

Policy Title	Distribution Policy (“Policy”)
Adopted on	September 17, 2024
Amended on	July 07, 2025
Entity	PropShare Investment Manager Private Limited (“ Investment Manager ”) in its capacity as Investment Manager of the Property Share Investment Trust (“ Trust ”) and schemes thereunder.
Applicability	This Policy is applicable to the Investment Manager, the Property Share Investment Trust and its schemes and special purpose vehicles thereunder (“ SPVs ”) in connection with the distributions of the schemes of the Trust and SPVs (“ SM REIT Distributions ”).
Introduction & Purpose	This Policy is framed in line with the requirement of Regulation 26ZK of Securities and Exchange Board of India (Real Estate Investment Trust) Regulations, 2014, as amended and the SEBI Master Circular on Real Estate Investment Trusts dated May 15, 2024, as amended, including any guidelines, circulars, notifications and clarifications framed or issued thereunder (“ REIT Regulations ”). This Policy aims to provide a comprehensive framework on the conditions related to investment and distribution of cash flows generated by the Schemes and SPVs of the Trust.
Key Terms	<p>(a) All REIT Distributions shall be made in accordance with Regulation 26ZK of the REIT Regulations and other guidelines, circulars and notifications issued by the Securities and Exchange Board of India (“SEBI”) and other regulatory authorities from time to time.</p> <p>(i) The Investment Manager shall ensure not less than 95% of the net distributable cash flows (“NDCF”) of the SPVs are distributed to the scheme of the Trust subject to applicable provisions of the Companies Act, 2013;</p> <p>Further, please note that the amount retained by the SPVs shall be utilized only in such manner as may be specified by the Board from time to time.</p> <p>(ii) The Investment Manager shall ensure 100% of the NDCF of the schemes of the Trust as distributions (“REIT Distributions”) to the Unitholders of the schemes of the Trust.</p> <p>(b) REIT Distributions shall be declared and made at least once in every quarter in every financial year and shall be made not later than fifteen working days from the end of the quarter.</p> <p>(c) Unless otherwise specified in the offer documents, the schemes of Trust’s first distribution after the date of listing of the units of the schemes of the Trust (“Units”), will be as per the REIT Regulations and applicable law.</p> <p>(d) In terms of the REIT Regulations, if the distribution is not made within 5 working days from the record date, the Investment Manager shall be liable to pay interest to the Unitholders at the rate of 15% percent per annum for the delayed period. Such excess interest shall not be recovered by the investment manager from the SM REIT in any form. The record date shall be the date which is two working days from the date of declaration of distribution (excluding the date of declaration and the record date).</p> <p>(e) Any distribution shall be made on a distribution date proportionately to persons who are Unitholders of the respective schemes as of the close of business on the record date for such distribution.</p> <p>(f) Distributions will be declared in Rupees and each Unitholder will receive its/her/his distribution in Rupees. The form, frequency and amount of future distributions on the Units will depend on the earnings, financial position and results of operations of the schemes of the Trust and SPVs, as well as contractual restrictions, provisions of applicable law.</p> <p>(g) Distributions shall be made by electronic fund transfer or by such other manner of payment in accordance with applicable law.</p>

	<p>(h) The Investment Manager shall maintain records for at least seven years, pertaining to distribution declared and made to the Unitholders of the schemes of the Trust.</p> <p>(i) Deduction of taxes at source:</p> <p>(i) 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.</p> <p>(ii) 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.</p> <p>(j) In accordance with the REIT Regulations, in the event any amount remains unclaimed or unpaid out of the distributions declared by the scheme of 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. The amount so transferred, will not bear any interest and will be claimed in a manner as may be specified by the SEBI.</p> <p>(k) In the event of dissolution or winding up of the schemes of the Trust, all of the assets of the schemes of the Trust or the proceeds therefrom shall be distributed or used as follows and in the following order of priority:</p> <p>(i) First, towards the payment of the debts and liabilities of the schemes of the Trust, including without limitation any statutory fees, any amounts due to the to the Trustee (including but not limited to trustee remuneration), Investment Manager or a service provider and the expenses of liquidation;</p> <p>(ii) Second, towards the setting up of any reserves which the Trustee (on the advice of the Investment Manager) or the authority in-charge of the winding up of the affairs of the schemes of the Trust may deem reasonably necessary for any contingent or unforeseen liabilities or obligations of the schemes of the Trust; and</p> <p>(iii) Third, towards the Unitholders in the ratio of their beneficial interest in accordance with the terms of the REIT Regulations and the offer documents filed by the schemes of the Trust for its initial public offering of Units.</p>
NDCF	The NDCF in relation to the schemes of the Trust, the SPVs shall be calculated in accordance with the REIT Regulations and the applicable SEBI guidelines and in the manner set out in Annexure A .
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.
Amendment	<p>(a) Any amendment or variation to this Policy shall be undertaken in compliance with the REIT Regulations and other applicable law.</p> <p>(b) Notwithstanding the above, this Policy will stand automatically amended to the extent of any change in applicable law, including any amendment to the REIT Regulations, without any action from the Investment Manager or approval of the unitholders of the Schemes of the Trust.</p>

ANNEXURE A

NDCF at SPV Level

I. Calculation of NDCFs at SPV level:

Particulars
Cash flow from operating activities as per Cash Flow Statement of SPV
Add: 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)
Add: Proceeds from sale of real estate investments, real estate assets 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
Less: Finance cost on Borrowings as per Profit and Loss Account, excluding finance cost on any shareholder debt / loan from the schemes of the REIT. 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
Less: 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 the schemes of the REIT)
Less: any reserve required to be created under the terms of, or pursuant to the obligations arising in accordance with, any: <ol style="list-style-type: none"> (i) loan agreement entered with banks / financial institution from whom the schemes of the REIT or any of its SPVs have availed debt, or (ii) terms and conditions, covenants or any other stipulations applicable to debt securities issued by the schemes of the REIT or any of its SPVs, or (iii) terms and conditions, covenants or any other stipulations applicable to external commercial borrowings availed by the schemes of the REIT or any of its SPVs, or (iv) agreement pursuant to which the SPV operates or owns the real estate asset, or generates revenue or cashflows from such asset (such as, sale deed, lease agreement, and any other agreement of a like nature, by whatever name called); or (v) statutory, judicial, regulatory, or governmental stipulations (<i>please refer to note 2 below</i>)
Less: any capital expenditure on existing assets owned / leased by the SPV, to the extent not funded by debt/ equity or from reserves created in the earlier years (<i>please refer to note 8 below</i>)
Net Distributable Cash Flows for SPV's

NDCF at Schemes of the Trust Level

II. Calculation of NDCF at schemes level:

Particulars
Cash flow from operating activities of the Scheme of the REIT
Add: Cash flows received from SPVs which represent distributions of NDCF computed as per relevant framework (<i>please refer to note 1 and 7 below</i>)
Add: Treasury income/ income from investing activities of the schemes of the REIT (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).
Add: Proceeds from sale of real estate investments, real estate assets or shares of SPVs 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
Less: Finance cost on Borrowings as per Profit and Loss Account of the schemes of the REIT. 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
Less: Debt repayment at schemes of the REIT 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)
Less: any reserve required to be created under the terms of, or pursuant to the obligations arising in accordance with, any: <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 schemes of the REIT or any of its SPVs, or (iii) terms and conditions, covenants or any other stipulations applicable to external commercial borrowings availed by the schemes of the REIT or any of its SPVs, or (iv) agreement pursuant to which the schemes of the REIT operates or owns the real estate asset, or generates revenue or cashflows from such asset (such as, sale deed, lease agreement, and any other agreement of a like nature, by whatever name called), or (v) statutory, judicial, regulatory, or governmental stipulations (<i>please refer to note 2 below</i>)
Less: any capital expenditure on existing assets owned/ leased by the schemes of the REIT, to the extent not funded by debt/equity or from contractual reserves created in the earlier years (<i>please refer to note 8 below</i>)
Net Distributable Cash Flows at schemes of the Trust level

Notes:

- The NDCF computed at SPV level for a particular period shall be added under this line item, even if the actual cashflows from the SPV to the schemes of the REIT has taken place post that particular period, but before finalization and adoption of accounts of the schemes of the REIT.
- The scheme of the REIT 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. Please note that unutilized amount from the issue expenses and general corporate purposes portion of the issue proceeds of the respective schemes of the REIT can be considered as surplus.
- The option to retain 5% distribution under REIT Regulation shall be computed at SPV level, in accordance with Applicable Law.
- Surplus cash available in SPVs due to:
 - 5% of NDCF withheld in line with the REIT Regulations in any earlier year(s) or quarter(s); or

- (ii) such surplus being available in a new SPV on acquisition of such SPV by the schemes of the REIT; or
 - (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 schemes of the REIT, or by the schemes of the REIT to its Unitholders in part or in full. Also, such distribution of surplus funds shall be separately disclosed after 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 the SPV should first be used to repay such external debt. After such debt repayment, remaining surplus, if any, can be utilised for distribution.
5. Any restricted cash (disclosed as such) should not be considered for NDCF computation by the SPV or the schemes of the REIT (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. The schemes of the REIT and the SPVs shall not 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 the schemes of the REIT/ SPVs as part of treasury management/ working capital purposes as long as they are squared off within the quarter).
 7. Cash flows received from SPV' s which represent distributions of NDCF computed as per the relevant framework at the schemes of the REIT level for further distribution to Unitholders shall exclude any such cash flows used by the schemes of the REIT for onward lending to any other SPVs to meet operational/ interest expenses or debt servicing of such other SPVs.
 8. Capital expenditure shall 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 real estate asset which is already a part of the schemes of the REIT.
 9. Debt repayment at schemes of the REIT level will not be reduced from NDCF to the extent such debt is refinanced at the SPV level and such proceeds from refinancing have been transferred by the SPV to the schemes of the REIT for such debt repayment. Similarly, debt repayment at SPV level will not be reduced from NDCF to the extent such debt is refinanced at the schemes of the Trust level and such proceeds from refinancing have been transferred to the SPV for such debt repayment.
 10. Investment Manager of the REIT is required to ensure the following while making distributions:
 - (i) The period for making distributions should be followed consistently whether or a half-yearly/ quarterly/ monthly basis and same should be part of the distribution policy of the REIT which should be disclosed in the offer document, annual report and the website of the REIT.
 - (ii) The distribution policy should prescribe the frequency of the distribution. Further, for each distribution, it should be ensured that cash flows from all assets, whether held by schemes of the REIT or any of the underlying SPVs, are being distributed together.
 - (iii) The first distribution out of the NDCF computed for a financial year (or a period thereof) should be minimum 95%/ 100% as mandated in the REIT Regulations. Thereafter, minimum distribution requirement should be met on a cumulative basis for the subsequent distributions out of the NDCF for such financial year.
 - (iv) In case of any change in distribution policy other than regulatory changes, unitholder approval shall be required where votes cast in favour of the resolution are more than fifty percent of the total votes cast.