

Policy Title	Distribution Policy
Entity	Bagmane Realty Investment Manager Private Limited (acting as Investment Manager to Bagmane Prime Office REIT)
Approval Date	28 th December, 2025
Approving Authority	Board of Directors of Bagmane Realty Investment Manager Private Limited (acting as Investment Manager to Bagmane Prime Office REIT)

DISTRIBUTION POLICY

1. Overview

In accordance with the provisions of Regulation 18 of the Securities and Exchange Board of India (Real Estate Investment Trusts) Regulations, 2014, as amended, this Distribution Policy aims to outline the distribution framework in relation to Bagmane Prime Office REIT (“**Bagmane REIT**”) to be adopted by board of directors (“**Board**”) of Bagmane Realty Investment Manager Private Limited (“**Manager**”).

2. Applicability

This Distribution Policy is applicable to the Manager, the Bagmane REIT, the Asset SPVs and the HoldCos in connection with the distributions of the Bagmane REIT.

3. Definitions

“**Applicable Law**” means any statute, law, regulation, ordinance, rule, judgement, order, decree, bye-law, approval of any governmental agency, directive, guideline, policy, requirement or other government restriction or any similar form of decision of or determination by, or any interpretation having the force of law of any of the foregoing governmental agency having jurisdiction, applicable to any party, in force from time to time, including but not limited to the REIT Regulations.

“**Asset SPVs**” shall collectively mean Bagmane Rio Private Limited, and Bagmane Green Power LLP and any other special purpose vehicles which may form part of the Bagmane REIT.

“**Board**” shall mean the board of directors of the Manager.

“**Bagmane REIT**” / “**REIT**” shall mean the Bagmane Prime Office REIT.

“**Distribution Policy**” / “**Policy**” shall mean this policy on distribution, as amended from time to time.

“**HoldCo**” shall mean Bagmane Developers Private Limited, and such other holding company that shall form part of the Bagmane REIT in the future as defined under the Regulation 2(1)(qa) of the REIT Regulations.

“**Manager**” shall mean Bagmane Realty Investment Manager Private Limited.

“**REIT Regulations**” shall mean SEBI (Real Estate Investment Trusts) Regulations, 2014, as amended from time to time and circulars, notifications or guidelines issued by SEBI from time to time.

“**SEBI**” shall mean Securities and Exchange Board of India.

“**Unit**” shall mean an undivided beneficial interest in the Bagmane REIT, and such Units together represent the entire beneficial interest in the Bagmane REIT.

“**Unitholders**” shall mean any person who holds any Unit of the Bagmane REIT.

4. Distribution Mechanism

- a. The net distributable cash flows of Bagmane REIT are based on the cash flows generated from Bagmane REIT’s assets.
- b. All REIT Distributions shall be made in accordance with Regulation 18(16) of the REIT Regulations.
- c. In terms of the REIT Regulations, not less than 90% of the net distributable cash flows of the Asset SPVs are required to be distributed to Bagmane REIT / HoldCo, in proportion of its shareholding in the Asset SPV, subject to applicable provisions of the Companies Act, 2013. Presently, cash flows receivable by Bagmane REIT may be in the form of dividends, interest income, principal loan repayment, proceeds of any capital reduction or buyback from the Asset SPVs, sale proceeds out of disposal of investments of any or assets directly/indirectly held by Bagmane REIT or as specifically permitted under the Trust Deed or in such other form as may be permissible under the Applicable Laws.
- d. With regards to the distribution of net distributable cash flows by the HoldCo to the REIT, subject to applicable provisions of the Companies Act, 2013, the following conditions shall be complied:
 - a. With respect to the cash flows received by HoldCos from underlying Asset SPVs, 100% of such cash flows received by the HoldCos shall be distributed to the REIT; and
 - b. with respect to the cash flows generated by HoldCos on its own, not less than 90% of such net distributable cash flows shall be distributed by the HoldCos to the REIT.
- e. The Manager shall declare and distribute at least 90% of the net distributable cash flows of Bagmane REIT as distributions (“**REIT Distributions**”) to the Unitholders. Such REIT Distributions shall be declared and made once every six months of a financial year. Further, in accordance with the REIT Regulations, REIT Distributions shall be made five working Days from the record date, which shall be two working Days from the date of the declaration of REIT Distributions, excluding the date of declaration and the record date.
- f. The REIT Distributions, when made, shall be made in Indian Rupees.

- g. The REIT Distributions shall be made by electronic fund transfer or by such other manner of payment in accordance with Applicable Law;
- h. The form, frequency and amount of future REIT Distributions on the Units will depend on the earnings, financial position and results of operations of the Bagmane REIT, as well as contractual restrictions, provisions of Applicable Law, or any other *force majeure* events.
- i. Presently, the net distributable cash flows shall be calculated as per Annexure A of this Policy, as may be amended by the Manager from time to time in accordance with Applicable Laws.
- j. The Manager shall maintain records for at least seven years, pertaining to distribution declared and made to the Unitholders.
- k. If any property is sold by the Bagmane REIT or its Asset SPVs or if the equity shares or interest in the Asset SPVs is sold by the Bagmane REIT, and the Bagmane REIT 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 the REIT Regulations.
- l. If any property is sold by the Bagmane REIT or its Asset SPVs or if the equity shares or interest in the Asset SPVs is sold by the Bagmane REIT, and if the Bagmane REIT proposes to invest the sales proceeds made into any other property, it shall not be required to distribute proceeds from such sale to the Unitholders of the Bagmane REIT.
- m. In terms of the REIT Regulations, if the distribution is not made within five working Days from the record date, which shall be two working Days from the date of the declaration of REIT Distributions, excluding the date of declaration and the record date (or such other period as may be prescribed under the REIT Regulations), the Manager shall be liable to pay an 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 Bagmane REIT. Any amount remaining unclaimed or unpaid out of the distributions declared by the Bagmane REIT shall be transferred to the 'Investor Protection and Education Fund' constituted by SEBI, in such manner as may be specified by SEBI.
- n. In the event of dissolution of the Bagmane REIT, all of the assets of the Bagmane REIT or the proceeds therefrom shall be distributed or used as follows and in the following order of priority:
 - (i) First, towards the payment of the debts and liabilities of the Bagmane REIT, including without limitation of any statutory dues of the Bagmane REIT and also any statutory dues and amounts due to the Trustee (including but not limited to trustee remuneration), the Manager, or a service provider to the Bagmane REIT and any expenses incurred for the dissolution of the Bagmane REIT;
 - (ii) Second, towards the setting up of any reserves which the Trustee (on the advice of the Manager) or the authority in-charge of winding up of the affairs of the Bagmane REIT may deem reasonably necessary for any contingent or unforeseen liabilities or obligations of the Bagmane REIT; and
 - (iii) Third, to the Unitholders in ratio of their Unitholding.
- o. Deduction of taxes:

- (i) The Trustee shall, subject to advice of the Manager, make any deductions of taxes, cess, fees, charges, assessments and duties that may be required to be deducted or withheld under Applicable Law before making any payment to any Unitholder, whether by way of distribution, redemption of any Units or otherwise. However, the Manager shall be responsible for deducting all types of taxes and deposit with the relevant governmental agency as per the Applicable Law.
- (ii) 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.

5. Amendment of the Policy

Notwithstanding the above, this Policy will stand amended to the extent of any change in Applicable Laws without any action of the Manager or approval of the Unitholders. The Board reserves the right to amend or modify this Policy, in whole or in part, from time to time, in accordance with Applicable Law.

ANNEXURE A

Calculation of net distributable cash flows at each Asset SPVs level / HoldCos

Description
Cash flow from operating activities as per cash flow statement of HoldCo/ Asset SPV(s)
Add: Cash flows received from Asset SPV(s) which represent distributions of NDCF computed as per relevant framework (<i>please refer to note 1 and 8 below</i>) (relevant in case of HoldCo)
Add: Treasury income/ income from investing activities (interest income received from fixed deposits, 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. It is 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 HoldCo, Asset SPV(s), Investment Entity 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 • Proceeds reinvested or planned to be reinvested as per Regulation 18(16)(d) of REIT Regulations or any other relevant provisions of the REIT Regulations
Add: Proceeds from sale of real estate investments, real estate assets or sale of shares of HoldCo, Asset SPV(s), Investment Entity not distributed pursuant to an earlier plan to reinvest as per Regulation 18(16)(d) of REIT Regulations or any other relevant provisions of the REIT Regulations, if such proceeds are not intended to be invested subsequently
Less: Finance cost on borrowings, as per the profit and loss account excluding finance cost on any shareholder debt/loan from the Bagmane 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 equated monthly instalments, 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 Bagmane 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 Bagmane REIT or any of its HoldCo/ Asset SPV(s) have availed debt, or (ii) terms and conditions, covenants or any other stipulations applicable to debt securities issued by the Bagmane REIT or any of its HoldCo/ Asset SPV(s); or (iii) terms and conditions, covenants or any other stipulations applicable to external commercial borrowings availed by the Bagmane REIT or any of its HoldCo/ Asset SPV(s); or (iv) agreement pursuant to which the HoldCo/ Asset SPV(s) operates or owns the real estate asset, or generates revenue or cashflows from such asset (such as concession agreement, transmission services agreement, power purchase agreement, 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 HoldCo or Asset SPV(s), to the extent not funded by debt/ equity or from reserves created in the earlier years (<i>please refer to note 9 below</i>)

Calculation of net distributable cash flows at the Bagmane REIT level

Description
Cash flows from operating activities of the Bagmane REIT
Add: Cash flows received from Asset SPV(s) which represent distributions of NDCF computed as per relevant framework (<i>please refer to note 1 and 9 below</i>)
Add: Treasury income/ income from investing activities of the Bagmane REIT (interest income received from fixed deposit, any investment entities as defined in Regulation 18(5) of the REIT Regulations, 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. It is 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 HoldCo/ Asset SPV(s)/ Investment Entity 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 • Proceeds reinvested or planned to be reinvested as per Regulation 18(16)(d) of REIT Regulations or any other relevant provisions of the REIT Regulations
Add: Proceeds from sale of real estate investments, real estate assets or sale of shares of HoldCo/ Asset SPV(s)/ Investment Entity not distributed pursuant to an earlier plan to re-invest as per Regulation 18(16)(d) of REIT Regulations or any other relevant provisions of the REIT Regulations, if such proceeds are not intended to be invested subsequently
Less: Finance cost on borrowings, as per the profit and loss account. 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 at the Bagmane REIT level (to include principal repayments as per scheduled equated monthly instalments 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 Bagmane REIT or any of its HoldCo/ Asset SPV(s); or (iii) terms and conditions, covenants or any other stipulations applicable to external commercial borrowings availed by the Bagmane REIT or any of its HoldCo/ Asset SPV(s); or (iv) agreement pursuant to which the Bagmane REIT operates or owns the real estate asset, or generates revenue or cashflows from such asset (such as, concession agreement, transmission services agreement, power purchase agreement, 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 Bagmane REIT, to the extent not funded by debt/ equity or from contractual reserves created in the earlier years (<i>please refer to note 9 below</i>)

Notes:

1. *The NDCF computed at Asset SPV(s) level for a particular period shall be added under this line item, even if the actual cashflows from the Asset SPV(s) to the Bagmane REIT has taken place post that particular period, but before finalization and adoption of accounts of the Bagmane REIT.*



2. *The Bagmane REIT shall retain 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.*
3. *The option to retain 10% distribution under Regulation 18(16) of the REIT Regulations shall be computed by taking together the retention done at the HoldCo, Asset SPV(s) level and Bagmane REIT level, in accordance with applicable law.*
4. *Surplus cash available in the Bagmane REIT level/ HoldCo/ Asset SPV(s) level due to: (i) 10% of NDCF withheld in line with the REIT Regulations in any earlier year or half year or; (ii) such surplus being available in a new HoldCo/ special purpose vehicle on acquisition of such holding company/ special purpose vehicle by the Bagmane 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 HoldCo/ Asset SPV(s) to the Bagmane REIT,/ HoldCo or by the Bagmane REIT to its Unitholders in part or in full. Such distribution of surplus funds shall be separately disclosed after the NDCF computation for the respective period. However, in case of acquisition of such special purpose vehicle funded by external debt, then surplus cash available with such special purpose vehicle should first be used to repay such external debt, post which remaining surplus, if any, may be used for distribution.*
5. *Any restricted cash (disclosed as such) should not be considered for NDCF computation by the HoldCo/ Asset SPV(s) or the Bagmane REIT (e.g., unspent CSR balance for any year deposited in a separate account as per Companies Act which will be utilized in subsequent years, DSRA reserve, major maintenance reserve etc.).*
6. *The Bagmane REIT and the HoldCo/ Asset SPV(s) shall not distribute any cashflows by obtaining external debt, except to the extent clarified in note 2 and 7 (this will exclude any working capital/ OD facilities obtained by Bagmane REIT/ HoldCo/ Asset SPV(s) as part of treasury management/ working capital purposes as long as they are squared off within the quarter).*
7. *Proceeds from sale of real estate investments, real estate assets or shares of HoldCo/ Asset SPV(s)/ Investment Entity adjusted for transaction costs or repayment of debt taken for such assets or other items as mentioned above which is intended to be reinvested or planned to be reinvested as per Regulation 18(16)(d) of REIT Regulations, may be temporarily parked in overdraft accounts or used to repay any additional/ unrelated debt. Further if such proceeds are not intended to be reinvested as per the timeline provided in the REIT Regulations and such net proceeds are to be distributed back to Unitholders, then redrawing such temporarily parked funds to distribute such net proceeds will not be considered as a contravention of note 6 above.*
8. *Cash flows received from HoldCo/ Asset SPV(s)/ Investment Entity which represent distributions of NDCF computed as per the relevant framework at the Bagmane REIT and/ or HoldCo level for further distribution to Unitholders shall exclude any such cash flows used by the Bagmane REIT and/ or HoldCo for onward lending to any other HoldCo/ Asset SPV(s) / Investment Entity to meet operational/ interest expenses or debt servicing of such entities.*
9. *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 Bagmane REIT.*
10. *Debt repayment at REIT level will not be reduced from NDCF to the extent such debt is refinanced at the HoldCo/Asset SPV(s) level and such proceeds from refinancing have been transferred by the HoldCo/SPV(s) to the REIT for such debt repayment. Similarly, debt repayment at HoldCo/SPV(s) level will not be reduced from NDCF to the extent such debt is refinanced at the REIT level and such proceeds from refinancing have been transferred by the REIT to the HoldCo/SPV(s) for such debt repayment.*

11. *The Manager of the REIT is required to ensure the following while making distributions:*
- (i) The period of making distribution should be followed consistently whether on a half-yearly/quarterly/monthly basis and the same should be part of distribution policy of the REIT which should be disclosed in the offer document, annual report and the website of 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 REIT or any of the underlying SPVs or HoldCos, are being distributed together.*
 - (iii) The first distribution (whether monthly/quarterly/half-yearly, etc.) out of the NDCF computed for a Financial Year (or period thereof) should be minimum 90% / 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 vote cast.*