

A. Preamble

The trust deed dated October 26, 2023 entered into between Actis Highway Infra Limited (the “**Sponsor**”) and Catalyst Trusteeship Limited (the “**Trustee**”) in relation to Nxt-Infra Trust (the “**Trust**”), empowers the Trustee to, on behalf of the Trust, borrow monies for the Trust or any of its existing or future special purpose vehicles (“**SPVs**”) or holding companies (the “**Holding Companies**”) and together with the SPVs, the “**Portfolio Assets**”) subject to applicable law and restrictions under the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended or supplemented, including any guidelines, circulars, notifications and clarifications framed or issued thereunder (“**InvIT Regulations**”), and offer such security as it may deem fit, for the purpose of availing such borrowings. Additionally, pursuant to the investment management agreement dated October 26, 2023, the Trustee has empowered Walter Infra Manager Private Limited (“**Investment Manager**”) to, amongst others, borrow monies for the Trust or any of its existing or future Portfolio Assets, subject to applicable law (including the requirement to procure approval from the unitholders of the Trust (the “**Unitholders**”) in accordance with the InvIT Regulations), including in order to meet any liabilities, for undertaking any investments/ acquisitions or meet any obligations of the Trust. Accordingly, the Investment Manager has formulated this Borrowing Policy (“**Policy**”) to outline the process for borrowing monies in relation to the Trust.

- B.** The Investment Manager shall ensure that all funds borrowed in relation to the Trust are in compliance with the InvIT Regulations.
- C.** The Trust may raise debt and avail borrowings and deferred payments from time to time, including through (i) issuance of debt securities, in the manner specified by the Securities and Exchange Board of India (“**SEBI**”), and in accordance with applicable law, and (ii) availing loans (fund and non-fund based both) from banks and financial institutions in accordance with applicable law (including the InvIT Regulations). The Trust shall be permitted to borrow monies through any permitted means, by any instrument, in Indian or foreign currency, as permitted by applicable law, including as prescribed by the Reserve Bank of India.
- D.** The Investment Manager and the Trustee (on behalf of the Trust) shall be permitted to borrow monies in relation to the Trust, subject to the approval of its board of directors or such other committee of the board of directors of the Investment Manager (taking into consideration the inputs received from the Finance and Investment Committee) as may be constituted in this regard. The Investment Manager may engage such intermediaries (include any other group companies of the Investment Manager) as may be necessary to facilitate the borrowings in relation to the Trust, holding companies or SPVs at such remuneration as may be reasonable and at arm’s length.
- E.** Subject to the InvIT Regulations and the InvIT Documents, the aggregate consolidated borrowings and deferred payments of the InvIT, and the Project SPV, net of cash and cash equivalents shall not exceed 70.00% of the value of the InvIT assets.



I N F R A

Explanation 1 - Investments by the InvIT in overnight mutual funds, characterized by their investments in overnight securities, having maturity of one day shall be considered as cash and cash equivalent

Explanation 2- The amount of cash and cash equivalent shall be excluded from the value of the assets of the InvIT.

- F.** If the aggregate consolidated borrowings and deferred payments of the InvIT, and the Project SPV, net of cash and cash equivalents:
- a) Exceed 25.00% but up to 49.00% of the value of the InvIT assets, for any further borrowing:
 - credit rating shall be obtained from a credit rating agency registered with the SEBI; and
 - approval of Unitholders shall be obtained in the manner as specified in the InvIT Regulations
 - b) Exceed 49.00% of the value of the InvIT assets for any further borrowing
 - credit rating of “AAA” or its equivalent shall be obtained for its consolidated borrowing and the proposed borrowing from a credit rating agency registered with the SEBI;
 - utilize the funds only for acquisition or development of infrastructure projects;
 - have a track record of at least six distributions, in terms of the InvIT Regulations, on a continuous basis, post listing, in the years preceding the financial year in which the enhanced borrowings are proposed to be made.
 - Approval of Unitholders shall be obtained in the manner specified in the InvIT Regulations;
- G.** The Investment Manager shall ensure that if the value of funds borrowed from related parties in a financial year, exceeds 5% of the total consolidated borrowings of the Trust, any holding company and the SPVs or any other thresholds prescribed under the InvIT Regulations, approval from the unitholders shall be obtained prior to entering into any such subsequent transaction with any related party, in accordance with the InvIT Regulations.
- H.** The Trust also has the power to create mortgage or secure any of its assets or provide guarantees in order to borrow funds. However, the Investment Manager shall not be allowed to create any obligation which would allow the liabilities to extend beyond the assets held by the Trust.
- I.** Except with prior approval of the Unitholders and obtaining any other approvals required under applicable law (including the InvIT Regulations), any such obligation will not allow the Investment Manager to make the liabilities of the Trust or its unitholders unlimited.
- J.** In addition to the above, any borrowing by the holding companies or the SPVs, incorporated under the Companies Act, 1956 or the Companies Act, 2013, will be in accordance with the conditions prescribed therein.



K. Disclosure and Reporting

- (i). The Investment Manager shall disclose to the designated stock exchange(s) any additional borrowing, at level of Portfolio Assets or the Trust, as per the requirements prescribed under the InvIT Regulations and any other applicable law.
- (ii). Details of changes during the year pertaining to borrowings or repayment of borrowings (standalone and consolidated) shall be disclosed in the annual report of the Trust as per the requirements prescribed under the InvIT Regulations and any other applicable law.
- (iii). Details of outstanding borrowings and deferred payments of the Trust, shall be disclosed in the annual report of the Trust as per the requirements prescribed under the InvIT Regulations and any other applicable law.

L. 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.

M. Review: This Policy may be reviewed at such intervals as the board of directors of the Investment manager may deem necessary.

N. Amendment

- (i). Any amendment or variation to this Policy shall be approved by the board of directors of the Investment Manager and undertaken in compliance with the InvIT Regulations and other applicable law.
- (ii). 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 the unitholders of the Trust.

Approved by the board of directors of Walter Infra Manager Private Limited (Investment Manager) on behalf of Nxt-Infra Trust on December 27, 2023.

Certified True Copy

Sd/-
Authorised Signatory

Name: Rakshit Jain
Designation: Director & CEO

