

## DISTRIBUTION POLICY OF SUSTAINABLE ENERGY INFRA TRUST

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### A. Preamble

The Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended or supplemented, including any guidelines, circulars (including Master Circular for InvITs, as amended from time to time, SEBI circular SEBI/HO/DDHS/DDHS-PoD/P/CIR/2023/185 dated December 06, 2023, as amended from time to time), 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**”). This distribution policy (the “**Policy**”), aims to outline the process and procedure for the distribution to be undertaken by Sustainable Energy Infra Trust (the “**Trust**”), subject to the provisions of the InvIT Regulations. Accordingly, Sustainable Energy Infra Investment Managers Private Limited (the “**Investment Manager**”), the investment manager to the Trust appointed pursuant to the amended and restated investment management agreement dated September 15, 2023, as may be amended from time to time (the “**Investment Management Agreement**”), has formulated this Policy, in accordance with the NDCF Laws (*as defined below*).

- B. The term “**NDCF Laws**” 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 awards, 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 authority, including the Securities and Exchange Board of India, whether in effect as of the date of this policy or thereafter, including but not limited to the InvIT Regulations;
- C. 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 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 NDCF Laws. Notwithstanding anything given below, there is no obligation on the Trust, SPVs or Holdco to distribute income beyond what is required under the NDCF Laws.
- D. Net distributable cash flows of any SPV or HoldCo receivable by the Trust may include dividends, proceeds from buy-back or capital reduction from any of the Portfolio Assets; and/or interest income or principal repayment or prepayment received from the Portfolio Asset(s) in relation to any debt provided by the Trust to the Portfolio Asset(s), or a combination of both.
- E. The Distributable Income and the net distributable cash flows of any SPV or HoldCo shall be calculated in accordance with the NDCF Laws.

- 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 the Investment Manager may utilise the sale proceeds for investment in other permitted infrastructure asset(s) as permitted under the NDCF Laws.
- G. In terms of the InvIT Regulations, the Trust shall distribute at least 90% of the Distributable Income to the Unitholders and the Trust shall have no obligation to distribute income beyond what is required under the InvIT Regulations. Such distribution shall be declared and made on quarterly basis. In accordance with the NDCF Laws, distributions by the Trust shall be made within prescribed timelines. The Investment Manager shall be responsible for deducting all types of taxes on all payment made by Investment Manager and deposit with the relevant governmental agency. The distributions, when made, shall be made in Indian Rupees.
- H. All distributions to the Unitholders shall be made in compliance with the NDCF Laws and Income- tax Act, 1961 (“**IT Act**”). The actual amount received by the Unitholders will be subject to taxes and other statutory deductions, if applicable.
- 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.

The Distributable Income and the NDCF of any SPV shall be calculated in accordance with the NDCF Laws.

- J. For the purpose of calculation of the Distributable Income, the cash flows of the Trust which forms part of the net distributable cash flow at Trust level shall be classified in two parts:
  - (a) dividend, interest, treasury income and capital gains of the Trust (“**Income Bucket A**”). All expenditures of the Trust (including, amongst others interest expenses and fees payable to the Investment Manager, the “**Expenditures**”), shall be paid out of Income Bucket A, proportionately towards various income streams. However, where a direct nexus can be established between certain expenses/payments and a specific stream of income of Income Bucket A then such expenses shall be allocated to that stream of income on actual basis; and
  - (b) capital repayments to the Trust (“**Income Bucket B**”). Any capital outflows (including, amongst other, principal repayments by the Trust on its borrowings, the “**Capital Outflows**”) shall be paid out of Income Bucket B. In case any expenses/payments are directly attributable to this bucket, then the same can be reduced directly from this bucket.

In the event the cash flows in Income Bucket A are not sufficient to meet the Expenditures set out above, such Expenditures shall be paid of Income Bucket B.

Similarly, in the event the cash flows in Income Bucket B are not sufficient to meet the Capital Outflows set out above, such Capital Outflows shall be paid of Income Bucket A. The Distributable Income calculated on basis of Income Bucket A shall be further classified as interest, dividend, other income and such other inflows (as applicable) as per above.

K. In terms of the InvIT Regulations, if the distribution is not made within the prescribed timelines, the Investment Manager shall be liable to pay interest to the Unitholders at such rate as may be specified under the NDCF Laws, 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.

M. **Conflict with NDCF Laws**

The Policy shall not contradict the provisions of any NDCF Laws. In case of any discrepancy, the provisions of NDCF Laws shall prevail over the provisions of this Policy.

N. **Amendment**

i. Any amendment or variation to this Policy shall be subject to receipt of 60% approval from the Unitholders (present and voting), unless otherwise required by any governmental, statutory or regulatory authority.

ii. Notwithstanding the above, this Policy will stand amended to the extent of any change in NDCF Laws, without any action from the Investment Manager or approval of the Unitholders.

Amendments approved by the board of directors of Sustainable Energy Infra Investment Managers Private Limited on behalf of the Trust on May 19, 2025 and by the Unitholders of the Trust on July 23, 2025.