

IRB INFRASTRUCTURE TRUST
Distribution Policy

Name of the policy	Distribution Policy
Name of the entity formulating the policy	IRB Infrastructure Trust (the “ Trust ”)
Objective	This policy sets out the guidelines for payment and accrual of distribution including distribution of returns by the Trust and distribution of dividends.
Effective Date	February 13, 2020 Amended w.e.f. August 5, 2024
Defined Terms	<p>“Applicable Law” shall mean any applicable law, by-law, rule, regulation, guideline, circular, order, notification, regulatory policy (including any requirement under, or notice of, any regulatory body), compulsory guidance, rule, order or decree of any court or any arbitral authority, or directive, delegated or subordinate legislation in any applicable jurisdiction, in India or outside India, including the Indian Trusts Act, 1882, the InvIT Regulations, the Foreign Exchange Management Act, 1999 and rules, circulars, guidelines and regulations thereunder, and the applicable guidelines, instructions, rules, communications, circulars and regulations issued by any Governmental Authority, in each case, having the effect of law over any of the Parties, their operations, or the transactions contemplated under this Policy or the Indenture.</p> <p>“Companies Act” means Companies Act, 2013.</p> <p>“Control” (including, with its correlative meanings, the terms “Controlled by” or “under common control with”), as used with respect to any party, shall mean: (a) the possession, directly or indirectly, of the power to direct or cause the direction of the management and policies of such person whether through the ownership of voting securities, by agreement or otherwise; or (b) the power to elect more than half of the directors on the board, partners or other individuals exercising similar authority with respect to such Person; or (c) the possession, directly or indirectly, of more than 50% of the total paid up equity share capital or voting rights of the person, on a fully diluted basis.</p> <p>“Holding Company” or “HoldCo” shall have the meaning given to such term under the InvIT Regulations.</p> <p>“Indenture” means the indenture dated August 23, 2019 between IRB and the Trustee, as amended.</p> <p>“Investment Manager” means MMK Toll Road Private Limited.</p> <p>“InvIT Regulations” means the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended.</p> <p>“IRB” means IRB Infrastructure Developers Limited.</p> <p>“Manager Group Member” means any member of the Manager Group.</p> <p>“Manager Group” means the Investment Manager, the SPVs, the Trust and the entities Controlled by the Investment Manager and/or Trust, including the other SPVs (if any).</p>

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	<p>“Net Distributable Cash Flows” or “NDCF” shall have the meaning ascribed to such term in Schedule I.</p> <p>“Policy” means this Distribution Policy.</p> <p>“SPV” means a body corporate in which the Trust, directly or indirectly, holds Control in.</p> <p>“Trust Assets” means the assets owned by the Trust, whether directly or through an SPV or a Holding Company, and shall include all rights, interests and benefits arising from and incidental to ownership of such assets.</p> <p>“Trust Expenses” shall have such meaning ascribed to such term under the Investment Management Agreement, being the agreement dated August 23, 2019 entered into between the Investment Manager and IDBI Trusteeship Services Limited, as a trustee of the Trust, as amended.</p> <p>“Trust” means IRB Infrastructure Trust.</p> <p>“Trustee” means IDBI Trusteeship Services Limited.</p> <p>“Unitholders” shall refer to a holder of any Units, where “units” means an undivided beneficial interest in the Trust, and such Units shall together represent the entire beneficial interest in the Trust.</p>
Applicability	Manager Group Members (in the manner set out herein)
Terms of the Policy applicable	<ul style="list-style-type: none"> Each SPV and HoldCo, shall distribute its respective Net Distributable Cash Flows to the Trust, subject to the applicable provisions under the InvIT Regulations, Companies Act, terms of facility agreement/ financing documents or any other applicable law and such distributions shall be paid as per the timelines prescribed under InvIT Regulations; and Not less than ninety per cent. of Net Distributable Cash Flows of the SPV shall be distributed to the Trust/HoldCo in proportion of its holding in the SPV subject to applicable provisions in Companies Act, 2013 or Limited Liability Partnership Act, 2008; With regard to distribution of Net Distributable Cash Flows by the HoldCo to the Trust, the following shall be complied: (i) with respect to the cash flows received by the HoldCo from underlying SPVs, 100% of such cash flows received by the HoldCo shall be distributed to the Trust; and (ii) with respect to the cash flows generated by the HoldCo on its own, not less than 90% of such Net Distributable Cash Flows shall be distributed by the HoldCo to the Trust. The framework for calculation of Net Distributable Cash Flows at a SPV and HoldCo level and Trust level is set out in Schedule I. Net Distributable Cash Flow shall be computed as per the applicable provisions of the InvIT Regulations.

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	<ul style="list-style-type: none"> • Distributions shall be made within timelines prescribed under InvIT Regulations. • If the distributions are not made within timelines prescribed under InvIT Regulations, the Investment Manager shall be liable to pay interest to the Unitholders at the rate of 15% (fifteen percent) per annum or such other rate as may be prescribed until the distribution is made. Such interest shall not be recovered by the Investment Manager in the form of fee or any other form payable to the Investment Manager by the Trust. • Distributions shall be made pro rata to the total number of units held by the Unitholder and in accordance with the provisions of the Trust Deed, the InvIT Regulations and this Policy. • Subject to the InvIT Regulations, if (i) any asset is sold by the Trust or (ii) if the equity shares or interest in the Trust Assets are sold by the Trust then (a) if the Trust proposes to re-invest the sale proceeds into another infrastructure asset, it shall not be required to distribute any sale proceeds to the Trust or the Unitholders; but (b) if the Trust proposes not to invest the sales proceeds into any other infrastructure assets, then such sales proceeds shall be regarded as Net Distributable Cash Flows and the Trust shall be required to distribute such proceeds in accordance with InvIT Regulations. <p>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”).</p> <p>The IM in consultation with the Trustee 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.</p> <p>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.</p> <ul style="list-style-type: none"> • In relation to any distributions, the Trust shall ensure compliance with the InvIT Regulations and such other Applicable Laws.
In specie distribution	<p>Subject to the provisions of Applicable Law and the Trust Documents, the Trustee, in consultation with the Investment Manager, may any time during the life of the Trust make <i>in specie</i> distributions of the assets of the Trust.</p>

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Distribution dissolution	on	<p>In the event of dissolution or winding-up of the Trust, all of the Trust Assets or the proceeds therefrom shall be distributed or applied in the following order of priority:</p> <ul style="list-style-type: none"> • First, towards the payment of the debts and liabilities of the Trust, including any amounts due to the Investment Manager or IRB, in its capacity as the project manager and the expenses of liquidation; • Second, towards the setting up of any reserves which the Trustee, in consultation with the Investment Manager, or the authority in-charge of the winding up of the affairs of the Trust may deem reasonably necessary for any contingent or unforeseen liabilities or obligations of the Trust; and • Third, towards the Unitholders in accordance with the terms of this Policy, the Indenture and Applicable Law.
Review Amendment:	and	<p>The Policy shall be reviewed as and when required to ensure that it meets the objectives of the applicable laws and remains effective.</p> <p>In case of any change in applicable laws governing this Policy, not being consistent with the terms laid down under this Policy, then such change shall prevail and this Policy shall stand accordingly amended from the effective date of such change.</p> <p>This Policy may be amended in the manner set out in the Transaction Documents.</p>
Responsibility compliance	for	<p>Chief Financial Officer of the Investment Manager shall have overall responsibility for implementing this policy for itself and for the each of the Manager Group Members, and shall take internal/external approvals wherever necessary.</p>

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Schedule I

Computation of Net Distributable Cash Flow at 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 9 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, excluding amortisation of any transaction costs as per Profit and Loss Account and any shareholder debt / loan from Trust
(-) 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, (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 10 below)
NDCF for HoldCo/SPVs

Computation of Net Distributable Cash Flow at Trust level:

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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 9 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
(-) Finance cost on Borrowings, excluding amortisation of any transaction costs as per Profit and Loss account of the Trust
(-) 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)
(-) 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 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)
(-) 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 10 below)
NDCF at Trust Level

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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 specified agreements could be for either PPP or non-PPP projects. The Trust retains the option to distribute any surplus amounts, unless such surplus is required to create reserves for any subsequent period.
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. Further, Trust along with its SPVs needs to ensure that minimum 90% distribution of NDCF be met for a given financial year on a cumulative periodic basis as specified for mandatory distributions in the InvIT regulations (subject to provisions of Note 1 above).
5. Surplus cash available in 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 SPV on acquisition of such SPV by the Trust;
 - (iii) Any other reason, excluding if such surplus cash is available due to any debt raise could be considered for distribution by the SPV to the Trust, or by the Trust to its Unitholders in part or in full, but needs to be disclosed separately in the NDCF computation and Distribution.
6. Similarly, any restricted cash (disclosed as such) should not be considered for NDCF computation by the SPV 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.)
7. Further, it is expressly provided that no Trust or SPVs can distribute any cashflows by obtaining external debt, except to the extent clarified in note 2 above (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).
8. Further, the 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 7 above.
9. Cash flows received from SPV's / Investment entities which represent distributions of NDCF computed as per relevant framework at the Trust level for further distribution to Unitholders shall exclude any such cash flows used by the Trust for onward lending to any other SPVs / Investment

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entities to meet operational / interest expenses or debt servicing of such other SPVs / Investment entities.

10. 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.