any duly empowered revenue authority for taxes or other charges in any way arising out of or relating to any transactions of whatsoever nature under these presents, notwithstanding that any such payment ought not to be or need not have been made or suffered.

Q. In-specie Distribution

Subject to the approval of the Unitholders, in accordance with the Trust Deed and provisions of applicable law, the Trustee, in consultation with the Investment Manager, may at any time during the life of the InvIT make in-specie distributions of the assets of the Trust on such terms and conditions and in such manner that is in accordance with the Trust Deed, the Investment Management Agreement, the Project Implementation and Management Agreement and other documents for the purpose of the Trust (including the offer documents) and applicable law. .

R. 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.

S. Amendment

- i. Any amendment or variation to this Policy, other than those changes necessitated by changes in applicable law, shall require prior approval of the Unitholders and shall be undertaken in compliance with 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 of Raajmarg Infra Investment Managers Private Limited on behalf of the Trust on 15th December, 2025.