



# Nexus Select Trust

<b>Reference</b>	<b>Finance</b>
<b>Policy Title</b>	<b>Distribution Policy</b>
<b>Entity</b>	Nexus Select Mall Management Private Limited (formerly known as Nexus India Retail Management Services Private Limited) (“ <b>Manager</b> ”) in its capacity as Manager of the Nexus Select Trust

<b>Applicability</b>	This policy is applicable to the Manager, the Nexus Select Trust, its special purpose vehicles (“ <b>SPVs</b> ”) and its holding company(ies) (“ <b>Holdco(s)</b> ”) in connection with the distributions of the Nexus Select Trust (“ <b>REIT Distributions</b> ”).
<b>Introduction &amp; Purpose</b>	This policy is framed in line with the requirement of Regulation 18 of Securities and Exchange Board of India (Real Estate Investment Trust) Regulations, 2014, including any guidelines, circulars, notifications and clarifications framed or issued thereunder (“ <b>REIT Regulations</b> ”). This policy aims to provide a comprehensive policy on the conditions related to investment and distribution of cash flows generated by the Nexus Select Trust.
<b>Key Terms</b>	<p>(a) All REIT Distributions shall be made in accordance with Regulation 18(16) of the Regulations and other guidelines, circulars and notifications issued by the REIT and Securities and Exchange Board of India (“<b>SEBI</b>”) and other regulatory authorities from time to time.</p> <p>(i) The SPV shall declare and distribute to the Nexus Select Trust / Holdco(s) in proportion of the Nexus Select Trust’s/ Holdco(s)’s holding in the SPV subject to applicable provisions of the Companies Act, 2013, not less than 90% of its net distributable cash flows</p> <p>(ii) With regards to distribution of net distributable cash flows by the Holdco(s) to the Nexus Select Trust, subject to applicable provisions of the Companies Act, 2013, the following conditions shall be complied:</p> <ul style="list-style-type: none"><li>• With respect to the cash flows received by the Holdco(s) from underlying SPVs, 100% of such cash flows received by the Holdco(s) shall be distributed to the Nexus Select Trust; and</li><li>• with respect to the cash flows generated by the Holdco(s) on its own, not less than 90% of such net distributable cash flows shall be distributed by the Holdco(s) to the Nexus Select Trust.</li></ul> <p>The Manager shall declare and distribute at least 90% of the net distributable cash flows of the Nexus Select Trust as distributions (“<b>REIT Distributions</b>”) to the Unitholders of the Nexus Select Trust.</p> <p>(b) REIT Distributions shall be declared and made not less than once every six months in every financial year and shall be made not later than fifteen days from the date of such declaration.</p> <p>(c) If the Nexus Select Trust’s first distribution after the date of listing of the units of the Nexus Select Trust (“<b>Units</b>”), will be for the period from the date of the listing of the Units to the date of first quarter financials</p> <p>(d) If any property is sold by the Nexus Select Trust, or its Holdco(s)/ SPVs or if the equity shares or interest in the Holdco(s)/SPVs is sold by the Nexus Select Trust, and the Nexus Select Trust proposes not to invest the sales proceeds made into any other property, within a period of one year, it shall be required to distribute not less than 90% of the sales proceeds in accordance with clauses (a), (b), (c) and (d) of sub regulation 16 of the REIT Regulations.</p> <p>(e) If any property is sold by the Nexus Select Trust, or its Holdco(s)/ SPVs or if the equity shares or interest in the Holdco(s)/SPVs is sold by the Nexus Select Trust, and if the Nexus Select Trust proposes to invest the sales proceeds made into any other property, within a period of one year, it shall not be required to distribute proceeds from such sale to the unitholders of the Nexus Select Trust (“<b>Unitholders</b>”).</p>



# Nexus Select Trust

	<ul style="list-style-type: none"><li>(f) In terms of the REIT Regulations, if the distribution is not made within 15 days of declaration, the Manager shall be liable to pay interest to the Unitholders at the rate of 15% percent per annum until the distribution is made. Such interest shall not be recovered in the form of fees or any other form payable to the Manager by Nexus Select Trust.</li><li>(g) Any distribution shall be made on a distribution date proportionately to persons who are Unitholders as of the close of business on the record date for such distribution. The record date shall be the last business day of the calendar month immediately preceding the month in which the distribution date falls or such other date such date as is fixed by the Manager in consultation with the trustee of the Nexus Select Trust (“Trustee”).</li><li>(h) 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 Nexus Select Trust, as well as contractual restrictions, provisions of applicable law.</li><li>(i) Distributions shall be made by electronic fund transfer or by such other manner of payment in accordance with applicable law.</li><li>(j) The Manager shall maintain records for at least seven years, pertaining to distribution declared and made to the Unitholders.</li><li>(k) Deduction of taxes at source:<ul style="list-style-type: none"><li>(i) The Trustee may, in consultation with the 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.</li><li>(ii) Subject to applicable law, the Trustee or the 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 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.</li></ul></li><li>(l) In accordance with the REIT Regulations, in the event any amount remains unclaimed or unpaid out of the distributions declared by the Nexus Select Trust, such amount shall be transferred to the “Investor Protection and Education Fund” constituted by SEBI in terms of Section 11 of the SEBI Act, 1992 in a manner as may be specified by SEBI.</li><li>(m) Amendments to the Distribution Policy shall require the unanimous consent of the Board of Directors of the Manager and such other approvals as required under applicable law.</li><li>(n) In the event of dissolution or winding up of the Nexus Select Trust, all of the Nexus Select Trust Assets or the proceeds therefrom shall be distributed or used as follows and in the following order of priority:<ul style="list-style-type: none"><li>(i) First, towards the payment of the debts and liabilities of the Nexus Select Trust, including without limitation any statutory fees, any amounts due to the to the Trustee (including but not limited to trustee remuneration), Manager or a service provider and the expenses of liquidation;</li><li>(ii) Second, towards the setting up of any reserves which the Trustee (on the advice of the Manager) or the authority in-charge of the winding up of the affairs of the Nexus Select Trust may deem reasonably necessary for any contingent or unforeseen liabilities or obligations of the Nexus Select Trust; and</li><li>(iii) Third, towards the Unitholders in the ratio of their beneficial interest in accordance with the terms of the REIT Regulations and the Final Offer Document.</li></ul></li></ul>
<b>Net Distributable Cash Flows</b>	<ul style="list-style-type: none"><li>(a) The Nexus Select Trust (acting through its Manager) is permitted to define net distributable cash flows for itself.</li><li>(b) The net distributable cash flows shall be calculated in accordance with the REIT Regulations and the applicable SEBI guidelines.</li><li>(c) Presently, the Nexus Select Trust proposes to calculate REIT Distributions in the manner provided in Annexure A.</li></ul>

**ANNEXURE A**

**NDCF at SPV / Holdco(s) Level**

**I. Calculation of net distributable cash flows at each Asset SPV:**

<b>Description</b>
<b>Profit after tax as per statement of profit and loss (standalone) (A)</b>
<b>Add/(Less):</b> Non-cash adjustments, including but not limited to: <ul style="list-style-type: none"> <li>• Depreciation, amortization and impairment</li> <li>• Assets written off or liabilities written back</li> <li>• Deferred tax</li> <li>• MAT adjustments</li> <li>• Ind-AS adjustments (straight lining, effective interest for finance costs, etc.)</li> </ul>
<b>Add:</b> Interest on Shareholder Debt charged to statement of profit and loss
<b>Add/(Less):</b> Loss/(gain) on sale of assets, investments or shares of Asset SPVs or Investment Entity
<b>Add:</b> Proceeds from sale of assets, investments (including cash equivalents), sale of shares of Asset SPVs or Investment Entity adjusted for the following: <ul style="list-style-type: none"> <li>• Applicable capital gains and other taxes</li> <li>• Related debts settled or due to be settled from sale proceeds</li> <li>• Directly attributable transaction costs</li> <li>• Proceeds reinvested or planned to be reinvested as permitted under REIT Regulations</li> </ul>
<b>Add:</b> Proceeds from sale of investments, assets or sale of shares of Asset SPVs or Investment Entity not distributed pursuant to an earlier plan to re-invest as permitted under REIT Regulations, if such proceeds are not intended to be invested subsequently
<b>Add/(Less):</b> Other adjustments, including but not limited to net changes in security deposits, working capital, etc.
<b>Less:</b> Capex not charged in the statement of profit and loss, to the extent not funded by debt
<b>Less:</b> Net debt repayment / (drawdown) / redemption of preference shares / debentures / any other such instrument / premiums / accrued interest / any other obligations / liabilities etc., to parties other than Nexus Select Group, as may be deemed necessary by the Manager
<b>Add/(Less):</b> Change in Intercorporate deposit amongst Asset SPVs
<b>Add:</b> Cash flow received from Asset SPV and Investment Entity towards (applicable for Holdco only, to the extent not covered above): <ul style="list-style-type: none"> <li>• Repayment of the debt in case of investments by way of debt</li> <li>• Proceeds from buy-backs/ capital reduction</li> </ul>
<b>Less:</b> Income tax and other taxes paid (as applicable)
<b>Less:</b> Proceeds to shareholders other than Nexus Select Trust through buyback of shares/ capital reduction/ dividend paid on preference or equity capital, buyback distribution tax if any paid on the same, and further including buyback distribution tax, if applicable on distribution to Nexus Select Trust
<b>Total adjustments (B)</b>
<b>NDCF (C) = (A+B)</b>

*Note: In accordance with the REIT Regulations, not less than 90% of net distributable cash flows of the Asset SPV shall be distributed to the Nexus Select Trust / Holdco, by way of (i) interest on Shareholder Debt; (ii) repayment of Shareholder Debt; (iii) dividends in proportion of its holding in the Asset SPV; or (iv) share buyback and capital reduction, etc., all of which are subject to compliance with relevant provisions under the Companies Act, 2013 and any other applicable law and in any other form permitted under applicable law*

**NDCF at REIT Level**

**II. Calculation of net distributable cash flows at the standalone Nexus Select Trust level:**

Description
Cash flows received from Asset SPVs and Investment Entity in the form of: Interest <ul style="list-style-type: none"> <li>• Dividends (net of applicable taxes)</li> <li>• Repayment of Shareholder Debt</li> <li>• Proceeds from buy-backs/ capital reduction (net of applicable taxes)</li> <li>• Redemption proceeds of preference shares or other similar instruments</li> </ul>
<b>Add:</b> Proceeds from sale of investments, assets or sale of shares of Asset SPVs and Investment Entity adjusted for the following: <ul style="list-style-type: none"> <li>• Applicable capital gains and other taxes</li> <li>• Related debts settled or due to be settled from sale proceeds</li> <li>• Directly attributable transaction costs</li> <li>• Proceeds reinvested or planned to be reinvested (directly or indirectly) as permitted under REIT Regulations</li> </ul>
<b>Add:</b> Proceeds from sale of investments, assets or sale of shares of Asset SPVs and Investment Entity not distributed pursuant to an earlier plan to re-invest as permitted under REIT Regulations, if such proceeds are not intended to be invested subsequently
<b>Add:</b> Any other income at the Nexus Select Trust level and not captured herein
<b>Less:</b> Any other expense at the Nexus Select Trust level, and not captured herein (to the extent not paid through debt or equity)
<b>Less:</b> Any payment of expenses, including but not limited to: <ul style="list-style-type: none"> <li>• Trustee fees</li> <li>• REIT Management Fees</li> <li>• Valuer fees</li> <li>• Legal and professional fees</li> <li>• Trademark license fees</li> <li>• Secondment fees</li> </ul>
<b>Less:</b> Debt servicing, to the extent not paid through debt or equity <ul style="list-style-type: none"> <li>• Including Principal, interest, redemption premium etc. of external debt at the Nexus Select Trust level</li> <li>• Including repayment of external debt or interest at the Asset SPV levels to meet guarantor obligations, if any</li> </ul>
<b>Less:</b> Income tax and other taxes (if applicable) at the standalone Nexus Select Trust level
<b>Add/(Less):</b> Other adjustments including changes in working capital
<b>NDCF</b>

In terms of the REIT Regulations, if the distribution is not made within 15 days of declaration, the Manager shall be liable to pay interest to the Unitholders at the rate of 15% per annum until the distribution is made. Such interest shall not be recovered in the form of fees or any other form payable to the Manager by the Nexus Select Trust.

**Unitholders should note that there is no assurance or guarantee that distributions will be made in any amount or at all.**

