



DISTRIBUTION POLICY

1. POLICY

This Policy sets out the guidelines for payment and accrual of distribution, including distribution of returns by the Trust and distribution of dividends. Further, the InvIT Regulations prescribe certain conditions in relation to distribution to be made to the Unitholders of an infrastructure investment trust including the frequency of distributions which is proposed to be in accordance with the provisions of the InvIT Regulations. Accordingly, Maple Infra InvIT Investment Manager Private Limited, the investment manager to the Trust appointed in accordance with the amended and restated investment management agreement dated October 4, 2021, has formulated this Policy.

- 1.1. **“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 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 the concerned person, their operations, or the transactions contemplated under this Policy.
- 1.2. **“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;
- 1.3. **“Distributable Income”** shall mean the net distributable cash flows of the Trust as audited by statutory auditor of the Trust, calculated subject to, and in accordance with this Policy and any other conditions including restricted payment conditions specified under financing documents entered into by the Trust, its Holding Companies and SPVs, as per the formula mentioned in Annexure 1.
- 1.4. **“Holding Company”** shall have the meaning given to such term under the InvIT Regulations.
- 1.5. **“Investment Manager”** means Maple Infra InvIT Investment Manager Private Limited.
- 1.6. **“InvIT Regulations”** means the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, and the circulars, notifications, guidelines and clarifications issued thereunder, each as amended, each as amended.
- 1.7. **“Policy”** means this distribution policy, as amended from time to time in accordance with the provisions hereof.



- 1.8. **“SPV”** means a body corporate in which the Trust, directly or indirectly, holds Control in.
- 1.9. **“Trust”** means Indian Highway Concessions Trust, being the infrastructure investment trust registered under the InvIT Regulations.
- 1.10. **“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.
- 1.11. **“Trustee”** means Axis Trustee Services Limited.
- 1.12. **“Units”** means the units of the Trust issued by the Trust in accordance with the Trust documents.
- 1.13. **“Unitholders”** means the holders of the Units from time to time.

2. TERMS OF THE DISTRIBUTION

- 2.1. The Trust shall declare and distribute at least 90% of the Distributable Income to the Unitholders either in form of interest, dividend and/or repayment of capital, subject to InvIT Regulations and any statutory deductions specified under law. Provided however that, up to 10% of such income may be set aside as reserve for any purpose that the Investment Manager may deem fit, including for the purpose of acquisition of future SPV, subject to InvIT Regulations.
- 2.2. The exact percentage of Distributable Income to be distributed and creation of such reserve as mentioned in Clause 2.1 above shall be determined by the board of the Investment Manager from time to time depending on the requirement of the Trust to create a reserve. While determining the amount of Distributable Income, the board of the Investment Manager shall take into consideration many factors including -
 - the changes in economic conditions;
 - the requirements of the financial covenants;
 - its business and financial position
- 2.3. The reserve shall not be accumulated over a period exceeding any 4 consecutive quarters. If the acquisition of a future project SPV is not completed during these 4 consecutive quarters, then the amount set aside in the reserve shall be distributed immediately.
- 2.4. The Trust shall distribute the Distributable Income to the Unitholders at least once every financial year. The Distributable Income shall be distributed by the Trust no later than 15 days from the date of declaration.



- 2.5. 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 or Limited Liability Partnership Act, 2008 or any other applicable law.
- 2.6. With regard to the cash flows received by the Holdco from the underlying SPVs, 100% of such cash flows shall be distributed to the Trust. 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.
- 2.7. If the Distributable Income is not distributed within 15 days from the declaration of the same, then the Investment Manager shall be liable to pay interest to the Unitholders at the rate as prescribed under InvIT Regulations, till the time the distribution is made.
- 2.8. Interest referred to in Clause 2.7 shall not be recovered by the Investment Manager in the form of fees or any other form payable to the Investment Manager by the Trust.
- 2.9. Distributions shall be made in Indian Rupees.
- 2.10. Distribution shall be made pro rata to the number of Units held by each Unitholder of the Trust, with each Unitholder receiving its corresponding amount of distribution in Indian Rupees.
- 2.11. Distributions shall be made from the monies received by the Trust from SPVs.

3. DISTRIBUTION FROM DIVESTMENT OF ANY SPV

- 3.1. Subject to Clause 3.2 below, the Investment Manager shall distribute proceeds from divestment of any SPV in accordance with the provisions of Clause 3 above, to the extent applicable.
- 3.2. In the event any infrastructure assets is sold by the Trust or any SPV or if the equity shares or interest in any SPV is sold by the Trust, then in accordance with the InvIT Regulations: (a) 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 (b) 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..

4. IN-SPECIE DISTRIBUTION

Subject to the provisions of Applicable Laws, the Investment Manager, shall in consultation with the Trustee, may at any time during the life of the Trust make in-specie distribution of the Trust Assets.



5. 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 applied in the following order of priority:

- (i) first, towards payment/repayment in full of all amounts due to the lenders of the Trust;
- (ii) second, towards payment of any fees and amounts due to the Investment Manager;
- (iii) third, towards payment of any fees and amounts due to the project manager;
- (iv) fourth, towards payment of other debts and liabilities of the Trust, including statutory dues;
- (v) fifth, 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
- (vi) sixth, to the Unitholders pro-rata to their unitholding in accordance with the terms of the Trust Documents and Applicable Law.

6. RESPONSIBILITY FOR COMPLIANCE

The chief financial officer/VP-Finance (until such time the chief financial officer is appointed) of the Investment Manager shall have overall responsibility for implementing this Policy, and shall take internal/external approvals wherever necessary.

7. REVIEW AND AMENDMENT

- 7.1. 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.
- 7.2. 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 in applicable law, including any amendment to the InvIT Regulations, without any action from the Investment Manager or approval of the Unitholders.
- 7.3. Any amendment to this Policy shall be undertaken with the prior written approval of the Unitholders by way of a 50% majority in terms of value or in compliance with applicable law.

ANNEXURE 1

Method of Calculation of Distributable Income:

Subject to compliance with Applicable Law, the Distributable Income shall be calculated in accordance with the methodology provided below

Calculation of the Net Distributable Cash Flows at the SPV level:

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

Description	Amount
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: Any amount received from tolls or annuities not recognised as income for the purposes of working out the profit after tax	
Less: Any amount payable to concession granting authority as revenue share or premium if such amount has not already been considered for the determination of profit after tax	
Add/Less: Decrease/(increase) in working capital	
Add: Interest accrued on loans (if any) from Trust;	
Add: Amount invested by the Trust in the Project SPV for service of debt or interest, through internal accruals to the extent allowed under the SEBI InvIT Regulations.	
Less: Any amount to be kept aside for DSRA, MMRA or any other reserve requirements as required by lenders;	
Add: Proceeds from <ul style="list-style-type: none"> • sale of fixed assets (including investments) • repayment of any loans provided to any other party, to the extent the same are not already considered in calculation of Profit After Tax 	
Add: net amount (i.e. after deducting the amount paid to third party) received from settlement of claim from NHAI or from any engineering, procurement and construction contractors to the extent not already considered in profit after tax	
Add: amount released from DSRA/MMRA or any other reserve in lieu of providing bank guarantee	
Add/less: Any other item of non-cash expense / non-cash income (net of actual cash flows for these items) or any other income/expense not considered for the calculation of profit after tax, if deemed necessary by the Investment Manager, after the InvIT Closing Date.	

Description	Amount
Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc., if deemed necessary by the Investment Manager, net of any debt raised by refinancing of existing debt or/and any new debt raised	
Less: Payment toward <ul style="list-style-type: none"> Capital Expenditure incurred on the projects (if any) including payment to contractors for their claims payment of any existing claims by the Project SPV (only to the extent such amounts are not already covered in the Capital Expenditure item mentioned above). 	
Less: Any provision or reserve deemed necessary by the IM for expenses which may be due in the next quarter but for which there may not be commensurate amounts available by the date such expenses become due.	
Less: Any other adjustment to be undertaken by the IM Board to ensure that there is no double counting of the same item for the above calculations	
Total Adjustments (B)	
Net Distributable Cash Flows (C)=(A+B)	

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

Description	Amt in Million (Rs)
Cash flows received from the SPV's	
Add: Proceeds from sale of the Project SPV not distributed pursuant to an earlier plan to re-invest, or if such proceeds are not intended to be invested within one year from the date of such sale.	
Less: Costs/retention associated with sale of the Project SPV: (a) related debts settled or due to be settled from sale proceeds of SPV; (b) transaction costs paid on sale of the Project SPV; and (c) capital gains taxes on sale of the Project SPV, or other investments of the Trust.	
Add: Any other income accruing at the Trust level and not captured above, including but not limited to interest/return on surplus cash, if any, invested by the Trust.	
Less: Any claims/deferred consideration/other amounts payable under the transaction documents with the Seller(s) of the SPVs	
Less: Any fees, interest and expense incurred at the Trust level, including but not limited to the fees of the Investment Manager and the Trustee	
Less: Any expenditure reimbursed to Investment Manager or Sponsor which the Investment Manager incurred on behalf of Trust	



Description	Amt in Million (Rs)
Less: Proceeds reinvested or planned to be reinvested in accordance with SEBI InvIT Regulations and Future Assets Acquisition Policy	
Less: Repayment of external debt at the Trust level (net of any new debt raised or refinancing of existing debt)	
Less: Any amount to be kept aside for DSRA, MMRA or any other reserve requirements as required by lenders;	
Less: Income tax (if applicable) at the standalone Trust level and payment of other statutory dues	
Less: Amount invested in or lent to any of the Project SPVs funded through internal accruals of the Trust, to the extent allowed under the SEBI InvIT Regulations. Such amount shall be decided by the IM Board.	
Less: Payment of all amounts to the Sponsor pursuant to, and in accordance with, the Sale and Transfer Agreement, and Preliminary Placement Memorandum or Placement Memorandum	
Less: Any provision or reserve deemed necessary by the IM Board for expenses which may be due in the next quarter but for which there may not be commensurate amounts available by the date such expenses become due.	
Less: Any other reserve deemed necessary by the IM Board for infusing funds into the SPVs to discharge their liabilities.	
Less: Any other adjustment to be undertaken by the IM Board to ensure that there is no double counting of the same item for the above calculations	
Total cash outflows / retention at the Trust level (E)	
Distributable Income (F) = (D+E)	