
ACQUISITION POLICY

1. PREAMBLE

TVS Infrastructure Investment Manager Private Limited (“**Company**” or “**IM**” or “**Investment Manager**”) has been appointed as the investment manager of TVS Infrastructure Trust (“**Trust**”), an infrastructure investment trust registered with the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended (“**InvIT Regulations**” or “**Applicable Laws**”).

This policy provides for a framework for acquisition of assets for the Trust in future. The Investment Manager shall ensure that all investment decisions in relation to the Trust are in accordance with applicable law, including the InvIT Regulations and the investment strategy of the Trust as specified under the Trust Deed and this policy. The Investment Manager has adopted this policy. This policy will be effective on, and from, the date on which the units of the Trust are listed on one or more recognized stock exchanges in India.

2. INVESTMENT DECISIONS

The Investment Manager shall be responsible for overseeing loans and investments of the Trust, including, (a) reviewing investment decisions with respect to the underlying assets or projects of the Trust, along with decisions in relation to further investments or divestments (b) considering any proposal for acquisition of assets (either directly or through a committee) and (c) such other acts as may be required for implementation of the investment strategy of the Trust.

3. CRITERIA

The Trust shall be entitled to acquire a future SPV/Holding Company or an asset, subject to compliance with this policy and applicable law, provided that such future SPV/Holding Company or an asset meets each of the following criteria:

- such asset is situated in India;
- such asset is an Eligible Infrastructure Project as per the InvIT Regulations in the warehousing sector (as identified in the harmonised list of infrastructure sub-sectors as may be notified by the Government of India from time to time);
- the Trust is able to acquire 100% of the issued equity share capital (on a fully diluted basis) and all other securities issued (including outstanding preference shares, if applicable) of the future SPV/Holding Company;
- is a completed and revenue generating asset with at least 80% area leased with a minimum weighted leased expiry of 4 years;
- Further, for the acquisition of the first 3.2 million sq.ft. by Trust, such assets shall be acquired at a cap rate of 8.0-8.4% (or 10 year Gsec yield + 200 bps provided it does not fall below 8.0%) with the cap rate defined as “Stabilized 12-24 month Net Operating Income (NOI) divided by cost of acquisition”
- For the subsequent acquisitions post 3.2 million sq.ft. until public listing, assets shall be acquired at a cap rate of 10 year Gsec yield + 200 bps provided it does not fall below 7.75%; and
- there are no substantial risks which, in the reasonable assessment of the Investment Manager, may lead to suspension or abandonment of the project.

4. ANNUAL BUSINESS PLAN

- An annual business plan (including indicative acquisitions) shall be prepared for the Trust at the beginning of each financial year (“**Annual Business Plan**”). The Annual Business Plan shall include details in relation to the likely target assets, related party or third-party assets, estimated valuation, parameters that drive valuation of the target assets such as yield to cost, leverage, interest rates, potential sources of funding, estimated expenses for due diligence, means of finance and plan of funding for the proposed acquisitions, along with other transaction related costs.
- No acquisition fee shall be payable by the Trust to the Sponsor and its affiliates for any acquisition of an asset.

5. PROCESS

- The board of the directors of IM (either by itself or through a committee designated for such purpose), may authorise the IM to submit a non-binding offer (“NBO”) to the seller(s) in respect of a future SPV/Holding Company, after receiving internal approvals.
- To evaluate the future SPV/Holding Company, the board of directors of IM (either by itself or through a committee designated for such purpose) may appoint external advisors with relevant experience and credentials including investment banker, legal counsel and diligence consultants and any other consultants, as maybe required to help the IM evaluate the future SPV/Holding Company. In case an NBO is accepted by the seller(s), subject to the approval of the requisite diligence budget by the IM’s board of directors or a committee thereof, IM may commission additional due diligence studies deemed relevant, including:
 - (i). legal diligence to ascertain all potential liabilities including relating to ongoing or proposed claims, counterclaims, litigations or any related issue that could impact cash flows of the project or otherwise likely result in any legal, regulatory or reputational risk;
 - (ii). finance and tax diligence to ascertain the potential liabilities that could impact cash flows of the project; and
 - (iii). any other diligence as the IM’s Board of Directors or a committee thereof may deem fit, such as:
 - an independent micro-market study from a reputed consultant to forecast the supply demand and the rentals;
 - an independent technical study from a reputed consultant to forecast operation and maintenance costs (both routine and periodic) and cost to be incurred for any balance/pending construction work;
 - A standalone financial model shall be developed to assess the acquisition opportunity. The financial model may be audited by an external agency, as may be decided by the Board of directors of the Investment Manager or a committee constituted by the board of directors of the Investment Manager.
- Any binding offer made to seller(s) or binding transaction documents executed, made by the IM on behalf of the Trust for acquiring a future SPV/Holding Company, shall be authorized by the Board of directors of the IM.
- Approval of IM’s Board of Directors shall be obtained for investments in future SPVs/Holding Companies (in line with the InvIT Regulations), if (i) such an approval is required under the InvIT Regulations, or (ii) if the future SPV/Holding Company does not meet the criteria mentioned in point 3 above.
- The Trust shall ensure that it complies with the investment conditions including those pertaining to maximum investment limits in under-construction assets viz-a-viz completed, revenue-generating assets, under Regulation 18 of the SEBI InvIT Regulations, pursuant to any acquisitions under this Policy.

6. FUNDING THE ACQUISITION

- a) As per this policy, subject to applicable law, the Borrowing Policy and the Unitholders approval, if applicable, the Trust may avail additional debt (along with provision of security for such debt) for funding the acquisition of any future SPVs/Holding Companies if the following conditions are complied with:
 - the aggregate consolidated borrowings and deferred payments of the Trust, at a consolidated level, shall not exceed such limit as prescribed under applicable law;
 - the debt is availed at commercially reasonable terms as may be determined by the board of directors; and
 - the Investment Manager shall ensure that the Trust does not undertake any obligation which would result in its liabilities exceeding the value of the total assets of the Trust.
- b) If the funding requirement of the Trust are not fulfilled for acquisition of any eligible SPVs/Holding Companies, post utilization of debt availed as per the point (a) above, subject to compliance with applicable

law and approval from the Unitholders, the Trust may utilize such portion of its distributable income as are set aside as reserves for the purposes of funding the acquisition of any future SPVs/Holding Companies. In case there is any trapped cash or any other trapped liquid investments in the Trust, the same can also be utilized for the acquisition of future SPVs/Holding Companies in any feasible manner (such as security for any borrowing), post the receipt of approval from the Unitholders.

- c) If the Trust does not have sufficient funds under point (b) above, the Trust may raise funding for the acquisition of any future SPVs/Holding Companies in compliance with applicable law and pursuant to receipt of approval from the Unitholders.
- d) Notwithstanding anything in this clause, for the first 3.2 million sq.ft. of assets to be acquired by the Trust, the assets shall be funded through debt financing while for subsequent acquisitions until public listing, the most optimum and efficient sources of capital (including, equity, debt, surplus cashflows, or a combination of the foregoing) shall be evaluated by the Board, subject to compliance with applicable law.

7. CONFLICT WITH APPLICABLE LAW

The Policy shall not contradict the provisions of any applicable law. In case of any discrepancy, the provisions of Applicable Law shall prevail over the provisions of this Policy.

8. REVIEW OF THIS POLICY

This Policy shall be reviewed at least once in every two years.

9. AMENDMENT

Any amendment or variation to this Policy shall be undertaken in compliance with the InvIT Regulations and other applicable law.

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.

Adopted by the Board of Directors, as the case may be, of TVS Infrastructure Investment Manager Private Limited on behalf of the Trust on May 31, 2025.

Certified True Copy

Authorised Signatory

Name: **Yogesh Bhargav**
Designation: **Company Secretary**