



POLICY FOR DETERMINING MATERIALITY OF INFORMATION FOR PERIODIC DISCLOSURES OF INDIAN HIGHWAYS CONCESSIONS TRUST

A. Preamble

This policy for Determining Materiality of Information for Periodic Disclosures (the “**Policy**”) aims to outline process and procedures for determining materiality of information in relation to periodic disclosures required to be made to trustee (the “**Trustee**”) and the holders of units (the “**Units**” and such holders, the “**Unitholders**”) issued by Indian Highway Concessions Trust (the “**Trust**”) in relation to the Trust. The purpose of the Policy is also to ensure that the Trust complies with Applicable Law¹, including the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 (the “**InvIT Regulations**”). The Trust and parties to the Trust shall make adequate, accurate, explicit and timely disclosure of relevant material information to the Trustee, Unitholders and the Securities and Exchange Board of India (“**SEBI**”) in accordance with the InvIT Regulations. The Investment Manager and/or the Trustee shall provide to SEBI such information as may be sought by SEBI pertaining to the activity of the Trust.

B. Deemed Material Information

1. The following events and information shall be deemed to be material information and against which Trust shall not be required to apply the criteria for determining materiality of information (the “**Deemed Material Information**”):
 - a) any information having bearing on the operation or performance of the Trust which includes but is not restricted to the following –
 - (i). acquisition or disposal of any projects, directly or through any holding company or special purpose vehicle, value of which exceeds five per cent. of value of the Trust assets;
 - (ii). additional borrowings, at the Trust, holding company or special purpose vehicle (“**SPV**”) level that results in the aggregate consolidated borrowings of the Trust exceeding 75% of the value of assets of the Trust.

¹ “**Applicable Law**” shall mean the laws having jurisdiction over the matter in question, including all applicable statutes, enactments, acts of legislature, ordinances, rules, bye-laws, regulations, notifications, decrees, arbitral award, consents, directions, directives, orders or regulations or other governmental or regulatory restrictions or conditions, or any similar form of decision of, or determination by, any governmental authorities, including the Securities and Exchange Board of India, whether in effect as of the date of adoption of this policy or thereafter, including but not limited to the InvIT Regulations.



- (iii). additional issue of Units by the Trust i.e. any further issuance of units, rights issue, bonus issue, etc;
 - (iv). details of any credit rating obtained by the Trust and any change in such rating;
 - (v). any issue which requires approval of the Unitholders of the Trust;
 - (vi). any legal proceedings which may have a significant bearing on the functioning of the Trust;
 - (vii). notices and results of meetings of Unitholders;
 - (viii). financials results for each quarter, half-year or financial year, as the case may be, within such time as may be prescribed SEBI or under any Applicable Law; and
 - (ix). any instance of non-compliance with the InvIT Regulations including any breach of limits specified under the InvIT Regulations;
- b) declaration or recommendation of annual distribution;
 - c) proposal for buy back of units;
 - d) proposal for listing on any stock exchange(s);
 - e) changes in the sponsor, trustee, investment manager, project manager, auditors, valuer or compliance officer of the Trust;
 - f) in case of resignation of the auditor, disclosure of detailed reasons for resignation of the auditor, as given by the said auditor;
 - g) in case of resignation of an independent director of the investment manager, disclosure of (i) detailed reasons for the resignation as given by the said director; and (ii) disclosure of a confirmation provided by such independent director that there are no other material reasons other than those provided;
 - h) any material amendment to the indenture of trust or investment management agreement;
 - i) entering into any material agreement not in the ordinary course of business and any amendments to such material agreements;
 - j) fraud or defaults etc. by any of the parties to the Trust; and
 - k) any change in investment strategy or any change in the management fee of the Trust along with the reasons for the same.
2. All related party transactions of the Trust shall be disclosed to the Unitholders periodically in accordance with the InvIT Regulations.
3. With respect to any related party transaction, details of any fees or commissions received or to be received by such related party(ies) shall be adequately disclosed to the Unitholders.



4. Valuation reports received by the Investment Manager shall be submitted by the Investment Manager to the Unitholders within 15 days from the receipt of such valuation reports.
5. The Investment Manager shall submit an annual report to the Trustee and the Unitholders electronically or by physical copies within three months from the end of the financial year.
6. The Investment Manager shall submit a half-yearly report to the Trustee and the Unitholders within 45 days from the end of half year ending September 30.
7. The Trust shall also provide disclosures or reports specific to sector or sub-sector in which the Trust has invested or proposes to invest in the manner specified by SEBI.

C. Materiality of information

Any information concerning the Trust is considered material to the business and affairs of a Trust if: (i) it results in, or would reasonably be expected to result in a significant change in the value of units of the Trust; or (ii) if there is a substantial likelihood that a reasonable investor would consider it important in determining whether to buy, sell or hold, or engage in other transactions concerning the Units; or (iii) the investor would consider important in making an investment decision.

Under the InvIT Regulations, other than the Deemed Material Information, the Trust is required to disclose any material issue that, in the opinion of the Investment Manager or Trustee, needs to be disclosed to the Unitholders. The Trust shall consider following criteria for determination of materiality of events or information other than for the Deemed Material Information provided above:

- (a). the omission of an event or information, which is likely to result in discontinuity or alteration of event or information already available with the Unitholders; or
 - (b). the omission of an event or information is likely to result in significant market reaction if the said omission came to light at a later date;
 - (c). in case where the criteria specified in sub clause (a) and (b) above are not applicable, an event or information may be treated as being material if it has a bearing of 20 per cent. of value of the Trust assets;
 - (d). any event or information having a significant risk to the reputation of the Trust;
- or



- (e). any other event or information which, in the opinion of the Investment Manager or the Trustee, is considered material.

D. Timeline for disclosure of information

- (a). The Investment Manager shall first disclose to the Trustee and the Unitholders all material events or information as soon as reasonably possible and within such time as may be prescribed by Applicable Law, including any prior intimation of a board or committee meeting in relation to any material events, as may be required under Applicable Law. In case the disclosure is made after such time as may be prescribed by Applicable Law, the Investment Manager shall, along with such disclosures provide explanation for delay; and
- (b). The Investment Manager shall, with respect to disclosures referred to in this policy make disclosures updating material developments on a regular basis, until such time the event is resolved or closed, with relevant explanations.

E. General Provisions:

- (a). The Investment Manager shall provide specific and adequate reply to all queries raised by Unitholders with respect to any events or information;
- (b). The Investment Manager may on its own initiative also, confirm or deny any reported event or information to the Unitholders;
- (c). The Investment Manager shall make disclosures of event or information as specified by the Board of Directors or any committee thereof, in relation to the Trust, from time to time;
- (d). The Investment Manager shall follow uniform and universal dissemination of information to avoid selective disclosure; and
- (e). While dealing with analysts or research persons or investors, the Investment Manager shall provide only information that is available with Unitholders. Alternatively, the information given to analysts or research persons shall be simultaneously disseminated to the Unitholders at the earliest.

- F. Unintentional or Inadvertent Disclosure:** If an employee of the Investment Manager makes an accidental or unintentional disclosure of material information, the employee of the Investment Manager must immediately notify the compliance officer of the Trust of this incident. The Investment Manager shall forthwith take steps to ensure that the same is disclosed to the Trustee and Unitholders immediately.



- G. **Conflict with 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. 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 50% of the Unitholders, in terms of value or in compliance with applicable law.

- I. The Policy shall be reviewed annually or as may be required to ensure that it meets the objectives of the applicable laws and remains effective.