GR HIGHWAYS INVESTMENT MANAGER PRIVATE LIMITED

29th June 2024

To

BSE Limited	**National Stock Exchange of India Limited**
Phiroze Jeejeebhoy Towers	Exchange Plaza, C-1, Block G
Dalal Street,	Bandra-Kurla Complex, Bandra(E)
Mumbai – 400001	Mumbai -400051
Scrip Code: 544137	**Symbol: BHINVIT**

Subject: First Annual Report of Bharat Highways InvIT for the Financial Year ended 31st March 2024.

Dear Ma'am / Sir,

Pursuant to the provisions of Regulation 23(3) of the SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended, read with circulars and guidelines issued thereunder from time to time ("**SEBI InvIT Regulations**"), please find enclosed First Annual Report of Bharat Highways InvIT for the Financial Year ended 31st March 2024.

The Annual Report is also being uploaded on the website of the InvIT at: www.bharatinvit.com.

You are requested to take the same on your record.

Thanking you,
Yours sincerely,

For GR Highways Investment Manager Private Limited
(Investment Manager to Bharat Highways InvIT)

Mohnish Dutta
Digitally signed by Mohnish Dutta
Date: 2024.06.29 13:04:23 +05'30'

Mohnish Dutta
Company Secretary & Compliance Officer
M. No. FCS 10411

CC:
IDBI Trusteeship Services limited
Ground Floor, Universal Insurance Building
Sir P.M. Road, Fort,
Mumbai, Maharashtra – 400001

Encl: as above

BHARAT HIGHWAYS INVIT

Bharat Highways InvIT
Annual Report 2023-24

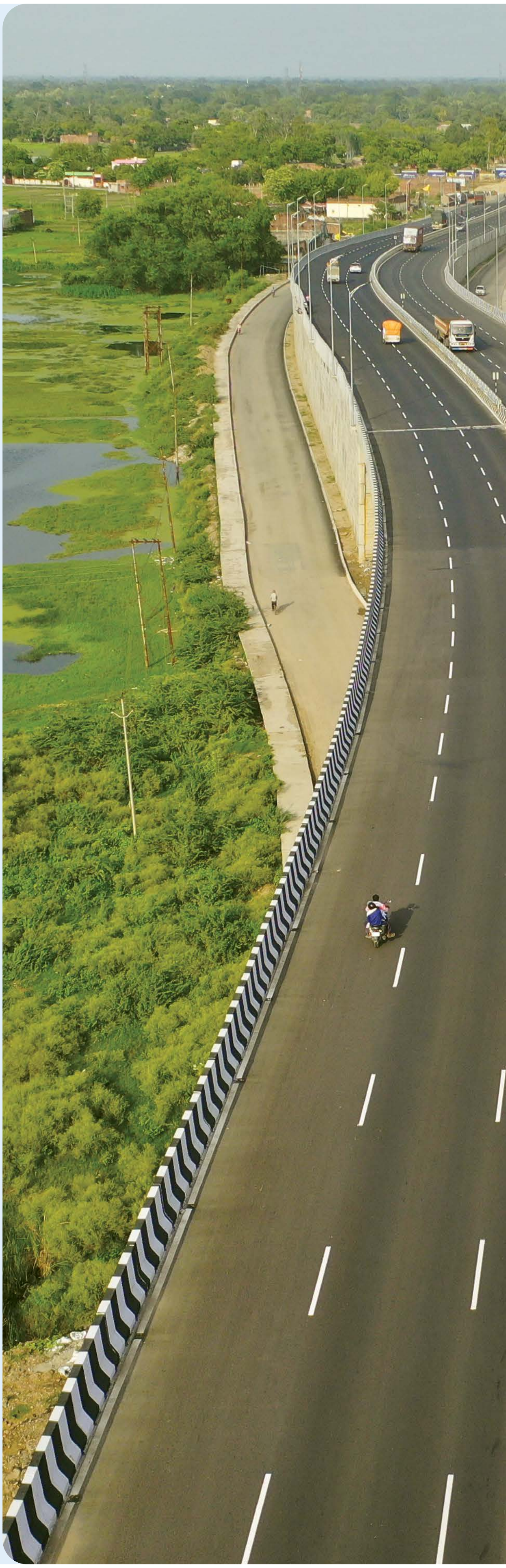
DRIVING GROWTH. BUILDING TRUST. DELIVERING VALUE.

ACROSS THE PAGES

Company Overview

Statutory Reports

Financial Reports



Scan this QR code to navigate investor-related information.

Investor Information

Market Capitalisation (as on 31 March 2024)

₹ 48,767 Million

BSE Code

544137

NSE Symbol

BHINVIT

Distribution Declared

₹ 3.00/unit

AGM Date

26 July 2024

AGM Venue

Virtual

DISCLAIMER

This document may contain statements about expected future events, which may be forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. There is a significant risk that the assumptions, predictions, and other forward-looking statements may not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results, and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications and risk factors referred to in the Management Discussion and Analysis section of this Annual Report.

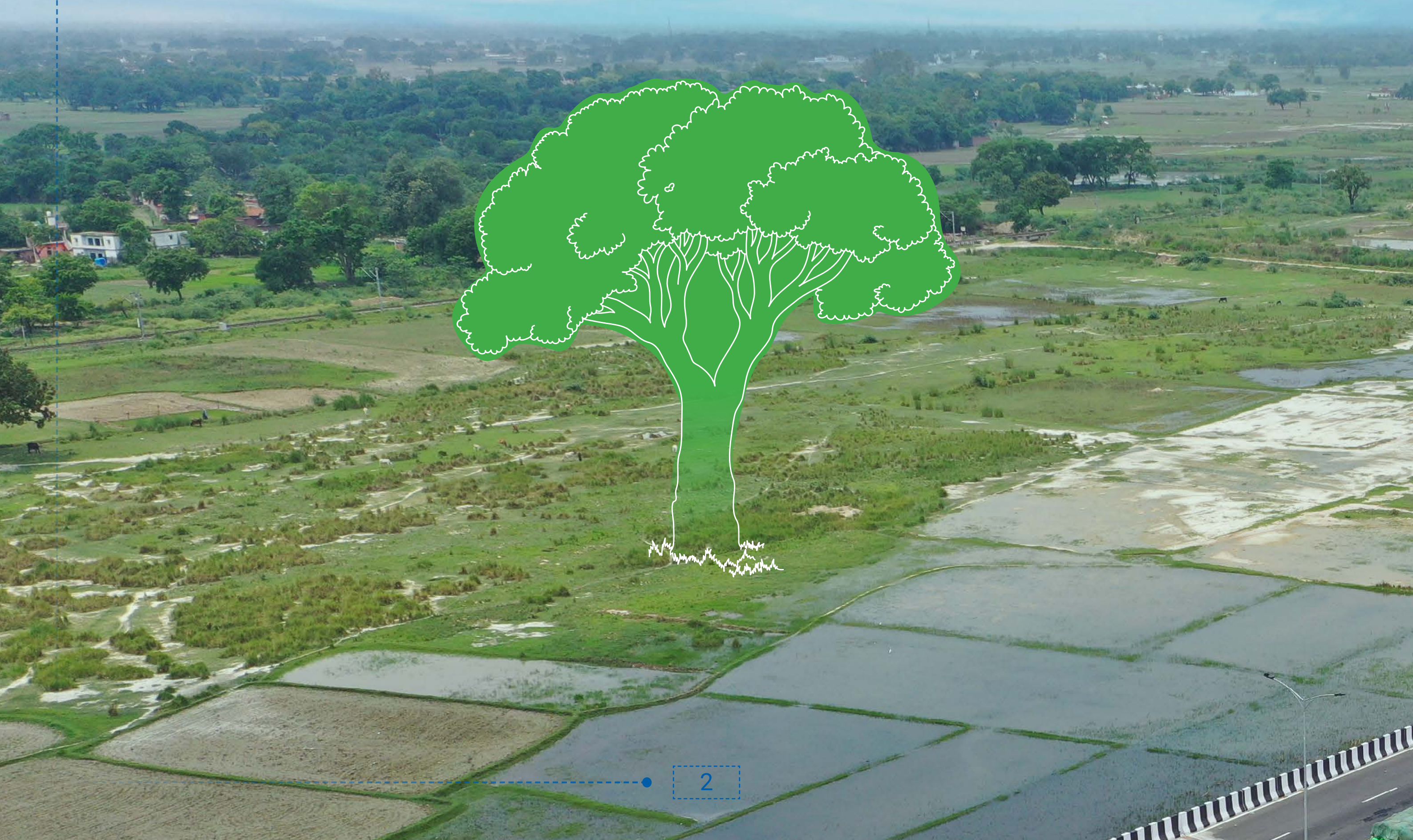
The maps showcased across the report are a simplified illustration for easy understanding, not for reference. Political boundaries and geographical names may not reflect their actual positions.

DRIVING GROWTH.
BUILDING TRUST.
DELIVERING VALUE.

Trust is built with consistency.

– Lincoln Chafee

At Bharat Highways InvIT, we believe in driving growth through asset acquisition, building trust with transparency, and delivering value with consistent returns. The theme 'Driving Growth. Building Trust. Delivering Value.' encapsulates our strategic vision and commitment to excellence in infrastructure investment and management.



By focussing on the expansion of our asset portfolio and leveraging the technical expertise of our Sponsor, we strive to drive growth and enhance returns for our investors. Effective governance and transparent communication build trust among all stakeholders, ensuring both credibility and accountability. Through our disciplined financial management and strategic investments, we intend to deliver consistent returns, enhance asset value and maximise returns for our investors. We prioritise sustainable practices, emphasising environmental responsibility and social impact to contribute positively to the communities we serve. By prioritising customer satisfaction and stakeholder engagement, we meet the needs and expectations of road users and investors, fostering long-term relationships and sustained success.

At Bharat Highways InvIT, together we pave the path to a sustainable and prosperous future, shaping India's infrastructure landscape and creating a lasting impact for all stakeholders.

OUR LISTING CEREMONY

We successfully launched our Initial Public Offering (IPO) and got listed on the National Stock Exchange of India Limited and BSE Limited on 12 March 2024. The public issue received an overwhelming response from investors.

The funds raised through the IPO were primarily utilised to prepay the existing debt in our Project SPVs, thereby providing sufficient headroom to expand our portfolio by acquiring assets. With a successful listing, Bharat Highways InvIT is well-positioned to pursue growth opportunities and deliver long-term value to our unitholders.

₹ 24,999.99 Million
Total Issue Size

₹ 100 per Unit
Final Issue Price

₹ 45,644.82 Million
Market Capitalisation
(As on the Closure of Trading on Listing Day)

ABOUT BHARAT HIGHWAYS INVIT

Bharat Highways InvIT (referred to as "We" or "the InvIT" or "the Trust") is an infrastructure investment trust established to acquire, manage, and invest in a diverse portfolio of infrastructure assets in India. Our portfolio comprises seven road assets operating under the Hybrid Annuity Mode (HAM) in five states. These assets are developed, operated, and maintained by Project Special Purpose Vehicles (Project SPVs) under concession rights granted by the National Highways Authority of India (NHAI).

- First publicly listed InvIT with only HAM assets
- Sizeable portfolio of assets
- Geographically diversified road assets portfolio and stable revenue base

Our assets operate on HAM, ensuring we receive steady income from NHAI in the form of annuities during the operation period. The model reduces the financial burden on the developer during the construction phase and ensures stable revenue streams during the operation phase in the form of annuities, interest on balance annuities, and inflation-linked O&M payments. Importantly, this model shields us from any fluctuations in income caused by variations in traffic, thus providing us with a stable financial outlook.

HIGHLIGHTS OF THE YEAR

₹ 61,266 Million
Assets Under Management (AUM)

₹ 58,737.64 Million
Total Annuities Receivable

497.292
Length Kms

AAA/Stable
CRISIL

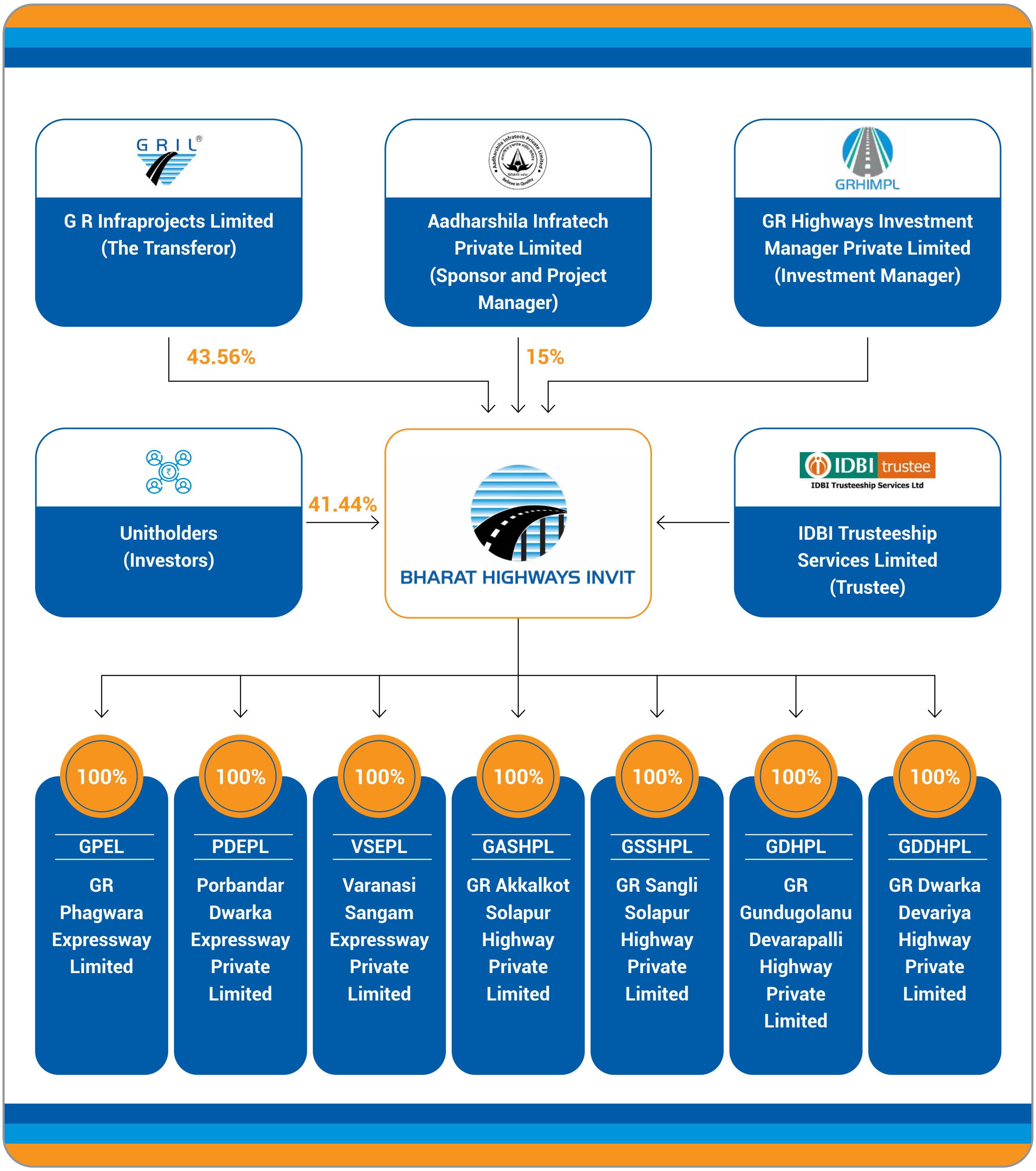
2,134
Lane Kms

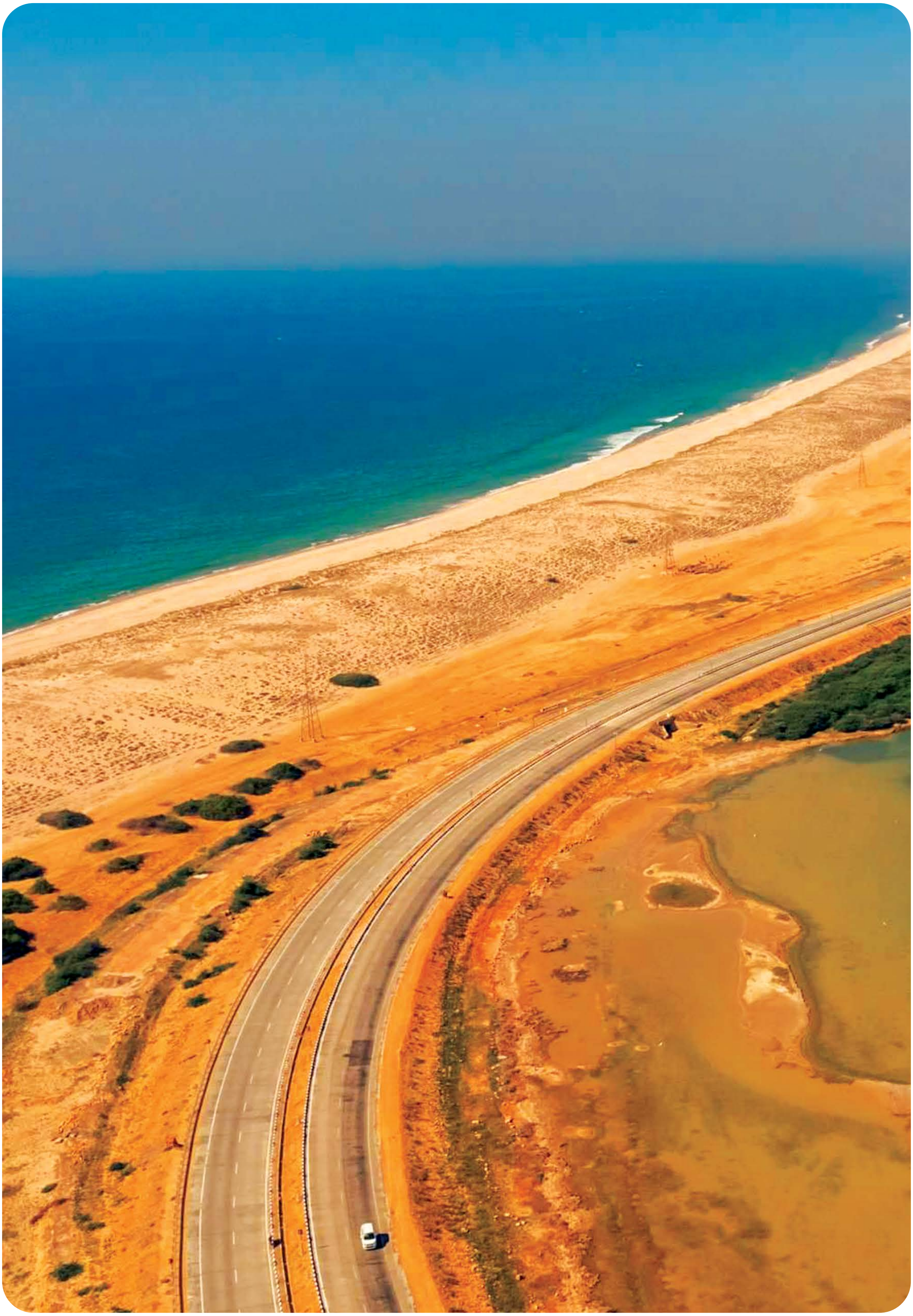
AAA/Stable
Care

~11.83 Years
Weighted Average Residual Concession Period (based on bid project cost)

AAA/Stable
India Ratings

DRIVING GROWTH, BUILDING TRUST, AND DELIVERING VALUE WITH A SOLID STRUCTURE





Sponsor and Project Manager

Aadharshila Infratech Private Limited is the Sponsor and Project Manager of the Trust. It was incorporated on 30 June 2010 under the Companies Act, 1956, as a private limited company. It has an established track record of physical and chemical testing of soil and other materials (cement testing, fly ash, bitumen emulsion and aggregate testing) at its laboratory accredited by NABL. This enables it to determine the appropriate material mix for the development of bituminous and concrete road projects. Further, its capability to assess the roughness and balance of road projects allows it to determine the appropriate maintenance activity to be undertaken on the road projects. Nagaur Mukundgarh Highways Private Limited **(NMHPL)**, an Associate of the Sponsor, is a road engineering, procurement, and construction company incorporated on 7 February 2017, with experience in design and construction of various road/highway projects. NMHPL has been undertaking operation and maintenance of its projects for more than 5 years. Its development and execution skills have enabled it to undertake and sustain road projects of varying complexity.

Role

- The project manager handles the Trust's asset operations and maintenance, directly or via supervised agents.
- The project manager ensures timely completion, implementation, operation, maintenance, and management of infrastructure projects as per the project management agreement.
- Exercising diligence and vigilance in managing and protecting the commercial interests of InvIT's assets.
- Keeping the Investment Manager informed on all matters materially affecting InvIT Assets' operations.
- Consulting with governmental authorities regarding obligations under the Project Management Agreement.
- Implementing measures to mitigate risks associated with InvIT Assets.

Investment Manager

GR Highways Investment Manager Private Limited, incorporated as a private limited company on 23 March 2022, serves as the Investment Manager. Leveraging the extensive experience and expertise of its employees, the Investment Manager is well-equipped to navigate the complex financial management, advisory, and infrastructure development. It also ensures compliance with the eligibility requirements stipulated by the SEBI (Infrastructure Investment Trusts) Regulations, 2014, **(SEBI InvIT Regulations).**

Role

- The Investment Manager is responsible for the comprehensive management and administration of Bharat Highways InvIT, including the oversight of funds and investments.
- The Investment Manager has the authority to make key investment and divestment decisions. This includes acquiring, managing, trading, and disposing of InvIT Assets, as well as making strategic decisions regarding investment amounts, modes, and terms.
- The Investment Manager oversees financial operations such as depositing funds, collecting income, and providing financial assistance to Project SPVs.
- The Investment Manager declares distributions to the unit holders.

Trustee

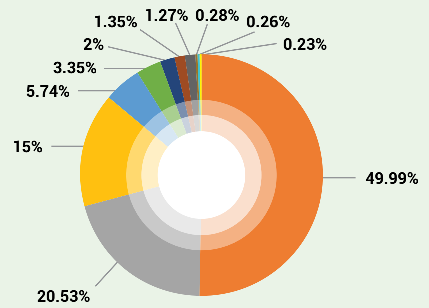
IDBI Trusteeship Services Limited has been appointed as the sole Trustee of the InvIT. As a registered Debenture Trustee with the Securities and Exchange Board of India (SEBI) under the Securities and Exchange Board of India (Debenture trustees) Regulations, 1993, IDBI Trusteeship Services Limited is eligible and qualified to act as the trustee for our InvIT in compliance with SEBI InvIT Regulations.

Role

- The Trustee ensures the InvIT adheres to all SEBI InvIT Regulations and other relevant legal frameworks.
- Acting as the custodian of the Trust's assets, the Trustee safeguards the interests of the unitholders
- The Trustee is responsible to oversee the activities of the Project Manager and review the status of unit holders' complaints and their redressal undertaken by the investment manager.

Unit Holders (As on 31 March 2024)

The unitholding pattern shows a diverse range of investors, with corporate bodies holding the largest stake at 49.99%. Mutual funds follow as the second-largest category, owning 20.53% of the units. The Sponsor holds a significant 15% stake, while individual investors account for 5.74%. Insurance companies and foreign portfolio investors hold 3.35% and 2%, respectively. Banks, alternate investment funds, NRIs, trusts, and NBFCs collectively hold 3.39% of the total outstanding units.



Category

- Corporate Body
- Mutual Funds
- Sponsor
- Individuals
- Insurance Companies
- Foreign Portfolio Investors
- Banks
- Alternate Investment Funds
- NRIs
- Trusts
- NBFCs

FROM THE CEO'S DESK

The infrastructure sector serves as a vital catalyst for India's economic growth and overall development. As the nation progresses towards its goal of becoming a global economic powerhouse, the imperative for robust infrastructure becomes increasingly evident".

Dear Valued Stakeholders,

It is with great pride and enthusiasm that I present to you our maiden annual report post listing, embodying our commitment to 'Driving Growth. Building Trust. Delivering Value.' As we navigate the evolving landscape of India's infrastructure sector, these guiding principles serve as the bedrock of our strategy and decision-making. We remain firm in our pursuit of new opportunities, upholding the highest standards of governance, and generating sustainable value for all our stakeholders.

Our IPO Listing Story

As the CEO of Bharat Highways InvIT, growth and value creation have always been central to my vision. Since establishing our initial portfolio of assets generating stable annuity revenues, we have harboured greater aspirations. Our goal has been to build an InvIT that actively participates in and benefits from the tremendous growth opportunities in India's infrastructure development story. With the successful completion of our IPO, we have achieved a pivotal milestone that sets the stage for an exciting and promising future. With a solid capital foundation and a diversified investor base, we are now well-positioned to diligently execute our growth strategy. The journey ahead is undoubtedly exciting, and I am grateful to all our investors for placing their trust in our vision.

India's Infrastructure Growth

The infrastructure sector serves as a vital catalyst for India's economic growth and overall development. As the nation progresses towards its goal of becoming a global economic powerhouse, the imperative for robust infrastructure becomes increasingly evident. The launch of the NIP in 2020, with an envisaged investment of ₹ 111 Lakh Crores during 2020 to 2025, underscores the significance of private capital in driving infrastructure development. Under Bharatmala Phase-I, 34,800 Km of national highways with a corridor-based approach are slated for completion by FY 2027-28. The Sagarmala scheme aims to provide efficient road linkages between ports and industrial clusters. Additionally, digital integration is enabling quicker, cashless transactions at toll plazas, fostering greater efficiency and convenience for road users. All these initiatives are part of the Government's concerted efforts to enhance the country's infrastructure capabilities, bolster economic growth, and improve connectivity.

To support these ambitious development schemes, infrastructure investment trusts (InvITs) were created to facilitate investment in India's infrastructure sector. They provide a platform for investors to own a portion of infrastructure projects. InvITs have played a pivotal role in democratising infrastructure ownership, attracting private capital, and providing stable and predictable income streams to investors in this sector. With over 20 InvITs currently operating in India, primarily in the private sector, and more expected to emerge, investor interest in this area is set for significant growth. The budget allocation of ₹ 2.78 Lakh Crores for the Ministry of Road Transport and Highways (MoRTH) in the Interim Union Budget 2024-25 is expected to significantly boost the growth prospects and potential returns for InvITs in the road transport sector. This aligns with India's broader growth objectives. This increased funding will continue to provide an immediate boost to the project pipeline, leading to more contracts and business opportunities for InvITs in the years to come. Additionally, the strong government commitment to infrastructure development will likely enhance investor confidence, creating positive market sentiment and making InvITs an attractive investment opportunity.

Portfolio Developments

We are the only InvIT currently in which all road assets are on HAM. Our strategic focus on HAM is driven by its balanced risk-sharing between the Government and private developers. In HAM, the NHAI covers 40% of the project costs, easing the financial load on the private developers. The remaining 60% is funded by the developer, who receives annuity payments from the NHAI, ensuring stable revenue and making it attractive to investors seeking stable returns. Our portfolio encompasses seven operational HAM assets strategically spread across five states, providing us with a diverse geographical footprint. This diversification not only enhances our expertise in evaluating, acquiring, operating, and maintaining new projects but also contributes significantly to our overall experience and competence in managing infrastructure assets. Our unique position is further strengthened by the Right of First Offer (ROFO) agreement with G R Infraprojects Limited (GRIL), which provides us with clear visibility for future road acquisitions. Additionally, we benefit from the strong O&M services provided by GRIL. Though our present portfolio consists of only HAM projects, we are also looking to expand the same with the acquisition of toll assets.

Strategic Imperatives

Our focus is anchored in financial prudence and sustainable growth by delivering consistent and value-accretive distributions to unitholders through stable distributions. We aim to achieve this by pursuing strategic acquisitions of road assets.

We strongly emphasise on operational efficiency. By leveraging technological advancements, we aim to reduce costs, improve asset quality, and deliver superior value to our stakeholders. Furthermore, we maintain a relentless focus on process optimisation, constantly refining our operational procedures to achieve greater efficiency and effectiveness. The Project Manager has engaged G R Infraprojects Limited for O&M services of the Project SPVs and the same has been a key factor in maintaining good condition of our roads, leading to enhanced user satisfaction.

Future Prospects

Our outlook is shaped by significant opportunities arising from the Government's continued impetus in the infrastructure sector during FY 2023-24 and its ambitious long-term vision. This includes the development of a 2 Lakh-Km national highway network by 2025. We are actively preparing ourselves for the future by embracing technological innovation, operational excellence, and ESG best practices, which will continue to drive our growth and differentiate us from our peers. Additionally, our ROFO agreement with GRIL, gives us visibility on a robust pipeline of potential acquisition targets. GRIL provides valuable expertise in optimising asset quality and value. Our ability to consolidate additional high-quality operational assets will facilitate portfolio expansion and growth in cash flow. Moreover, our public listing enhances our reach for capital from diversified sources. Overall, we are confident in our ability to profitably expand our portfolio, deliver value-accretive distributions, and generate sustained value appreciation for our investors in the years ahead. Our unique positioning at the intersection of stability and growth provides a highly compelling investment proposition.

A Note of Thanks

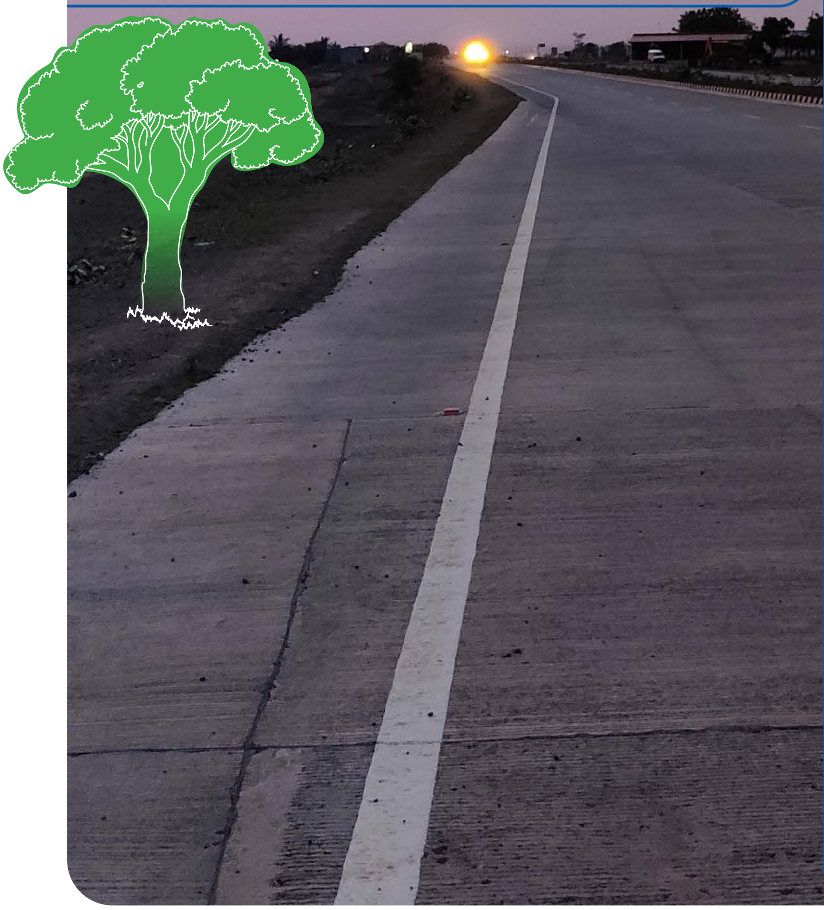
In conclusion, I would like to express my gratitude to our unitholders, employees, partners, and all stakeholders for their support, trust, and confidence in us. As we move forward, we remain committed to accomplishing our vision to become one of the largest and most admired yield platforms in the country, built on transparency and governance that provides superior risk adjusted returns to our unit holders. By driving growth, building trust, and delivering value in our future endeavours, together we will continue to shape the future of India's infrastructure, creating a lasting impact on the nation's progress and prosperity.

Warm Regards,

Amit Kumar Singh
Chief Executive Officer

BUILDING FINANCIAL PRUDENCE TO ADD VALUE

Our strategic focus on financial prudence is underscored by the fact that all our InvIT assets operate under HAM framework. This ensures a steady revenue stream from annuities paid by the NHAI. This revenue model provides stability and predictability to our income, as annuity payments remain unaffected by fluctuations in traffic volume. The HAM approach also alleviates the financial burden during the construction phase, as the concessioning authority shares a portion of the total project cost.



₹ 48,767 Million
Market Capitalisation

₹ 1,286.2 Million
Total consolidated income

₹ 148.1 Million
Consolidated Net Profit

₹ 3.00/- per Unit
Distribution

₹ 62,594.1 Million
Consolidated Total Assets

₹ 49,565.9 Million
Consolidated Total Equity

114.12
NAV

as on 31 March 2024

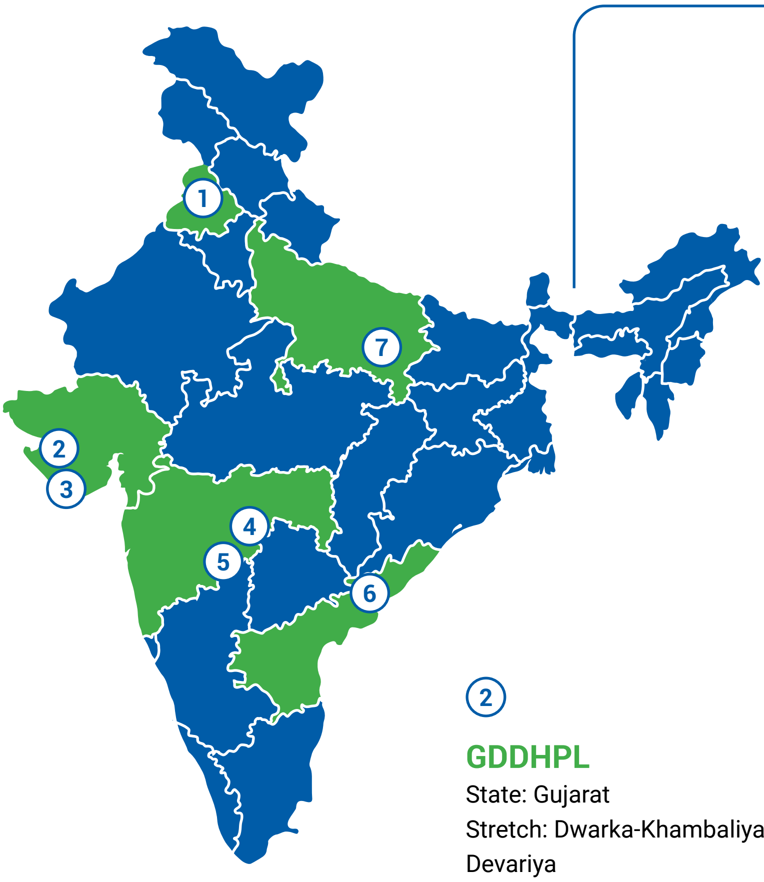
GROWING AND DELIVERING VALUE WITH AN EXPANDING GEOGRAPHICAL PRESENCE

The InvIT encompass seven operational HAM assets spread across five states of India. This diverse geographical reach will be key to enhancing our proficiency and competence. It will not only bolster our capabilities in evaluating, acquiring, operating, and maintaining new projects but also contribute significantly to our overall experience and expertise in managing infrastructure assets.

5
States

497.29
Length Km

2,134
Lane Km



① **GPEL**
State: Punjab
Stretch: Phagwara-Rupnagar

② **GDDHPL**
State: Gujarat
Stretch: Dwarka-Khambaliya-Devariya

③ **PDEPL**
State: Gujarat
Stretch: Porbandar-Dwarka

④ **GASHPL**
State: Maharashtra
Stretch: Akkalkat-Solapur

⑤ **GSSHPL**
State: Maharashtra
Stretch: Sangli-Solapur

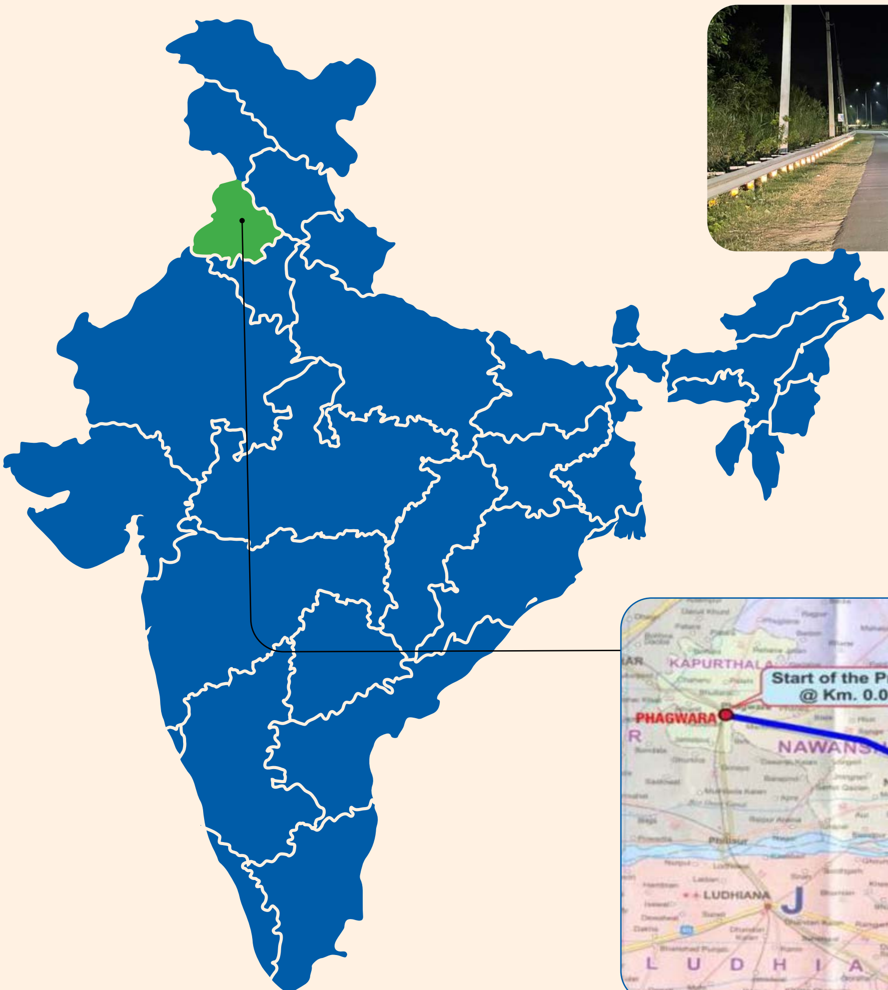
⑥ **GDHPL**
State: Andhra Pradesh
Stretch: Gundugolanu-Devarapalli-Kovvuru

⑦ **VSEPL**
State: Uttar Pradesh
Stretch: Varanasi-Handia

GR PHAGWARA EXPRESSWAY LIMITED (GPEL)

GPEL is an SPV incorporated for the purpose of four-laning of the Phagwara–Rupnagarr section of NH-344A, covering the stretch from 0.00 Kms to 80.820 Kms on HAM basis.

Type of Project	HAM
Authority	NHAI
Project Location	Punjab
Design Length	80.820 Kms
Bid Project Cost	₹ 13,670 Million
Total Annuities Receivable	₹ 9,141.13 Million
Annuities Receivable*	₹ 7,425.35 Million
Number of Annuities Received*	8/30
Balance Concession Period*	10.91 Years

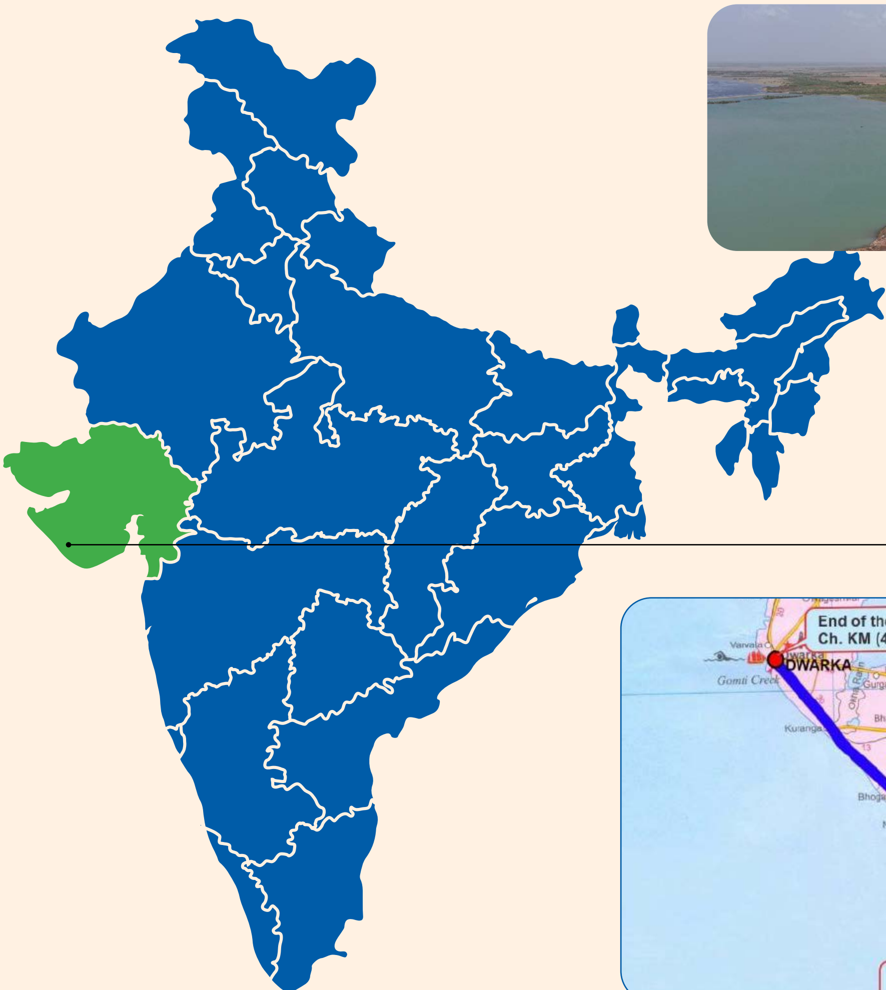


*all data as on 31 March 2024

PORBANDAR DWARKA EXPRESSWAY PRIVATE LIMITED (PDEPL)

PDEPL is an SPV incorporated for the purpose of four-laning the Porbandar–Dwarka section of NH-8E (Ext.) with paved shoulders, spanning from 356.766 Kms to 473.000 Kms.

Type of Project	HAM
Authority	NHAI
Project Location	Gujarat
Design Length	117.748 Kms
Bid Project Cost	₹ 13,670 Million
Total Annuities Receivable	₹ 10,390.40 Million
Annuities Receivable*	₹ 8,710.18 Million
Number of Annuities Received*	7/30
Balance Concession Period*	11.05 Years

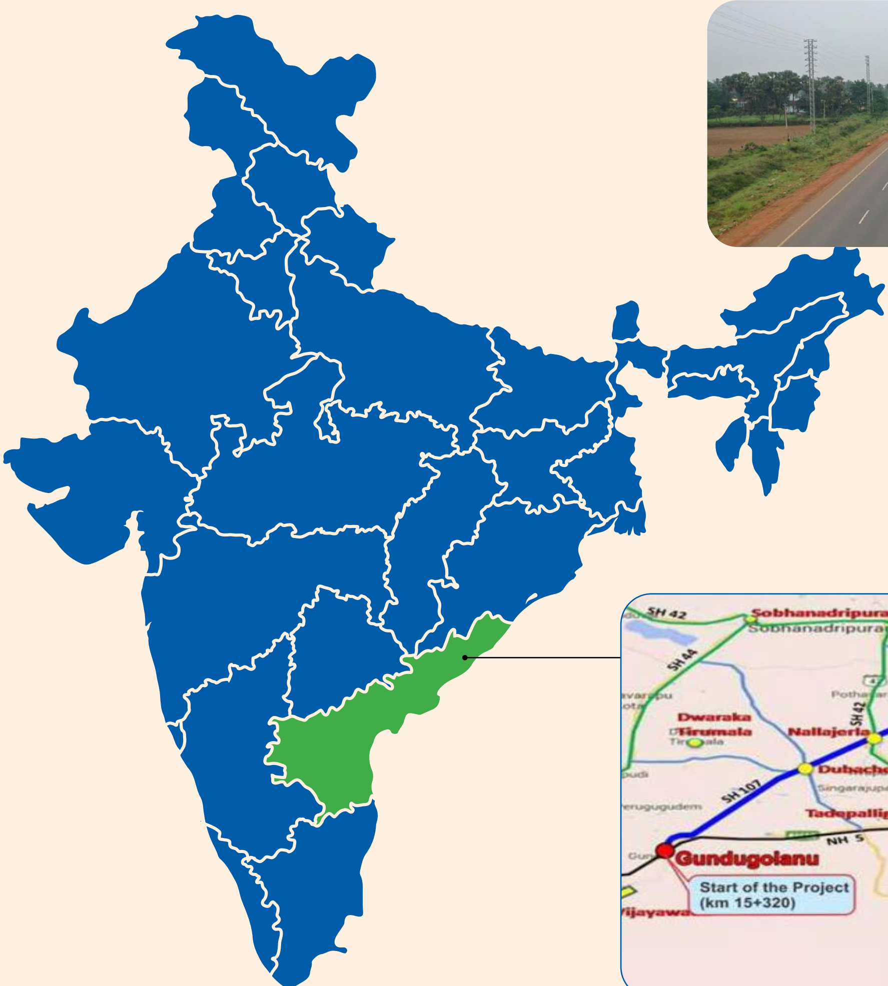


*all data as on 31 March 2024

GR GUNDUGOLANU DEVARAPALLI HIGHWAY PRIVATE LIMITED (GDHPL)

GDHPL is an SPV incorporated for the purpose of four-laning the Gundugolanu–Devarapalli–Kovvuru section of NH-16, from 15.320 Kms to 85.204 Kms.

Type of Project	HAM
Authority	NHAI
Project Location	Andhra Pradesh
Design Length	69.884 Kms
Bid Project Cost	₹ 18,270 Million
Total Annuities Receivable	₹ 11,959.50 Million
Annuities Receivable*	₹ 10,620.04 Million
Number of Annuities Received*	5/30
Balance Concession Period*	12.28 Years



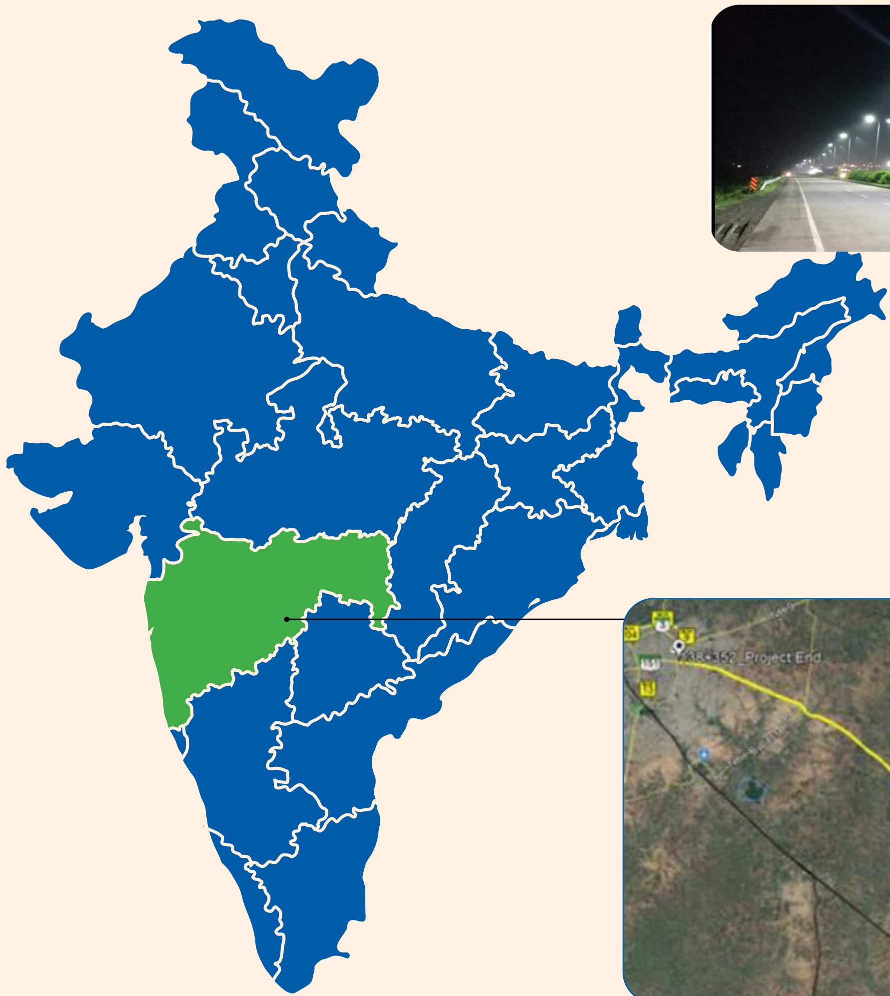
*all data as on 31 March 2024

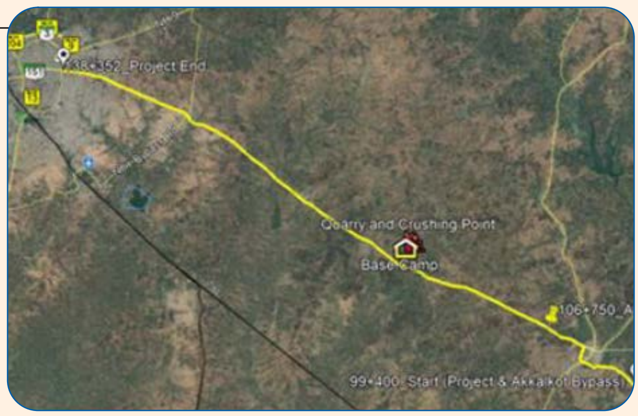
OUR PROJECT PORTFOLIO

GR AKKALKOT SOLAPUR HIGHWAY PRIVATE LIMITED (GASHPL)

GASHPL is an SPV incorporated for the purpose of four-laning of the Akkalkot–Solapur section of NH-150E with paved shoulders, spanning from design chainage 99.400 Kms to 138.352 Kms, including the Akkalkot bypass.

Type of Project	HAM
Authority	NHAI
Project Location	Maharashtra
Design Length	38.952 Kms
Bid Project Cost	₹ 8,070 Million
Total Annuities Receivable	₹ 5,630.43 Million
Annuities Receivable*	₹ 4,861.88 Million
Number of Annuities Received*	6/30
Balance Concession Period*	12.01 Years



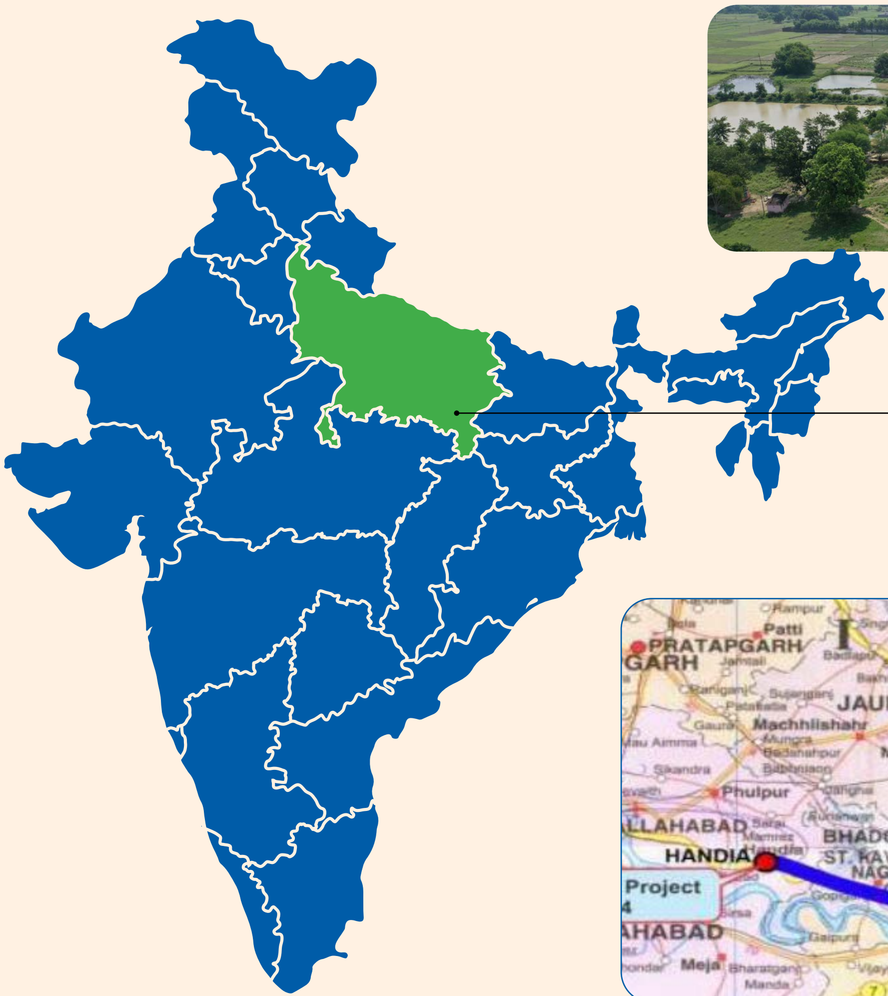


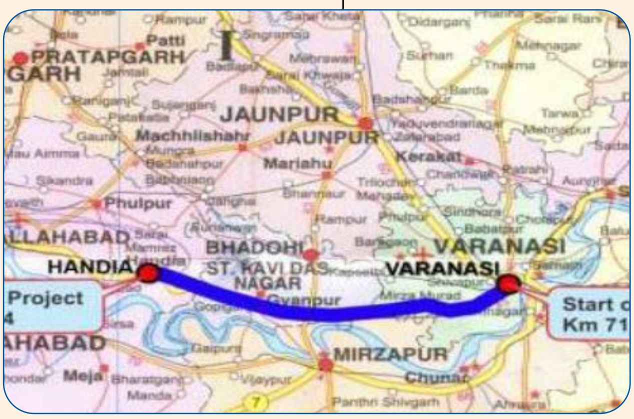
*all data as on 31 March 2024

VARANASI SANGAM EXPRESSWAY PRIVATE LIMITED (VSEPL)

VSEPL is an SPV incorporated for the purpose of six-laning of the Haldia–Varanasi section of NH-2, spanning from 713.146 Kms to 785.544 Kms.

Type of Project	HAM
Authority	NHAI
Project Location	Uttar Pradesh
Design Length	72.398 Kms
Bid Project Cost	₹ 24,470 Million
Total Annuities Receivable	₹ 16,871.61 Million
Annuities Receivable*	₹ 14,568.63 Million
Number of Annuities Received*	6/30
Balance Concession Period*	11.60 Years





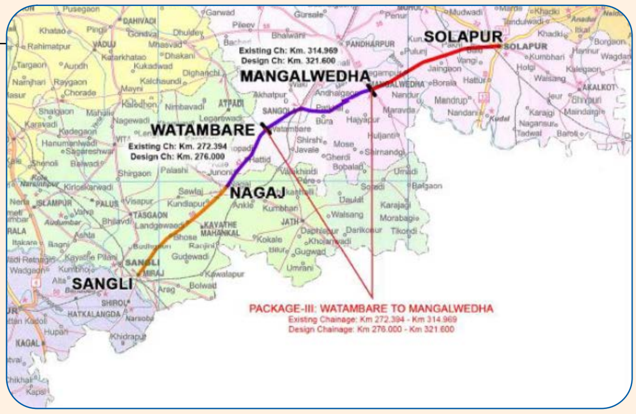
*all data as on 31 March 2024

OUR PROJECT PORTFOLIO

GR SANGLI SOLAPUR HIGHWAY PRIVATE LIMITED (GSSHPL)

GSSHPL is an SPV incorporated for the purpose of four laning of (Package- III: Watambare to Mangalwedha) Section of NH-166, spanning from 272.394 Kms to 314.969 Kms.

Type of Project	HAM
Authority	NHAI
Project Location	Maharashtra
Design Length	45.600 Kms
Bid Project Cost	₹ 9,570 Million
Total Annuities Receivable	₹ 6,581.29 Million
Annuities Receivable*	₹ 5,965.85 Million
Number of Annuities Received*	5/30
Balance Concession Period*	12.25 Years

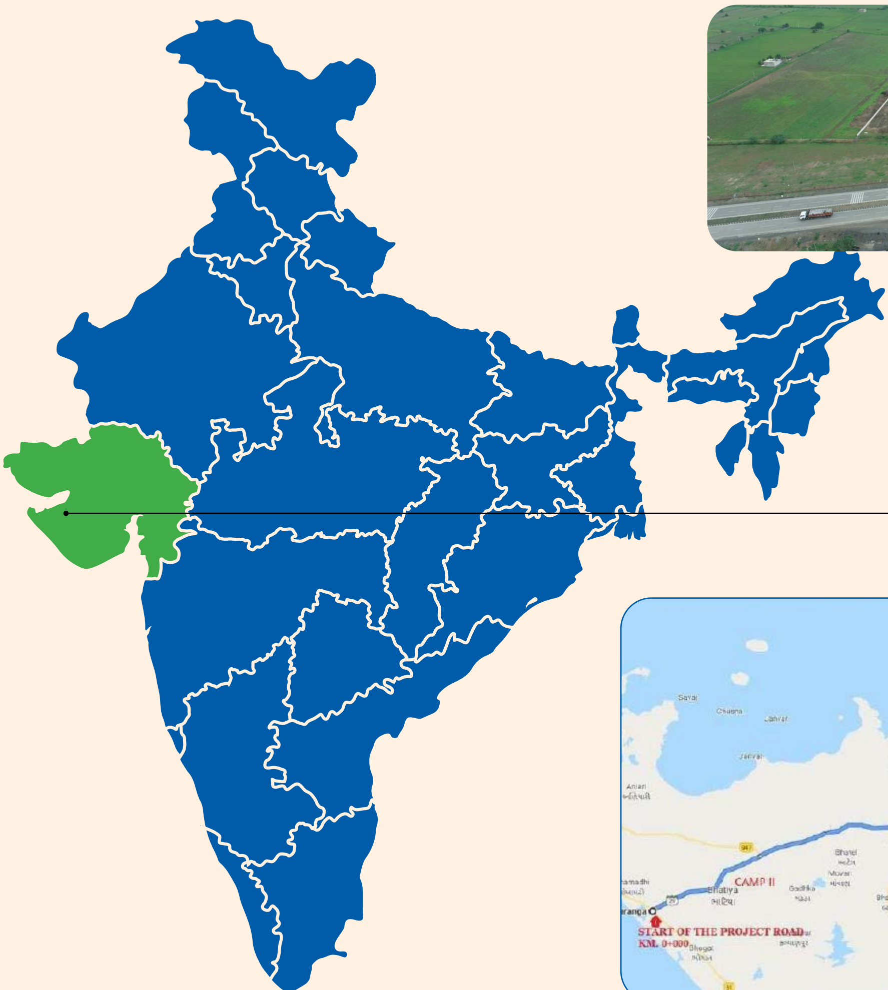


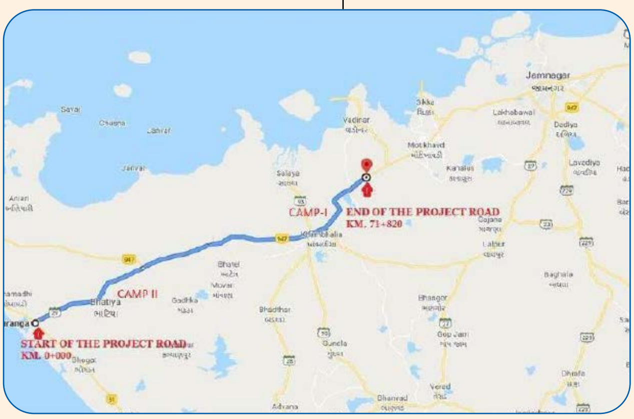
*all data as on 31 March 2024

GR DWARKA DEVARIYA HIGHWAY PRIVATE LIMITED (GDDHPL)

GDDHPL is an SPV incorporated for the purpose of four-laning of the Dwarka (Kuranga)–Khambhaliya–Devariya section of NH 151A, from 203/500 Kms to 176/500 Kms and from 171/800 Kms to 125/000 Kms, with a designed length of 71.890 Kms.

Type of Project	HAM
Authority	NHAI
Project Location	Gujarat
Design Length	71.890 Kms
Bid Project Cost	₹ 11,010 Million
Total Annuities Receivable	₹ 7,062.66 Million
Annuities Receivable*	₹ 6,553.73 Million
Number of Annuities Received*	3/30
Balance Concession Period*	13.35 Years





*all data as on 31 March 2024

DELIVERING VALUE THROUGH OUR KEY STRATEGIC ENABLERS

Our strategy revolves around building a diversified infrastructure portfolio of HAM, BOT Annuity and Toll Road assets. These are further geared towards generating long-term, sustainable value and stable distributions for our unitholders. We are rooted in the principles of diversification and stability, seeking to assemble a strong base of revenue-generating assets resilient to market cycles. Operational excellence and prudent risk management are intrinsic to our approach, upholding the highest standards of governance and ethics. This philosophy ultimately translates into our commitment to creating enduring value for all stakeholders.

Sizeable Portfolio of Stable Revenue

We own a portfolio consisting of seven HAM Assets with an aggregate length of approximately 497.29 Kms. Given that all our InvIT Assets are based on HAM, our revenue is expected to continue steadily from annuities paid by the NHAI. Under HAM projects, the NHAI shares a portion of the total project cost during the construction phase, reducing the financial burden on the developer. During the operational phase, NHAI provides assured revenue through annuities, interest on the reducing balance of the completion cost (BCC), and O&M payments linked to inflation. Annuity payments eliminate the risk of income fluctuations resulting from changes in traffic volume. This model of assured revenue streams from annuities provides long-term visibility and stability to our cash flows.

497.292 Kms

of Aggregate Length of Seven Road Assets

Sizeable Portfolio of Assets

Diversified Asset Portfolio

Our InvIT Assets encompass a geographically diversified portfolio which enhances our ability to evaluate, acquire, operate, and maintain new projects. The concession agreements of our Project SPVs have varying expiration dates, with residual operation periods ranging from 10.91 to 13.35 years as of 31 March 2024. This variation in timing, along with geographic diversity, combined with our expertise from existing projects, positions us to capitalise on new opportunities in the roads and highways sector. Diversification strengthens our business by reducing reliance on specific projects and mitigating the impact of economic slowdowns or any events.

10.91 to 13.35 Years

Balance Concession Period

ROFO with G R Infraprojects Limited

Through the ROFO Agreement, we will have a right of first offer to acquire the projects currently owned or which may be acquired or developed by GRIL within 5 years of the signing of the ROFO Agreement. We believe that this access to future road assets of GRIL will be an important source of the InvIT's growth in the future.

InvIT has the first right to acquire GRIL's **23** current road assets and any future road asset of GRIL acquired or developed within 5 years from the signing of the ROFO Agreement. This allows the InvIT the first opportunity to acquire these assets before they are offered to any other party.

O&M Capabilities through Project Manager

Effective cost management is crucial for maintaining the cash flows of the Project SPVs, particularly in the capital-intensive and competitive roads sector. The Project Manager will be instrumental in managing project operating expenses. To optimise long-term performance and minimise downtime or defects, the Investment Manager will work closely with the Project Manager to implement robust preventive and corrective measures in our O&M systems and processes. This collaborative approach ensures the seamless functioning of projects, enhancing overall efficiency and profitability.

100% Compliance

with NHAI and Local Authority Requirements

Experienced Management Team

The Investment Manager (IM), with their strong management team, bring extensive experience, in-depth understanding, and a proven track record of performance in the road and highways sector. Collectively, the IM Team possesses over 30 years of experience in fund management / advisory services / development in the infrastructure sector. Their expertise encompasses business strategy and operational and financial capabilities. This wealth of experience is crucial for executing growth strategies effectively. The leadership and experience of these teams are expected to contribute significantly to the organisation's growth and success, enabling efficient operation and management of road assets. The IM Board has adopted and will continue to adopt corporate governance policies in accordance with applicable laws and SEBI InvIT Regulations.

30+ Years

of Total Experience

Expertise in Business Strategy and Operational and Financial Capabilities

Hedge against Adverse Interest Rate Movements

NHAI's hybrid annuity projects provide a natural hedge against adverse interest rate movements. During the operations period, NHAI not only makes annuity payments under the respective concession agreements but also pays interest on the reducing balance of the annuities payable at a rate of 3% above the RBI bank rate. Therefore, any increase in interest rates that raises the interest payable on loans with floating rates for us is offset by increased revenue from the higher interest on the reducing balance of the annuities payable.

Natural Hedge

Provide Against Adverse Interest Rate Movements

ADDING VALUE WITH OUR ESG COMMITMENTS

At Bharat Highways InvIT, we are committed to integrating ESG principles into our core business strategy. We recognise the importance of sustainable practices, social responsibility, and ethical governance in creating long-term value for our stakeholders. By aligning our business objectives with ESG standards, we aim to drive positive change while ensuring the sustainable growth of our InvIT in an ever-evolving landscape.

Environmental Stewardship

We will prioritise minimising the environmental impact of our assets. Initial areas of focus include:

- Energy efficiency initiatives
- Water conservation efforts
- Waste reduction and recycling programmes

Social Responsibility

People are at the core of our business. We aim to positively impact employees, contractors, and communities where we operate in through initiatives like:

- Diversity, equity, and inclusion programmes
- Community engagement and Corporate Social Responsibility
- Workforce development programmes

Governance and Ethics

We are committed to upholding the highest ethical standards through robust governance practices such as:

- Enhancing Board oversight of ESG risks and opportunities
- Implementing stringent ethics and whistleblower policies

Our commitment is an ongoing journey of continuous improvement, integrating ESG into our culture and decision-making at all levels. We believe that proactively managing ESG factors will mitigate risks, unlock opportunities, attract top talent, and ensure that we can meet the growing demand for sustainable and resilient infrastructure solutions. This is not only the right thing but will also drive long-term value creation for all our stakeholders.

DRIVING GROWTH WITH ABLE GOVERNANCE

Effective corporate governance is crucial for the InvIT. Like the pillars upholding a strong structure, the InvIT's Board of Directors is the foundation of our success. Their collective wisdom, built from years of valuable experience, guides the Trust towards sustained growth and industry leadership. With a keen understanding of market dynamics and a dedication to the highest standards of corporate governance, our Board of Directors embodies the qualities to ensure that we remain agile and resilient in a constantly evolving market.

Our Committees

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Risk Management Committee

Our Board of Directors

1

Ajendra Kumar Agarwal -

Chairman & Non-Executive Director

Area of Expertise - He has over 25 years of experience in the road construction industry. He is responsible for overseeing the overall functioning of G R Infraprojects Limited, especially the operational and technical aspects. He heads the in-house design team and is actively involved in continuous value engineering using the latest specifications and methodologies. He is also the head of the budgeting, planning, and monitoring process which has leveraged the timely completion of the projects.

Education - He holds a Bachelor's degree in Civil Engineering from the University of Jodhpur.

2

Siba Narayan Nayak -

Non-Executive Director

Area of Expertise - He has over 34 years of experience in public as well as private sectors, working across various functions including finance, accounts, resource mobilisation and indirect taxation. He has specialised exposure in the infrastructure sector, more particularly in roads, power, and real-estate. Presently, he is also working as President (Corporate Affairs and Development) in G R Infraprojects Limited and is responsible for its diversification strategies into other business activities. Prior to joining G R Infraprojects Limited,, he worked with the NHAI.

Education - He has passed the final examinations of the Institute of Cost and Works Accountants of India and the Institute of Company Secretaries of India.

3

Ramesh Chandra Jain -

Non-Executive Director

Area of Expertise - He has over 30 Years of experience in Road Construction Industry. He was previously associated with NHAI as a Manager (Technical) and is presently working with G R Infraprojects Limited as Executive Director and is responsible for monitoring the construction of roads, highways and bridges, and for the bidding process for new projects.

Education - He holds a Bachelor's degree in Civil Engineering from the Rajasthan University.

4

Raghav Chandra -

Independent Director

Area of Expertise - He has over 35 years of experience in areas such as public administration, tribal affairs, industrial housing, and urban infrastructure development. Prior to joining as the Investment Manager, he has served in several positions, including the Secretary for the National Commission for Scheduled Tribes, Chairman of the National Highways Authority of India, Joint Secretary for the MoRTH, Principal Secretary for the Urban Administration & Development Department, Government of Madhya Pradesh, Additional Secretary for the Ministry of Agriculture, Government of India and Principal Secretary for the Technical Education and Training Department, Government of Madhya Pradesh. He has also served as an adjunct faculty in the Indian Institute of Corporate Affairs under the MCA. He is a former Indian Administrative Service officer from the batch of 1982.

Education - He holds a Master's degree in Public Administration from Harvard University, USA.

5

Deepak Maheshwari -

Independent Director

Area of Expertise - He has over 40 years of experience in banking and finance. He is also on the Board of Directors of Axis Finance Limited. Prior to joining the Investment Manager, he has served as the chief Credit Officer at Axis Bank Limited and the Group Head (Wholesale Credit Risk) at HDFC Bank Limited. In the past, he has been associated with the State Bank of India and has also been a Director on the Board of Directors of Federal Bank Limited.

Education - He holds a Bachelor's degree in Commerce from the University of Rajasthan. He is a certified associate of the Indian Institute of Bankers.

6

Swati Anil Kulkarni -

Independent Director

Area of Expertise - She has over 30 years of experience in investment management and finance. She was an Executive Vice-President and Fund Manager (Equity) at UTI Asset Management Company Limited. She was recognised as one of the best fund managers in the 'Large-Cap Funds' category by ET-Wealth Morningstar Rankings by Economic Times for the years 2021 and 2022. In the past, she was also associated with Reliance Industries Limited.

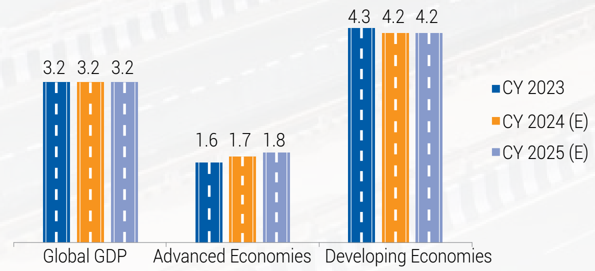
Education - She holds a Bachelor's degree in Commerce from M. L. Dahanukar College of Commerce and a Master's degree in Financial Management from the Narsee Monjee Institute of Management Studies. She is a chartered financial analyst from the CFA Institute.

Management Discussion & Analysis

Global Economic Overview

Amid a series of challenges, the global economy displayed resilience, achieving a growth rate of 3.2% in CY 2023. Projections indicate that this growth momentum is expected to continue, for both CY 2024 and CY 2025. Throughout the year, persistent inflationary pressures were exacerbated by ongoing conflicts such as the Russia-Ukraine and Israel-Palestine disputes. Responding to these challenges, central banks worldwide implemented synchronised efforts to tighten monetary policy. This extended period of quantitative tightening is expected to mitigate inflationary pressures, and lead to a decrease in global headline inflation to 5.9% in CY 2024 and further to 4.5% in CY 2025.

Global Economic Growth (in %)



*(Source: International Monetary Fund (IMF), World Economic Outlook (WEO) Projections, April 2024) *E =Estimate*

Outlook

Looking ahead, global GDP growth in CY 2025 is projected to be moderate at 3.2%. This growth trajectory is expected to vary, with advanced economies experiencing modest growth while emerging markets gain moderate momentum. The growth in CY 2024 may be impeded by sluggish employment growth, persistently high prices and wages, elevated interest rates, tighter credit conditions, and fiscal tightening across most major economies. Additionally, easing supply chain constraints, moderating final demand, rebalancing labour markets, and declining rents are anticipated to contribute to global disinflation in CY 2024.

(Source: IMF, World Economic Outlook (WEO) Projections, April 2024)

Indian Economic Review

India has solidified its position as the world's fifth-largest economy, showcasing substantial economic output and robust demographic vitality. Additionally, the country has surpassed China to become the fastest-growing economy globally. It is primarily driven by demographic advantage, robust business environment, political stability, and controlled inflation.

In FY 2023-24, India's GDP is projected to grow at a rate of 8.2%, marking the third consecutive year of over 7% growth. This improved growth is expected to be supported by narrowing gaps between rural-urban consumption and private-public capital expenditure. It is further expected to be benefitted by a favourable Rabi harvest, sustained profitability in manufacturing, resilience in services, and anticipated enhancements in household spending and private investment cycles.

Indian Economy GDP Growth Rate (in %)

*(Source: https://www.thehindubusinessline.com/ economy/ indias-gdp-grows-82-in-fy24-against-7-in-fy23/ article68236035.ece *) = Provisional*

Inflationary pressures eased to 4.85%, with a decline observed in both food and core inflation. This remained within the RBI's tolerance level for six consecutive months as of March 2024.

Recent government measures to control food prices are expected to alleviate inflationary trends further. Additionally, the prospects of El Nino fading away and forecasts of a normal monsoon season in FY 2024-25 suggest a favourable outlook for improved kharif sowing. This further bodes well for inflation control.

(Source: Department of Corporate Affairs, Indian Economy, January 2024)

The growth in capital receipts and reduction in fiscal deficit further gave the Union Government leeway to undertake significant capital expenditures to build infrastructure at a historically unprecedented rate. The Interim Union Budget for FY 2024-25 sets a cumulative capital expenditure target of ₹ 9.01 Lakh Crores for all public sector undertakings. Of this, ₹ 7.77 Lakh Crores worth capex is to be spent by PSUs with over ₹ 100 Crores of annual capital expenditure targets. India's investment in capital assets in FY 2023-24 is yielding positive results. The country is witnessing continued momentum and an increase in industrial output. According to the Interim Union Budget for 2024-25, the Government has allocated ₹11.11 Trillion (representing 3.4% of GDP) to the infrastructure sector to ensure infrastructure is at the forefront of economic development in India. Public-private partnerships (PPPs) have been a vital instrument for private sector participation across various infrastructure segments. India accounts for around 5% of the global private participation in infrastructure (PPI) amount as of December 2023.

(Source: Department of Corporate Affairs, Indian Economy, January 2024, https://pib.gov.in/PressReleasePage.aspx?PRID=2001122, E&Y Report on Infrastructure Investments Opportunities in India, December 2023)

Outlook

India's broad-based capital expenditure and strong structural reforms contribute to sustaining growth. The nation is on track to become the world's third-largest economy by 2027 due to robust domestic demand.
This momentum is further bolstered by credit expansion, improved capacity utilisation, and efforts to reduce trade deficits and inflation. Infrastructure investments are further expected to enhance competitiveness and drive growth. While challenges like commodity price surges and supply disruptions require vigilance, industrial sector growth hinges on resilient domestic demand amid global uncertainties. Despite global economic challenges, India remains committed to achieving prosperity and global prominence.

Indian Infrastructure Sector Review

The infrastructure sector is a key enabler of India's economy, driving overall development and supporting various sub-sectors such as roads, railways, power, ports, telecommunications, and civil aviation. This sector also fuels growth in allied areas like townships, housing, and construction projects.

In the Interim Union Budget 2024-25, the Government allocated ₹ 11.1 Trillion ($134 Billion), marking an 11% increase from the previous fiscal after year, which is 3.4% of the GDP. India further has an ambitious National Infrastructure Pipeline (NIP) that aims to complete projects worth USD 1.4 Trillion during 2020-2025, with a 21% share of investment expected from private investments. It focusses on enhancing transportation, energy, communications, and social infrastructure, prioritising seamless connectivity and timely capacity creation.

(Source:https://pib.gov.in/PressReleaseIframePage.aspx?PRID=2001130#:~:text=Capital%20expenditure%20outlay%20for%20Infrastructure,per%20cent%20of%20the%20GDP

https://www.investindia.gov.in/team-india-blogs/building-new-india-national-infrastructure-pipeline)

The country also witnessed robust growth in foreign direct investment (FDI) inflows, reaching approximately ₹ 596 Billion during 2014-2023. This is approximately double the amount received during 2005-2014.

(Source: E&Y Report on Infrastructure Investments Opportunities in India, December 2023)

Roads and Highways Network in India

India has the world's second-largest road network, vital for transporting 60% of freight and facilitating 87% of passenger traffic within the country. This network comprises national and state highways, expressways, major and other district roads, and village roads. India's national highways, totalling a length of 1,46,145 Km (up to November 2023), act as a crucial network for the nation.

(Source: https://morth.nic.in/road-transport#:~:text=The%20Road%20Transport%20Sector%20accounts,traffic%20movement%20in%20the%20country.)

Despite covering only 2% of about 66.71 Lakh Km of the total road network, national highways handle over 40% of India's road traffic. This makes them pivotal to the country's transportation infrastructure.

Construction of national highways touched around 5,248 Km (up to November 2023). The highest so far has been 13,327 Km in FY 2020-21 when construction touched 36.5 Km per day.

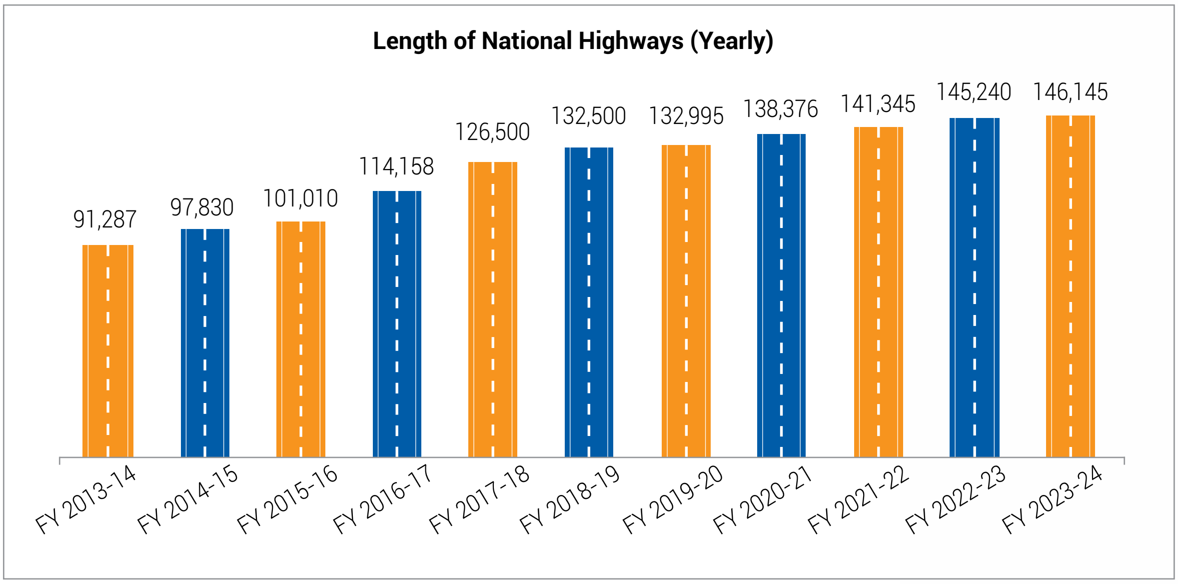
https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1993425)

In the Interim Union Budget FY 2024-25, a total of approximately ₹ 2.8 Trillion has been budgeted for MoRTH, which is 2.8% higher than ₹ 2.7 Lakhs Crores in FY 2023-24. Higher budgetary allocations will be necessary to help the ministry develop more highways and expressways in the country, amid rising interest expenses and increasing land acquisition costs.

The roads and highways sector is projected to have the highest growth rate among all sectors, at a CAGR of 36.2% from FY 2015-16 to FY 2024-25. The Government aims to expand the national highway network to 2 Lakh Km by CY 2025, including constructing 22 new greenfield expressways. PPPs and asset monetisation strategies are key to achieving this, with targets of up to ₹ 1.6 Trillion to be achieved by FY 2024-25.

Meanwhile, the transport ministry has proposed to the PMO the setting up of a dedicated Corridor Management Unit (CMU) in the NHAI. The aim is to focus on the operation and maintenance of highway after stretches, considering a two-fold increase in the length of widened national highways in the past 10 years. As per projection, this will touch 89,900 Km by CY 2037 and 1.27 Lakh Km by CY 2047.

Management Discussion and Analysis (Contd.)



(Source: https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1993425)

Macroeconomic Driving Factors

Economic Growth: India's GDP growth is expected to average at 6-7% per annum in the coming decade. This consistent growth fuels the demand for improved transportation to move goods across larger markets, handle increased trade, and cater to growing industrial output.

Urbanisation: Over 35% of India's population lived in urban areas in FY 2019-20, and this is projected to reach 50% by CY 2050. This creates immense pressure on existing road infrastructure in cities and necessitates connections between expanding urban sprawls.

Demographic Trends: India had an estimated population of 1.44 Billion at the end of FY 2023-24. This, along with the growing purchasing power of the middle class, will significantly increase vehicle ownership, placing greater demands on roads and highlighting the necessity for expansion and effective management.

Trade and Logistics: India plans to establish 35 Multi-Modal Logistics Parks (MMLPs) through PPP, aiming to reduce logistics costs to 8% of GDP by CY 2030. The sector is expected to grow from USD 250 Billion in FY 2020-21 to USD 380 Billion in FY 2024-25, with plans to tender 6-7 MMLPs in FY 2023-24, attracting private investments of ₹ 700-1,000 Crores each. This will facilitate seamless cargo movement across various modes of transport, decongest urban areas, and attract private investments for infrastructure development like access roads and rail connectivity.

(Source: E&Y Report on Infrastructure Investments Opportunities in India, December 2023)

Tourism: The surge in Foreign Tourist Arrivals (FTAs) in India, up by 64% in FY 2022-23 compared to FY 2021-22, acts as a growth driver for road infrastructure. As more tourists explore the country, well-maintained roads are essential for seamless travel experiences. This will further drive the need for investment in road development to accommodate the increased demand and foster economic growth in the tourism sector.

Passenger Vehicles: Passenger Vehicle (PV) sales serve as a crucial barometer for the rise in disposable income. As India's disposable income increases, so do the sales of personal vehicles. The record sales of 3.94 Million PVs in FY 2023-24 represent an 8.4% increase from the previous year. This drives the need for expanded and well-maintained road infrastructure to accommodate growing traffic volumes and ensure smoother transportation experiences.

Landmark Initiatives by the Government

The Government has made significant strides in the country's road infrastructure. This commitment recognises that robust road networks are crucial for economic growth, rural development, and improved quality of life. Key Government initiatives that are transforming India's roadways include:

Bharatmala Pariyojana

Under this scheme, the Government aims to develop 34,800 Km of national highways with a corridor-based approach, slated for completion by FY 2027-28. Bharatmala Pariyojana envisages 60% projects on the Hybrid Annuity Model (HAM), 10% projects on the Build-Operate Transfer (BOT) Toll Model and 30% projects on Engineering, Procurement, and Construction (EPC) Model respectively. Additionally, the plan includes the construction of 22 new greenfield expressways, marking a substantial leap in India's transportation infrastructure. As of December 2023, 26,418 Km (76% of

the planned length) of highways have been awarded for construction, while 15,549 Km have been completed.

(Source: https://pib.gov.in/PressReleaseIframePage.aspx?PRID=2004013

https://pib.gov.in/PressReleaseIframePage.aspx?PRID=1993425)

Sagarmala

The Sagarmala programme plays a pivotal role in enhancing the nation's road infrastructure, particularly in coastal areas. It aims to improve connectivity by establishing efficient road linkages between ports and industrial clusters, as well as upgrading transportation and communication systems along the coast. The 2024-25 Interim Union Budget allocated ₹700 Crores for Sagarmala schemes and projects, highlighting its importance in strengthening roadway infrastructure and connectivity.

PM Gati Shakti

This is a transformative initiative aimed at modernising India's infrastructure through integrated planning and execution, facilitated by a centralised digital platform involving 16 key ministries. It aims to reduce logistics costs, enhance efficiency, and bolster India's industrial competitiveness globally. The programme includes 81 high-impact projects, prioritising road infrastructure.

(Source:https://static.pib.gov.in/WriteReadData/specificdocs/documents/2023/apr/doc2023427188001.pdf)

National Highways Development Project (NHDP)

This multi-phase initiative oversees the development and upkeep of an extensive national highway network. It involves widening and fortifying existing roads, constructing bypasses and flyovers to alleviate congestion, and creating the iconic Golden Quadrilateral that links major cities.

(Source: Morth Annual Report)

Pradhan Mantri Gram Sadak Yojana (PMGSY)

This scheme focusses on providing all-weather road access to rural communities. It is backed by technological advancements like FASTags and Intelligent Transport System (ITS) for improved traffic management and safety. The total length of roads sanctioned under this scheme in FY 2024-25 is 8,26,034 Km.

(Source: https://omms.nic.in/)

Digital Integration

Technological advancements like FASTags, ITS, and Project Management Information System (PMIS) are streamlining the road sector by enabling quicker, cashless transactions at toll plazas. They are also fostering greater efficiency and convenience for road users. More than ₹7.98 Crores FASTags have been issued till December 2023. Total toll collection in India touched ₹64,809.86 Crores in FY 2023-24, a 35% increase over the previous year. This surpasses Government and industry estimates due to a sharp increase in tolled roads and the addition of new FASTag users.

Golden Quadrilateral

The Indian Government plans to construct 6,000 Km of electric vehicle-ready highways on the Golden Quadrilateral over the next seven years as part of the Vision 2030: PM Public Transport Sewa initiative. The goal is to reduce fuel consumption and vehicular emissions, and promote electric mobility. These highways will be equipped with green, energy-powered charging infrastructure. The key cities of Delhi, Kolkata, Mumbai, and Chennai, each with its own unique economic and cultural significance, serve as the vertices of this quadrilateral. By linking these major metropolises, the Golden Quadrilateral is expected to facilitate not only the swift movement of people but also the efficient transportation of goods. Contracts for electrified highways will be awarded under a BOT model.

Changes in the Model Concessionaire Agreement (MCA)

The recent changes in the Model Concession Agreement (MCA) and Request for Proposal (RFP) for Hybrid Annuity Model (HAM) projects in India are poised to bring significant improvements and flexibility to road construction initiatives. The changes in the MCA clause related to O&M payments include the inclusion of categories like flexible perpetual pavement, rigid pavement and stand-alone bridge/tunnel works. Moreover, the shift to Lowest Quoted Bid Project Cost (BPC) as the basis for awarding HAM projects aligns the model more closely with the cost structures of EPC projects, leading to enhanced competition. Additionally, the inclusion of provisions for accepting Insurance Surety Bonds and e-bank guarantees as 'Bid Security and Performance Security' in standard documents for EPC, HAM, and BOT

(Toll) projects provides developers with greater flexibility. These modifications are expected to streamline processes, reduce risks, and attract more participants to infrastructure development projects.

MoRTH, as of March 2024, has revised the Model Concession Agreement (MCA) for BOT Toll and TOT projects in the highways sector. Key changes include requiring 90% construction zone availability before projects start and stricter monitoring of project progress. These revisions aim to address execution challenges, safeguard stakeholder interests, and enhance investor confidence in highway projects.

Investment Landscape through Infrastructure Investment Trusts (InvIT)

InvIT, governed by SEBI's regulations, pools funds from multiple investors to provide regular returns and foster infrastructure development in India. These trusts manage various infrastructure assets, offering regular income through long-term concessions, appealing to a wide range of investors.

Since their introduction in the Indian market in 2014, InvITs have played a crucial role in attracting private capital to the infrastructure sector through foreign as well as domestic investors. They have emerged as a platform for enabling democratic ownership of infrastructure assets.

InvITs operate with high levels of governance and transparency. Public InvITs invest at least 80% of the value of the InvIT assets in completed and revenue generating infrastructure projects and distribute at least 90% of their Net Distributable Cash Flow (NDCF) to investors at least every six months. With a leverage cap of 70% combined with a requirement of AAA credit rating in case the leverage exceeds 49%, InvITs have the ability to prevent over-leveraging in infrastructure assets and lend more visibility to cash flows. This provides additional comfort to investors and an ideal opportunity to invest in infrastructure assets through a publicly traded unit at an investment size of their choice.

Current Landscape

Today, InvITs are managing assets worth over ₹4 Lakh Crores across various infrastructure sectors, with the potential for further addition of ₹6-8 Lakh Crores over the next decade. They offer a regulated, transparent, and liquid way to invest in infrastructure assets with varying investment quantums.

As of March 2024, India has 24 InvITs registered with SEBI, which have raised over ₹ 33,118.60 Crores as of March 2024. Out of these, 20 InvITs are privately listed and 4 are publicly listed. The publicly listed InvITs have a combined market capitalisation of approximately ₹ 25,000 Crores as of March 2024.

Growth Potential and Investment Opportunities

Over the last decade, infrastructure development in India has witnessed significant growth, attracting an investment of over ₹ 67 Lakh Crores since FY 2016-17 till FY 2023 (up to October 2023). With the unique positioning of InvITs in the infrastructure development value chain—providing capital for developers and attractive investment opportunities for investors—this environment bodes well for their growth.

(Source: https://www.crisil.com/en/home/newsroom/press-releases/2023/10/indias-infrastructure-spending-to-double-to-rs-143-lakh-crore-between-fiscals-2024-and-2030-compared-with-2017-2023.html)

Historically, investors participated in the country's infrastructure growth through equity ownership of select developers or OEMs or through debt. However, InvITs present an opportunity for direct asset ownership, albeit at a fractional investment, with yields accruing at least once every six months in Public InvITs and once every year in Private InvITs.

The Ministry of Finance and the Securities and Exchange Board of India (SEBI) have led to enhanced governance and ease of doing business for InvITs. They have thus attracted enthusiastic involvement from institutional and retail investors for participation in sectors such as roads, pipelines, and transmission.

India offers an investment opportunity of approximately USD 39 Billion for private investor participation. PPP projects account for about 40% of the value as of December 2023. This presents substantial potential for private investor participation.

Upcoming Transport Infrastructure Project Opportunities for PPPs

Sectors	No. of Upcoming Projects	Total Value of Projects (USD Billion)
Roads and Highways	59	6.7
Logistics	37	5.0
Urban Public Transport	9	2.1
Railways	5	1.2
Airports and Aviation	6	0.3
Inland Waterways	1	0.04

(Source: E&Y Report on Infrastructure Investments Opportunities in India, December 2023)

Initiatives and Updates by the Government

The Government has brought in several initiatives to attract private sector investments, particularly in the areas of ease of doing business and mitigating risks in PPP frameworks.

- InvITs are gaining momentum, driven by the National Monetisation Plan, which aims to monetise ₹ 6 Trillion worth of Central Government assets from FY 2021-22 to FY 2024-25. The success of infrastructure schemes like Bharatmala and Sagarmala depends on the Government's shift to privately funded infrastructure (PFI) projects, benefitting from InvITs' ability to pass financing burdens to private participants. With a robust regulatory framework, InvITs are poised to become a promising avenue for infrastructure financing, though they are not the sole solution.
- MoRTH monetises its assets under three different modes: the toll-operate-transfer (TOT) model, InvIT, and project-based financing. This provides all categories of investors with an opportunity to invest in assets pertaining to highways and associated infrastructure. Recently, it has raised ₹40,314 Crores through various

modes of asset monetisation in FY 2023-24, against the target of ₹ 28,968 Crores. The ministry had raised ₹ 15,968 Crores through monetisation of 4 TOT bundles, ₹ 15,700 Crores through InvIT and ₹ 8,646 Crores through securitisation.

- The National Highways Infra Trust (NHIT), the InvIT by the NHAI, has successfully concluded fund-raising through 'InvIT Round-3'. This is for national highway stretches of aggregate length of 889 Km at an enterprise value of over ₹ 16,000 Crores as of March 2024. This is the largest monetisation by NHAI and one of the largest transactions in the history of the Indian road sector. In the third round of monetisation, NHIT has raised unit capital of around ₹ 7,272 Crores from marquee domestic and international investors and debt of around ₹ 9,000 Crores from Indian lenders, to fund the acquisition of national highway stretches.

  (Source: https://pib.gov.in/PressReleasePage aspx?PRID=2015548)

Bharat Highways InvIT Overview

Established in June 2022 and registered with SEBI in August 2022, Bharat Highways InvIT (referred to as 'InvIT') specialises in acquiring, managing, and strategically investing in a diverse portfolio of infrastructure assets in India. We are settled by way of the Original Trust Deed, by GRIL (the Settlor), and registered as an infrastructure investment trust with SEBI on 3 August 2022, pursuant to the SEBI InvIT Regulations. Aadharshila Infratech Private Limited, IDBI Trusteeship Services Limited, and GR Highways Investment Manager Private Limited are the Project Manager, Sponsor, Trustee and Investment Manager of InvIT. Operating under the SEBI InvIT Regulations, we capitalise on the rich sectoral expertise of the sponsor in transportation engineering testing, laboratory services, and road engineering and construction to identify and invest in infrastructure projects across India. We got listed on both BSE Ltd. and NSE Ltd. with a market capitalisation of ₹ 48,767 Million as of 31 March 2024.

During the year, InvIT has acquired a 100% equity stake in seven companies, namely Varanasi Sangam Expressway Private Limited, Porbandar Dwarka Expressway Private Limited, GR Phagwara Expressway Limited, GR Gundugolanu Devarapalli Highway Private Limited, GR Akkalkot Solapur Highway Private Limited, GR Sangli Solapur Highway Private Limited, and GR Dwarka Devariya Highway Private Limited, from G R Infraprojects Limited. Our portfolio operating on HAM across key Indian states, ensures a blend of revenue stability and growth potential through collaboration with the NHAI.

Projects Highlights (as of FY 2023-24)

Project Name	Location	State	Length (Km)	Operations and Maintenance Period (in Years)	Bid Project Costs (in ₹ Million)	Total Annuities Receivable until the Concession End Date (in ₹ Million)
GR Phagwara Expressway Limited	NH-344A	Punjab	80.820	15	13,670	9,141.13
Porbandar Dwarka Expressway Private Limited	NH-8E	Gujarat	117.748	15	16,000	10,390.40
GR Gundugolanu Devarapalli Highway Private Limited	NH-16	Andhra Pradesh	69.884	15	18,270	11,959.50
GR Akkalkot Solapur Highway Private Limited	NH-150E	Maharashtra	38.952	15	8,070	5630.43
Varanasi Sangam Expressway Private Limited	NH-2	Uttar Pradesh	72.398	15	24,470	16,871.61
GR Sangli Solapur Highway Private Limited	NH-166	Maharashtra	45.600	15	9,570	6,581.29
GR Dwarka Devariya Highway Private Limited	NH-151A	Gujarat	71.890	15	11,010	7,062.66

Key Financial Performance

InvIT was set up on 16 June 2022. However, there were no transactions in the standalone financial information for the period from 16 June 2022 to 31 March 2023. Therefore, no figures have been disclosed for the period from 16 June 2022 to 31 March 2023.

In FY 2023-24, on a standalone basis, our total income stood at ₹ 296.44 Million which includes interest income on loans given to subsidiaries and deposits with banks. The total expenses stood at ₹ 59.72 Million, finance costs and other expenses, constitute 82% of the total expenses. The PBT stood at ₹ 236.72 Million and PAT amounted to ₹236.16 Million.

On a consolidated basis, our total income stood at ₹ 1,286.22 Million, which includes revenue from operations of ₹ 1,206.93 Million and interest and other income amounting to ₹ 79.29 Million. The total expenses stood at ₹ 1,089.04 Million, the subcontractor expenses and the finance cost, constitute, 70% and 23%, respectively, of the total expenses. The PBT stood at ₹ 197.18 Million and PAT amounted to ₹ 148.06 Million.

IPO

We completed an Initial Public Offering (IPO), during the financial year ended 31 March 2024. InvIT issued 249,999,900 units for cash at a price of ₹ 100 per unit aggregating to

₹ 24,999.99 Million ('Issue'). Aadharshila Infratech Private Limited, (the Sponsor) has subscribed to 6,64,50,000 units of the InvIT for a cash consideration of ₹6,645.00 Million to ensure that the aggregate unitholding of the Sponsor amounts to at least 15% of the total post-issue unit capital of the InvIT. This will ensure compliance with the sponsor and sponsor group lock-in requirements under the SEBI InvIT Regulations. The bidding period for the Sponsor opened and closed on Monday, 26 February 2024, two working days prior to the bid/ issue opening date. The Bidding for Anchor Investor opened and closed on Tuesday, 27 February 2023. InvIT received 37 Anchor Applications from 31 Anchor Investors for 82,597,350 units aggregating to ₹ 825,97,35,000. For institutional and non-institutional investors, the issue opened on 28 February 2024 and closed for subscription on 1 March 2024.

Risk Management

With a focus on ensuring long-term sustainability and protecting stakeholder interests, we employ a comprehensive risk management framework. It proactively identifies, evaluates, and mitigates potential risks across all operations. This robust framework encompasses governance mechanisms overseen by resolute risk committees. It also includes comprehensive risk policies and procedures implemented organisation-wide, periodic independent risk assessments, and active oversight from senior leadership and the Board. Through this integrated approach, we cultivate a risk-aware culture, enabling effective navigation of the evolving risk landscape while safeguarding our business interests and ensuring sustainable growth.

Type of Risk	Risk Impact	Mitigation Approach
Liquidity Risk	Difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset.	The InvIT's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the InvIT's reputation. The InvIT invests in liquid bank deposits to meet its immediate obligations.
Market Risk	The fair value of future cash flow from financial instruments will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and debt.	Most of InvIT's long-term borrowings primarily consist of floating rate obligations linked to applicable benchmark rates, which may typically be adjusted at specific intervals based on prevailing interest rates. Reports on the equity portfolio are submitted to senior management on a regular basis. The Board of Directors of the Investment Manager reviews and approves all equity investment decisions.
Credit Risk	Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The InvIT is exposed to credit risk from its investing activities, including loans to subsidiaries, deposits with banks and other financial instruments.	Credit risk from balances with banks and financial instruments is managed by the Investment Manager in accordance with InvIT's policies. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty.

Human Resources

We deeply value our workforce, recognising their indispensable role in helping us maintain a competitive edge. We acknowledge the diverse backgrounds and specialised expertise of our employees, fostering an environment of innovation and progress. Prioritising employee well-being, we promote work-life balance, instill a sense of pride, and support continuous growth and development.

Internal Control Systems and their Adequacy

We maintain a robust internal audit system to protect assets, ensure regulatory compliance, and address issues promptly. The Audit Committee diligently reviews audit reports, takes corrective measures, and fosters open communication with both statutory and internal auditors. This framework upholds integrity, transparency, and accountability, effectively mitigating risks, and safeguarding stakeholder interests.

Cautionary Statement

We acknowledge that statements in this section, describing objectives, projections, and expectations, may constitute forward-looking statements under applicable securities laws and regulations. While based on assumptions and expectations, the InvIT cannot guarantee their accuracy or realisation. External factors beyond the InvIT's control may influence actual results, and the InvIT assumes no obligation to publicly revise forward-looking statements based on subsequent developments.

CORPORATE INFORMATION

Board Of Directors

Mr. Ajendra Kumar Agarwal
Chairman & Non-Executive Director

Mr. Deepak Maheshwari
Independent Director

Mr. Raghav Chandra
Independent Director

Mr. Ramesh Chandra Jain
Non-Executive Director

Mr. Siba Narayan Nayak
Non-Executive Director

Mrs. Swati Anil Kulkarni
Independent Director

Key Managerial Personnel

Mr. Amit Kumar Singh
Chief Executive Officer

Mr. Harshael Pratap Sawant
Chief Financial Officer

Mr. Mohnish Dutta
Company Secretary & Compliance Officer

Board Committees

Audit Committee

Mr. Deepak Maheshwari
Chairman

Mr. Raghav Chandra
Member

Mr. Siba Narayan Nayak
Member

Mrs. Swati Anil Kulkarni
Member

Note: As on date

Risk Management Committee

Mrs. Swati Anil Kulkarni
Chairperson

Mr. Deepak Maheshwari
Member

Mr. Raghav Chandra
Member

Mr. Ramesh Chandra Jain
Member

Stakeholder Relationship Committee

Mr. Raghav Chandra
Chairman

Mr. Ajendra Kumar Agarwal
Member

Mr. Deepak Maheshwari
Member

NR Committee

Mr. Raghav Chandra
Chairman

Mr. Ajendra Kumar Agarwal
Member

Mr. Deepak Maheshwari
Member

Auditors

Statutory Auditor
M/s S R B C & Co. LLP

Registrar And Transfer Agents

Kfin Technologies Limited
Selenium Tower-B, Plot 31 and 32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad - 500 032, Telangana, India Tel: +91 40 6716 2222

Lenders

- Axis Bank Limited

Principle Place Of Business

Novus Tower, Second Floor, Plot No. 18, Sector 18, Gurugram, Haryana - 122 015, India

SEBI Registration Number: IN/InvIT/22-23/0023

Tel: +91 85888 55586

E-mail: cs@bharatinvit.com

Website: https://www.bharatinvit.com/

Investment Manager's Brief Report

To the Unitholders of Bharat Highways InvIT

About Bharat Highways InvIT

Bharat Highways InvIT ("InvIT" / "Trust") is settled by G R Infraprojects Limited, the Settlor, as an irrevocable trust and its Trust Deed dated 16 June 2022 was registered under the provisions of the Indian Trusts Act, 1882 in Gurugram. The Securities and Exchange Board of India ("SEBI") had also granted Certificate of Registration dated 03 August 2022, bearing registration number IN/InvIT/22-23/0023 to the InvIT, permitting it to carry out the activities of Infrastructure Investment Trust, under the SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended ("SEBI InvIT Regulations")

The Trust's principal investment objective is to carry on the activities of an Infrastructure Investment Trust as permissible under the SEBI InvIT Regulations. The InvIT is permitted to raise funds, make investments, make distributions to the Unitholders, and do all other things necessary and conducive to the attainment of InvIT objectives.

About the Investment Manager

The GR Highways Investment Manager Private Limited, acts as the Investment Manager to the InvIT ("Investment Manager") and is responsible to manage the assets and investments of the InvIT as outlined in the Investment Management Agreement and SEBI InvIT Regulations. Additionally, the Investment Manager makes investment decisions with respect to the InvIT and the funds of the InvIT including any investments or divestments. The Investment Manager also handles the dissemination of statutory and material information and addresses Unitholders' grievances.

The Investment Manager is committed to good corporate governance practices and has adopted various policies to ensure sustainable business growth, promoted a pro-active approach in reporting and set the philosophy and principles for compliance. Further, to carry on the business of the InvIT in an ethical manner, the Investment Manager has formulated a Code of Conduct for its Board of Directors and the Senior Management which aims to enhance an ethical transparent process in managing the affairs of the InvIT and the Investment Manager.

For further details on the Parties to the InvIT kindly refer the **"Our Structure"** Section of the Annual Report.

Initial Offer of Units

Bharat Highways InvIT, issued 249,999,900 units for cash at a price of ₹ 100 per unit aggregating to ₹ 24,999.99 Million ("Issue"). Aadharshila Infratech Private Limited, ("the Sponsor") has subscribed to 66,450,000 Units of the InvIT for a cash consideration of ₹ 6,645.00 Million to ensure that the aggregate unitholding of the Sponsor amounts to atleast fifteen percent of the total post-issue unit capital of the InvIT in order to comply with the sponsor and sponsor group lock-in requirements, specified under the SEBI InvIT Regulations.

The Units were subsequently listed and permitted to trade on BSE Limited and National Stock Exchange of India Limited with effect from 12 March 2024.

Summary of the Audited Consolidated Financial Statements

The Summary of the Audited Consolidated Financial Statements of the InvIT for the Financial Year ended 31 March 2024, is provided below:

(₹ in Million)

Particulars	Consolidated 2023-24
Revenue From Operations	1,206.93
Interest & Other Income	79.29
Total Revenue	**1,286.22**
Earnings before Interest, Tax & Depreciation and Amortisation (EBITDA)	**447.03**
Less: Depreciation and Amortisation expense	0.00
Earnings before Interest & Tax (EBIT)	**447.03**
Less: Finance Cost	249.85
Profit before exceptional items and Tax (PBT)	**197.18**
Exceptional items	0.00
Profit before tax	**197.18**
Less: Tax Expense	49.12
Profit after Tax (PAT)	**148.06**

Valuation

Mr. S. Sundararaman, (IBBI Registration Number IBBI/RV/06/2018/10238), the Registered Valuer, has undertaken the independent valuation of the Project SPVs, namely, GR Akkalkot Solapur Highway Private Limited, GR Dwarka Devariya Highway Private Limited, GR Gundugolanu Devarapalli Highway Private Limited, GR Phagwara Expressway Limited, GR Sangli Solapur Highway Private Limited, Porbandar Dwarka Expressway Private Limited and Varanasi Sangam Expressway Private Limited for the Financial Year ended 31 March 2024. Brief Summary of Valuation along with Full Valuation Report is forming part of the Annual Report.

Distribution

The InvIT has made its first distribution for Q4 of Financial Year ended 31 March 2024. For further details on the Distribution kindly refer the **"Financial Information, Distributions and Valuation Section"** of the Annual Report.

Assets Portfolio

The InvIT currently has a portfolio of Seven Road Assets, namely, GR Akkalkot Solapur Highway Private Limited, GR

Dwarka Devariya Highway Private Limited, GR Gundugolanu Devarapalli Highway Private Limited, GR Phagwara Expressway Limited, GR Sangli Solapur Highway Private Limited, Porbandar Dwarka Expressway Private Limited and Varanasi Sangam Expressway Private Limited (collectively "Project SPVs"), all operating on Hybrid Annuity Mode ("HAM") basis. These assets were acquired by the InvIT from G R Infraprojects Limited on 01 March 2024, pursuant to respective Share Purchase Agreements dated 20 February 2024. These roads are operated and maintained pursuant to concession rights granted by the NHAI and are owned and operated by the Project SPVs. For more details on the projects, please refer to "**Our Projects Portfolio**" section of the Annual Report.

Corporate Governance at Investment Manager

Our values dictate that we do the right thing in the right way. We are committed to the highest standards of personal and corporate conduct and integrate the principles of good governance. Additionally, we are dedicated to fostering an open and transparent culture at our core.

Board of Directors

The Board of Directors of the Investment Manager comprises of six Directors, and 50% of the Directors are Independent, including one Woman Independent Director, and such Directors are not Directors or Members of the Governing Board of any other Investment Manager of an Infrastructure Investment Trust. The Board composition complies with the SEBI InvIT Regulations and the Companies Act, 2013. The Investment Manager has received an affirmation from the Independent Directors stating that they meet the criteria of independence as required under the Companies Act, 2013 and SEBI InvIT Regulations.

The Board of Directors of the Investment Manager evaluates InvIT's strategic direction, management policies and their effectiveness. Information is provided to the Board members on continuous basis for their review, inputs and approvals from time to time. Additionally, important managerial decisions, material positive/ negative developments and statutory matters are presented to the Committees and recommendations of the committees are made to the Board.

Please find the brief profile of the Directors of Investment Manager in the **"Governance"** section of the Annual Report and on the InvIT's website at: https://www.bharatinvit.com/investment-manager.html

Board Evaluation

A key function of the Board is to monitor and review the Board evaluation framework. In accordance with Regulation 26G of SEBI InvIT Regulations read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") the Investment Manager has formulated the policy for assessing the performance of the Chairman, the Board, its committees, and the individual directors.

A formal evaluation of the performance of the Board, its Committees and the individual Directors was carried out for Financial Year 2023-24. The evaluation was carried out using individual questionnaires covering, amongst others, composition of Board, conduct, risk management, receipt of regular inputs and information, codes & policies for strengthening governance, functioning, performance & structure of Board Committees, skill set, knowledge & expertise of Directors, preparation & contribution at Board meetings, leadership, etc. The performance evaluation of the respective Committees and that of Directors was done by the entire Board of Directors excluding the Director being evaluated.

Board Committees

The Brief constitution as on 31 March 2024, and Terms of Reference of the Committees constituted by the Board of Directors of the Investment Manager is provide below:

Name of Committee	Audit Committee	NR Committee	Stakeholder Relationship Committee[1]	Risk Management Committee	InvIT Offer Committee[2]	Finance Committee
Ajendra Kumar Agarwal Non-executive Director	-	Member	Chairman	-	Chairman	Chairman
Deepak Maheshwari Independent Director	Chairman	Member	Member	Member	-	-
Raghav Chandra Independent Director	Member	Chairman	Member	Member	-	-
Ramesh Chandra Jain Non-executive Director	-	-	-	Member	Member	-
Siba Narayan Nayak Non-executive Director	Member	-	-	-	Member	Member
Swati Anil Kulkarni Independent Director	Member	-	-	Chairperson	-	-

[1]The Stakeholder Relationship Committee was re-constituted with effect from 28 May 2024 with Mr. Raghav Chandra as Chairman of the Meeting and Mr. Ajendra Kumar Agarwal and Mr. Deepak Maheshwari as Members of the Committee.

[2]The InvIT Offer Committee was dissolved by the Board of Directors with effect from 28 May 2024.

The brief terms of reference of the above committees are provided below:

i. InvIT Offer Committee

The terms of reference of the InvIT Committee included making applications and seeking clarifications and exemptions from regulatory authorities such as SEBI and Stock Exchanges and accepting any imposed conditions for approvals related to the Issue. It sought consents from lenders, commercial partners, and regulatory authorities, and approved relevant offer documents relevant offer documents in consultation with the Lead Managers. The committee determined timing, pricing, and terms of the Issue, appointed intermediaries, authorised expenditures, and approved necessary documents.

ii. Audit Committee

The terms of reference of the Audit Committee includes reviewing the financial statements, recommending proposed distributions to the IM Board, overseeing internal financial controls and advising on the appointment, re-appointment, and remuneration of the statutory auditor, The committee reviews annual and periodic financial statements, changes in accounting policies, major accounting entries, audit findings, compliance with legal requirements, and related party transactions. It monitors fund utilisation, auditor independence, and performance, and approves related party transactions, loans, and investments. The committee also evaluates internal controls, risk management, and internal audit functions, investigates suspected fraud, manages conflicts of interest, reviews valuer performance, and oversees whistleblower mechanisms. Additionally, it assesses CFO's appointment and significant financial decisions, and approves management information systems and interim financial statements.

iii. Nomination and Remuneration Committee:

The terms of reference of the Nomination and Remuneration Committee includes formulation of the criteria for directors' qualifications, positive attributes, and independence, recommending related policies to the IM Board for remuneration of directors, key managerial personnel, and employees. It establishes criteria for evaluating the performance of independent directors and the IM Board, and identifies qualified individuals for senior management roles. The committee determines the continuation of independent directors based on performance evaluation, and ensures remuneration is sufficient to attract and retain quality employees, and sets policies for nominating directors on SPV boards, including qualifications, compensation, performance, and appointment processes.

iv. Stakeholders' Relationship Committee:

The terms of reference of the Stakeholders' Relationship Committee includes addressing unitholders' grievances, including issues related to unit transfer/transmission, annual reports, distributions, certificates, and general meetings. It reviews measures for effective exercise of voting rights by the unitholders and monitors litigation related to their grievances, updating unitholders on asset acquisitions/sales etc. The committee reports significant issues to the Board of Directors of the Investment Manager, oversee procedures for unitholder meetings and voting and handles matters requiring unitholder approval under SEBI InvIT Regulations.

v. Risk Management Committee:

The terms of reference of the Risk Management Committee includes creating a comprehensive risk management policy, identifying internal and external risks faced by the InvIT, and implementing risk mitigation measures, including internal controls and a business continuity plan. The committee shall ensure that proper systems are in place to monitor and evaluate risks, oversees the policy's implementation, and shall review it biennially. The Committee shall keep the IM Board informed of its activities, manage the Chief Risk Officer's appointment and remuneration, and shall ensure cyber security, and can also seek external advice and expert attendance.

vi. Finance Committee

The terms of reference of the Finance Committee Includes the actions related to the bank accounts of the Investment Manager and Bharat Highways InvIT, including opening or closing bank accounts, modifying account operating instructions (such as adding, changing, or removing authorised signatories), and availing internet banking facilities, corporate cards, and any other related services.

Investor Complaints

All investor grievances are handled by the Investment Manager in a timely manner through established internal procedures. Upon receiving a complaint, it is promptly acknowledged, the unique reference number is generated, and relevant actions are taken. The grievance is then assessed, categorised, and assigned to the appropriate team for resolution. After verification, the complaint is resolved, and resolution is communicated to the investor. This ensures the investor's concerns are addressed efficiently and satisfactorily.

Following options are available to the Unitholders for timely redressal of their grievances:

i. **SEBI Complaints Redress System (SCORES)**

The investor complaints are processed online in a centralised web-based complaints redress system wherein the complaints are tracked, and an action taken report on the investor complaint, is provided

ii. **Online Dispute Resolution (ODR)**

A common Online Dispute Resolution Portal ("ODR Portal") designed to enhance investor grievance redressal which harnesses online conciliation and online arbitration for the resolution of disputes arising in the Indian Securities Market has been established. In terms of SEBI Circular dated 31 July 2023, the InvIT is registered on the ODR Portal as well.

The details of the complaints received and disposed of during the year are as under:

Particulars	All complaints including SCORES complaints	SCORES complaints
Number of investor complaints pending at the beginning of the year	0	0
Number of investor complaints received during the year	296	0
Number of investor complaints disposed of during the year	296	0
Number of investor complaints pending at the end of the year	0	0
Average time taken for redressal of complaints	1 Working day	Not Applicable

Vigil Mechanism

We believe in the conduct of the affairs of the InvIT and its constituents in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity, and ethical behaviour. In pursuit of the same, the Investment Manager encourages employees to raise genuine concern about any malpractices in the workplace without fear of retaliation and provides protection from their victimisation or dismissal.

In accordance with Regulation 26I of SEBI InvIT Regulations, the InvIT has adopted the Vigil Mechanism and Whistle Blower Policy, which is available on the website of the InvIT at https://www.bharatinvit.com/corporate-governance.html.

During the period under review, the Investment Manager has received no complaints under Vigil Mechanism framework.

Compliance Certificate

A Compliance Certificate on the Financial Statements of the InvIT for the Financial Year ended 31 March 2024, given by the Chief Executive Officer, Chief Financial Officer, and Compliance Officer of the Investment Manager as prescribed under Regulation 26H read with Part B of Schedule VII of the SEBI InvIT Regulations, was placed before the Board of Directors of the Investment Manager. They have certified amongst others, that, the Financial Statements do not contain any false or misleading statement and present a true and fair view of the InvIT's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

Annual Secretarial Compliance Report

As per Regulation 26J of SEBI InvIT Regulations, the Annual Secretarial Compliance Report of the InvIT for the Financial Year ended 31st March 2024, issued by M/S. Preksha Dawet and Associates, Company Secretaries, as submitted with the Stock Exchange(s) is forming part of this report as **Annexure - 1**.

Corporate Governance Report

As per Regulation 26K of SEBI InvIT Regulations, the Quarterly Compliance Report on Governance for the Quarter and Financial Year ended 31st March 2024, as submitted with the Stock Exchange(s) is forming part of this report as **Annexure - 2**.

Management Discussion and Analysis

In compliance with the SEBI InvIT Regulations, the Management Discussion and Analysis Report forms part of this Annual Report.

Policies Adopted by the Investment Manager of the InvIT

In order to adhere to the good governance practices and in accordance with applicable law and the SEBI InvIT Regulations, the Investment Manager has adopted the following policies in relation to the InvIT. The policies are available on the website of the InvIT at https://www.bharatinvit.com/corporategovernance.html

S. No.	Name of Policy	Coverage
1.	Distribution policy	The Distribution Policy outlines the process and procedure for distribution in relation to the Bharat Highways InvIT.
2.	Borrowing policy	Borrowing Policy outlines the requirements for borrowing money on behalf of the InvIT, as per the SEBI InvIT Regulations and other Applicable Law.
3.	Code of Conduct	The Code of Conduct prescribes the principles for proper conduct and carrying out of the business and affairs of the InvIT.
4.	Policy on Related Party Transactions	The objective of Policy on Related Party Transactions is, to ensure transparency and fairness of Related Party transactions; and to ensure proper approval, supervision and reporting of the transactions and regulate the manner of dealing with the transactions between the Company, the InvIT and their Related Parties.
5.	Policy for determining Materiality of Information for periodic disclosures	The Policy outlines the process and procedures for determining materiality of information in relation to periodic disclosures required to be made on the website of the Bharat Highways InvIT (the "InvIT"), to the stock exchanges and to all stakeholders at large, in relation to the InvIT.
6.	Policy on appointment of Auditors and Valuers	This Policy outlines the procedure for appointment of its auditor and its valuer as per the provisions of the SEBI InvIT Regulations.
7.	Risk Management Policy	The policy outlines the broad framework, to manage the risks involved in all activities of the InvIT and the Investment Manager, to maximise opportunities and minimise adversity.
8.	Vigil Mechanism Policy	The Policy outlines the procedure for reporting genuine concerns by the employees, about any malpractices in the workplace without fear of retaliation and provides protection from their victimisation or dismissal.
9.	Nomination & Remuneration Policy	The objective of this Policy is to serve as a guiding charter to appoint qualified persons as directors on the Board of Directors of the Investment Manager, Key Managerial Personnel (the "KMP"), Senior Management Personnel (the "SMP") and to recommend the remuneration to be paid to them and to evaluate their performance.
10.	Board Diversity Policy	The policy contains the framework to ensure social diversity and professional diversity on the IM Board including diversity of thought, skills, experience, knowledge, perspective, and gender
11.	Policy on Succession Planning	The policy provides the guidance for succession planning of the members of the IM Board, Senior Management and any other positions within the Investment Manager.
12.	Code of Conduct for Board and Senior Management Personnel	The Code provides the principles to be adhered by the Board of Directors and Senior Management Personnel's of the Investment Manager and conduct their daily business with their stakeholders, government and regulatory agencies, media, and anyone else with whom it is connected.
13.	Policy for Formulation of Criteria or evaluation of performance	The Policy prescribes the criteria for evaluation of performance of the IM Board, its committees, and Individual Directors.
14.	Familiarisation Programme	The Policy helps the Independent Directors not only to have greater insight into the business of the InvIT and the Investment Manager but also contribute effectively to decision making at Meetings of the Board of Directors of the Investment Manager.
15.	Policy on qualifications and criteria for appointment of unitholders nominee directors on the Board	The Policy provides the framework for for appointment and evaluation parameters of individuals nominated for Unitholder Nominee Director. The policy also specifies the remuneration / sitting fees, process of removal or resignation of Unitholder Nominee Directors and the role of the Nomination and Remuneration Committee and/or the Board of Directors in such matters.

S. No.	Name of Policy	Coverage
16.	Policy on filing of claims by Unitholders for Unclaimed Amounts	The Policy prescribes a framework for defining the procedure to be followed by an InvIT for transfer of unclaimed amounts, initially to an Escrow Account and subsequently, to the Investor Education and Protection Fund and claim therefrom by a Unitholder.
17.	Policy on UPSI and dealing in units	The Policy on unpublished price sensitive information and dealing in Units by the Parties to the Bharat Highways InvIT and the Unitholders aims to formulate a framework for ensuring compliance.
18.	Code of Internal Procedures and Conduct for Regulating, Monitoring and Reporting of Trading by Designated Persons	This Code outlines the internal procedures and conduct for regulating, monitoring, and reporting trading activities by Designated Persons of Bharat Highways InvIT. It serves as a comprehensive guide for the procedures to be followed by Designated Persons when dealing in the InvIT's securities, ensuring compliance and integrity in all trading practices.

Acknowledgement

In conclusion, we remain committed towards the acquisition strategy and strive to demonstrate growth and resilience by optimising portfolio performance and adapting to market dynamics. Thank you for your continued trust and support. We look forward to delivering sustained value and success in the forthcoming period.

Annexure - 1

Secretarial compliance report of Bharat Highways InvIT for the year ended 31st March 2024

(Pursuant to Regulation 26J of Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014

To,

GR Highways Investment Manager Private Limited

(the Investment Manager to Bharat Highways InvIT)

2nd Floor, Novus Tower, Plot No. 18,

Sector-18, Gurgaon, Haryana-122015

We, **M/s Preksha Dawet and Associates, Company Secretaries** have examined:

(a) all the documents and records made available to us and explanation provided by GR Highways Investment Manager Private Limited ("the investment manager");

(b) the filings/ submissions made by the investment manager to the stock exchanges,

(c) website of Bharat Highways InvIT ("the InvIT"),

(d) any other document/ filing, as may be relevant, which has been relied upon to make this certification, for the year ended 31 March 2024 ("Review Period") in respect of compliance with the provisions of:

  (i) the Securities and Exchange Board of India Act, 1992 ("SEBI Act") and the Regulations, circulars, guidelines issued thereunder; and

  (ii) the Securities Contracts (Regulation) Act, 1956 ("SCRA"), rules made thereunder and the Regulations, circulars, guidelines issued thereunder by the Securities and Exchange Board of India ("SEBI");

The specific Regulations, whose provisions and the circulars/ guidelines issued thereunder, have been examined, include:

(a) Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 ("SEBI InvIT Regulations");

(b) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 **(To the extent applicable as per SEBI InvIT Regulations)**;

(c) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021 **(Not applicable during the period under review)**;

(d) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

(e) any other regulations as may be applicable and circulars/ guidelines issued thereunder.

Based on the above examination, we hereby report that, during the Review Period:

(a) The investment manager of the InvIT has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters specified below:

S. No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/Remarks of the Practicing Company Secretary
1.	Pursuant to Regulation 26G of SEBI (Infrastructure Investment Trusts) Regulations, 2014 read with Regulation 20(2) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Chairperson of Stakeholder Relationship committee shall be a non-executive director. Further explanation to section 26G of the SEBI (Infrastructure Investment Trusts) Regulations, 2014 provides that the expression non-executive director wherever it occurs, shall be read as "Independent Director".	Constitution of Committee	The Chairperson of Stakeholder Relationship Committee is a Non-executive, Non-Independent Director as on 31 March 2024. However, the Board of Directors of the Investment Manager on 28 May 2024 has subsequently re-constituted the Stakeholder Relationship Committee by designating Non-executive, Independent Director as the Chairperson.

S. No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/Remarks of the Practicing Company Secretary
2.	Maintenance of Structured Digital Database pursuant to Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015	Structured Digital Database not maintained by the Company.	The InvIT has not maintained Structured Digital Database as on 31 March 2024. However, the Investment Manager has maintained the Structured Digital Database as on the date of this Report with entries being made therein.
3.	Regulation 26G of SEBI (Infrastructure Investment Trusts) Regulations, 2014.	Meetings of the Audit Committee Meetings of the Stakeholder Relationship Committee Separate Meeting of Independent Directors	The Management has represented that, the units of the InvIT were listed on 12 March 2024 hence: Four Meetings of the Audit Committee were not held No Meeting of the Stakeholder Relationship Committee was held No Meeting of Independent Directors was held.

(b) The investment manager of the InvIT has maintained proper records under the provisions of the above Regulations and circulars/ guidelines issued thereunder insofar as it appears from my/our examination of those records.

(c) The following are the details of actions taken against the InvIT, parties to the InvIT, its promoters, directors either by SEBI or by Stock Exchanges *(including under the Standard Operating Procedures issued by SEBI through various circulars)* under the aforesaid Acts/ Regulations and circulars/ guidelines issued thereunder:

S. No.	Action taken by	Details of Violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ Remarks of the Practicing Company Secretary, if any
None				

(d) The investment manager of the InvIT has taken following actions to comply with the observations made in previous reports:

S. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended	Actions taken by the Investment Manager, if any	Comments of the Practicing Company Secretary on the actions taken by the InvIT
Not Applicable*				

**InvIT is submitting Annual Secretarial compliance report for the first time.*

For **Preksha Dawet And Associates**

Preksha Dawet
Company Secretary in Practice
Membership No.: A55366
CP No.: 22088
ICSI Unique Code: S2019DE695500
Peer Review: 5487/2024

UDIN: A055366F000492814
Date: 30 May 2024
Place: Delhi

Annexure - 2

Report on Governance to be submitted by the Investment Manager on quarterly basis

1.	Name of InvIT:	Bharat Highways InvIT
2.	Name of the Investment Manager:	GR Highways Investment Manager Private Limited
3.	Quarter ending:	31 March 2024

Part A

I. Composition of Board of Directors of the Investment Manager

Title (Mr./Ms.)	Name of Director	PAN & DIN	Category (Chairperson / Non-Independent / Independent / Nominee)	Initial Date of Appointment	Date of Reappointment	Date of Cessation	Tenure	No. of directorships in all Managers / Investment Managers of REIT / InvIT and listed entities, including this Investment Manager	No of Independent directorships in all Managers / Investment Managers of REIT / InvIT and listed entities, including this Investment Manager	Number of memberships in Audit / Stakeholder Committee(s) in all Managers / Investment Managers of REIT / InvIT and listed entities, including this Investment Manager (Refer Regulation 26G of InvIT Regulations)	Number of posts of Chairperson in Audit / Stakeholder Committee(s) in all Managers / Investment Managers of REIT / InvIT and listed entities, including this Investment Manager (Refer Regulation 26G of InvIT Regulations)
Mr.	Ajendra Kumar Agarwal	01147897	Chairperson Non-Independent	23-03-2022	-	-		2	0	3	1
Mr.	Deepak Maheshwari	08163253	Independent	18-07-2022	-	-	20.14	1	1	2	1
Mr.	Ramesh Chandra Jain	09069250	Non-Independent	13-06-2023	-	-		1	0	0	0
Mr.	Raghav Chandra	00057760	Independent	18-07-2022	-	-	20.14	4	4	7	2
Mr.	Siba Narayan Nayak	01832348	Non-Independent	23-03-2022	-	-		1	0	1	0
Mrs.	Swati Anil Kulkarni	10163330	Independent	13-06-2023	-	-	9.19	1	1	1	0

Whether regular Chairperson appointed	Yes
Whether Chairperson is related to Managing Director or CEO	No

II. Composition of Committees

Name of Committee	Whether Regular Chairperson appointed	Name of Committee members	Category (Chairperson/Non-Independent/Independent /Nominee)	Date of Appointment	Date of Cessation
Audit Committee	Yes	Mr. Deepak Maheshwari	Chairperson-Independent	16.09.2022	-
		Mr. Raghav Chandra	Member-Independent	16.09.2022	-
		Mr. Siba Narayan Nayak	Member-Non Independent	16.09.2022	-
		Ms. Swati Anil Kulkarni	Member-Independent	13.06.2023	-
Nomination and Remuneration Committee	Yes	Mr. Raghav Chandra	Chairperson-Independent	16.09.2022	-
		Mr. Deepak Maheshwari	Member-Independent	16.09.2022	-
		Mr. Ajendra Kumar Agarwal	Member-Non Independent	16.09.2022	-
Risk Management Committee	Yes	Ms. Swati Anil Kulkarni	Chairperson-Independent	13.06.2023	-
		Mr. Deepak Maheshwari	Member-Independent	13.06.2023	-
		Mr. Raghav Chandra	Member-Independent	13.06.2023	-
		Mr. Ramesh Chandra Jain	Member-Non Independent	13.06.2023	-
Stakeholders Relationship Committee	Yes	Mr. Ajendra Kumar Agarwal	Chairman-Non Independent	16.09.2022	-
		Mr. Raghav Chandra	Member-Independent	16.09.2022	-
		Mr. Deepak Maheshwari	Member-Independent	16.09.2022	-

III. Meeting of Board of Directors

Date(s) of Meeting (if any) in the previous quarter	Date(s) of Meeting (if any) in the relevant quarter	Whether requirement of Quorum met	Number of Directors present	Number of independent directors present	Maximum gap between any two consecutive meetings (in number of days)
05.10.2023		Yes	5	3	-
05.12.2023		Yes	6	3	61
	20.02.2024	Yes	6	3	77
	04.03.2024	Yes	4	3	13

IV. Meeting of Committees

Date(s) of Meeting of the Committee in the relevant quarter	Whether requirement of Quorum met	Number of Directors present	Number of independent directors present	Date(s) of meeting of the committee in the previous quarter	Maximum gap between any two consecutive meetings (in number of days)
Audit Committee					
-	-	-	-	05-12-2023	-
Risk Management Committee					
-	-	-	-	-	-
Nomination and Remuneration Committee					
-	-	-	-	05-12-2023	-
Stakeholder Relationship Committee					
-	-	-	-	-	-
InvIT Offer Committee					
-	-	-	-	07-12-2023	-
08-02-2024	Yes	2	0	-	
12-02-2024	Yes	2	0	-	-
21-02-2024	Yes	2	0	-	-

IV. Meeting of Committees					
Date(s) of Meeting of the Committee in the relevant quarter	**Whether requirement of Quorum met**	**Number of Directors present**	**Number of independent directors present**	**Date(s) of meeting of the committee in the previous quarter**	**Maximum gap between any two consecutive meetings (in number of days)**
26-02-2024	Yes	2	0	-	-
27-02-2024	Yes	2	0	-	-
04-03-2024	Yes	2	0	-	-
06-03-2024	Yes	2	0	-	-
Allotment Committee					
-	-	-	-	05-12-2023	-

V. Affirmations

1. The composition of Board of Directors is in terms of SEBI (Infrastructure Investment Trusts) Regulations, 2014.- Yes
2. The composition of the following committees is in terms of SEBI (Infrastructure Investment Trusts) Regulations, 2014
   a. Audit Committee: Yes
   b. Nomination & Remuneration Committee: Yes
   c. Stakeholders Relationship Committee: No, the Chairperson of the committee is a Non-executive, Non-Independent Director in terms of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").$
   d. Risk management committee: Yes
3. The committee members have been made aware of their powers, role and responsibilities as specified in SEBI (Infrastructure Investment Trusts) Regulations, 2014: Yes
4. The meetings of the board of directors and the above committees have been conducted in the manner as specified in SEBI (Infrastructure Investment Trusts) Regulations, 2014: No*
5. This report and/or the report submitted in the previous quarter has been placed before Board of Directors of the investment manager. Any comments/observations/advice of the board of directors may be mentioned here: NA^

**Pursuant to Initial Public Offer of Units by the InvIT, the allotment of units was made on 6th March 2024. Subsequently, the units were listed on BSE Limited and National Stock Exchange of India Limited on 12th March 2024. Since the Trust is filing its first Corporate Governance report for the quarter ended 31st March 2024, we undertake to hold the meetings of the above committees in the manner as specified in the SEBI (Infrastructure Trusts) Regulations, 2014, read with SEBI Listing Regulations, as amended.*

^Pursuant to Initial Public Offer of Units by the InvIT, the allotment of units was made on 6th March 2024. Subsequently, the units were listed on BSE Limited and National Stock Exchange of India Limited on 12th March 2024. Since, the Trust is filling its first Corporate Governance report for the quarter ended 31st March 2024, the report will be placed before Board of Directors of the investment manager in the next subsequent meeting scheduled.

$ Going with the interplay of the provisions of Regulation 26G of the InvIT Regulations read with SEBI Listing Regulations, as amended, the Investment Manager will reconstitute the committee such that the chairperson of the Stakeholders Relationship Committee is an Independent Director.

For GR Highways Investment Manager Private Limited
(Investment Manager to Bharat Highways InvIT)

Mohnish Dutta
Company Secretary & Compliance Officer

Part B

I. Disclosure on website of InvIT

Item	Compliance status (Yes/No/NA)	If Yes provide link to website. If No / NA provide reasons
a) Details of business	Yes	https://bharatinvit.com/our-business.html
b) Financial information including complete copy of the Annual Report including Balance Sheet, Profit and Loss Account, etc.	Yes*	https://bharatinvit.com/investor-information.html
a) Contact information of the designated officials of the company who are responsible for assisting and handling investor grievances	Yes	https://bharatinvit.com/investor-information.html
b) Email ID for grievance redressal and other relevant details	Yes	https://bharatinvit.com/investor-information.html
c) Information, report, notices, call letters, circulars, proceedings, etc. concerning units	Yes*	https://bharatinvit.com/investor-information.html
d) All information and reports including compliance reports filed by InvIT with respect to units	Yes*	https://bharatinvit.com/investor-information.html
e) All intimations and announcements made by InvIT to the stock exchanges	Yes*	https://bharatinvit.com/investor-information.html
f) All complaints including SCORES complaints received by the InvIT	Yes	https://bharatinvit.com/investor-information.html https://bharatinvit.com/corporate-governance.html
g) Any other information which may be relevant for the investors	Yes*	https://bharatinvit.com/investor-information.html https://bharatinvit.com/corporate-governance.html
h) All complaints including SCORES complaints received by the InvIT	Yes	https://bharatinvit.com/corporate-governance.html
i) Any other information which may be relevant for the investors	Yes*	www.bharatinvit.com

**Pursuant to Initial Public Offer of Units by the InvIT, the allotment of units was made on 6th March 2024. Subsequently, the units were listed on BSE Limited and National Stock Exchange of India Limited on 12 March 2024. We undertake to upload the necessary information on the website of the InvIT within the prescribed timelines.*

It is certified that these contents on the website of the InvIT are correct.

II. Annual Affirmations

Particulars	Regulation Number	Compliance status
Independent director(s) have been appointed in terms of specified criteria of 'independence' and / or 'eligibility'	2(1)(saa)	Yes
Board composition	4(2)(e)(v), 26G, 26H(1)	Yes
Meeting of board of directors	26G	Yes
Quorum of board meeting	26H(2)	Yes
Review of Compliance Reports	26H(3)	No*
Plans for orderly succession for Appointments	26G	Yes
Code of Conduct	26G	Yes
Minimum Information	26H(4)	No*
Compliance Certificate	26H(5)	Yes
Risk Assessment & Management	26G	Yes
Performance Evaluation of Independent Directors	26G	No*
Recommendation of Board	26H(6)	NA*
Composition of Audit Committee	26G	Yes
Meeting of Audit Committee	26G	Yes*

II. Annual Affirmations		
Particulars	**Regulation Number**	**Compliance status**
Composition of Nomination & Remuneration Committee	26G	Yes
Quorum of Nomination and Remuneration Committee meeting	26G	Yes
Meeting of Nomination & Remuneration Committee	26G	Yes
Composition of Stakeholder Relationship Committee	26G	No$
Meeting of Stakeholder Relationship Committee	26G	Yes*
Composition and role of Risk Management Committee	26G	Yes
Meeting of Risk Management Committee	26G	Yes*
Vigil Mechanism	26I	Yes
Approval for related party Transactions	19(3), 22(4)(a)	NA*
Disclosure of related party transactions	19(2)	Yes*
Annual Secretarial Compliance Report	26J	Yes*
Alternate Director to Independent Director	26G	Yes
Maximum Tenure of Independent Director	26G	Yes
Meeting of independent directors	26G	Yes*
Familiarization of independent directors	26G	Yes*
Declaration from Independent Director	26G	Yes
Directors and Officers insurance	26G	No*
Memberships in Committees	26G	Yes
Affirmation with compliance to code of conduct from members of Board of Directors and Senior management Personnel	26G	Yes
Policy with respect to Obligations of directors and senior management	26G	Yes

**Pursuant to Initial Public Offer of Units by the InvIT, the allotment of units was made on 6th March 2024. Subsequently, the units were listed on BSE Limited and National Stock Exchange of India Limited on 12th March 2024. We undertake to comply with the applicable regulations in accordance with the Provisions of SEBI (Infrastructure Investment Trusts) Regulations, 2014 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (as applicable) within the prescribed timelines.*

[$]Going with the interplay of the provisions of Regulation 26G of the InvIT Regulations read with SEBI Listing Regulations, as amended, the Investment Manager will reconstitute the committee such that the chairperson of the Stakeholders Relationship Committee is an Independent Director.

For GR Highways Investment Manager Private Limited
(Investment Manager to Bharat Highways InvIT)

Mohnish Dutta
Company Secretary & Compliance Officer

Part C

Affirmations		
Broad heading	**Regulation Number**	**Compliance status (Yes/No/NA)**
Copy of annual report of the InvIT including balance sheet, profit and loss account, governance report, secretarial compliance report displayed on Website	26J, 26K and this Master Circular	NA*
Presence of Chairperson of Audit Committee at the Annual Meeting of Unitholders	26G	NA*
Presence of Chairperson of the nomination and remuneration committee at the Annual Meeting of Unitholders	26G	
Presence of Chairperson of the Stakeholder Relationship committee at the Annual Meeting of Unitholders	26G	
Whether "Governance Report" and "Secretarial Compliance Report" disclosed in Annual Report of the InvIT	26J and 26K	NA*

**Pursuant to Initial Public Offer of Units by the InvIT, the allotment of units was made on 6th March 2024. Subsequently, the units were listed on BSE Limited and National Stock Exchange of India Limited on 12th March 2024. We undertake to comply with the applicable regulations in accordance with the Provisions of SEBI (Infrastructure Investment Trusts) Regulations, 2014 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (as amended) within the prescribed timelines.*

For GR Highways Investment Manager Private Limited
(Investment Manager to Bharat Highways InvIT)

Mohnish Dutta
Company Secretary & Compliance Officer

Details of Changes During the year

1. Addition and divestment of assets including the identity of the buyers or sellers, purchase or sale prices and brief details of valuation for such transactions.

During the year, Bharat Highways InvIT ("InvIT" or "Trust") has acquired GR Akkalkot Solapur Highway Private Limited, GR Dwarka Devariya Highway Private Limited, GR Gundugolanu Devarapalli Highway Private Limited, GR Phagwara Expressway Limited, GR Sangli Solapur Highway Private Limited, Porbandar Dwarka Expressway Private Limited and Varanasi Sangam Expressway Private Limited (collectively "Project SPVs") from G R Infraprojects Limited on 01 March 2024.

The InvIT had allotted 192,938,705 units of ₹ 100/- each to G R Infraprojects Limited pursuant to the Share Purchase Agreements and Assignment Agreements, as consideration towards acquisition of 100% shareholding of the Project SPVs. Please refer to note no. 3 of the Standalone Financial Statements of the InvIT for more information on valuation of the acquisitions made by the InvIT.

Further, There was no divestment of assets during the year.

2. Valuation of assets and Net asset Value ("Nav") (as per Full Valuation Report)

Please find below the details of changes in Valuation of Assets and Net Assets Value:

(₹ in Million)

Particulars^	As on 31 March 2024	As on 30 September 2023
Enterprise Value	53,316	57,273
Adjusted Enterprise Value*	61,266	63,429
Equity Value^^	20,303	20,046

^ As determined by valuer of the InvIT

^^ excluding unsecured loan extended by seller

* Adjusted Enterprise Value of the SPVs is derived as the Enterprise Value plus cash or cash equivalents of the SPVs as at the Valuation Date.

The detailed valuation report for the Financial Year ended 31 March 2024, is also available on the website of the Invit https://www.bharatinvit.com/ and the same has been disclosed as part of the Annual Audited Financial Information of the InvIT filed with National Stock Exchange of India Limited and BSE Limited on 28 May 2024 and also forming part of this as **Annexure B** to this Annual Report.

The NAV as computed by the Management is provided below:

(₹ in Million)

Consolidated Statement of Net Assets at Fair Value

Particulars	As at 31 March 2024		As at 31 March 2023	
	Book Value	Fair Value	Book Value	Fair Value
A. Assets	62,594.11	63,576.04	78.06	78.06
B. Liabilities (at book value)	13,028.26	13,028.26	78.05	78.05
C. Net assets (A-B)	49,565.85	50,547.78	0.01	0.01
D. No of units	442,938,605	442,938,605	-	-
E. NAV per unit (C/D)^ in ₹	111.90	114.12	-	-

^As the units have been issued during the Financial Year ended 31 March 2024, accordingly, disclosures in respect of number of units and NAV per unit have not been presented for the comparative period ended 31 March 2023.

3. Borrowings and Repayments (Standalone and Consolidated)

Details of external borrowings availed & repaid, on standalone and consolidated basis, during FY 2023-24, are as follows:

Standalone:

(₹ in Million)

Particulars	Opening Balance 01 April 2023	Loan availed during the period	Loan repaid during the period Closing Balance	Closing Balance 31 March 2024
Borrowings from Domestic – Banks/ Financial Institutions (including term loans)	0.00	4,873.68	60.92	4,812.76
Non-Convertible Debentures (NCDs)	0.00	0.00	0.00	0.00
Non-Convertible Preference Shares (NCRPs)	0.00	0.00	0.00	0.00
External commercial borrowing (ECBs)	0.00	0.00	0.00	0.00
Commercial Papers (CP)	0.00	0.00	0.00	0.00

Consolidated:

(₹ in Million)

Particulars	Opening Balance 01 March 2024^	Loan availed during the period	Loan repaid during the period*	Closing Balance 31 March 2024
Borrowings from Domestic – Banks/ Financial Institutions (including term loans)	23,886.38	4,873.68	24,026.38	4,812.76
Non-Convertible Debentures (NCDs)	11,446.80	-	4,906.91	6,529.46

^The of the Project SPVs were transferred to InvIT on 01 March 2024. Accordingly, the opening balance as on 01 March 2024 has been considered.

*the amount repaid includes the accrued interest

4. Sponsor, Investment Manager, Trustee, Valuer, Directors of the Trustee or Investment Manager or Sponsor, etc.

G R Infraprojects Limited ("Settlor" or "GRIL") had set up Bharat Highways InvIT ("InvIT" / "Trust") as an irrevocable trust under the Indian Trusts Act 1882 pursuant to the Trust deed dated 16 June 2022. The Trust was settled with an initial sum of ₹ 10,000 and was subsequently registered as an Infrastructure Trust with Securities Exchange Board of India ("SEBI") under the SEBI (Infrastructure Investment Trust) Regulations, 2014, as amended ("SEBI InvIT Regulation") vide Certificate of Registration dated 03 August 2022 with registration number IN/InvIT/22-23/0023.

GRIL discontinued to act as the Sponsor of the InvIT with effect from 08 December 2022, and amended and restated trust deed was executed on 08 December 2022 among Lokesh Builders Private Limited ("LBPL"), GRIL (as the settlor) and the Trustee through which LBPL became the Sponsor of the InvIT.

Subsequently, LBPL discontinued to act as the Sponsor to the InvIT and Aadharshila Infratech Private Limited (the "Sponsor" or "AIPL") entered into amended and restated trust deed on 31 October 2023 with GRIL (as the settlor) and the Trustee to become Sponsor of the Trust which was duly noted by SEBI vide its letter dated 24 November 2023.

The changes in Directors of the Trustee, Investment Manager and the Sponsor, during the Financial Year 2023-24 are provided below:

IDBI Trusteeship Private Limited – Trustee		
Name of Director	**Details of change**	**Date of change**
Samuel Joseph Jebaraj	Resignation as Director	18 April 2023
Jayakumar S. Pillai	Appointment as Director	18 July 2023
GR Highways Investment Manager Private Limited – Investment Manager		
Name of Director	**Details of change**	**Date of change**
Ramesh Chandra Jain	Appointed as Independent Director	13 June 2023
Swati Anil Kulkarni	Appointed as Independent Director	13 June 2023
Aadharshila Infratech Private Limited – Sponsor		
Name of Director	**Details of change**	**Date of change**
Lokesh Agarwal	Resignation from directorship	16 October 2023
Aditya Agarwal	Resignation from directorship	16 October 2023
Kishan Kantibhai Vachhani	Appointed as Additional Director	16 October 2023
Ramesh Chandra Mehta	Appointed as Additional Director	16 October 2023
Rahul Agarwal	Appointed as Additional Director	16 October 2023

Except above, there have been no changes in the Sponsor, Investment Manager, Trustee, valuer, directors of the Trustee or Investment Manager or sponsor, etc.

5. Clauses in Trust Deed, Investment Management Agreement or any Other Agreement Entered Into Pertaining to the Activities of the InvIT

a. Changes in the Trust Deed

The Trust Deed of Bharat Highways InvIT was amended on 08 December 2022, wherein Lokesh Builders Private Limited was inducted as the new sponsor of the InvIT, replacing G R Infraprojects Limited. Subsequently, the Trust Deed was further amended on 31 October 2023, to (i) induct Aadharshila Infratech Private Limited as the new sponsor of the InvIT, replacing Lokesh Builders Private Limited and (ii) provide for nomination and appointment of Unitholder Nominee Directors on the Board of Directors of the Investment Manager by Eligible Unitholder(s) in accordance with SEBI Circular No. SEBI/HO/DDHS-PoD-2/P/CIR/2023/153 dated 11 September 2023.

b. Changes in the Investment Management Agreement

The Securities and Exchange Board of India ("SEBI") had notified SEBI (Infrastructure Investment Trusts) (Second Amendment) Regulations, 2023 ("SEBI InvIT Amendment 2023") on 18 August 2023 wherein a proviso was inserted in Regulation 4(2)(h), which inter-alia provides that Unitholder(s) holding not less than ten percent of the total outstanding units of InvIT, either individually or collectively ("Eligible Unitholder(s))", shall be entitled to nominate one director on the board of directors of the Investment Manager of the Trust ("Unitholder Nominee Director"), in the manner as may be specified by the SEBI.

Further, SEBI Circular No. SEBI/HO/DDHS-PoD-2/P/CIR/2023/153 dated 11 September 2023 ("Circular") provides that the Trustee and the Investment Manager shall, within a period of six months from the date of the circular, ensure that the Trust Deed and the Investment Management Agreement of the InvIT are amended to provide for nomination and appointment of Unitholder Nominee Directors on the Board of Directors of the Investment Manager by Eligible Unitholder(s).

Accordingly, the Board in its meeting held on 05 December 2023, had considered and approved the amended and restated Investment Management Agreement which was executed on 06 December 2023, ("IMA") entered into amongst the Trustee and the Investment Manager to inter alia include the aforementioned provisions.

Except above, there have been no changes in the Trust Deed, Investment Management or any other agreement, pertaining to activities of the InvIT.

6. Any Regulatory Changes that has Impacted or may Impact Cash Flows of the Underlying Projects

There have been no regulatory changes that in the opinion of the Investment Manager, could impact the cash flows of the underlying project.

7. Change in Material Contracts or any New Risk in Performance of any Contract Pertaining to the InvIT

Except the changes carried in the Investment Management Agreement, there were no changes in material contracts or any new risk in performance of any contract pertaining to the InvIT.

8. Legal Proceedings

During the reporting period, there have been no legal proceedings which may have significant bearing on the activities or revenues or cash flows of the Trust. A summary of material litigation is set out under Material Litigation Section of the Annual Report.

9. Credit Rating

As disclosed in the Final Offer Document, the InvIT has received rating of (i) "Provisional CRISIL AAA/Stable (Reaffirmed)" from Crisil Ratings Limited on 27 November 2023, and (ii) "Provisional CARE AAA; Stable" from CARE Ratings Limited on 30 November 2023 for its long-term bank facilities aggregating to ₹ 30,000 Million; and (iii) "Provisional IND AAA/Stable" from India Ratings and Research on 08 December 2023 for its rupee term loan facilities aggregating to ₹ 6,000 Million, the rationale for which are available on the respective websites of the Credit Rating Agencies.

In accordance with Regulation 23 and any other applicable provisions of Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time, the InvIT has obtained the final credit rating from the agencies as under: -

1. On 02 April 2024, Care Ratings Limited has converted its provisional rating on the long-term bank facilities of the InvIT aggregating to ₹ 30,000 Million to a final rating of "CARE AAA; Stable".
2. On 10 May 2024, CRISIL Ratings has converted its provisional rating on the long-term bank facilities of the InvIT aggregating to ₹ 30,000 Million to a final rating of "CRISIL AAA/Stable".
3. On 10 May 2024, India Ratings and Research has converted its provisional rating on the long-term bank facilities of the InvIT aggregating to ₹ 6,000 Million to a final rating of "IND AAA/Stable".

The Ratings have been communicated to the Stock Exchanges and the same are placed on the InvIT's website www.bharatinvit.com.

10. Financial Information of Investment Manager

The financial information of Investment Manager is not disclosed since there is no material erosion in the net worth as compared to the net worth.

General Disclosures

1. Details of the issue and Buy-back of the units

Pre-issue allotment of Units

Bharat Highways InvIT ("InvIT"), GR Highways Investment Manager Private Limited ("Investment Manager") and G R Infraprojects Limited ("GRIL") had entered into (i) Share Purchase Agreement for transfer of the entire shareholding held by GRIL and (ii) Assignment Agreement for assignment of unsecured loans extended by GRIL to Project SPVs in favor of Bharat Highways InvIT.

Pursuant to the respective Share Purchase Agreement, the InvIT has acquired 100% of the equity shares of the Project SPVs namely GR Akkalkot Solapur Highway Private Limited, GR Dwarka Devariya Highway Private Limited, GR Gundugolanu Devarapalli Highway Private Limited, GR Phagwara Expressway Limited, GR Sangli Solapur Highway Private Limited, Porbandar Dwarka Expressway Private Limited and Varanasi Sangam Expressway Private Limited on 01 March 2024.

In consideration for transfer of 100% equity shares of the Project SPVs and assignment of loans, the InvIT allotted 192,938,705 Units to G R Infraprojects Limited on 04 March 2024.

Initial Public Offering ("IPO")

Subsequently, the InvIT issued a total of 249,999,900 units for cash, at a price of ₹ 100 per unit, aggregating to ₹ 24,999.99 Million ("Issue") by way of Initial Public Offer in accordance with Regulation 14(4) of the SEBI InvIT Regulations. Aadharshila Infratech Private Limited ("the Sponsor") subscribed to 66,450,000 units for a consideration of ₹ 6,645.00 Million. This subscription ensures that the Sponsor's aggregate unitholding amounts to at least 15% of the total post-issue unit capital of the InvIT, thereby complying with the sponsor and sponsor group lock-in requirements under the SEBI InvIT Regulations.

The bidding period for the Sponsor opened and closed on Monday, 26 February 2024, two working days prior to the Bid/ Issue opening date. Bidding for Anchor Investors opened and closed on Tuesday, 27 February 2024. During this period, the InvIT received 37 anchor applications, totalling 82,597,350 units, aggregating to ₹ 8,259.73 Million.

For institutional and non-institutional investors, the issue opened for subscription on Wednesday, 28 February 2024, and closed on Friday, 01 March 2024. This structured timeline ensured a streamlined and efficient subscription process, facilitating broad investor participation.

The details of the applications received in the Net Issue from various categories is summarised below:

Category	No. of Units applied	No. of Units available for allocation	No. of times subscribed
Non-Institutional Investors	286,984,500	45,887,550	6.25
Institutional Investors (excluding Anchor Investors and Sponsor)	500,552,850	55,065,000	9.09
Anchor Investors	82,597,350	82,597,350	1.00
Sponsor	66,450,000	66,450,000	1.00
Total	**936,584,700**	**249,999,900**	**3.75**

The Units were then allotted to the applicants as per the basis of allotment on 06 March 2024.

The entire pre-issue Units as well as Units allotted under the IPO, were subsequently listed and permitted to trade on BSE Limited and National Stock Exchange of India Limited with effect from 12 March 2024.

Buy Back of Units

During the period under review there were no buy back of the Units by the InvIT.

2. Brief Details of Material and Price Sensitive Information

Except otherwise specified or disclosed in the Annual Report, Final Offer Document dated 04 March 2024 or disclosed to the Exchange from time to time, during the period under review, there were no material changes, events or material and price sensitive information to be disclosed by Bharat Highways InvIT.

3. Update on Development Of Under-Construction Project

All the assets held by the Bharat Highways InvIT are operational projects with revenue generation track record of more than one year. The InvIT's portfolio does not include any projects that are currently under construction.

4. Details of Unit Price Quoted on the Exchange

Units of the InvIT were listed on 12 March 2024 on BSE and NSE. Unit price remained range bound for the most part of the period, with total volume of trade at approximately 29.99 Million. This translated to an average daily traded volume of approximately 2.5 Million units during the period.

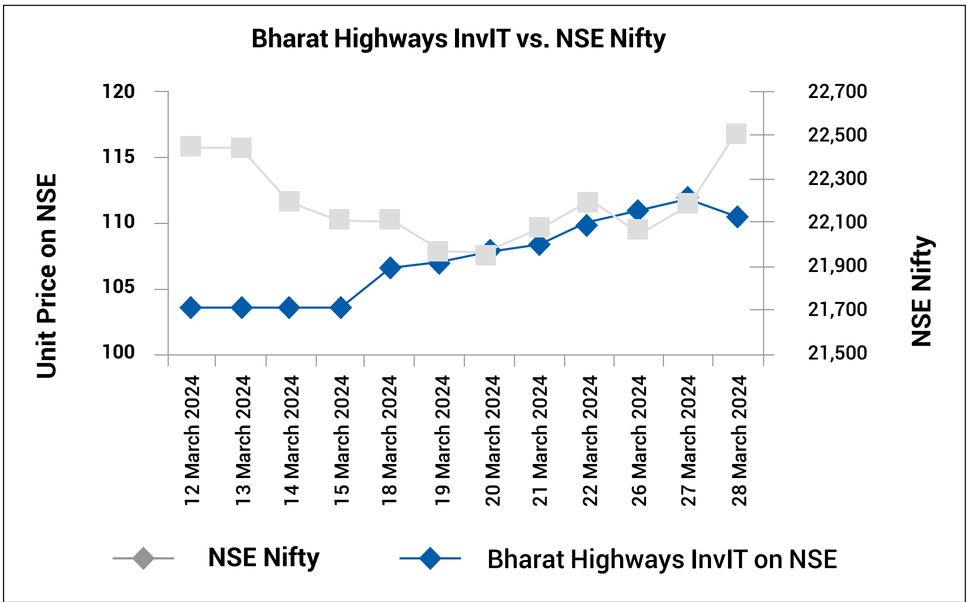
Unit Price Performance (In ₹)

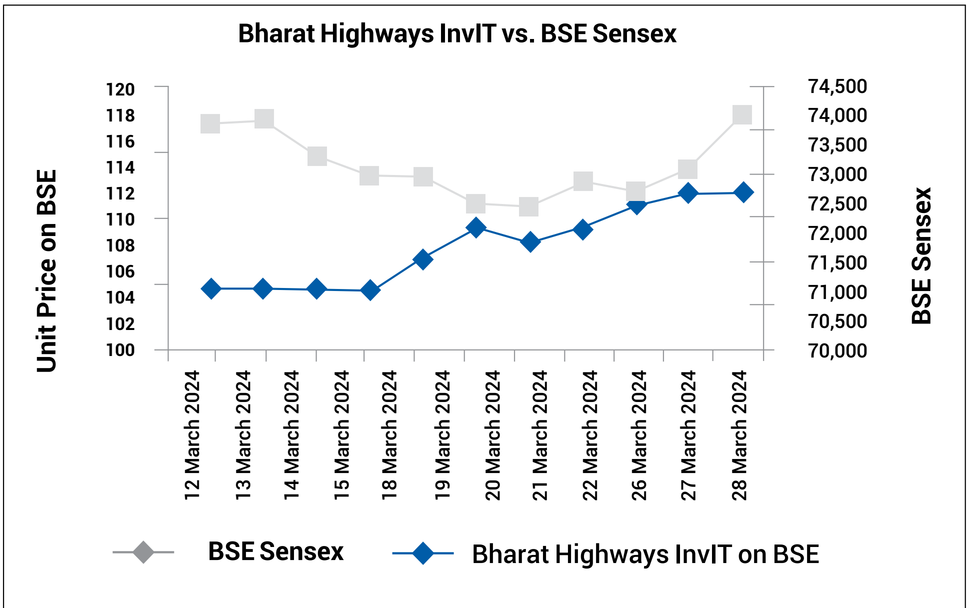
Stock Exchange	As on the date of listing 12 March 2024	Highest price quoted on the exchange	Lowest price quoted on the exchange	Closing Price as on 31 March 2024
BSE	101.00	112.00	101.00	109.56
NSE	101.10	111.90	101.10	110.00

Unit Volume Information

Stock Exchange	Average Daily Volume Traded during the period (in Units)	Total volume of trade during the period (in Units)
BSE	113,737.17	1,364,846.00
NSE	2,499,457.33	29,993,488.00

Unit Price Performance V. Index





Financial Information, Distributions and Valuation

1. Summary of Valuation Report

As per Securities and Exchange Board of India (Infrastructure Investment Trusts), Regulation, 2014 ("SEBI InvIT Regulations") as amended from time to time, Bharat Highways InvIT ("InvIT") shall carry out independent valuation for the assets owned by it at the end of each financial year. Accordingly, Mr. S. Sundararaman, Registered Valuer, IBBI Registration Number IBBI/RV/06/2018/10238, has carried out the annual financial valuation of GR Akkalkot Solapur Highway Private Limited, GR Dwarka Devariya Highway Private Limited, GR Gundugolanu Devarapalli Highway Private Limited, GR Phagwara Expressway Limited, GR Sangli Solapur Highway Private Limited, Porbandar Dwarka Expressway Private Limited and Varanasi Sangam Expressway Private Limited (collectively "Project SPVs"). Enterprise Value (EV) is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash or cash equivalents to meet those liabilities.

Valuation Approach

All seven assets owned by Bharat Highways InvIT are Hybrid Annuity Model (HAM) projects. The Independent Valuer has assessed the EV of each of the Project SPVs on a stand-alone basis by using the Discounted Cash Flow ("DCF") method. The DCF method seeks to arrive at a valuation based on the future cash flows.

Valuation Summary

The EVs of all the SPVs as on 31 March 2024 are summarised below:

SPVs	Enterprise Value (₹ In Million)	Adjusted Enterprise Value* (₹ In Million)	WACC (%)
GR Phagwara Expressway Limited	5,126	6,488	7.33%
Porbandar Dwarka Expressway Private Limited	8,347	9,309	7.33%
GR Gundugolanu Devarapalli Highway Private Limited	9,947	11,087	7.33%
GR Akkalkot Solapur Highway Private Limited	4,330	5,258	7.33%
Varanasi Sangam Expressway Private Limited	14,005	15,712	7.33%
GR Sangli Solapur Highway Private Limited	5,557	6,264	7.33%
GR Dwarka Devariya Highway Private Limited	6,005	7,147	7.33%
Total	**53,316**	**61,266**	

* Adjusted Enterprise value is sum of Enterprise Value and cash and cash equivalents on the Valuation date

In compliance SEBI InvIT Regulations, the Investment Manager has submitted the full valuation report Comprising valuation of the SPVs as on 31 March 2024, as received from the Valuer with the Stock Exchanges within stipulated time period and the same is available on the website of the InvIT at https://www.bharatinvit.com

Valuation Report of InvIT assets as on 31 March 2024 issued by Valuer is annexed to this Annual Report, as **Annexure B.**

Past Performance of the InvIT with Respect to Unit Price, Distributions Made and Yield for the last five years, as applicable

Unit Price and Yield:

Units of the InvIT were listed on 12 March 2024 on BSE Limited ("BSE") and National Stock Exchange of India Limited ("NSE"). Hence, the information in relation to past performance of the InvIT with respect to unit price and yield for the last 5 years is not applicable for the InvIT during the period under review.

During the period under review, the unit price remained range bound for the most part of the period, with total volume of trade at approximately 29.99 Million. This translated to an average daily traded volume of approximately 2.5 Million units. For detailed information with respect to unit price, kindly refer to "**General Disclosures**" Section of the Annual Report.

The investment yielded a return of 3.00% over a 91-day period, spanning from 12 March 2024 i.e. listing date to 11 June 2024 i.e. date of the distribution payment demonstrating a strong performance within a relatively short duration.

Distributions made:

The Board of Directors of the Investment Manager in its meeting held on 28 May 2024, declared the following Distribution for the quarter ended 31 March 2024:

Distribution made for the Financial Year	Total Distribution Per Unit	Return on Capital Per Unit		Return of Capital Per Unit	Dividend Per Unit
		Interest	Other Income		
2023-24	3.00	0.50	0.00	0.00	2.50

2. Details of revenue during the year, project-wise from the underlying projects

(₹ in Million)

Name of SPV	For the year ended on 31 March 2024
Varanasi Sangam Expressway Private Limited	799.86
Porbandar Dwarka Expressway Private Limited	54.00
GR Phagwara Expressway Limited	57.37
GR Gundugolanu Devarapalli Highway Private Limited	58.88
GR Akkalkot Solapur Highway Private Limited	88.78
GR Sangli Solapur Highway Private Limited	30.80
GR Dwarka Devariya Highway Private Limited	117.24
Total	**1206.93**

3. Revenue of the InvIT for the last five years, project-wise

Being the first year of operations, Revenue of the InvIT for the last five years is not available.

4. Total Operating Expenses of the InvIT along with detailed Break-up, Including all Fees and Charges Paid to the Investment Manager and any Other Parties, If any During the year

For Operating Expenses, please refer to note no. 17-19 of the Standalone and note no. 19-23 of Consolidated Financial Statements of the InvIT for the Financial Year ended 31 March 2024 which forms part of the Annual Report.

Further, the details of Fee paid to the Investment Manager is disclosed under note no. 17 of the Standalone Financial Statements.

5. Details of Outstanding Borrowings and Deferred Payment of the InvIT Including any Credit Rating(s), Debt Maturity Profile, Gearing Ratios on a Consolidated and Standalone Basis as at the end of the year

(₹ in Million)

Sr. No.	Particulars	Standalone As on 31 March 2024	Consolidated As on 31 March 2024
a.	Outstanding Long-Term Debt	4,846.57	11,376.03
b.	Less: Cash and cash equivalents	0.36	1,912.97
c.	Net Debt (a-b)	4,846.21	9,463.06
d.	Corpus contribution	0.01	0.01
e.	Unit Capital	43,761.52	43,761.52
f.	Other equity	5,892.42	5,804.32
g.	Total Capital (d+e+f)	49,653.95	49,565.85
h.	Capital & net debt (g+c)	54,500.16	59,028.91
i.	Gearing Ratio (c/h)	8.89%	16.03%
j.	Credit Rating for Long Term Loan Facility	AAA; Stable	AAA; Stable
k.	Terms of repayment	Refer note. 10-11 of the Standalone Financial Statements	Refer note. 12-13 of the Consolidated Financial Statements

For detailed information on the borrowings and deferred payments of the InvIT, please refer to note no. 10-11 of the Standalone and note no. 12-13 of Consolidated Financial Statements of the InvIT for the Financial Year ended 31 March 2024 forming part of the Annual Report.

6. Details Regarding the Monies lent by the InvIT to the holding company or the spvs in which it has investment in

The InvIT has on-lent following sum of monies to the Project SPVs as Rupee Term Loan:

(₹ in Million)

S. No.	Name of Project SPV	Amount given till 31 March 2024*
1.	Varanasi Sangam Expressway Private Limited	4,044.94
2.	GR Akkalkot Solapur Highway Private Limited	2,877.65
3.	GR Phagwara Expressway Limited	3,063.10
4.	GR Sangli Solapur Highway Private Limited	3,364.03
5.	Porbandar Dwarka Expressway Private Limited	4,790.93
6.	GR Gundugolanu Devarapalli Highway Private Limited	6,745.93
7.	GR Dwarka Devariya Highway Private Limited	3,986.42

* does not include the unsecured loans directly assigned by GRIL to InvIT

7. Details of all RPTs during the year, Value of which Exceeds five percent of value of the InvIT assets

All Related Party Transactions are disclosed under note no. 23 of the Standalone and note no. 27 of Consolidated Financial Statements of the InvIT for the Financial Year ended 31 March 2024 which forms part of the Annual Report.

Material Litigation and Regulatory Action

Except as stated in this section, there are no material litigations and regulatory actions, which are pending against the InvIT, Sponsor, Investment Manager, Project Manager, or any of their associates and the Trustee.

I. Litigation and Regulatory Actions against the InvIT

There are no outstanding criminal litigation, regulatory actions or material civil litigation against the InvIT.

II. Litigation and Regulatory Actions against the Associates of the InvIT

There are no outstanding criminal litigation, regulatory actions or material civil litigation against the Associates of the InvIT.

III. Litigation and Regulatory Actions involving the Project SPVs

There are no outstanding criminal litigation, regulatory actions or material civil litigation involving the Project SPVs.

IV. Litigation and Regulatory Actions against the Sponsor, Sponsor Group and Project Manager

There are no outstanding criminal litigation, regulatory actions or material civil litigation against the Sponsor and Project Manager.

V. Litigation and Regulatory Actions against the Associates of the Sponsor and Project Manager

There are no outstanding criminal litigation, regulatory actions or material civil litigation against the Associates of the Sponsor and Project Manager.

VI. Litigation and Regulatory Actions against the Investment Manager

There are no outstanding criminal litigation, regulatory actions or material civil litigation against the Investment Manager.

VII. Litigation and Regulatory Actions against the Associates of the Investment Manager

A. Litigation and Regulatory Actions against G R Infraprojects Limited ("GRIL")

Criminal Matters

1. The Mining Department, Madhya Pradesh, through the Mineral Inspector, Morena filed a first information report ("**FIR**") dated 03 December 2020 with the Police Station Nurabad, District Morena, Madhya Pradesh, under Sections 379 and Section 414 of the IPC and Sections 4 and Section 21 of the Mines and Minerals (Development and Regulation) Act, 1957, read with Rule 18(1) of the Madhya Pradesh Minerals (Prevention of Illegal Mining, Transportation and Storage) Rules, 2006 against GRIL and one of the employees of GRIL. It was alleged, by way of the FIR, that GRIL had illegally stored the mineral 'pathar – gitti'. GRIL filed a miscellaneous criminal petition with the High Court of Madhya Pradesh, seeking the quashing of the FIR. The High Court of Madhya Pradesh, by way of its order dated 07 August 2023 dismissed the miscellaneous criminal petition and such order was made available on the website of the High Court of Madhya Pradesh on 03 October 2023. Further, the FIR was recorded on the basis of an order dated 06 July 2020 ("**Impugned Order**") passed by the Collector, Mining Division, Morena, Madhya Pradesh ("**Collector**") seeking a sum of ₹ 2.01 Million for allegedly undertaking illegal storage of the mineral 'pathar – gitti. GRIL had filed an appeal against the Order before the Commissioner, Chambal Division, Morena, Madhya Pradesh ("**Commissioner**"), pursuant to which the Commissioner passed an order dated 13 June 2023, dismissing the Impugned Order.
2. The Mining Department, Madhya Pradesh, through the Mineral Inspector, filed an FIR dated 03 December 2020 with the Police Station Nurabad, District Morena, Madhya Pradesh, under Sections 379 and Section 414 of the IPC and Sections 4 and Section 21 of the Mines and Minerals (Development and Regulation) Act, 1957, read along with Rule 18(1) of the Madhya Pradesh Minerals (Prevention of Illegal Mining, Transportation and Storage) Rules, 2006 against GRIL and one of the employees of GRIL. It was alleged, by way of the FIR, that GRIL had illegally stored sand. GRIL filed a miscellaneous criminal petition with the High Court of Madhya Pradesh, seeking the quashing of the FIR. The High Court of Madhya Pradesh, by way

of its order dated 07 August 2023 dismissed the miscellaneous criminal petition and such order was made available on the website of the High Court of Madhya Pradesh on 03 October 2023. Further, the FIR was recorded on the basis of an order dated 06 July 2020 ("**Impugned Order**") passed by the Collector, Mining Division, Morena, Madhya Pradesh ("**Collector**") seeking a sum of ₹ 0.52 Million for allegedly undertaking illegal storage of the sand. GRIL had filed an appeal against the Order before the Commissioner, Chambal Division, Morena, Madhya Pradesh ("**Commissioner**"), pursuant to which the Commissioner passed an order dated 13 June 2023, dismissing the Impugned Order.

3. An FIR dated 12 June 2022 has been filed by the Central Bureau of Investigation ("**CBI**"), Anti-Corruption Unit – I under Section 120-B of the IPC and Sections 7, 8, 9, 10 and 12 of the Prevention of Corruption Act, 1988 against certain employees of GRIL (the "**Representatives**"), GRIL, certain officials of the NHAI and others. It has been alleged that the Representatives along with certain unknown public servants have been involved in offences such as criminal conspiracy, bribing of public servants and bribing of public servants by commercial organisation. Pursuant to a summon received, GRIL appeared before the Court of Special Judge, CBI, Assam ("**CBI Court**"), through its authorised representative on 30 December 2022 and received a copy of the report filed under Section 173 of the Code of Criminal Procedure, 1973 ("**CrPC**") and certain documents which were filed by the CBI. Subsequently, on 01 February 2023, GRIL received certain additional documents filed by the CBI. Further, the CBI has filed certain additional documents with the CBI Court during the hearings which took place on 17 August 2023 and 25 August 2023. The matter is currently pending.

   It is clarified that (i) the employees of GRIL, who are named in the FIR, are not employees of the Project SPVs and are not proposed to be employees of the Project SPVs or the InvIT and (ii) the Project SPVs are not connected to these proceedings against GRIL.

4. On 16 April 2018, GRIL received an order, issued by the Maharashtra Pollution Control Board ("**MPCB**"), requiring the closure of a ready-mix concrete plant and crusher plant ("**RMC Plant**") set up by GRIL, as part of one of its highway construction projects. Subsequently, the MPCB filed a criminal complaint with the Judicial Magistrate First Class, Ambejogai ("**JMFC, Ambejogai**") on 10 April 2019, alleging that GRIL had continued operations at the RMC Plant despite receiving directions for closure. Pursuant to the criminal complaint, the JMFC, Ambejogai passed an order dated 10 April 2019 issuing process against GRIL, Vinod Kumar Agarwal, and one of GRIL's employees ("**JMFC Order**"). GRIL, Vinod Kumar Agarwal, and the employee filed a criminal writ petition with the High Court of Bombay against the JMFC Order, seeking, among others, that (i) it be quashed and set aside and (ii) it be stayed pending hearing and disposal of the writ petition. The High Court of Bombay passed an order dated 04 July 2019, deferring the hearing of the case at the trial court. The matter is currently pending.

5. GRIL has received a summon dated 15 April 2021 from the Sub-Divisional Judicial Magistrate, Criminal Court, Balachur in respect of a complaint filed by the State of Punjab through the Forest Range Office, Kathgarh in Balachaur tehsil of the Shaheed Bhagat Singh Nagar district, under Sections 4 and 5 of the Punjab Land Preservation Act, 1900 read with Sections 1 and 2 of the Forest Conservation Act, 1980 wherein it has been alleged that GRIL had damaged land and undertaken soil mining illegally in the forest range in Kathgarh. The matter is currently pending.

6. GRIL has received a notice dated 29 June 2021 from the Police Station, Shamgarh District, Mandsaur, Madhya Pradesh (the "**Police Station**") stating that the investigation of GRIL is to be initiated pursuant to an FIR filed at the Police Station. The FIR was filed by the District Minerals Officer, Mandsaur under Sections 379 and Section 414 of the IPC and Sections 4 and Section 21 of the Mines and Minerals (Development and Regulation) Act, 1957, read with Rule 18 of the Madhya Pradesh Minerals (Prevention of Illegal Mining, Transportation and Storage) Rules, 2006, pursuant to the directions issued by the High Court of Madhya Pradesh. Under the FIR, it has been alleged that GRIL and a certain sub-contractor of GRIL had undertaken mining of murram in violation

of the M.P. Minor Mineral Rules, 1996. The matter is currently pending.

7. Arvind Kumar Baishya ("**Complainant**") has filed an FIR at the Police Station, Madhata, Pratapgarh, Uttar Pradesh dated 22 June 2018 under Section 154 of the CrPC against GRIL. It has been alleged that GRIL has undertaken illegal demolition of the Complainant's house situated on the Faizabad-Allahabad Road which caused the death of a member of his family and grievous hurt to two other members of his family. The matter is currently pending.

8. The Tehsildar, Budhadeet, Kota, Rajasthan, filed an FIR dated 11 May 2022 under Section 179 of the IPC and Sections 4 and Section 21 of the Mines and Minerals (Development and Regulation) Act, 1957, against GRIL. It has been alleged that GRIL has undertaken illegal mining of ordinary soil in the village, Budhadeet. The matter is currently pending.

9. GRIL has received an order dated 29 July 2022 ("**Order**") from the Court of Additional Chief Judicial Magistrate, Varanasi ("**Court**") in respect of a complaint filed by Dharmendra Kumar at the Police Station, Badagaon, Varanasi under the Sections 379 and 451 of the IPC ("**Complaint**"), seeking the appearance of GRIL and certain of its employees. GRIL has filed a criminal miscellaneous application with the High Court of Allahabad seeking the quashing of the Complaint and the Order. The High Court of Allahabad has passed an order dated 10 January 2023 stating that no coercive steps shall be taken against GRIL in pursuance of the proceedings in relation to the Complaint before the Court. The matter is currently pending.

10. Tikender Singh Panwar ("**Complainant**") has filed a criminal complaint dated 27 July 2023 at the Parwanoo Police Station, Solan District, Himachal Pradesh against NHAI and GRIL (in its capacity as a company executing contracts awarded by the NHAI) alleging criminal neglect in the construction of a four-laned highway from Parwanoo to Solan. The Complainant has contended that NHAI and GRIL have caused damage to the hills through which this highway passes and failed to account for geological considerations while executing the project. The matter is currently pending.

Regulatory Actions

1. Mahendra Kumar Agarwal (in his capacity as a former director of GRIL), received a notice dated November 11, 2013 from the Jharkhand State Electricity Board, Electricity Supply Circle, for initiation of certificate proceedings due to the alleged non-payment of electricity dues of ₹ 2.40 Million by GRIL. In response to the notice, Mahendra Kumar Agarwal filed a petition before the Certificate Officer, Electricity Supply Division, Hazaribagh seeking the dropping of the certificate proceedings and the refund of the security money deposited by GRIL for the electricity connection, along with interest. The matter is currently pending.

2. Pursuant to a letter by the District Mining Officer, Ramgarh, the Certificate Officer (Mining), North Chotanagpur, Anchal, Hazaribagh ("**Certificate Officer**"), initiated recovery proceedings, contending that GRIL was liable to pay a penalty for a sum of ₹ 10.18 Million since it had illegally mined soil as part of one of its projects. The matter is currently pending before the Certificate Officer.

3. GRIL received orders dated 14 January 2020 and 05 February 2020 ("**Orders**") passed by the Assistant Mining Engineer, Mines and Geology Department, Bhilwara ("**AME**"), by way of which, a demand of ₹ 11.24 Million was raised on GRIL. On the basis of an audit objection received, the AME contended in the Orders that GRIL had failed to disclose the use of a certain mineral in one of its projects and, accordingly, was liable to pay the amount demanded. GRIL filed an appeal with the Additional Director, Mines and Geology Department, Udaipur ("**Additional Director**"), seeking the quashing of the Orders and separately filed an application seeking a stay on the operation of the Orders. The Additional Director granted a stay order dated 01 December 2020 on the execution of the order dated 05 February 2020. The matter is currently pending.

4. An application was filed by the Patwari Halka No. 405, village Barkheda Hada before the Tehsildar, Neemuch ("**Tehsildar**") alleging that Ashoka Buildcon Limited and GRIL were illegally excavating soil and operation on Government land situated at survey no. 403 rakba. On basis of such application, the Tehsildar registered a case bearing

number 23/B-21/2008-2009 against GRIL before the mining officer, Madhya Pradesh ("**Mining Officer**"). On receipt of report from the Mining Officer, case bearing number 07/A-67/2010-11 was initiated against Ashoka Buildcon Limited and GRIL, before Sub divisional Magistrate, Department of Revenue, Neemuch ("**SDM**"). The Tehsildar issued a show cause notice dated 19 January 2011 ("**SCN**") against GRIL, as under the Madhya Pradesh Land Revenue Code, 1959 and ordered to pay a penalty for a sum of ₹ 5.13 Million as under section 53 of the Minor Mineral Rules, 1996 ("**Rules**"). GRIL filed a reply to the SCN, however the SDM, vide order dated 31 July 2017, passed an order ("**Impugned Order**") of penalty of ₹ 5.13 Million against GRIL towards mining royalty. GRIL filed an appeal bearing number 135/2017 ("**Appeal**") before the Director, Mines Mineral Department, Bhopal, Madhya Pradesh ("**Authority**") against the said order of the SDM and submitted that the Impugned Order was passed without giving reasonable opportunity to GRIL and that it is also violative of the set provisions of the Rules. The Authority remanded the matter back to the Additional District Magistrate, Neemuch, who by way of an order dated 11 January 2021, directed the recovery of the penalty of ₹ 5.13 Million. GRIL filed an appeal against this order before the Director of Geology and Mining, Bhopal, which has been transferred to the Commissioner, Ujjain Division. The matter is currently pending.

5. GRIL is in receipt of an order dated 11 February 2021 ("**Order**") from District Magistrate, Muzaffarnagar, stating that GRIL is liable to pay a sum of ₹ 7.69 Million for the illegal mining of ordinary soil. GRIL filed an appeal with the Commissioner, Saharanpur Circle, Saharanpur ("**Commissioner**") seeking, among others, the quashing of the Order and an injunction on its operation which has been upheld by the Commissioner. GRIL has filed a writ petition before the High Court of Allahabad seeking the quashing of the Order. By way of an order dated 19 July 2023, the High Court of Allahabad directed the respondents to not to take any coercive action against GRIL. The matter is currently pending.

6. A recovery notice dated 14 June 2018 ("**Recovery Notice**") has been issued by the Sub Registrar II, Udaipur ("**Sub Registrar**") against GRIL for the payment of ₹ 163.00 Million towards alleged deficit stamp duty required to be paid by GRIL in relation to certain loan documentation entered into by GRIL and executed in New Delhi, and allegedly received in Rajasthan. GRIL has filed an appeal before the High Court of Rajasthan against the State of Rajasthan, Deputy Inspector General, Stamps and Registration Department, Circle Udaipur and the sub Registrar (collectively, the "**Respondents**") wherein GRIL has prayed that, inter alia, the Recovery Notice be declared illegal and set aside and that the Sub Registrar be restrained from proceeding against GRIL pursuant to the Recovery Notice. The High Court of Rajasthan has subsequently issued a stay order in favour of GRIL against the Recovery Notice. The matter is currently pending.

7. GRIL is in receipt of an order dated 21 September 2021 ("**Order**") from the office of District Magistrate, Ambedkarnagar, stating that GRIL is liable to pay a sum of ₹ 2.86 Million for illegal mining of ordinary soil. GRIL has filed an appeal with the Commissioner, Ayodhya, seeking, among others, the quashing of the Order. The matter is currently pending.

8. GRIL is in receipt of an order dated 05 August 2021 ("**Order**") from the office of District Magistrate, Sultanpur, stating that GRIL is liable to pay a sum of ₹ 0.14 Million for illegal mining of ordinary soil. GRIL has filed an appeal with the Commissioner, Ayodhya, seeking, among others, the quashing of the Order. The matter is currently pending.

9. GRIL is in receipt of an order dated 09 October 2020 ("**Order**") from the office of District Magistrate, Sultanpur, stating that GRIL is liable to pay a sum of ₹ 0.08 Million for illegal mining of ordinary soil. GRIL has filed an appeal with the Commissioner, Ayodhya, seeking, among others, the quashing of the Order. The matter is currently pending.

10. GRIL is in receipt of an order dated 09 October 2020 ("**Order**") from the office of District Magistrate, Sultanpur, stating that GRIL is liable to pay a sum of ₹ 0.57 Million for illegal mining of ordinary soil. GRIL has filed an appeal with the Commissioner, Ayodhya, seeking, among others, the quashing of the Order. The matter is currently pending.

11. GRIL is in receipt of an order dated 23 November 2021 ("**Order**") from the office of District Magistrate, Sultanpur, stating that

GRIL is liable to pay a sum of ₹ 0.55 Million for illegal mining of ordinary soil. GRIL has filed an appeal with the Commissioner, Ayodhya, seeking, among others, the quashing of the Order. The matter is currently pending.

12. GRIL is in receipt of an order dated 12 October 2021 ("**Order**") from the office of District Magistrate, Sultanpur, stating that GRIL is liable to pay a sum of ₹ 0.64 Million for illegal mining of ordinary soil. GRIL has filed an appeal with the Commissioner, Ayodhya, seeking, among others, the quashing of the Order. The matter is currently pending.

13. GRIL is in receipt of a notice of demand dated 29 December 2021 ("**Notice**") from the office of District Magistrate, Sultanpur, stating that GRIL is liable to pay a sum of ₹ 1.05 Million for illegal mining of ordinary soil. GRIL has filed an appeal with the Commissioner, Ayodhya, seeking, among others, the quashing of the Notice. The matter is currently pending.

14. GRIL is in receipt of a notice of demand dated 30 May 2022 ("**Notice**") from the office of District Magistrate, Sultanpur, stating that GRIL is liable to pay a sum of ₹ 0.34 Million for illegal mining of ordinary soil. GRIL has filed an appeal with the Commissioner, Ayodhya, seeking, among others, the quashing of the Notice. The matter is currently pending.

15. GRIL is in receipt of a notice of demand dated 30 March 2022 ("**Notice**") from Assistant Director of Mines and Geology, Eluru, stating that GRIL is liable to pay a sum of ₹ 822.65 Million towards, among others, seigniorage fee and penalty for non-payment of seigniorage fee. GRIL has challenged the Notice before the appropriate forum, seeking, among others, the quashing of the Notice. The matter is currently pending.

16. GRIL is in receipt of a show cause notice dated 25 May 2022 ("**Notice**") from the Mines Department, Kota wherein it has been alleged that GRIL has undertaken illegal mining of ordinary soil in the village Budhadeet, Kota, Rajasthan. GRIL has responded to the Notice by way of a letter dated 04 July 2022 disputing the allegations therein. The matter is currently pending.

    Further, an FIR dated 11 May 2022 has been filed against GRIL in this regard.

17. GRIL is in receipt of a notice dated 14 July 2022 ("**Notice**") from the Assistant Engineer, Mines Department, Balesar wherein it has been alleged that GRIL has failed to pay royalty and District Mineral Foundation Trust ("**DMFT**") charges liable to be paid under the Rajasthan Minor Mineral Concession Rules, 2017. Further, the Notice states that GRIL is liable to pay a sum of ₹ 0.99 Million towards royalty and DMFT charges along with interest. GRIL has responded to the Notice by way of a letter dated 27 July 2022 disputing the allegations therein. The matter is currently pending.

18. GRIL is in receipt of a notice dated 22 June 2022 from the Tehsil Office, Sangola wherein it has been alleged that GRIL has undertaken illegal excavation of murum in the village Wadhegaon, Sangola taluka. Further, an order dated 26 July 2022 has been passed by the Tehsildar, Sangola stating that GRIL is liable to pay a sum of ₹ 117.51 Million as penalty for the alleged illegal excavation of murum. GRIL had filed an appeal against this order before the Sub Divisional Officer, Mangalwedha, which was rejected by way of an order dated 21 April 2023. GRIL has filed an appeal against such order before the Additional District Magistrate, Solapur (Minor Minerals Branch). The matter is currently pending.

19. GRIL is in receipt of a notice dated 22 June 2022 from the Tehsil Office, Sangola wherein it has been alleged that GRIL has undertaken illegal excavation of murum in the village Wadhegaon, Sangola taluka. Further, an order dated 26 July 2022 has been passed by the Tehsildar, Sangola stating that GRIL is liable to pay a sum of ₹ 101.04 Million as penalty for the alleged illegal excavation of murum. GRIL had filed an appeal against this order before the Sub Divisional Officer, Mangalwedha, which was rejected by way of an order dated 21 April 2023. GRIL has filed an appeal against such order before the Additional District Magistrate, Solapur (Minor Minerals Branch). The matter is currently pending.

20. GRIL is in receipt of a notice dated 22 June 2022 from the Tehsil Office, Sangola wherein it has been alleged that GRIL has undertaken illegal excavation of murum in the village Wadhegaon, Sangola taluka. Further, an order dated 26 July 2022 has been passed by the Tehsildar, Sangola stating that GRIL is liable to pay a sum of ₹ 23.55 Million as penalty for the alleged illegal excavation of murum. GRIL had filed an appeal against

this order before the Sub Divisional Officer, Mangalwedha, which was rejected by way of an order dated 21 April 2023. GRIL has filed an appeal against such order before the Additional District Magistrate, Solapur (Minor Minerals Branch). The matter is currently pending.

21. GRIL is in receipt of a notice dated 22 June 2022 from the Tehsil Office, Sangola wherein it has been alleged that GRIL has undertaken illegal excavation of murum in the village Wadhegaon, Sangola taluka. Further, an order dated 26 July 2022 has been passed by the Tehsildar, Sangola stating that GRIL is liable to pay a sum of ₹ 120.46 Million as penalty for the alleged illegal excavation of murum. GRIL had filed an appeal against this order before the Sub Divisional Officer, Mangalwedha, which was rejected by way of an order dated 21 April 2023. GRIL has filed an appeal against such order before the Additional District Magistrate, Solapur (Minor Minerals Branch). The matter is currently pending.

22. GRIL is in receipt of a notice dated 22 June 2022 from the Tehsil Office, Sangola wherein it has been alleged that GRIL has undertaken illegal excavation of murum in the village Wadhegaon, Sangola taluka. Further, an order dated 26 July 2022 has been passed by the Tehsildar, Sangola stating that GRIL is liable to pay a sum of ₹ 29.25 Million as penalty for the alleged illegal excavation of murum. GRIL had filed an appeal against this order before the Sub Divisional Officer, Mangalwedha, which was rejected by way of an order dated 21 April 2023. GRIL has filed an appeal against such order before the Additional District Magistrate, Solapur (Minor Minerals Branch). The matter is currently pending.

23. GRIL is in receipt of a notice dated 22 June 2022 from the Tehsil Office, Sangola wherein it has been alleged that GRIL has undertaken illegal excavation of murum in the village Wadhegaon, Sangola taluka. Further, an order dated 26 July 2022 has been passed by the Tehsildar, Sangola stating that GRIL is liable to pay a sum of ₹ 82.66 Million as penalty for the alleged illegal excavation of murum. GRIL had filed an appeal against this order before the Sub Divisional Officer, Mangalwedha, which was rejected by way of an order dated 21 April 2023. GRIL has filed an appeal against such order before the Additional District Magistrate, Solapur (Minor Minerals Branch). The matter is currently pending.

24. GRIL is in receipt of a notice dated 22 June 2022 from the Tehsil Office, Sangola wherein it has been alleged that GRIL has undertaken illegal excavation of murum in the village Wadhegaon, Sangola taluka. Further, an order dated 26 July 2022 has been passed by the Tehsildar, Sangola stating that GRIL is liable to pay a sum of ₹ 114.31 Million as penalty for the alleged illegal excavation of murum. GRIL had filed an appeal against this order before the Sub Divisional Officer, Mangalwedha, which was rejected by way of an order dated 21 April 2023. GRIL has filed an appeal against such order before the Additional District Magistrate, Solapur (Minor Minerals Branch). The matter is currently pending.

25. GRIL is in receipt of a notice dated 22 June 2022 from the Tehsil Office, Sangola wherein it has been alleged that GRIL has undertaken illegal excavation of murum in the village Wadhegaon, Sangola taluka. Further, an order dated 26 July 2022 has been passed by the Tehsildar, Sangola stating that GRIL is liable to pay a sum of ₹ 53.26 Million as penalty for the alleged illegal excavation of murum. GRIL had filed an appeal against this order before the Sub Divisional Officer, Mangalwedha, which was rejected by way of an order dated 21 April 2023. GRIL has filed an appeal against such order before the Additional District Magistrate, Solapur (Minor Minerals Branch). The matter is currently pending.

26. GRIL is in receipt of a notice dated 23 May 2022 from the Tehsil Office, Sangola wherein it has been alleged that GRIL has undertaken illegal excavation of murum in the village Wadhegaon, Sangola taluka. Further, an order dated 26 July 2022 has been passed by the Tehsildar, Sangola stating that GRIL is liable to pay a sum of ₹ 22.90 Million as penalty for the alleged illegal excavation of murum. GRIL had filed an appeal against this order before the Sub-Divisional Officer, Mangalwedha, which was rejected by way of an order dated 04 April 2023. GRIL has filed an appeal against such order before the Additional District Magistrate, Solapur (Minor Minerals Branch). The matter is currently pending.

27. GRIL is in receipt of a notice dated 23 May 2022 from the Tehsil Office, Sangola wherein it has been alleged that GRIL has undertaken illegal excavation of murum in the village Wadhegaon, Sangola taluka. Further, an order dated 26 July 2022 has been passed by the Tehsildar, Sangola stating that GRIL is liable to pay a sum of ₹ 14.20 Million as penalty for the alleged illegal excavation of murum. GRIL had filed an appeal against this order before the Sub-Divisional Officer, Mangalwedha, which was rejected by way of an order dated 04 April 2023. GRIL has filed an appeal against such order before the Additional District Magistrate, Solapur (Minor Minerals Branch). The matter is currently pending.
28. GRIL has received a summon dated 25 November 2022 from the Collector of Badohi in respect of an application for claim of relief under the Public Liability Insurance Act, 1991 filed by Yunus Hashmi claiming a compensation of ₹ 10.00 Million for the death of his son. GRIL has filed its response denying the allegations set forth in the application filed by Yunus Hashmi. The matter is currently pending.
29. GRIL is in receipt of a challan dated 08 January 2020 from the District Transport Officer, Bikaner levying a one-time tax and surcharge amounting to ₹ 0.17 Million with respect to one of the vehicles of GRIL. GRIL has filed an appeal before the Regional Transport Office, Bikaner in this regard. The matter is currently pending.
30. GRIL received a notice 23 March 2022 to appear before the office of Sub-Divisional Officer, Mangalwedha, in relation to an appeal filed by Mr. Ankush Kashinath Janker challenging the order passed by Tehsildar, Sangola, wherein a penalty of ₹ 49.14 Million has been imposed on GRIL for illegal excavation of brass murram ("**Order**", and such appeal, "**Appeal**"). By way of the Appeal, the quantity of the brass murram excavated from his lands was disputed by Mr. Ankush Kashinath Janker. The Sub-Divisional Officer, Mangalwedha, by way of an order dated 21 April 2023 dismissed the Appeal. However, GRIL has filed an appeal thereon before the Additional District Magistrate, Solapur (Minor Minerals Branch) challenging the Order. The matter is currently pending.
31. GRIL is in receipt of a show cause notice dated 04 July 2023 from the Additional District Magistrate, Ujjain ("**ADM Ujjain**") wherein it has been alleged that GRIL has undertaken illegal excavation of ordinary soil in the village Baledi, Badnagar tehsil, in violation of the Minerals (Prevention of Illegal Mining, Transportation and Storage) Rules, 2022. The matter is currently pending.
32. GRIL is in receipt of a show cause notice dated 12 July 2023 from the Additional District Magistrate, Ujjain ("**ADM Ujjain**") wherein it has been alleged that GRIL has undertaken illegal excavation of ordinary soil in the village Bargadi, Badnagar tehsil, in violation of the Minerals (Prevention of Illegal Mining, Transportation and Storage) Rules, 2022. The matter is currently pending.
33. GRIL is in receipt of a notice dated 23 January 2024 and 09 November 2023 from the Collector (Mines), Jhabua, stating that GRIL is liable to pay a sum of ₹ 55.05 Million towards deficit payment of royalty charges for usage of gitti (aggregate) obtained from lands owned by the government in village Jhabua, Meghnagar, Madhya Pradesh. The matter is currently pending.
34. GRIL is in receipt of a notice dated 08 August 2023 from the Collector (Mines), Morena, stating that GRIL is liable to pay a sum of ₹ 6.12 Million towards royalty including penalty charges for usage of ordinary earth, illegally obtained from lands situated in the jurisdiction of the Morena district. The matter is currently pending.
35. GRIL received a notice dated 10 August 2023 to appear before the office of the Sub-Divisional Officer, Mangalwedha in relation an appeal filed by Mr. Annausu Vitthal Mohite in a matter wherein a penalty of ₹ 249.60 Million has been imposed on GRIL for illegal excavation of murram. GRIL has been named as a party to the appeal and GRIL has filed its reply in this matter. The matter is currently pending.

Other Material Matters

1. The owners of certain tracts of land ("**Disputed Land**") in revenue village Manda Basni, Rajasthan ("**Petitioners**") filed a writ petition with the High Court of Rajasthan against The State of Rajasthan, through the Secretary, Department of Public Works

and GRIL, among others, on 20 July 2020. GRIL is involved in the construction of roads over, among others, the Disputed Land. The Petitioners alleged in the writ petition that they had been inadequately compensated for the acquisition of the land by the Department of Public Works, Rajasthan pursuant to an order of the Secretary, Public Works Department, Government of Rajasthan ("**Order**") dated 28 July 2017. Accordingly, the Petitioners have sought that the Order be quashed and set aside and that they be granted additional compensation for the loss of land and trees. The matter is currently pending.

2. The owners of certain tracts of land in Kather Bye Pass, Himachal Pradesh ("**Petitioners**") filed a writ petition with the High Court of Himachal Pradesh against the State of Himachal Pradesh through its Chief Secretary and GRIL, among others on 02 March 2020. The Petitioners have sought, among others, the relocation of a culvert constructed by GRIL as part of an ongoing project for the construction of a national highway. The matter is currently pending.

3. The owners of certain tracts of land ("**Disputed Land**") in village and post – Kareban, District – Sultanpur ("**Petitioners**") filed a writ petition with the High Court of Allahabad against the State of Uttar Pradesh, through the Principal Secretary, Mines Department, the Chairman, Uttar Pradesh Express Industrial Development Authority ("**UPEIDA**"), and GRIL, among others, on 26 February 2020. It was alleged that GRIL (which was involved in the construction of a highway near the Disputed Land), along with the UPEIDA, had excavated soil and clay from the Disputed Land without permission and rendered such land infertile. Accordingly, the Petitioners have sought that a writ be issued for the payment of compensation for the losses caused to them, that action be taken against GRIL for violation of applicable law, and that the Disputed Land be restored. The matter is currently pending.

4. The owners of certain tracts of land ("**Disputed Land**") in Sultanpur ("**Petitioners**") filed a writ petition with the High Court of Allahabad against the State of Uttar Pradesh, through the Chief Secretary, UPEIDA, Lucknow and GRIL, among others, on 05 November 2019. It was alleged that GRIL (which was involved in the construction of a highway near the Disputed Land), along with the UPEIDA, had excavated soil from the Disputed Land without permission and had damaged such land. Accordingly, the Petitioners have sought that a writ be issued for (i) the payment of compensation to them or for land to be provided in exchange and (ii) action to be taken against GRIL for such digging and consequent damage. The matter is currently pending.

5. The owners of certain tracts of land ("**Disputed Land**") in Mohal Bara, Tehsil and District Solan, Himachal Pradesh ("**Petitioner**") filed writ petitions with the High Court of Himachal Pradesh against the Union of India, through its Secretary (MoRTH) and GRIL, among others, on 17 April 2021. It was alleged that GRIL (which was involved in the construction of a highway near the Disputed Land) had excavated soil resulting in damage to the Disputed Land, the buildings situated on it, and the adjoining parcel of land, which was also owned by the Petitioner. Accordingly, the Petitioner has sought that a writ be issued (i) to direct the respondents to acquire the Disputed Land and the buildings in accordance with the provisions of the National Highways Act, 1956 and the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013 and to pay compensation to the Petitioner in accordance with law and (ii) to direct the respondents to acquire the land adjoining the Disputed Land and to pay compensation to the Petitioner in accordance with the law. The matter is currently pending.

6. A writ petition has been filed by Vaibhav Jalan with the High Court of Delhi against JKM Infra Projects Limited, its directors, GRIL and others ("**Respondents**") on 27 May 2022. Vaibhav Jalan has alleged that the Respondents have colluded to facilitate various unlawful activities and sought for a writ to be issued directing the Enforcement Directorate to initiate investigation on such activities. The High Court of Delhi by way of its order dated 31 May 2022 issued a notice to the Enforcement Directorate and directed the Enforcement Directorate to submit a status report before the court. Subsequently, the High Court of Delhi passed an order dated 05 September 2022 recording that the Enforcement Directorate has submitted its status report before the court and referring the matter to Delhi High Court Mediation and

Conciliation Centre for mediation. The matter is currently pending.

VIII. Litigation and Regulatory Actions against the Trustee

1. SBICAP Trustee Company Limited (the "**Plaintiff**") had filed a suit before the City Civil Court, Bangalore against the Trustee and others (the "**Defendants**") requiring sale of pledged shares for a particular price by SREI Fund/ Investors, for whom the Trustee was acting as the share pledge trustee. The Plaintiff was acting for a consortium of lenders and has residual interest. The aggregate claim amount is ₹ 1,550.30 Million. The Trustee has filed an application seeking its removal from the suit and deletion of its name from the array of parties. Further, the Plaintiff had filed an interlocutory application before the City Civil Court, Bangalore ("**Interlocutory Application**") seeking recovery of complete residual dues received by the Defendants while selling the pledged shares, and which was dismissed. The Plaintiff has filed a writ petition before High Court of Karnataka challenging the dismissal of the Interlocutory Application, and the Trustee has not been impleaded as a party to such writ petition. The matter is currently pending.

2. In the matter of FCRL ESOP Trust of Future Corporate Resources Limited ("**FCRL**"), SEBI Adjudicating Officer has passed an order dated the 03 February 2021, on the ground of insider trading against seven employees of FCRL and FCRL Employees Trust of which the Trustee is a trustee. FCRL along with FCRL Employee Welfare Trust has been jointly and severally directed to disgorge an amount of ₹ 27.56 Million. The Trustee has submitted that the Trustee as a trustee has acted on the instructions of the committee and not liable for insider trading and has not gained or received any amount. The Trustee and FCRL Employee Welfare Trust are separate. All the said persons have filed an appeal before SAT against the said SEBI Order dated the 03 February 2021. On 19 April 2023, SAT has reserved its order and directed certain of the parties to submit their written submissions. Such written submissions have been filed. The matter is currently pending.

3. Pursuant to receipt of information against Trustees Association of India and three of its members, i.e., the Trustee, Axis Trustee Services Limited, and SBI CAP Trustee Company Limited (collectively, the "**Respondents**") for alleged contravention of Sections 3(3) and 4 of the Competition Act, 2002, i.e., for entering into anti-competitive agreements and formation of cartel, the Competition Commission of India (the "**CCI**") passed an order dated 23 December 2021 under Section 26(1) of the Competition Act, 2002 directing the Director General to investigate the conduct of the Respondents and its office bearers for prima facie violating Section 3(1) read with Section 3(3) of the Competition Act, 2002.

   In response to the above order, the Respondents filed writ petitions before the High Court of Bombay challenging the jurisdiction of the CCI to decide the matter as SEBI is the sectoral regulator regulating the Respondents. The High Court of Bombay has directed CCI to decide on the jurisdictional issue. The Trustee had filed an application before the CCI for the same, and has subsequently filed additional written submissions before the CCI. The matter is currently pending.

4. R. K. Mohata Family Trust has filed a commercial suit before the High Court of Bombay against the Trustee praying for a meeting of the debenture holders of Reliance Home Finance Limited ("**RHFL**") to be held and also for damages worth ₹ 10.55 Million from the Trustee. Pursuant to an order dated 31 March 2022 read with the orders dated 06 April 2022 and 10 May 2022 from the High Court of Bombay, the Trustee has convened a meeting of the debenture holders of RHFL and the results of the voting on matters taken up at such meeting have been placed before the High Court of Bombay. The matter is currently pending.

   Further, pursuant to a special leave petition filed by Authum Investments & Infrastructure Limited ("**AIIL**") before the Supreme Court of India, the Supreme Court of India had allowed the resolution plan submitted by AIIL and had directed AIIL to make the necessary payments within the prescribed period. AIIL has complied with such direction of the Supreme Court of India.

   Subsequent to the above, a petition of contempt has been filed by Praduman Tandon and others against the order of the Supreme Court of India alleging that that the resolution plan and the distribution mechanism was not known. The matter is currently pending.

5. A suit was instituted before the Supreme Court of Mauritius (the "**Court**") in 2014 against Dynamic India Fund III ("**DIF III**"), International Financial Services Limited ("**IFS**"), ICICI Venture Funds Management Company Limited ("**ICICI Venture**"), ICICI Bank Limited ("**ICICI Bank**") and the Trustee (collectively, the "**Defendants**"), by certain investors of DIF III claiming damages to the tune of USD103.69 Million for the loss of their investments in DIF III.

The Defendants have raised various preliminary objections to the suit, including on the jurisdiction of the Court to decide on disputes involving non-residents of Mauritius. By way of an order dated 09 June 2020, the Court stayed the proceedings against ICICI Venture and ICICI Bank on the grounds that the allegations made against these entities did not take place in Mauritius and therefore, the Court lacked jurisdiction to adjudicate on such matters. Subsequently, the plaintiffs informed that the Court of their decision not to appeal against such order. Thereafter, by way of an order dated 03 June 2022, the Court deleted ICICI Venture and ICICI Bank from the array of parties involved in the suit, thereby allowing the suit to continue against DIF III, IFS and the Trustee. The plaintiffs have filed an appeal against the order dated 03 June 2022.

ICICI Venture, the investment manager of DIF III, is handling and taking care of the matter on behalf of the Trustee, who was acting as a trustee to DIF III. The matter is currently pending.

6. In the matter involving Karvy Data Management Services Limited ("**KDMSL**"), Pawan Kapoor and Amri Resorts Private Limited (in their capacities as debenture holders) filed a writ petition before the High Court of Delhi against the Trustee and others alleging certain non-compliances including inaction against KDMSL for defaults in payment of interest and principal. The High Court of Delhi has directed the Ministry of Corporate Affairs, Government of India to investigate the complaint and such investigation is ongoing. The matter is currently pending.

7. Kamalakar B. P ("**Plaintiff**") has filed declaratory civil suit before the Court of Civil Judge (Senior Division), Thane, pursuant to which the Trustee has received a notice dated 28 July 2023. The Plaintiff has sought for (i) declaration of deed of mortgage by a defendant to another in favour of the Trustee as void, illegal, invalid, non-est, not binding on the Plaintiff; (ii) permanent injunction from entering into the suit property, sale in auction and/ or agreeing to sell the suit property in auction; and (iii) temporary injunction from the sale of the suit property. Written statements and affidavit in reply have been filed before the court. The matter is currently pending.

8. CBM Constructions LLP, a holder of debentures issued by Three C Green Developers Private Limited, has filed a suit dated 23 August 2023 before the Senior Civil Judge cum RC, South East, Saket, New Delhi, praying for, inter alia, the Trustee to transfer pledged shares of certain defendants. The Trustee has complied with such prayer and filed an application for the deletion of its name from the array of parties. The matter is currently pending.

IX. Taxation Proceedings

The details of all outstanding tax disputes involving the InvIT, Sponsor, Project Manager, Investment Manager and their associates, on the basis of abovementioned, are set forth below:

Name of the Entity	Number of Proceedings*	Amounts Involved# (in ₹ Million)
Direct tax		
i. InvIT	Nil	Nil
ii. Sponsor	Nil	Nil
iii. Investment Manager	Nil	Nil
iv. Associates of the Sponsor/ Project Manager/ Investment Manager/ InvIT (excluding the Project SPVs)	Nil	Nil
v. Project SPVs	Nil	Nil
Indirect Tax		
i. InvIT	Nil	Nil
ii. Sponsor	Nil	Nil
iii. Investment Manager	Nil	Nil
iv. Associates of the Sponsor/ Project Manager/ Investment Manager/ InvIT (excluding the Project SPVs)	10	1,011.74
v. Project SPVs	3	2,757.87

**Does not include assessment orders passed by tax authorities wherein appeal has not been filed by the respective entity or legal proceedings have not been initiated.*

#To the extent quantifiable.

Risk Factors

Risks Related to Our Business and Industry

1. The InvIT is a newly settled trust and does not have an established operating history, which will make it difficult to accurately assess our future growth prospects.
2. Statistical and other information in this annual report relating to India, the Indian economy or the road infrastructure sector have been derived from various government publications, research reports from reputable institutions and communications with various Indian government agencies that are believed to be reliable. However, there can be no guarantee as to the quality or reliability of such information.
3. Our failure and inability to identify and acquire new infrastructure assets that generate comparable revenue, profits or cash flows may have an adverse effect on our business, financial condition, cash flows and results of operations and our ability to make distributions.
4. All of our revenue from our InvIT Assets is dependent on receiving consistent annuity income from NHAI.
5. If any of our InvIT Assets are terminated prematurely, we may not receive payments due to us which may result in a material adverse effect on our financial condition.
6. If we fail to maintain the roads pursuant to and as per the relevant contractual requirements, we may be subject to penalties or even termination of our contracts, which may have a material adverse effect on our reputation, business, financial condition, results of operations and cash flows.
7. We may be subject to increase in costs, including O&M costs, which we cannot recover by increasing annuity income under the relevant Concession Agreement.
8. We may face limitations and risks associated with debt financing, refinancing and restrictions on investment, which may adversely affect our operations and our ability to make distributions to Unitholders.
9. There are risks associated with the potential acquisition of the ROFO Assets by the InvIT pursuant to the ROFO Agreement. As certain of these projects are currently under different phases of construction, such projects are subject to various construction related risks, including time and cost overruns and delays in obtaining regulatory approvals, which may delay or prevent G R Infraprojects Limited ("GRIL") from selling its shareholding in the ROFO Assets to the InvIT pursuant to the ROFO Agreement.
10. Our insurance may not provide adequate coverage in certain circumstances and is subject to certain deductibles, exclusions and limits on coverage. To the extent we suffer damage or loss which is not covered by insurance, or exceed our insurance coverage, such damage or loss would have to be borne by us.
11. Certain of the Project SPVs, certain of the Associates of the Investment Manager and the Trustee are involved in certain legal and other proceedings, which may not be decided in their favour.
12. We depend on various third parties to undertake certain activities in relation to the operation and maintenance of the InvIT Assets and any delay, default or unsatisfactory performance by these third parties could materially and adversely affect our ability to effectively operate or maintain the InvIT Assets.
13. We may be unable to renew or maintain the statutory and regulatory permits and approvals required to operate the InvIT Assets which may have an adverse effect on our business, results of operation and financial condition.
14. Compliance with, and changes in, safety, health and environmental laws and regulations in India may adversely affect our business.
15. As a shareholder of the Project SPVs, the InvIT's rights are subordinated to the rights of creditors, debt holders and other parties specified under Indian law in the event of insolvency or liquidation of the Project SPVs.
16. The Project SPVs' financing agreements entail interest at floating rates, and any increases in interest rates may adversely affect our results of operations, financial condition and cash flows.
17. The Valuation Report, and any underlying reports, are not opinions on the commercial merits of the Trust or the Project SPV, nor are they opinions, expressed or implied, as to the future trading price of the Units or the financial condition of the Trust upon listing, and the valuation contained therein may not be indicative of the true value of the Project SPV's assets.
18. Changes in the policies adopted by governmental entities or in the relationships of the InvIT and the Project SPVs with the Government of India or state governments could adversely affect our business, financial performance, cash flows and results of operations.
19. The ability of the InvIT to make or maintain consistency in distributions to Unitholders depends on the financial performance of the Project SPVs and their profitability.

Risks related to our organisation and the structure of the InvIT

20. We must maintain certain investment ratios, pursuant to SEBI InvIT Regulations.

    Failure to comply with these conditions may present additional risks to us, including divestment of certain assets, delisting and other penalties, which could have a material, adverse effect on our business, financial condition and results of operations.

21. We depend on the Investment Manager, the Project Manager and the Trustee to manage our business and InvIT Assets, and our financial condition, results of operations and cash flows and our ability to make distributions may be harmed if the Investment Manager, Project Manager or the Trustee fail to perform satisfactorily. The rights of the InvIT and the rights of the Unitholders to recover claims against the Project Manager, the Investment Manager or the Trustee may be limited.

22. The interpretation and enforcement of the regulatory framework governing infrastructure investment trusts in India is untested and is still evolving, which may have an adverse effect on our business, financial condition and results of operations and our ability to make distributions to Unitholders.

23. Any payment by the Project SPVs, including in an event of termination of the relevant Concession Agreement, is subject to a mandatory escrow arrangement which restricts their flexibility to utilise the available funds.

24. We may not be able to make distributions to Unitholders or the level of distributions may fall as the Trust's distributions will be based on the cash flows generated from the operations to be undertaken by the underlying Project SPV held by the Trust and not on whether the Trust makes an accounting profit or loss.

    The Trust will substantially rely on the receipt of interest, dividends, and principal repayments (net of applicable taxes and expenses) from the Project SPV in order to make distributions to Unitholders

25. We will depend on certain directors and key employees of the Investment Manager, the Project Manager and the Project SPVs, and such entities may be unable to retain such personnel or to replace them with similarly qualified personnel, which could have a material, adverse effect on the business, financial condition, cash flows, results of operations and prospects of the InvIT and the Project SPVs.

Risks Related to the InvIT's Relationships with the Sponsor and the Investment Manager

26. The Investment Manager has limited experience and may not be able to implement its capital and risk management strategies.

27. Parties to the InvIT are required to maintain the eligibility conditions specified under Regulation 4 of the SEBI InvIT Regulations on an ongoing basis. The InvIT may not be able to ensure such ongoing compliance by the Sponsor/ Project Manager, the Investment Manager and the Trustee, which could result in the cancellation of the registration of the InvIT.

28. The Investment Manager is required to comply with certain ongoing reporting and management obligations in relation to the Trust. There can be no assurance that the Investment Manager will be able to comply with such requirements.

Risk related to ownership of Units

29. Under Indian law, foreign investors are subject to restrictions that limit their ability to transfer or redeem Units, which may adversely impact the trading price of the Units.

30. The sale or possible sale of a substantial number of Units by the Sponsor in the public market following the lapse of its lock-in requirement as prescribed under the SEBI InvIT Regulations could adversely affect the price of the Units.

31. There is no assurance that our Units will remain listed on the Stock Exchanges.

32. Market and economic conditions may affect the market price and demand for the Units.

33. We may not be able to make distributions to Unitholders or the level of distributions may fall.

34. Our rights and the rights of the Unitholders to recover claims against the Investment Manager or the Trustee are limited.

35. It may not be possible for Unitholders to enforce foreign judgements.

36. The reporting requirements and other obligations of infrastructure investment trusts post-listing are still evolving. Accordingly, the level of ongoing disclosures made and the protection granted to Unitholders may be more limited than those made to or available to the shareholders of a company that has listed its equity shares upon a recognised stock exchange in India.

Risks Related to India

37. Changing laws, rules and regulations, including changes in legislation, legal uncertainties and the political situation in India may adversely affect our business, financial condition, cash flows and results of operations
38. Our business is dependent on economic growth in India and financial stability in Indian markets, and any slowdown in the Indian economy or in Indian financial markets could have an adverse effect on our business.
39. Any downgrading of India's sovereign debt rating by a domestic or international rating agency could adversely affect our ability to obtain financing and, in turn, our business and financial performance.
40. Fluctuations in the exchange rate of the Indian Rupee with respect to other currencies will affect the foreign currency equivalent of the value of the Units and any distributions.
41. If inflation rises in India, increased costs may result in a decline in profits.
42. Significant differences could exist between Ind AS and other accounting principles, such as Indian GAAP and IFRS, which may affect investors' assessments of the InvIT's financial condition.

Risks Related to Tax

43. Changes in legislation or the rules relating to tax regimes could adversely affect our business, prospects, cash flows and results of operations.
44. Investors may be subject to Indian taxes arising out of capital gains on the sale of Units and on any dividend or interest component of any returns from the Units.

Financial Statements

Independent Auditor's Report

To the Unit Holders of Bharat Highways InvIT

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the accompanying standalone financial statements of Bharat Highways InvIT ("the InvIT"), which comprise the Balance sheet as at March 31 2024, the Statement of Profit and Loss, including other comprehensive income, the Statement of Changes in Unit Holder's Equity, the Statement of Cash Flow for the year then ended, the Statement of Net Assets at fair value as at March 31, 2024, the Statement of Total Returns at fair value, the Statement of Net Distributable Cash Flows (NDCFs') of the InvIT for the year then ended, and a summary of material accounting policies and other explanatory notes (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time including circulars, notifications, clarifications and guidelines issued thereunder (together referred as the "InvIT Regulations") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the InvIT as at March 31, 2024, its profit including other comprehensive income, its cash movements and its movement of the unit holders' funds for the year ended March 31, 2024, its net assets at fair value as at March 31, 2024, its total returns at fair value and the net distributable cash flows of the InvIT for the year ended March 31, 2024.

Basis for Opinion

We conducted our audit of the standalone financial statements in accordance with the Standards on Auditing (SAs), issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Standalone Financial Statements' section of our report. We are independent of the InvIT in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the InvIT Regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Emphasis of Matter

We draw attention to note 8(e) which describes the presentation / classification of "Unit Capital" as "Equity" instead of the applicable requirements of Ind AS 32 – Financial Instruments: Presentation, in order to comply with the relevant InvIT regulations. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Independent Auditor's Report (Contd.)

Key Audit Matters	How our audit addressed the key audit matter
Acquisition of subsidiaries (as described in note 3(c) and 9 of the standalone financial statements)	
During the year, the InvIT has acquired 100% stake in seven subsidiaries from G R Infraprojects Limited (GRIL) against the same, the InvIT has issued its units of 13,75,30,405 with issue price of INR 100 per unit. Further, the InvIT has entered into assignment agreement dated February 20, 2024 with for assignment of its unsecured loan receivable from above subsidiaries of INR 5,540.83 million in exchange of 5,54,08,300 units with issue price of INR 100 per unit which resulting in GRIL holding 43.56% stake in the InvIT. The Investment manager has made evaluation of the transaction both from legal compliance and accounting perspective. Key matters for accounting evaluation include (a) whether the acquisitions is to be considered as common control transaction which in turn involves evaluation of control and relationship between InvIT's Sponsor and GRIL, (b) assessment of fair value of investment on the date of acquisition, and (c) accounting for difference, if any, arising between fair value of investment acquired and consideration paid. Based on the above evaluation, the Investment manager has accessed and concluded that the acquisition should be accounted as fair valuation and difference recorded as capital reserve amounting to INR 5,656.26 million. The above transaction involves significant assumptions and judgement and accordingly the same has been considered as key audit matter.	Our audit procedures included the following: • Read and assessed the InvIT's accounting policies with respect to acquisition accounting. • Obtained and read through legal opinion obtained to evaluate its relationship between Sponsor and GRIL. • Read and evaluated the key terms of the underlying agreements applicable to the acquisitions along with the necessary approvals, as applicable, for the acquisition. • Obtained management's evaluation relating to assessment of whether the acquisition is considered at fair value instead of transaction value and record difference in capital reserve. • Obtained and read the fair valuation reports issued by the independent valuer engaged by the management for measuring, the assets acquired, and liabilities assumed, at fair value. Enquired valuer regarding specific reasons for difference between fair value of net assets acquired and consideration paid and also assessed the independent valuer's objectivity and independence. • Involved valuation specialists to review the significant assumptions used by the independent valuer engaged by the management in arriving at the fair value of assets and liabilities acquired. • Assessed the related disclosures and compliance in the standalone financial statements regarding the acquisition.
Impairment Assessment of InvIT's Interest in subsidiaries (*as described in note 2.2 (h) and 3 of the standalone financial statements*)	
As at March 31, 2024, the InvIT had investment in operational HAM assets aggregating to INR 19,409.30 million which are operated under concession agreement. As per requirement of Ind AS 36 "Impairment of assets", the management reviews at each reporting period existence of any indicators of impairment of the investments in subsidiaries and where impairment indicators exist, the investment manager estimates the recoverable amounts of the investments, being higher of fair value less costs of disposal and value in use. The value in use of the underlying businesses is determined based on the discounted cash flow projections. Significant judgements are required to determine the key assumptions used in the discounted cash flow models, such as annuity, Interest rate, discount rate, future operating income and cost as well as finance cost based on investment manager's view of future business prospects. Accordingly, the impairment of investment in operational HAM asset operated under concession arrangement was determined to be a key audit matter in our audit of the standalone financial statements.	Our audit procedures included but were not limited to: • Assessed the InvIT's accounting policies with respect to impairment in accordance with Ind AS 36 "Impairment of assets". • We obtained understanding the InvIT's valuation methodology applied by the investment manager in determining the recoverable amount of its investment and obtained management assessment of the recoverable amount of the investments. • Obtained the financial model and understood the key assumptions around the cash flow forecasts like annuity, interest rate, discount rate, future operating income and cost as well as finance costs. • In performing the above procedures, we used our valuation specialists to perform an independent review of methodology and key assumptions used in the valuation. • Performed testing and sensitivity analysis of key assumptions. • Tested the arithmetical accuracy of the model. • Read and assessed the adequacy of the disclosures made in the standalone financial statements.

Independent Auditor's Report (Contd.)

Key Audit Matters	How our audit addressed the key audit matter
Computation and disclosures relating to Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value under InvIT Regulations	
The InvIT is required to disclose Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value pursuant to paragraph 5.2 of Chapter 4 to the Securities Exchange Board of India (SEBI) master circular no. SEBI/HO/DDHS-PoD-2/P/CIR/2023/115 Dated July 06, 2023 as amended including any Guideline and Circulars issued thereunder ("SEBI Circulars") which requires fair valuation of the assets. Such fair valuation has been carried out by the independent valuer appointed by the InvIT. For the purpose of the above, fair value is determined by forecasting and discounting future cash flows. The processes and methodologies for assessing and determining the fair value is based on complex assumptions, that by their nature imply the use of the management's judgment, in particular with reference to assumptions used in the discounted cash flow models, such as annuity, interest rate, discount rate and future operating cost based on management's view of future business prospects. Considering the judgment involved in determination of fair values due to inherent uncertainty and complexity of the assumptions used, accordingly, this is considered as a key audit matter.	Our audit procedures included but were not limited to: • Read the requirements of InvIT regulations for disclosures relating to Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value. • Obtained understanding of the InvIT's policy on the assessment and valuation methodology applied in determining the fair valuation including preparation of statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value as per SEBI Circulars. • We obtained and read the valuation report by the InvIT's independent valuation expert, and assessed the expert's competence, capability and objectivity. • Obtained the fair valuation model and understood the key assumptions around the cash flow forecasts like annuity, interest rate, discount rate and future operating costs. • We tested on sample basis that the annuity receivable including interest thereon and operating cost over period of concession agreement considered in the respective fair valuation models are in agreement with Concession agreement and as certified by independent engineers appointed by Authority and other relevant supporting documents. • In performing the above procedures, we used our valuation specialists to perform an independent review of methodology and key assumptions used in the valuation. • Tested the arithmetical accuracy of the fair valuation model. • Read and assessed the adequacy of the disclosures made in the standalone financial statements.

Information Other than the Standalone Financial Statements and Auditor's Report Thereon

The Management of GR Highways Investment Manager Private Limited (the "Investment Manager") is responsible for the other information other than the standalone financial statements and auditor's report thereon. The other information other than the standalone financial statements and auditor's report thereon comprises the information included in the Annual Report but does not include the standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information other than the standalone financial statements and auditor's report thereon and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone financial statements, our responsibility is to read the other information other than the standalone financial statements and auditor's report thereon and, in doing so, consider whether such other information other than the standalone financial statements and auditor's report thereon is materially inconsistent with the standalone financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information other than the standalone financial statements and auditor's report thereon, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Standalone Financial Statements

The Board of Directors of the Investment Manager are responsible for the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash movements and the movement of the unit holders' funds for the year ended

Independent Auditor's Report (Contd.)

March 31, 2024, the net assets at fair value as at March 31, 2024, the total returns at fair value of the InvIT and the net distributable cash flows of the InvIT in accordance with the requirements of the InvIT Regulations; the Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended), and other accounting principles generally accepted in India. This responsibility also include the design, implementation and maintenance of adequate controls for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors of the Investment Manager is responsible for assessing the ability of the InvIT to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the InvIT or to cease operations, or has no realistic alternative but to do so.

The Board of Director of Investment Manager are also responsible for overseeing the InvIT's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing opinion on effectiveness of the entity's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the InvIT to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the InvIT to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the

Independent Auditor's Report (Contd.)

adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

The financial statements of the InvIT for the period from June 16, 2022 to March 31, 2023 included as comparative financial information in the accompanying standalone financial statements have been prepared solely based on the information as compiled by the investment Manager and approved by the Board of Directors of Investment Manager and has not been subjected to audit.

Report on Other Legal and Regulatory Requirements

Based on our audit and as required by InvIT Regulations, we report that;

A. We have sought and obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purpose of our audit;

B. The Standalone Balance Sheet, and the Statement of Standalone Profit and Loss are in agreement with the books of account; and

C. In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards (Ind AS) and/or any addendum thereto as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015, as amended.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Sukrut Mehta**
Partner
Membership Number: 101974
UDIN: 24101974BKERTK4060

Place of Signature: Ahmedabad
Date: May 28, 2024

BHARAT HIGHWAYS InvIT

Standalone Balance Sheet

as at 31 March 2024

All amounts in ₹ Million unless otherwise stated

	Notes	As at 31 March 2024	As at 31 March 2023 (Refer Note 32)
Assets			
Non-current assets			
(a) Financial assets			
(i) Investments	3	19,409.30	-
(ii) Loans	4	31,993.47	-
(iii) Other financial assets	5	567.68	-
Total Non-Current Assets		**51,970.45**	**-**
Current assets			
(a) Financial assets			
(i) Cash and cash equivalents	6	0.36	0.09
(ii) Bank balance other than (i) above	6	473.56	-
(iii) Loans	4	2,439.44	-
(iv) Other financial assets	5	25.00	-
(b) Other current assets	7	0.14	77.97
Total Current Assets		**2,938.50**	**78.06**
Total Assets		**54,908.95**	**78.06**
Equity and liabilities			
Equity			
(a) Corpus contribution		0.01	0.01
(b) Unit capital	8	43,761.52	-
(c) Other equity	9	5,892.42	-
Total Unit Holders' Equity		**49,653.95**	**0.01**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	10	4,642.18	-
Total Non-Current Liabilities		**4,642.18**	**-**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	11	204.39	25.45
(ii) Trade payables	12		
(a) Total outstanding dues of micro enterprises and small enterprises		-	-
(b) Total outstanding dues of creditors other than micro and small enterprises		9.53	-
(iii) Other financial liabilities	13	361.02	47.45
(b) Other current liabilities	14	37.45	5.15
(c) Liabilities for current tax (net)	15	0.43	-
Total Current Liabilities		**612.82**	**78.05**
Total Liabilities		**5,255.00**	**78.05**
Total Equity and Liabilities		**54,908.95**	**78.06**
Summary of material accounting policies	2.2		

The accompanying notes are an integral part of these standalone financial statements

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm's Registration No :324982E/E300003

per **Sukrut Mehta**
Partner
Membership No: 101974

Place : Ahmedabad
Date : 28 May 2024

For and on behalf of Board of Directors of
GR Highways Investment Manager Private Limited
(As an Investment Manager to Bharat Highways InvIT)

Siba Narayan Nayak
Director
DIN: 01832348
Place : Gurugram
Date : 28 May 2024

Amit Kumar Singh
Chief Executive Officer

Place : Gurugram
Date : 28 May 2024

Harshael Sawant
Chief Financial Officer

Place : Gurugram
Date : 28 May 2024

Mohnish Dutta
Company Secretary
ICSI Mem. No. FCS10411
Place : Gurugram
Date : 28 May 2024

Standalone Statement of Profit and Loss

for the year ended 31 March 2024

All amounts in ₹ Million unless otherwise stated

		Notes	Year ended 31 March 2024	Period ended from 16 June 2022 to 31 March 2023 (Refer Note 32)
I	**Incomes and gains:**			
	(a) Interest income on loan given to subsidiaries	16	295.13	-
	(b) Interest income on deposit with banks	16	1.31	-
	Total income and gain		**296.44**	**-**
II	**Expenses and losses:**			
	(a) Valuation expenses		1.30	-
	(b) Audit fees		4.13	-
	(c) Investment management fees	17	4.89	-
	(d) Trustee fee		0.59	
	(e) Finance costs	18	21.50	-
	(f) Other expenses	19	27.31	-
	Total expenses		**59.72**	**-**
III	**Profit before tax (I-II)**		**236.72**	**-**
IV	**Tax expense:**	20		
	(a) Current tax		0.56	-
	(b) Deferred tax charge		-	-
	Total tax expenses		**0.56**	**-**
V	**Net profit for the year / period (III-IV)**		**236.16**	**-**
VI	**Other comprehensive income ("OCI")**			
	(a) Items that will not be reclassified to profit or loss in subsequent years /period (net of tax)		-	-
	(b) Items that will be reclassified to profit or loss in subsequent years /period (net of tax)		-	-
	Other comprehensive income (net of tax)		-	-
VII	**Total Comprehensive Income for the year/ period, net of tax (V+VI)**		**236.16**	**-**
	Earnings per unit (issue value of ₹ 100 each) (in ₹)			
	Basic	21	7.42	-
	Diluted		7.42	-
Summary of material accounting policies		2.2		

The accompanying notes are an integral part of these standalone financial statements

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm's Registration No :324982E/E300003

per **Sukrut Mehta**
Partner
Membership No: 101974

Place : Ahmedabad
Date : 28 May 2024

For and on behalf of Board of Directors of
GR Highways Investment Manager Private Limited
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DIN: 01832348
Place : Gurugram
Date : 28 May 2024

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Chief Executive Officer

Place : Gurugram
Date : 28 May 2024

Harshael Sawant
Chief Financial Officer

Place : Gurugram
Date : 28 May 2024

Mohnish Dutta
Company Secretary
ICSI Mem. No. FCS10411
Place : Gurugram
Date : 28 May 2024

Standalone Statement of Changes in Unit Holders' Equity

for the year ended 31 March 2024

All amounts in ₹ Million unless otherwise stated

A Unit Capital (Units of ₹ 100 each)

	Number of units	Amount
As at 16 June 2022 (refer note 32)	-	-
Add: Unit issued during the period (refer note 8)	-	-
As at 31 March 2023	-	-
As at 01 April 2023		
Add: Unit issued during the year (refer note 8)	442,938,605	44,293.86
Less Issue expenses (refer note 8)	-	(532.34)
As at 31 March 2024	**442,938,605**	**43,761.52**

B Other equity

	Reserves and surplus		Total
	Retained Earnings (refer note 9)	Capital Reserve (refer note 9)	
As at 16 June 2022 (refer note 32)	-	-	-
Add: Profit for the period	-	-	-
Total comprehensive income for the period	-	-	-
Less: Distributed during the period*	-	-	-
As at 31 March 2023	-	-	-
As at 01 April 2023	-	-	-
Add: Profit for the year	236.16		236.16
Total comprehensive income for the year	**236.16**	-	**236.16**
Add : On account of acquisition (refer note 9(i))	-	5,656.26	5,656.26
Less: Distributed during the year (refer note below)	-	-	-
As at 31 March 2024	**236.16**	**5,656.26**	**5,892.42**

* The InvIT has not made any distribution during the previous year.

Note:

1 The Board of directors of Investment manager in their meeting on 28 May 2024 have approved distribution of ₹ 3.00 per unit to the unitholders, which comprises of ₹ 0.50 per unit in the form of interest, ₹ 2.50 per unit in the form of dividend, ₹ Nil per unit in the form of other income and balance ₹ Nil per unit in the form of capital repayment for the year, which is payable within 15 days from the date of declaration.

2 The distributions that will be made to unitholders will be based on the Net Distributable Cash Flows (NDCF) of InvIT under the InvIT Regulations.

The accompanying notes are an integral part of these standalone financial statements

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm's Registration No :324982E/E300003

per **Sukrut Mehta**
Partner
Membership No: 101974

Place : Ahmedabad
Date : 28 May 2024

For and on behalf of Board of Directors of
GR Highways Investment Manager Private Limited
(As an Investment Manager to Bharat Highways InvIT)

Siba Narayan Nayak
Director
DIN: 01832348
Place : Gurugram
Date : 28 May 2024

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Chief Executive Officer

Place : Gurugram
Date : 28 May 2024

Harshael Sawant
Chief Financial Officer

Place : Gurugram
Date : 28 May 2024

Mohnish Dutta
Company Secretary
ICSI Mem. No. FCS10411
Place : Gurugram
Date : 28 May 2024

Standalone Statement of Cash Flows

for the year ended 31 March 2024

All amounts in ₹ Million unless otherwise stated

		Year ended 31 March 2024	Period ended from 16 June 2022 to 31 March 2023 (Refer Note 32)
A	**Cash flows from operating activities**		
	Profit before tax	**236.72**	**-**
	Adjustment to reconcile profit before tax to net cash flows:		
	Interest income	(296.44)	-
	Finance costs	21.50	-
	Operating (loss) before Working Capital changes	**(38.22)**	**-**
	Adjustment for changes in working capital :		
	(Decrease) in financial and other assets	(22.19)	(2.95)
	Increase in trade payables	9.53	-
	Increase in financial and other liabilities	32.30	5.15
	Cash generated from operating activities	**(18.58)**	**2.20**
	Direct tax paid (net of refunds)	(0.13)	-
	Net Cash (used in) / generated from operating activities	**(18.71)**	**2.20**
B	**Cash Flows from Investing Activities**		
	Investment in bank deposits having original maturity of more than three months (net)	(566.50)	-
	Deposit in earmarked bank balance	(473.56)	-
	Loans given to subsidiaries	(28,873.00)	-
	Interest received	276.18	-
	Net Cash (used in) investing activities	**(29,636.88)**	**-**
C	**Cash Flows from Financing Activities**		
	Proceeds form Corpus contribution	-	0.01
	Proceeds from issue of units (refer note 4 below)	24,999.99	-
	Issue expenses paid	(143.75)	(27.57)
	Proceeds from non-current borrowings	4,873.68	-
	Repayment of non-current borrowings	(60.92)	-
	Proceeds / (repayment) of current borrowings (net)	5.47	25.45
	Interest paid	(18.61)	-
	Net cash generated from / (used in) financing activities	**29,655.86**	**(2.11)**
	Net increase in cash and cash equivalents (A+B+C)	**0.27**	**0.09**
	Cash and cash equivalents at the beginning of the year / period	0.09	-
	Cash and cash equivalents at the end of the year / period	**0.36**	**0.09**

Notes:

1 Components of cash and cash equivalents (refer note 6)

	As at 31 March 2024	As at 31 March 2023
Cash on hand	0.01	0.01
Balance with banks		
in current account	0.35	0.08
Cash and cash equivalents at end of the year / period	**0.36**	**0.09**

2 The above Standalone Statement of Cash Flows has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) - 7 "Statement of Cash Flows".

Standalone Statement of Cash Flows

for the year ended 31 March 2024 (Contd.)

All amounts in ₹ Million unless otherwise stated

3 **Changes in liabilities arising from financing activities in terms of Ind AS 7:**

	As at 01 April 2023	Net cash flow	Others*	As at 31 March 2024
Non-current borrowings (including current maturities and interest)	-	4,794.15	18.61	4,812.76
Current borrowings	25.45	5.47	2.89	33.81
Total	**25.45**	**4,799.62**	**21.50**	**4,846.57**

	As at 01 April 2022	Net cash flow	Others*	As at 31 March 2023
Non-current borrowings (including current maturities and interest)	-	-	-	-
Current borrowings	-	25.45	-	25.45
Total	**-**	**25.45**	**-**	**25.45**

* Others consist of interest accrual during the year/period

4 The InvIT has acquired 100% equity stake in GR Akkalkot Solapur Highway Private Limited, GR Dwarka Devariya Highway Private Limited, GR Gundugolanu Devarapalli Highway Private Limited, GR Phagwara Expressway Limited, Porbandar Dwarka Expressway Private Limited, Varanasi Sangam Expressway Private Limited and GR Sangli Solapur Highway Private Limited from G R Infraprojects Limited in exchange of issuance of 13,75,30,405 its units as consideration. Additionally, pursuant to assignment agreement entered with G R Infraprojects Limited dated 20 February 2024, InvIT has issued 5,54,08,300 units toward assignment of outstanding unsecured loan of ₹ 5,540.83 Million given by G R Infraprojects Limited to subsidiary companies. The same being non-cash transaction is not reflected in standalone cash flow statement.

5 Figures in brackets represent outflows.

Refer note 2.2 of summary of material accounting policies.

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm's Registration No :324982E/E300003

per **Sukrut Mehta**
Partner
Membership No: 101974

Place : Ahmedabad
Date : 28 May 2024

For and on behalf of Board of Directors of
GR Highways Investment Manager Private Limited
(As an Investment Manager to Bharat Highways InvIT)

Siba Narayan Nayak
Director
DIN: 01832348
Place : Gurugram
Date : 28 May 2024

Amit Kumar Singh
Chief Executive Officer
Place : Gurugram
Date : 28 May 2024

Harshael Sawant
Chief Financial Officer
Place : Gurugram
Date : 28 May 2024

Mohnish Dutta
Company Secretary
ICSI Mem. No. FCS10411
Place : Gurugram
Date : 28 May 2024

Disclosures pursuant to SEBI Circulars

as at and for the year ended 31 March 2024

All amounts in ₹ Million unless otherwise stated

Security Exchange Board of India (SEBI) Master Circular No. SEBI/HO/DDHS-PoD-2/P/CIR/2023/115 dated 06 July 2023 and SEBI Circular No. SEBI/HO/DDHS-PoD/CIR/2023/184 dated 06 December 2023 issued under the InvIT Regulations, as amended including any guidelines and circulars issued thereunder ("SEBI Circulars")

A. Statement of Net Distributable Cash Flow ('NDCF')

Particulars		Year ended 31 March 2024	For the period from 16 June 2022 to 31 March 2023 (Refer Note 32)
Cashflows from operating activities of the InvIT		(18.71)	-
Add:	Add: Cash flows received from SPV's which represent distributions of NDCF computed as per relevant framework *	1,656.06	-
Add:	Treasury income / income from investing activities of the InvIT (interest income received from FD, any investment entities as defined in Regulation 18(5) of the SEBI InvIT 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 which will be considered on a cash receipt basis	0.12	-
Add:	Proceeds from sale of infrastructure investments, infrastructure assets or shares of SPVs or investment entity adjusted for the following		
	• 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(7) of the SEBI InvIT Regulations or any other relevant provisions of the InvIT Regulations	-	-
Add:	Proceeds from sale of infrastructure investments, infrastructure assets or sale of shares of SPVs or investment entity not distributed pursuant to an earlier plan to re-invest as per Regulation 18(7) of the SEBI InvIT Regulations or any other relevant provisions of the SEBI InvIT Regulations, if such proceeds are not intended to be invested subsequently	-	-
	Total Cash inflow at the InvIT level (A)	**1,637.47**	**-**
Less:	Finance cost on borrowings, excluding amortisation of any transaction costs as per profit and loss account of the InvIT	(21.50)	-
Less:	Debt repayment at InvIT 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)	(60.92)	-
Less:	any reserve required to be created under the terms of, or pursuant to the obligations arising in accordance with, any:		
	(i) loan agreement entered with financial institution; or	(196.50)	-
	(ii) terms and conditions, covenants or any other stipulations applicable to debt securities issued by the InvIT or any of its SPVs; or	-	-
	(iii) terms and conditions, covenants or any other stipulations applicable to external commercial borrowings availed by the InvIT or any of its SPVs; or	-	-
	(iv) agreement pursuant to which the InvIT operates or owns the infrastructure 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	-	-
Less:	Any capital expenditure on existing assets owned / leased by the InvIT, to the extent not funded by debt / equity or from contractual reserves created in the earlier years	-	-
	Total cash outflows /retention at the InvIT level (B)	**(278.92)**	**-**
	Net Distributable Cash Flows (C)=(A)+(B)	**1,358.55**	**-**

* Includes dividend received from SPVs subsequent to year end amounting to ₹ 1,380.00 Million considered as per note 1 of circular SEBI/HO/DDHS/DDHS-PoD/P/CIR/2023/184 dated 06 December 2023.

Disclosures pursuant to SEBI Circulars

as at and for the year ended 31 March 2024 (Contd.)

All amounts in ₹ Million unless otherwise stated

B Statement of Net Assets at Fair Value

	Particulars	As at 31 March 2024		As at 31 March 2023 (Refer Note 32)	
		Book value	Fair value	Book value	Fair value
I	Assets	54,908.95	55,802.78	78.06	78.06
II	Liabilities (at book value)	5,255.00	5,255.00	78.05	78.05
III	Net Assets (I-II)	49,653.95	50,547.78	0.01	0.01
IV	No. of units (in absolute numbers) (Refer Note (i) below and 8)	442,938,605	442,938,605	-	-
V	NAV (III/IV) (Refer note (i) below)	112.10	114.12	-	-

Notes:

i. As the units have been issued during the year ended 31 March 2024, accordingly, disclosures in respect of number of units and NAV per unit have not been presented in the comparative period ended 31 March 2023.

ii The fair value of assets as at 31 March 2024 is based solely on the fair valuation report dated May 27, 2024 of the independent valuer appointed by Investment Manager under the InvIT Regulations.

iii Fair values of assets have been arrived by the valuer after adding the cash and cash equivalents, investments, etc in the enterprise value.

C Statement of Total Return at Fair Value [refer note (i) below]

Particulars	Year ended 31 March 2024	For the period from 16 June 2022 to 31 March 2023 (Refer Note 32)
Total Comprehensive Income (As per the Statement of Profit and Loss)	236.16	-
Add/(less): Other Changes in Fair Value not recognised in Total Comprehensive Income (refer note below)	893.83	-
Total Return	**1,129.99**	**-**

Notes :

i As all the subsidiaries have been acquired in the current year [refer note 3(b)], hence, there is no change in the fair value disclosed in the previous year.

ii In the above statement, other changes in fair value for the year ended 31 March 2024 has been computed based on the fair values of total assets as at 31 March 2024 and 29 February 2024 which are based solely on the valuation reports dated 27 May 2024 of the independent valuer and has been relied upon by the auditors.

iii Sensitivity analysis with respect to significant unobservable inputs used in the fair value measurement has been disclosed in Note 26

The accompanying notes are an integral part of these standalone financial statements

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm's Registration No :324982E/E300003

per **Sukrut Mehta**
Partner
Membership No: 101974

Place : Ahmedabad
Date : 28 May 2024

For and on behalf of Board of Directors of
GR Highways Investment Manager Private Limited
(As an Investment Manager to Bharat Highways InvIT)

Siba Narayan Nayak
Director
DIN: 01832348
Place : Gurugram
Date : 28 May 2024

Amit Kumar Singh
Chief Executive Officer
Place : Gurugram
Date : 28 May 2024

Harshael Sawant
Chief Financial Officer
Place : Gurugram
Date : 28 May 2024

Mohnish Dutta
Company Secretary
ICSI Mem. No. FCS10411
Place : Gurugram
Date : 28 May 2024

Notes to Standalone Financial Statements

for the year ended 31 March 2024

All amounts in ₹ Million unless otherwise stated

1. InvIT Information

Bharat Highways InvIT ('the InvIT') was set up as an irrevocable trust under the Indian Trust Act, 1882 pursuant to Trust Deed dated 16 June 2022 which was subsequently amended by First Amended and Restated Trust dated 08 December 2022 and further amended on 31 October 2023. The InvIT has been settled for an initial sum of ₹ 10,000. The InvIT has been registered as an Infrastructure Investment Trust with Securities Exchange Board of India ('SEBI') under the Securities Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014 vide Certificate of Registration (IN/InvIT/22-23/0023) dated 03 August 2022.

The Trustee to the InvIT is IDBI Trusteeship Services Limited (the "Trustee"), Sponsor and project manager of the InvIT is Aadharshila Infratech Private Limited (the "Sponsor" or "Project Manager") and Investment manager for the InvIT is GR Highways Investment Manager Private Limited subsidiary of Lokesh Builders Private Limited (the "Investment Manager"). The registered office of the InvIT is located at Novus Tower, Second Floor, Plot No. 18, Sector 18, Gurugram, Haryana-122015, India. The InvIT's units got listed on NSE and BSE stock exchange on 12 March 2024.

The object and purpose of the InvIT, as described in the Trust Deed, is to carry on the activity of an infrastructure investment trust as permissible under SEBI (Infrastructure Investment Trusts) Regulations, 2014 as amended from time to time including circulars, notifications, clarifications and guidelines issued thereunder to raise funds through the InvIT, to make investments in accordance with the InvIT Regulations and the investment strategy and to carry on the activities as may be required for operating the InvIT, including incidental and ancillary matters thereto. The principal activity of InvIT is to own and invest in infrastructure assets primarily in the road sector in India through special purpose vehicles with the objective of producing stable and sustainable distributions to unitholders.

As at 31 March 2024, the InvIT has the following operational entities ('Special Purpose Vehicles' or 'SPVs') which has principal activities of construction and operation of national highways projects on Build Operate and Transfer basis (BOT):

Name of the Company	Country of incorporation	% of holding as on	
		31 March 2024	31 March 2023
GR Phagwara Expressway Limited*	India	100.00	-
Varanasi Sangam Expressway Private Limited*	India	100.00	-
Porbandar Dwarka Expressway Private Limited*	India	100.00	-
GR Sangli Solapur Highway Private Limited*	India	100.00	-
GR Akkalkot Solapur Highway Private Limited*	India	100.00	-
GR Gundugolanu Devarapalli Highway Private Limited*	India	100.00	-
GR Dwarka Devariya Highway Private Limited*	India	100.00	-

*Acquired during the financial year 2023-24.

The Standalone Financial Statements were approved for issue in accordance with resolution passed by the Board of Directors of the Investment Manager, acting on behalf of the InvIT on 22 May 2024.

2. Material Accounting Policies

2.1 Basis of preparation

These Standalone financial statements are the separate financial statements of the InvIT comprise of the Standalone Balance Sheet as at 31 March 2024, the Standalone Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Standalone Statement of Changes in Unit Holders' Equity and the Standalone Statement of Cash Flow for the year then ended, the Standalone Statement of Net Assets at fair value as at 31 March 2024, the Standalone Statement of Total Returns at fair value and the Statement of Net Distributable Cash Flows ('NDCFs') of the InvIT for the year then ended and a summary of material accounting policies and other explanatory notes (collectively, the "Standalone Financial Statements") prepared in accordance with requirement of SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time including circulars, notifications, clarifications and guidelines issued thereunder ("InvIT Regulations") and SEBI Master Circular No. SEBI/HO/DDHS-PoD-2/P/CIR/2023/115 dated 06 July 2023 and SEBI Circular No. SEBI/HO/DDHS- PoD/CIR/2023/184 dated 06

December 2023 issued under the SEBI InvIT Regulations ("SEBI Circulars"); Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015(as amended) and other accounting principles generally accepted in India. The InvIT has prepared the financial statements on the basis that it will continue to operate as a going concern.

The Standalone Financial Statements have been prepared on a historical cost convention and on an accrual basis except for certain financial assets and liabilities which has been measured at fair value (refer accounting policy regarding financial instruments).

The Standalone Financial Statements are presented in ₹, which is the functional currency of the InvIT. The InvIT does not have any foreign operation and has assessed the functional currency to be ₹. All values are rounded to the nearest Million rupees, unless otherwise indicated. Certain amounts that are required to be disclosed and do not appear due to rounding-off are expressed as 0.00. The standalone financial statements provide comparative information in respect of the previous period.

2.2 Summary of material accounting policies

The following are the material accounting policies applied by InvIT in preparing its Standalone financial statements:

a. Current versus non-current classification

InvIT presents assets and liabilities in the Balance Sheet based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The InvIT has ascertained its operating cycle being a period of twelve months for the purpose of classification of assets and liabilities as current and non-current.

b. Financial instruments

i Initial recognition

Financial instruments i.e. Financial Assets and Financial Liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Company's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Company has applied the practical expedient, the Company initially measures a financial instrument at its fair value plus transaction costs that are directly attributable to the acquisition or issue of financial instruments (other than financial instruments at fair value through profit or loss) are added to or deducted from the fair value of the financial instruments. Transaction costs directly attributable to the acquisition of financial instruments assets or financial liabilities at fair value through profit or loss are recognised in profit or loss.

ii Financial Assets - Subsequent Measurement

The InvIT subsequently measures all financial assets at amortised cost (amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR) using effective interest method except for financial assets carried at fair value through Profit and Loss (FVTPL) or fair value through other comprehensive income (FVOCI) which are measured at fair value at the end of each

Notes to Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

All amounts in ₹ Million unless otherwise stated

reporting period with any gains or losses arising on remeasurement recognised in profit or loss or other comprehensive income respectively. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Debt instruments at amortised cost - Loan to subsidiaries:

The InvIT has provided loan to subsidiaries are initially recognised at transaction value (fair value) and subsequently measure at amortised cost using effective interest method.

iii Financial Assets - Derecognition

The InvIT derecognises financial asset primarily when the right to receive cash flows from the asset has expired, or the InvIT has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; either a) the InvIT has transferred substantially all the risks and rewards of the asset, or b) the InvIT has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

iv Financial Assets - Impairment

At each date of balance sheet, The InvIT assesses whether a financial asset carried at amortised cost are credit-impaired. The InvIT applies the expected credit loss (ECL) model for measurement and recognition of impairment losses. InvIT follows simplified approach for recognition of impairment allowance on all trade receivable. The application of the simplified approach does not require InvIT to track changes in credit risk. Rather, it recognises impairment allowance based on lifetime. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets and recognised in the statement of profit and losses under the head of "Other Expenses"

v Financial liabilities – Classification

Financial liabilities issued by the InvIT are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

vi Financial liabilities - Subsequent Measurement

Loans and borrowings are subsequently measured at amortised cost using Effective Interest Rate (EIR), except for financial liabilities at fair value through profit or loss. Gains and losses are recognised in profit or loss through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. Amortisation arising on unwinding of the financial liabilities as per EIR is included as a part of Finance Costs in the Statement of Profit and Loss.

Financial liabilities recognised at FVTPL are measured at fair value at the end of each reporting period with any gains or losses arising on remeasurement recognised in profit or loss.

vii Financial liabilities - Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

viii Reclassification

The InvIT determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets, such as equity instruments designated at FVTPL or FVOCI and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets.

ix Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, InvIT currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

c. Fair values measurement

The InvIT measures financial instrument, such as investment in subsidiaries (including loan) as per InvIT Regulations at fair values at each balance sheet date.

The InvIT's management determines the policies and procedures for both recurring fair value measurement, such as fair value of total assets, unquoted financial assets measured at fair value and for non-recurring fair value measurement such as asset under the scheme of business undertaking.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The InvIT uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Standalone financial statements are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole.

For assets and liabilities that are recognised in the Standalone financial statements on a recurring basis, InvIT determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as fair value of total assets, unquoted financial assets and financial liabilities.

For the purpose of fair value disclosures, InvIT has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

d. Investment in subsidiaries

A subsidiary is an entity that is controlled by another entity. The InvIT investments in its subsidiaries has elected to recognise its investments in subsidiary companies at cost in accordance with the option available in Ind AS 27, Separate financial statements. Accordingly, Investments are carried at cost less accumulated impairment losses (if any). Where an indication of impairment exists, the Company tests these investments for impairment in accordance with the policy applicable to 'Impairment of non-financial assets' and the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and carrying amounts are recognised in the statement of profit and loss.

e. Interest Income

For all financial instruments measured at amortised cost, interest income is recorded using effective interest rate (EIR), which is the rate that exactly discounts the estimated future cash payments or receipts through the expected life of the financial instruments or a shorter period, where appropriate, to the net carrying amount of the financial asset. Interest income is included in the statement of profit and loss.

f. Dividend income:

Income from dividend on investment is accrued in the year in which it is declared, whereby the InvIT's right to receive is established.

g. Taxes

Current income tax

Tax expense comprises current tax expense and deferred tax.

Current tax comprises of the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received

Notes to Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

All amounts in ₹ Million unless otherwise stated

after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

The InvIT is a business trust registered under InvIT Regulation. Hence, the interest and dividend received or receivable by the InvIT from its subsidiaries (being domestic Indian companies) is exempt from tax in case of receipt from special purpose vehicle as defined under section 10(23FC) of the Income Tax Act, 1961. Further, any expenditure incurred in relation to earning the exempt income is not tax deductible in view of the provision of section 14A of the Income Tax Act. The Income of the InvIT, other than exempt income, is chargeable to tax at the maximum marginal rate in force.

Deferred tax

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which InvIT expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax liabilities are recognised for all taxable temporary differences except in respect of taxable temporary differences associated with investments in subsidiaries when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, InvIT recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Goods and service tax taxes paid on assets acquired or on expenses incurred

Expenses and assets are recognised net of the amount of goods and service taxes paid, except: when the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable or when receivables and payables are stated with the amount of tax included.

The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

h. Impairment of Non-Financial Assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining

Notes to Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

All amounts in ₹ Million unless otherwise stated

fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

i. Borrowing cost

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended use are complete. All other borrowing costs are recognised as an expense in the Standalone Statement of Profit and Loss in the period in which they are incurred.

j. Provisions and contingencies

A provision is recognised if, as a result of a past event, InvIT has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured based on investment manager's estimate to settle the obligation at the balance sheet date and are discounted the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingencies

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

The InvIT does not recognise a contingent liability but discloses the same as per the requirements of Ind AS 37.

k. Unitholders' equity

Under the provisions of the InvIT Regulations, the InvIT is required to distribute to unitholders not less than 90% of the net distributable cash flows of the InvIT for each financial year. Accordingly, Unit capital contains a contractual obligation to pay cash to unitholders. Thus, In accordance with requirement of Ind AS 32 - Financial Instruments: Presentation, the Unit Capital contain a liability element which should be classified and treated accordingly. However, SEBI Circulars require the Unit Capital to be presented/classified as "Equity", which is at variance from the requirements of Ind-AS 32.

In order to comply with the aforesaid SEBI requirements, the InvIT has presented unit capital as equity and costs attributable to the issue of units have been reduced from the Unitholders capital in accordance with Ind AS 32 Financial Instruments: Presentation.

l. Distribution to unit holders

The InvIT recognises a liability to make cash distributions to unit holders when the distribution is authorised and a legal obligation has been created. As per the InvIT Regulations, a distribution is authorised when it is approved by the Board of Directors of the Investment Manager. Consistent with Unit Capital being classified as equity, the distribution to Unitholders is also presented in Statement of Changes in Unitholders' Equity when the distributions are approved by the Board of Directors of Investment Manager..

m. Earnings per unit

Basic Earnings Per Unit is calculated by dividing the net profit or loss for the period attributable to unit holders by the weighted average number of units outstanding during the year.

For the purpose of calculating Diluted Earnings Per Unit, the net profit or loss for the period attributable to unit holders and the weighted average number of units outstanding during the period are adjusted for the effects of all dilutive potential equity units.

Notes to Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

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n. **Operating segments**

The principal activity of InvIT is to own and invest in infrastructure assets primarily in the SPVs operating in the road sector in India in accordance with the provisions of the InvIT Regulations and Trust deed. The Board of Directors of the Investment Manager is responsible for allocating resources and assess the performance of the InvIT and thus are the Chief Operating Decision Maker (CODM).

Segment results that are reported to the Investment Manager (CODM) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the period to acquire property and equipment and intangible assets other than goodwill.

o. **Cash and cash equivalents**

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the standalone statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of InvIT's cash management.

2.3 Significant accounting judgements, estimates and assumptions

The preparation of the standalone financial statements requires Investment manager to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. For preparation of Standalone financial statements, InvIT based its assumptions and estimates on parameters available at the time of preparation of financial statement. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of InvIT. Such changes are reflected in the assumptions when they occur.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

The following are the key judgement, estimation and assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Fair value measurement and valuation process:

Where assets and liabilities are measured or disclosed at fair value for the financial reporting purposes, InvIT determines the appropriate valuation techniques and inputs for fair value measurements.

Further, SEBI Circulars issued under the InvIT Regulations require disclosures relating to net assets at fair value and total returns at fair value. In estimating the fair value of investments in subsidiaries (which constitute substantial portion of the net assets), the InvIT engages independent qualified external valuers to perform the valuation.

The Investment manager works closely with the valuers to establish the appropriate valuation techniques and inputs to the model. The Investment manager reports the valuation report and findings to the Board of the Investment Manager half yearly to explain the cause of fluctuations in the fair value of the projects. The inputs to the valuation models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as WACC, Tax rates, interest rate, future cost etc. Changes in assumptions about these factors could affect the fair value.

Acquisition of subsidiaries

The Sponsor of InvIT is holding 15% in the InvIT and G R Infraprojects Limited (GRIL) is holding 43.56% in the InvIT. The Investment manager has applied

Notes to Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

All amounts in ₹ Million unless otherwise stated

its judgement to evaluate relationship between the Sponsor and GRIL based on ownership structure, business relationship between both the entities along with legal evaluation, voting rights, financial position, lending arrangement by sponsor and security arrangements. Accordingly, the Investment Manager has concluded that the sponsor is an independent entity with its own operations, etc. and is not an agent or a de-facto agent for GRIL under Ind AS 110. Accordingly, the above transaction for purchase of subsidiaries from GRIL is not considered as common control and the GRIL does not exercise control over InvIT in accordance with Ind AS 103. The investment manager has also applied judgment and determined that fair value of investments over consideration paid is arising because GRIL is a significant unitholder in the InvIT and, accordingly, accounted for the excess as capital reserve as detail disclosed in Note 9.

Impairment of Non-Financial Assets (including subsidiaries)

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows (consisting of annuity, Interest rate, discount rate, future operating income and cost as well as finance cost) are derived from the Business Projections and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. Further, the Investment manager has not considered any claim or awards which receivable from various authorities in the impairment assessment of subsidiaries and associates.

Impairment of financial assets

Impairment testing for financial assets is done at least once annually and upon occurrence of an indication of impairment. The recoverable amount of the individual financial assets is determined based on value-in-use calculations which required use of assumption. These assumptions are about risk of default and expected credit loss. The InvIT makes judgement in making these assumptions and selecting inputs to the impairment calculation, based on the InvIT's past history, existing condition and forward-looking estimates at the end of each reporting year of counter party's credit worthiness.

Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The InvIT establishes provisions, based on reasonable estimates.

2.4 Changes in accounting policies and disclosures

i. New and Interpretations and Amendments adopted by InvIT

The accounting policies adopted in the preparation of the standalone financial statements are consistent except for amendments to the existing Indian Accounting Standards (Ind AS).

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective for annual periods beginning on or after 01 April 2023. The InvIT applied for the first-time these amendments.

(i) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates. The amendments had no impact on the InvIT's Standalone financial statements.

(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities

Notes to Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

All amounts in ₹ Million unless otherwise stated

to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. The amendments have had an impact on the InvIT's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the InvIT's financial statements.

Apart from these, consequential amendments and editorials have been made to other Ind AS like Ind AS 101, Ind AS 102, Ind AS 103, Ind AS 107, Ind AS 109, Ind AS 115 and Ind AS 34.

ii. Standards notified but not yet effective

There are no new standards that are notified, but not yet effective, upto the date of issuance of the InvIT's standalone financial statements.

Notes to Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

All amounts in ₹ Million unless otherwise stated

3 Investments

	As at 31 March 2024	As at 31 March 2023 (Refer Note 32)
Non-current		
Equity instruments of subsidiary companies at cost (fully paid) (unquoted)	19,409.30	-
Total	**19,409.30**	**-**
Aggregate value of unquoted investments	19,409.30	-
Aggregate amount of impairment in value of investments	-	-

Note:-

a) Below is details of equity holding in subsidiary companies:

	Face value each shares	As at 31 March 2024			As at 31 March 2023 (Refer Note 32)		
		No. of Shares	Pledge shares (Refer note (b) below)	Amount	No. of Shares	Pledge shares	Amount
Varanasi Sangam Expressway Private Limited	₹ 10	38,890,000	19,833,900	5,684.00	-	-	-
GR Phagwara Expressway Limited	₹ 10	20,300,000	10,353,000	1,970.42	-	-	-
GR Gundugolanu Devarapalli Highway Private Limited (refer note a)	₹ 10	49,500,000	-	3,048.41	-	-	-
GR Akkalkot Solapur Highway Private Limited (refer note a)	₹ 10	12,600,000	-	1,687.27	-	-	-
GR Sangli Solapur Highway Private Limited (refer note a)	₹ 10	15,000,000	-	2,179.00	-	-	-
Porbandar Dwarka Expressway Private Limited (refer note a)	₹ 10	42,000,000	-	3,113.18	-	-	-
GR Dwarka Devariya Highway Private Limited (refer note a)	₹ 10	9,500,000	-	1,727.02	-	-	-
Total		**187,790,000**	**30,186,900**	**19,409.30**	**-**	**-**	**-**

Notes:

a) The InvIT has pledged 30% of its investment in equity shares of subsidiary companies viz. GR Gundugolanu Devarapalli Highway Private Limited, GR Akkalkot Solapur Highway Private Limited, GR Sangli Solapur Highway Private Limited, Porbandar Dwarka Expressway Private Limited and GR Dwarka Devariya Highway Private Limited subsequent to year ended i.e. on 22 April 2024 , in favour of lender for term loan facilities availed by InvIT. Additionally, Non Disposal Undertaking of 21% of its investment in equity shares of above mentioned subsidiary companies has been created on 30 April 2024.

b) As on 31 March 2024, the InvIT has pledged 51% of its investment in equity shares of Varanasi Sangam Expressway Private Limited and GR Phagwara Expressway Limited in favour of debenture holders of respective subsidiary companies.

c) During the year, the InvIT has acquired 100% equity stake in its seven companies namely Varanasi Sangam Expressway Private Limited, Porbandar Dwarka Expressway Private Limited, GR Phagwara Expressway Limited, GR Gundugolanu Devarapalli Highway Private Limited, GR Akkalkot Solapur Highway Private Limited, GR Sangli Solapur Highway Private Limited and GR Dwarka Devariya Highway Private Limited. The InvIT has issued 13,75,30,405 units with issue price of ₹ 100 per unit as consideration as per share purchase agreement entered with G R Infraprojects Limited dated 20 February 2024. Further, the InvIT has entered into assignment agreement dated 20 February 2024 with G R Infraprojects Limited for assignment of its unsecured loan receivable from above subsidiaries of ₹ 5,540.83 Million in exchange of 5,54,08,300 units with issue price

Notes to Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

All amounts in ₹ Million unless otherwise stated

of ₹ 100 per unit. The equity shares of these subsidiaries were transferred to the InvIT on 01 March 2024. The InvIT has carried out Fair valuation of assets acquired, and liability assumed by independent valuer using inputs generally used by market participants in similar transactions resulting in fair valuation, on the date of acquisition, which was ₹ 19,409.30 Million. Accordingly, InvIT has recognised the investments in these SPVs at fair value in the standalone financial information and recognised capital reserve amounting to ₹ 5,656.26 Million which is the resultant difference between the fair value and consideration paid by the Invit arising due to additional contribution by significant unitholder. The amount of capital reserve is mainly on account of (a) differences in valuation parameters particularly Weighed Average Cost of Capital on account of different cost of equity (including debt-equity ratio)for determining transaction price, (b) InvIT Issue expenses, and (c) Net present value of InvIT related expenses (including fees payable to investment manager) considered by InvIT amounting to ₹ 3,017.52 Million, ₹ 589.93 Million and ₹ 2,048.81 Million respectively.

4 Loans

	Non-current		Current	
	As at 31 March 2024	As at 31 March 2023 (Refer Note 32)	As at 31 March 2024	As at 31 March 2023 (Refer Note 32)
Loan to subsidiary companies (refer note 23)				
Loan receivable, considered good - secured	24,111.97	-	2,203.06	-
Loan receivable, considered good - unsecured	7,881.50	-	236.38	-
Loan receivable - credit impaired	-	-	-	-
Total	**31,993.47**	**-**	**2,439.44**	**-**

Notes:-

a) The InvIT has granted interest bearing loan to its subsidiary companies. The loan has been given to its subsidiaries to refinance its existing loans. The loan carry coupon rate of 14% p.a.

b) The secured loan has a security as first charge on hypothecation of all the fixed assets/ movable assets, project bank debt, operating cash flows, receivables, revenue by whatever name called and project bank account of borrower.

c) The loan is repayable in 25 half yearly Instalments ranging from 0.30% to 10.35% of loan taken starting from 31 March 2024 to 30 September 2026

5 Other financial assets (Unsecured, considered good)

	Non-current		Current	
	As at 31 March 2024	As at 31 March 2023 (Refer Note 32)	As at 31 March 2024	As at 31 March 2023 (Refer Note 32)
Deposits with bank (refer note (i) below)	567.68	-	-	-
Security deposits (refer note (ii) below)	-	-	25.00	-
Total	**567.68**	**-**	**25.00**	**-**

Note:

i) Deposit with bank includes balance of Initial Public Offer proceeds of ₹ 370.00 Million in bank which will be utilised as stated in the Final Offer Document

ii) Deposit with bank includes earmarked deposit with bank of ₹ 196.50 Million against Debt Services Reserve Account (DSRA) as per terms of borrowing agreement.

iii) The InvIT has given ₹ 25.00 Million towards security deposit and the Investment manager has given ₹ 25.00 Million as an irrecoverable and unconditional bank guarantee on behalf of the InvIT to National Stock Exchange for due performance and fulfillment by the InvIT of its engagement, commitments, operations obligation or liabilities as an issuer.

Notes to Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

All amounts in ₹ Million unless otherwise stated

6 Cash and cash equivalents and other bank balance

	As at 31 March 2024	As at 31 March 2023 (Refer Note 32)
Cash and cash equivalents		
Cash on hand	0.01	0.01
Balance with banks		
in current account	0.35	0.08
	0.36	**0.09**
Other bank balances		
Earmarked balance with banks (refer note (i) below)	473.56	
	473.56	**-**
Total	**473.92**	**0.09**

Note:

(i) Includes balance of Initial Public Offer proceeds of ₹ 467.18 Million in current account with bank (under escrow arrangement), which will be utilised as stated in the final offer document.

7 Other assets (Unsecured, considered good)

	As at 31 March 2024	As at 31 March 2023 (Refer Note 32)
Advance to suppliers for goods and services	0.14	2.95
IPO related expenses (refer note (i) below)	-	75.02
Total	**0.14**	**77.97**

Note:

(i) Pertains to expenses relating to Initial public offering (IPO), which were subsequently reduced from the unitholders capital in the current year, in accordance with Ind AS 32 Financial Instruments: Presentation.

8 Unit Capital

	As at 31 March 2024	As at 31 March 2023 (Refer Note 32)
Issued, subscribed and fully paid up		
44,29,38,605 (31 March 2023: Nil) units (issue price of ₹ 100 each)	43,761.52	-
Total	**43,761.52**	**-**

A. Reconciliation of the number of units at the beginning and at the end of the reporting period given below:

	As at 31 March 2024		As at 31 March 2023 (Refer Note 32)	
	Numbers	Amount	Numbers	Amount
At the beginning of the year / period	-	-	-	-
Add:- movement during the year / period	442,938,605	44,293.86	-	-
Less : Issue expenses (refer note (b) below)	-	(532.34)	-	-
Outstanding at the end of the year / period	**442,938,605**	**43,761.52**	**-**	**-**

Notes to Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

All amounts in ₹ Million unless otherwise stated

Notes:-

a) The Bharat Highways InvIT (InvIT) has issued 249,999,900 units for cash at a price of ₹ 100 per unit (the 'issue price'), aggregating to ₹ 24,999.99 Million to the sponsor and eligible unitholders (as defined in Final Offer Document) by way of initial public offer, in accordance with Securities Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014 including the rules, circulars and guidelines issued thereunder.

Additionally, pursuant to the share purchase agreement and assignment agreement entered with G R Infraprojects Limited dated 20 February 2024, InvIT has issued its 13,75,30,405 units in exchange of 100% equity stake in seven companies and 5,54,08,300 units toward assignment of outstanding unsecured loan given by G R Infraprojects Limited to its then Subsidiary companies.

The InvIT Offer Committee of GR Highways Investment Manager Private Limited (Investment Manager), considered and approved allotment of 442,938,605 units to the unitholders on 06 March 2024.

b) Issue expenses of ₹ 532.34 Million incurred in connection with issue of units have been reduced from the Unitholders capital in accordance with Ind AS 32 Financial Instruments: Presentation.

B. Terms/Rights attached to units

The InvIT has only one class of unit. Each Unit represents an undivided beneficial interest in the InvIT. Each holder of unit is entitled to one vote per unit. The Unitholders have the right to receive at least 90% of the Net Distributable Cash Flows of the Trust at least once in every six months in each financial year in accordance with the InvIT Regulations. The Investment Manager approves dividend distributions. The distribution will be in proportion to the number of units held by the unitholders. The InvIT declares and pays dividends in Indian rupees.

Unitholder has no equitable or proprietary interest in the projects of the InvIT and is not entitled to any share in the transfer of the projects (or any part thereof) or any interest in the projects (or any part thereof) of InvIT. A Unitholder's right is limited to the right to require due administration of InvIT in accordance with the provisions of the Trust Deed and the investment management agreement.

C. Details of unitholders holding more than 5% units

	As at 31 March 2024		As at 31 March 2023 (Refer Note 32)	
	Numbers	% of holding in class	Numbers	% of holding in class
Units of ₹ 100 each fully paid				
Aadharshila Infratech Private Limited	66,450,000	15.00%	-	-
G R Infraprojects Limited	192,938,705	43.56%	-	-

D. The InvIT has not allotted any fully paid up units by way of bonus units nor it has bought back any class of units from the date of incorporation till the balance sheet date.

E. Under the provisions of the InvIT Regulations, the InvIT is required to distribute to unitholders not less than 90% of the net distributable cash flows of the InvIT for each financial year. Accordingly, the unit capital contains a contractual obligation to pay cash to the unitholders. Thus, in accordance with requirement of Ind AS 32 - Financial Instruments: Presentation, the unit capital contains liability component which should be classified and treated accordingly. However, SEBI Circulars requires the unit capital to be presented/classified as "Equity", which is at variance from the requirements of Ind-AS 32. In order to comply with the aforesaid SEBI requirements, the InvIT has presented unit capital as equity in these standalone financial statements. Consistent with unit capital being classified as equity, the distributions to unitholders is also presented in Statement of Changes in Unitholders' Equity when the distributions are approved by the Board of Directors of Investment Manager.

Notes to Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

All amounts in ₹ Million unless otherwise stated

9 Other equity

	As at 31 March 2024	As at 31 March 2023 (Refer Note 32)
A. Capital reserve (refer note (i) below)		
Balance at the beginning of the year / period	-	-
Add :- on account of acquisition (refer note 3)	5,656.26	-
Add :- movement during the year / period	-	-
Balance at the end of the year / period	**5,656.26**	**-**
B. Retained earnings (refer note (ii) below)		
Balance at the beginning of the year/ period	-	-
Add:-Profit for the year / period	236.16	-
Less:- Distributed during the year / period	-	-
	236.16	-
Total (A+B)	**5,892.42**	**-**

Notes : -

i) Capital reserve

During the year, the InvIT has entered into share purchase agreement dated 20 February 2024 with G R Infraprojects Limited (GRIL) for acquisition of 100% equity stake in its seven subsidaries namely Varanasi Sangam Expressway Private Limited ("VSEPL"), Porbandar Dwarka Expressway Private Limited ("PDEPL"), GR Phagwara Expressway Limited ("GRPEL"), GR Gundugolanu Devarapalli Highway Private Limited ("GRGDHPL"), GR Akkalkot Solapur Highway Private Limited ("GRASHPL"), GR Sangli Solapur Highway Private Limited ("GRSSHPL") and GR Dwarka Devariya Highway Private Limited ("GRDDHPL") against the same, the InvIT has issued its 13,75,30,405 units with issue price of ₹ 100 per unit as consideration against above sale of shares and 5,54,08,300 units with issue price of ₹ 100 per unit towards assignment of loan receivable from above subsidiaries, which has resulted in the GRIL's holding 43.56% in the InvIT. The equity shares of seven subsidiaries were transferred to the InvIT on 01 March 2024 thereby the InvIT obtained control over these subsidiaries.

The InvIT has carried out Fair valuation of assets acquired, and liability assumed by independent valuer using inputs generally used by market participants in similar transactions resulting in fair valuation, on the date of acquisition, which was ₹ 19,409.30 Million. Accordingly, InvIT has recognised the investments in these SPVs at fair value in the standalone financial statements and recognised capital reserve amounting to ₹ 5,656.26 Million which is the resultant difference between the fair value and consideration paid by the Invit arising due to additional contribution by significant unitholder. The amount of capital reserve is mainly on account of (a) differences in valuation parameters particularly Weighed Average Cost of Capital on account of different cost of equity (including debt-equity ratio)for determining transaction price, (b) InvIT Issue expenses, and (c) Net present value of InvIT related expenses (including fees payable to investment manager) considered by InvIT amounting to ₹ 3,017.52 Million, ₹ 589.93 Million and ₹ 2,048.81 Million respectively.

ii) Retained earnings

Retained earnings represents the profits earned by the InvIT till date, less distribution done to unitholders, if any based on approval of the Board of Directors of Investment Manager.

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for the year ended 31 March 2024 (Contd.)

All amounts in ₹ Million unless otherwise stated

10 Borrowings

	As at 31 March 2024		As at 31 March 2023 (Refer Note 32)	
	Non current	Current	Non current	Current
Loan from banks - Secured				
Term loan - Indian rupees	4,642.18	170.58	-	
	4,642.18	**170.58**	**-**	**-**
Less : Current maturities of non current borrowings (refer note 11)	-	**(170.58)**	-	-
Total	**4,642.18**	**-**	**-**	**-**

Notes

i) Term loans from banks in Indian rupees are secured by:

1. First pari passu charge on all moveable assets and the receivables of the InvIT present and future including but not limited to:
   a. Receivable of the InvIT limited to Project SPVs & the interest and principal repayment of loans advanced by InvIT to Project SPVs
   b. charge over rights of the InvIT under the loans advanced by InvIT to Project SPV(s) and securities created in favour of the InvIT to secure the loans advanced by the InvIT to the SPV(s). Dividends and any other amounts to be paid / payable by the Project SPVs to InvIT.
2. First pari passu charge on all immoveable assets of the Borrower (if any and if permitted under law).
3. First pari passu charge on Escrow account and all other bank accounts of InvIT, in which the free cash flows of the Project SPVs owned by the InvIT will be deposited or any other account opened / maintained by InvIT in relation to such SPVs.
4. First Pari-passu charge over DSRA
5. Charge over rights of the Loans advanced by InvIT to Project SPVs and securities created by InvIT
6. Pledge of 51% equity shares of all Project SPVs, subject to permitted regulations, otherwise pledged will be restricted to 30% equity shares and for remaining 21% Non-disposal undertaking to be provided.

ii) Terms of repayment of Term loan from banks

Nature of borrowings	Repayment and interest terms
a) Secured Term loan from bank - Indian Rupee Loan	Repayable in 51 quarterly Instalments starting from 31 March 2024 to September 30, 2036. Interest rate for the facility is Repo rate (quarterly reset) plus spread of 160 bps payable monthly, present applicable interest rate is 8.10% p.a.

iii) Financial Covenants:

The InvIT has satisfied all the financial covenants prescribed in the terms of loan agreement as at reporting date. The InvIT has not defaulted in any loan repayment during the year.

iv) Undrawn borrowing facility

The InvIT has ₹ 6,623.05 Million (31 March 2023 : Nil) undrawn committed borrowing facilities (excluding non-fund based facilities).

Notes to Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

All amounts in ₹ Million unless otherwise stated

11 Current Borrowings

		As at 31 March 2024	As at 31 March 2023 (Refer Note 32)
A.	**Secured**		
	Current maturities of non current borrowings (refer note 10)	170.58	-
		170.58	**-**
B.	**Unsecured**		
	Loan from a related party (refer note (i) below and 23)	33.81	25.45
		33.81	**25.45**
		204.39	**25.45**

i) Unsecured loan from related party

The rate of interest which is compounded annually, shall be 8.15% p.a. The said loan is repayable on demand. There was no interest charged by lender on loan outstanding amount upto 31 March 2023 as per interest waiver letter issued by lender.

12 Trade payables

	As at 31 March 2024	As at 31 March 2023 (Refer Note 32)
Total outstanding dues of micro enterprises and small enterprises (refer note (c) below)	-	-
Total outstanding dues of creditors other than micro and small enterprises	9.53	-
Total	**9.53**	**-**

Trade payable ageing schedule

	Unbilled	Outstanding for following periods from due date of payment					Total
		Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2024							
Total outstanding dues of Micro and Small Enterprises	-	-	-	-	-	-	**-**
Total outstanding dues of creditors other than Micro and Small Enterprises	9.53	-	-	-	-	-	**9.53**
Disputed dues of Micro and Small Enterprises	-	-	-	-	-	-	**-**
Disputed dues of creditors other than Micro and Small Enterprises	-	-	-	-	-	-	**-**
Total	**9.53**	**-**	**-**	**-**	**-**	**-**	**9.53**
As at 31 March 2023 (Refer Note 32)							
Total outstanding dues of Micro and Small Enterprises	-	-	-	-	-	-	**-**
Total outstanding dues of creditors other than Micro and Small Enterprises	-	-	-	-	-	-	**-**
Disputed dues of Micro and Small Enterprises	-	-	-	-	-	-	**-**
Disputed dues of creditors other than Micro and Small Enterprises	-	-	-	-	-	-	**-**
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Notes to Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

All amounts in ₹ Million unless otherwise stated

Notes:-

a) Trade payable are non interest bearing and generally have credit period of 30-90 days.

b) For terms and conditions relating to related party payables (refer note 23)

c) Details of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006

		As at 31 March 2024	As at 31 March 2023 (Refer Note 32)
i)	The principal amount remaining unpaid to any supplier at the end of each accounting year;	-	-
ii)	The interest due thereon remaining unpaid to any supplier at the end of each accounting year;	-	-
iii)	The amount of interest paid by the buyer in terms of section 16 of the MSME Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
iv)	The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSME Act 2006.	-	-
v)	The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
vi)	The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSME Act 2006	-	-

The disclosure in respect of the amount payable to enterprises which have provided goods and services to the InvIT and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 has been made in the standalone financial statements as at the reporting date based on the information received and available with the InvIT. On the basis of such information, no interest is payable to any micro and small enterprises. These have been relied by the auditor.

13 Other financial liabilities

	As at 31 March 2024	As at 31 March 2023 (Refer Note 32)
Other payables (refer note (i) below and 23)	361.02	47.45
Total	**361.02**	**47.45**

Note:

(i) Other payable consist of payable toward issue related expenses

14 Other current liabilities

	As at 31 March 2024	As at 31 March 2023 (Refer Note 32)
Statutory dues payable	37.45	5.15
Total	**37.45**	**5.15**

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All amounts in ₹ Million unless otherwise stated

15 Liabilities for current tax (net)

	As at 31 March 2024	As at 31 March 2023 (Refer Note 32)
Provision for income tax (net of advance tax)	0.43	-
Total	**0.43**	**-**

16 Interest

	Year ended 31 March 2024	Period ended from 16 June 2022 to 31 March 2023 (Refer Note 32)
Interest income		
- on loan to related party (Refer note 23)	295.13	-
- on deposits with banks	1.31	-
Total	**296.44**	**-**

17 Investment management fees

Pursuant to the Investment manager agreement dated 21 July 2022, Investment Manager is entitled to fees @ 1.50% of aggregate cash flow received from each of the subsidiaries per annum and upto 0.50% incentive of the assets acquired by InvIT plus Goods and Service tax rate as applicable. Accordingly, the amount recorded in standalone statement of profit and loss for the year ended 31 March 2024 is ₹ 4.89 Million (31 March 2023: Nil) towards investment management fees. There are no changes during the year in the methodology for computation of fees paid to Investment Manager.

18 Finance costs

	Year ended 31 March 2024	Period ended from 16 June 2022 to 31 March 2023 (Refer Note 32)
Interest expense on borrowings measured at amortised cost		
Interest on term loan	18.29	-
Interest on loan from related party (refer note 23)	3.21	-
Total	**21.50**	**-**

19 Other expenses

	Year ended 31 March 2024	Period ended from 16 June 2022 to 31 March 2023 (Refer Note 32)
Legal and professional charges	0.48	-
Listing expenses	26.66	
Miscellaneous expenses	0.17	-
Total	**27.31**	**-**

Notes to Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

All amounts in ₹ Million unless otherwise stated

20 Tax expense

The major component of income tax expenses are as under:

A Income tax (income) / expense recognised in the Statement of Profit and Loss:

	Year ended 31 March 2024	Period ended from 16 June 2022 to 31 March 2023 (Refer Note 32)
Current tax		
Current tax on profit for the year / period	0.56	-
	0.56	**-**
Deferred tax		
Deferred tax charge for the year / period	-	-
Total Deferred tax charge	**-**	**-**
Tax expenses reported in the Statement of Profit and loss	**0.56**	**-**

B Reconciliation of tax expenses and the accounting profit multiplied by India's domestic tax rate:

	Year ended 31 March 2024	Period ended from 16 June 2022 to 31 March 2023 (Refer Note 32)
Accounting profit before tax	**236.72**	**-**
Statutory income tax rate (in %)	42.74%	-
Expected income tax expenses at InvIT's applicable statutory income tax rate	**101.18**	**-**
Tax effect of adjustments to reconcile expected income tax expenses to reported income tax expenses		
Tax on permanent difference	25.53	-
Tax impact on exemption u/s 10 (23FC) of the Income Tax Act, 1961 available to the InvIT	(126.15)	-
Total Tax expense	**0.56**	**-**
Consequent to reconciliation items shown above, the effective tax rate (%)	0.24%	-

Note:

i) The income of business trust in the form of interest or dividend earned received from subsidiaries is exempt from tax in accordance with section 10 (23FC) of the Income Tax Act, 1961. However, all other incomes are taxable to the InvIT based on maximum marginal rate.

21 Earnings per Unit

Basic earnings per unit (EPU) amounts are calculated by dividing the net profit for the year attributable to unitholders by the weighted average number of units outstanding during the year. For the purpose of calculating diluted earnings per unit, the weighted average numbers of units outstanding during the year are adjusted for weighted average number of units that would be issued on conversion of all the dilutive potential units into unit capital.

The following reflects in the profit and unit data used in the basic and diluted EPU computation

	Year ended 31 March 2024	For the period from 16 June 2022 to 31 March 2023 (Refer Note 32) *
Profit / (Loss) attributable to unitholders (₹ in Million) (A)	236.16	-
Number of units outstanding at the end of the year / period (in absolute number)	442,938,605	-
Weighted average number of units at the end of the year/ period (in absolute number) (B)	31,836,834	-

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for the year ended 31 March 2024 (Contd.)

All amounts in ₹ Million unless otherwise stated

	Year ended 31 March 2024	For the period from 16 June 2022 to 31 March 2023 (Refer Note 32) *
Basic and diluted earing per unit (₹ /unit)** (A/B)	7.42	-
Issue price per unit (in ₹)	100.00	-

* The InvIT has issued its Unit to unitholders upon completion of IPO in March 2024 and accordingly, EPU disclosure in corresponding and comparative period is not applicable and hence not given.

** The InvIT does not have any outstanding dilutive potential instruments.

22 Contingent liabilities and commitments

The InvIT has no contingent liabilities and other commitments as at 31 March 2024 (31 March 2023 : Nil)

23 Related party disclosure

A List of related parties as per the requirements of Ind AS 24 - Related Party Disclosures and Regulation 2(1) (zv) of the InvIT Regulations

Following are the related parties and transactions entered with related parties given below:

I Subsidiary Companies

a) Varanasi Sangam Expressway Private Limited (w.e.f 01 March 2024)

b) GR Phagwara Expressway Limited (w.e.f 01 March 2024)

c) GR Gundugolanu Devarapalli Highway Private Limited (w.e.f 01 March 2024)

d) GR Akkalkot Solapur Highway Private Limited (w.e.f 01 March 2024)

e) GR Sangli Solapur Highway Private Limited (w.e.f 01 March 2024)

f) Porbandar Dwarka Expressway Private Limited (w.e.f 01 March 2024)

g) GR Dwarka Devariya Highway Private Limited (w.e.f 01 March 2024)

II Entity with significant influence over the InvIT

a) G R Infraprojects Limited (w.e.f. 01 March 2024)

III Parties of Trust

a) Aadharshila Infratech Private Limited - Sponsor and Project Manager (w.e.f. 31 October 2023)

b) GR Highways Investment Manager Private Limited - Investment Manager (w.e.f. 21 July 2022)

c) IDBI Trusteeship Services Limited - Trustee (w.e.f. 21 July 2022)

IV Promoters, Directors and Partners of the persons mentioned in clause (III) above

Particulars	Sponsor and Project Manager	Investment Manager	Trustee
a) Promotors	Riya Agarwal	Lokesh Builders Private Limited (w.e.f 12 December 2022)	IDBI Bank Limited
	Rahul Agarwal	G R Infraprojects Limited (upto 12 December 2022)	Life Insurance Corporation of India
	Mehul Agarwal		General Insurance Corporation of India

Notes to Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

All amounts in ₹ Million unless otherwise stated

Particulars	Sponsor and Project Manager	Investment Manager	Trustee
b) Directors	Rahul Agarwal	Ajendra Kumar Agarwal	Pradeep Kumar Jain (w.e.f. 24 March 2022)
	Ramesh Chandra Mehta	Siba Narayan Nayak	Samuel Joseph Jebaraj (resigned w.e.f. 18 April 2023)
	Kishan Kantibai Vachhani	Deepak Maheshwari	
		Raghav Chandra	Madhuri J. Kulkarni (resigned w.e.f. 06 December 2022)
		Swati Kulkarni (w.e.f. 13 June 2023)	
		Ramesh Chandra Jain (w.e.f. 13 June 2023)	Baljinder Kaur Mandal (w.e.f. 17 January 2023)
			Pradeep Kumar Malhotra (w.e.f. 14 December 2022)
			Jayakumar S. Pillai (w.e.f. 18 July 2023)
c) Partners	Not applicable	Not applicable	Not applicable

V Key Managerial Personnel

a) Amit Kumar Singh - Chief Executive Officer of Investment manager

b) Harshael Sawant - Chief Financial Officer of Investment manager

c) Mohnish Dutta - Company Secretary of Investment manager

B Transactions with the related parties during the year / period:

	Year ended 31 March 2024	For the period from 16 June 2022 to 31 March 2023 (Refer Note 32)
a) Issue of unit capital		
Aadharshila Infratech Private Limited	6,645.00	-
G R Infraprojects Limited	19,293.87	-
b) Loan given		
Varanasi Sangam Expressway Private Limited	4,044.94	-
GR Phagwara Expressway Limited	3,063.10	-
GR Gundugolanu Devarapalli Highway Private Limited	6,745.93	-
GR Akkalkot Solapur Highway Private Limited	2,877.65	-
GR Sangli Solapur Highway Private Limited	3,364.03	-
Porbandar Dwarka Expressway Private Limited	4,790.93	-
GR Dwarka Devariya Highway Private Limited	3,986.42	-
c) Investment acquired		
G R Infraprojects Limited	13,753.04	-
d) Loan to subsidiaries assigned		
G R Infraprojects Limited	5,540.83	-
e) Borrowings taken		
GR Highways Investment Manager Private Limited	65.68	25.45
f) Borrowings repaid		
GR Highways Investment Manager Private Limited	60.21	-

Notes to Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

All amounts in ₹ Million unless otherwise stated

		Year ended 31 March 2024	For the period from 16 June 2022 to 31 March 2023 (Refer Note 32)
g)	**Interest income on loans**		
	Varanasi Sangam Expressway Private Limited	30.32	-
	GR Phagwara Expressway Limited	32.45	-
	GR Gundugolanu Devarapalli Highway Private Limited	67.94	-
	GR Akkalkot Solapur Highway Private Limited	25.53	-
	GR Sangli Solapur Highway Private Limited	36.34	-
	Porbandar Dwarka Expressway Private Limited	54.47	-
	GR Dwarka Devariya Highway Private Limited	48.09	-
h)	**Interest expense on borrowings**		
	GR Highways Investment Manager Private Limited	3.21	-
i)	**Investment management fees**		
	GR Highways Investment Manager Private Limited	4.89	-
j)	**Trustee fees**		
	IDBI Trusteeship Services Limited	0.59	-
k)	**Guarantees given on behalf of the InvIT**		
	GR Highways Investment Manager Private Limited	25.00	-
l)	**Reimbursement of expenses (including issue related expenses)**		
	GR Highways Investment Manager Private Limited	240.31	49.87
	G R Infraprojects Limited	3.62	-
m)	**Issue expenses**		
	IDBI Trusteeship Services Limited	-	0.48

C Net outstanding amount - payable / receivable as at the end of the year / period :

		As at 31 March 2024	As at 31 March 2023 (Refer Note 32)
a)	**Other payable**		
	GR Highways Investment Manager Private Limited	177.33	45.65
	G R Infraprojects Limited	3.31	-
b)	**Trade payable**		
	GR Highways Investment Manager Private Limited	4.47	-
c)	**Outstanding loans (including interest accrued)**		
	Varanasi Sangam Expressway Private Limited	4,088.99	-
	GR Phagwara Expressway Limited	3,654.12	-
	GR Gundugolanu Devarapalli Highway Private Limited	7,875.67	-
	GR Akkalkot Solapur Highway Private Limited	3,434.76	-
	GR Sangli Solapur Highway Private Limited	4,059.45	-
	Porbandar Dwarka Expressway Private Limited	6,079.55	-
	GR Dwarka Devariya Highway Private Limited	5,240.37	-

Notes to Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

All amounts in ₹ Million unless otherwise stated

		As at 31 March 2024	As at 31 March 2023 (Refer Note 32)
d)	**Outstanding borrowing (including interest accrued)**		
	GR Highways Investment Manager Private Limited	33.81	25.45
e)	**Outstanding guarantees given on behalf of InvIT (refer note 5(ii))**		
	GR Highways Investment Manager Private Limited	25.00	-

D Terms & Condition with Related Party

i) The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balance other than loan taken at the year-end are unsecured and interest free and settlement occurs in cash.

ii) The InvIT has not provided any commitment to the related party as at 31 March 2024 and 31 March 2023.

E Details in respect of related party transactions involving acquisition of InvIT assets as required by Paragraph 4.4 of Chapter 3 to the SEBI Circulars are as follows:-

Particulars	Year ended 31 March 2024	For the period from 16 June 2022 to 31 March 2023 (Refer Note 32)
Acquisition of InvIT assets (refer note 3(b))	Refer below note (a to d)	No Acquisition
Disposal of an InvIT asset	No Disposal	No Disposal

Note:

a) Summary of the valuation reports (issued by the independent valuer):

Particulars	Method of valuation	Discount rate (WACC)	Enterprise value as at 29 February 2024
Varanasi Sangam Expressway Private Limited	Discounted Cash Flow	7.59%	13,638.95
Porbandar Dwarka Expressway Private Limited	Discounted Cash Flow	7.59%	8,233.23
GR Phagwara Expressway Limited	Discounted Cash Flow	7.59%	5,096.82
GR Gundugolanu Devarapalli Highway Private Limited	Discounted Cash Flow	7.59%	9,744.75
GR Akkalkot Solapur Highway Private Limited	Discounted Cash Flow	7.59%	4,728.93
GR Sangli Solapur Highway Private Limited	Discounted Cash Flow	7.59%	5,519.25
GR Dwarka Devariya Highway Private Limited	Discounted Cash Flow	7.59%	5,817.86

b) Material conditions or obligations in relation to the transactions:

There are no open material conditions / obligations related to above transaction, other than regulatory approvals obtained by the InvIT.

c) Rate of interest, if external financing has been obtained for the transaction/acquisition;

No external financing has been obtained for the acquisition by the InvIT.

d) Any fees or commissions received or to be received by any associate of the related party in relation to the transaction

There is no fees or commission recovered from any associate of the related party in relation to above transaction

Notes to Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

All amounts in ₹ Million unless otherwise stated

24 Disclosure of Financial Instruments by Category *

	As at 31 March 2024		As at 31 March 2023 (Refer Note 32)	
	Cost #	Amortised cost	Cost #	Amortised cost
Investment in equity instruments of subsidiaries	19,409.30	-	-	-
Loans	-	34,432.91	-	-
Cash and cash equivalents	-	0.36	-	0.09
Other bank balance	-	473.56	-	-
Other financial assets	-	592.68	-	-
Total Financial assets	**19,409.30**	**35,499.51**	**-**	**0.09**
Borrowings	-	4,846.57	-	25.45
Trade payables	-	9.53	-	-
Other financial liabilities	-	361.02	-	47.45
Total Financial liabilities	**-**	**5,217.12**	**-**	**72.90**

Investment in subsidiaries are accounted at cost in accordance with Ind AS 27

* Considering that there is no item of fair value through other comprehensive income and Fair value through profit and loss, the same are not disclosed.

25 Fair value disclosures for financial assets and financial liabilities

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the InvIT does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

The fair value of the financial assets and financial liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

26 Fair value hierarchy

The following table provides the fair value measurement hierarchy of the InvIT's assets and liabilities :

Quantitative disclosures of fair value measurement hierarchy for financial instruments as at 31 March as under:-

	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
31 March 2024				
Financial assets				
Assets for which fair value disclosure is given				
Investment in subsidiaries (including loans) *	-	-	54,736.04	54,736.04
	-	**-**	**54,736.04**	**54,736.04**
31 March 2023				
Financial assets				
Assets for which fair value disclosure is given				
Investment in subsidiaries (including loans) *	-	-	-	-
	-	**-**	**-**	**-**

* Standalone statement of net asset at fair value and standalone statement of total returns at fair value require disclosures regarding fair value of net assets (liabilities considered at book values). Since the fair values of assets other than investment in subsidiaries approximate their book values, hence only investment in subsidiaries has been disclosed above.

Notes to Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

All amounts in ₹ Million unless otherwise stated

There have been no transfers between level 1, level 2 and level 3 during the years.

Valuation technique used to determine fair value:

- Inputs included in Level 1 of Fair Value Hierarchy are based on prices quoted in stock exchange.
- Inputs included in Level 2 of Fair Value Hierarchy have been valued based on inputs from banks, other recognised institutions and NAV declared by fund.
- Inputs included in Level 3 of Fair Value Hierarchy have been valued using acceptable valuation techniques such as Net Asset Value and/or Discounted Cash Flow Method.

Note: All financial instruments for which fair value is disclosed are categorised within the fair value hierarchy described as above, based on the lowest level input that is significant to the fair value measurement as a whole.

The fair values of the financial assets and financial liabilities included in the level 3 category above has been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

The InvIT is required to present the Statement of total assets at fair value and Statement of total returns at fair value as per Chapter 4 of Master Circular No. SEBI/HO/DDHS-PoD-2/P/CIR/2023/115 dated 06 July 2023 as a part of these standalone financial statements - Refer Statement of Net assets at fair value and Statement of Total Returns at fair value.

The inputs to the valuation models for computation of fair value of assets for the above mentioned statements are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as WACC, Tax rates, Inflation rates, etc.

The significant unobservable inputs used in the fair value measurement required for disclosures as above categorised within Level 3 of the fair value hierarchy as above together with a quantitative sensitivity analysis as at 31 March 2024 and 31 March 2023 are as shown below:

Description of significant unobservable inputs to valuation:

Significant unobservable inputs	Input for 31 March 2024	Input for 31 March 2023 *	Sensitivity of input to the fair value	Sensitivity of input to the fair value *	Increase / (decrease) in fair value as at 31 March 2024	Increase / (decrease) in fair value as at 31 March 2023 *
WACC	7.33%	-	0.50%	-	(1,206.00)	-
		-	(0.50%)	-	1,255.00	-
Expenses	100%	-	10.00%	-	(973.00)	-
		-	(10.00%)	-	972.00	-

* The InvIT had acquired all subsidiaries during the year and hence above comparative disclosure for 31 March 2023 has not been given.

27 Financial risk management objectives and policies

The InvIT's principal financial liabilities comprise of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the InvIT's operations. The InvIT's financial assets comprise mainly of investment, loan, cash and bank balance and other financial assets that derive directly from its operations.

The InvIT may be exposed to market risk, credit risk and liquidity risk. The board of directors of investment manager have overall responsibility for establishment and oversees the InvIT's risk management framework. All derivative activities for risk management purposes are carried out by investment manager which has appropriate skills, experience and supervision. It is the InvIT's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors of Investment manager reviews and agrees policies for managing each of these risks, which are summarised below.

A. Market risk

Market risk is the risk that the fair value of future cash flow of financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rates risk, currency risk and other price risk, such as equity prices risk and commodity risk. Financial instruments affected by market risk include loans and borrowings, deposits and debt.

Notes to Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

All amounts in ₹ Million unless otherwise stated

The sensitivity analysis in the following sections relate to the position as at 31 March 2024 and 31 March 2023

The sensitivity analysis have been prepared on the basis that the amount of net debt and the ratio of fixed to floating interest rates of the debt are all constant as at 31 March 2024 and 31 March 2023.

The following assumptions have been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial liabilities held at 31 March 2024 and 31 March 2023.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The InvIT is exposed to interest risk of changes in market interest rates relate primarily to the InvIT's long-term debt obligations with floating interest rates. While most of long-term borrowings primarily consist of floating rate obligations linked to the applicable benchmark rates, which may typically be adjusted at certain intervals in accordance with prevailing interest rates. As at 31 March 2024, InvIT borrowings of ₹ 33.81 Million are at fixed rate (31 March 2023: ₹ 25.45 Million). Increases in interest rates would increase interest expenses relating to outstanding floating rate borrowings and increase the cost of new debt. In addition, an increase in interest rates may adversely affect ability to service long-term debt which in turn may adversely affect results of operations. The InvIT seeks to mitigate such risk by maintaining an adequate proportion of floating and fixed interest rate borrowings.

Exposure to interest rate risk

The interest rate profile of the InvIT's interest - bearing financial instruments as reported to management is as follows:

	As at 31 March 2024	As at 31 March 2023 (Refer Note 32)
Fixed-rate instruments		
Financial assets	567.68	-
Financial liabilities	33.81	25.45
Variable-rate instruments		
Financial assets	-	-
Financial liabilities	4,812.76	-

Interest rate sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates. The following table demonstrates the sensitivity of floating rate financial instruments to a reasonably possible change in interest rates. The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the year.

Sensitivity analysis	Impact on profit before tax		Impact on equity, net of tax	
	Year ended March 31, 2024	Period ended 31 March 2023 (Refer Note 32)	Year ended March 31, 2024	Period ended 31 March 2023 (Refer Note 32)
Interest rate				
- increase by 100 basis points	(48.13)	-	(27.56)	-
- decrease by 100 basis points	48.13	-	27.56	-

Equity price risk

The InvIT's investments in equity shares of subsidiaries are susceptible to market price risk arising from uncertainties about future values of those investments. Reports on the net asset value are submitted to the unitholders on regular basis. The Board of Directors of the Investment Manager reviews and approves all equity investment decisions and take unitholders approval as per InvIT Regulations.

At the reporting date, the exposure to equity investments in subsidiary at carrying value was ₹ 19,409.30 Million (31 March 2023: Nil).

Notes to Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

All amounts in ₹ Million unless otherwise stated

Foreign Currency Risk:-

Foreign currency risk is the risk that the fair value or the future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The InvIT did not have any exposure in foreign currency as at 31 March 2024 and 31 March 2023.

B. Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The InvIT is exposed to credit risk from its investing activities including loans to subsidiaries, deposits with banks and other financial instruments. Credit risk from balances with banks and financial instruments is managed by the Investment manager in accordance with the InvIT's policies. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. As at 31 March 2024 and 31 March 2023, the credit risk is considered low since substantial transactions of the InvIT are with its subsidiaries.

C. Liquidity risk

Liquidity risk is the risk that the InvIT will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The InvIT's approach for managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the InvIT's reputation. The InvIT invest in bank deposits to meet the immediate obligations.

Exposure to liquidity risk

The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The other financial liabilities are with short term durations. The table below summarises the maturity profile of the Trust's financial liabilities based on contractual undiscounted payments:

	Carrying amount	Contractual cash flows				
		Total	On demand	Less than 1 year	1-5 years	More than 5 years
As at 31 March 2024						
Borrowings #	4,846.57	7,525.56	33.81	554.50	4,356.61	2,580.64
Trade payables	9.53	9.53	-	9.53	-	-
Other financial liabilities	361.02	361.02	-	361.02	-	-
Total	**5,217.12**	**7,896.11**	**33.81**	**925.05**	**4,356.61**	**2,580.64**
As at 31 March 2023						
Borrowings	25.45	25.45	25.45	-	-	-
Other financial liabilities	47.45	47.45	-	47.45	-	-
	72.90	**72.90**	**25.45**	**47.45**	**-**	**-**

Borrowings include interest accrued and future interest obligations.

28 Capital management

For the purpose of the InvIT's capital management, capital includes unit capital and all other reserves attributable to the unitholders of the InvIT. The primary objective of the InvIT's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business and maximise unit holders value.

The InvIT manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the InvIT may adjust the distribution to unitholders, return of capital to unitholders or issue new units (subject to the provisions of InvIT regulations which require distribution of at least 90% of the net distributable cash flows of the InvIT to unitholders). The InvIT monitors capital using Debt-Equity ratio, which is net debt divided by total capital plus net debt. The InvIT includes within net debt, interest bearing loans and borrowings less cash and short-term deposits.

Notes to Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

All amounts in ₹ Million unless otherwise stated

	As at 31 March 2024	As at 31 March 2023 (Refer Note 33)
Total borrowings	4,846.57	25.45
Less: cash and cash equivalents	0.36	0.09
Net debt (A)	**4,846.21**	**25.36**
Corpus contribution	0.01	0.01
Unit capital	43,761.52	-
Other equity	5,892.42	-
Total capital (B)	**49,653.95**	**0.01**
Capital and net debt (C=A+B)	**54,500.16**	**25.37**
Gearing Ratio (A/C)	**8.89%**	**99.96%**

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2024 and 31 March 2023.

29 Issue of units

During the year, the InvIT has completed its initial public offer ("IPO") of 249,999,900 units with issue price of ₹ 100 each unit. The InvIT had received an amount of ₹ 24,999.99 Million from the sponsor and eligible unitholders (as defined in Final Offer Document (FOD)). Expenses incurred on the IPO is amounting to ₹ 532.34 Million (including taxes) (provisional IPO expenses of ₹ 620.80 Million (including taxes) as per final offer document). The funds from savings in IPO expenses as compared to provisional IPO expenses shall be transferred to General Corporate purpose after necessary approvals. The units of the InvIT were listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on 12 March 2024.

The expenses incurred for IPO have been reduced from the Unitholders' capital in accordance with Ind AS 32 Financial Instruments: Presentation.

The details of amount utilised from IPO proceeds are as follows:

Particulars	Amount to be Utilised as per FOD	Utilised upto 31 March 2024	Unutilised upto 31 March 2024
Providing loans to the SPVs for repayment/ pre-payment, in part or in full, of their respective outstanding loans (including any accrued interest and prepayment penalty)	24,000.00	24,000.00	-
Issue expenses	620.80	135.02	485.78
General purposes	379.19	27.79	351.40
Total	**24,999.99**	**24,162.81**	**837.18**

Net proceeds which were un-utilised as at 31 March 2024 are temporarily invested in Deposits with bank as well as kept in escrow account with banks.

30 Segment Reporting

The principal activity of InvIT is to own and invest in infrastructure assets primarily in the SPVs operating in the road infrastructure development sector in India in accordance with the provisions of the InvIT Regulations and Trust deed. The Board of Directors of the Investment Manager allocates the resources and assess the performance of the InvIT and thus are the Chief Operating Decision Maker (CODM). In accordance with the requirements of Ind AS 108 - "Segment Reporting", the CODM monitors the operating results of the business as a single segment, hence no separate segment needs to be disclosed. As the InvIT and its assets operates only in India, no separate geographical segment is disclosed.

31 Events occurring after reporting period

The Board of directors of Investment manager in their meeting on 28 May 2024 have approved distribution of ₹ 3.00 per unit to the unitholders, which comprises of ₹ 0.50 per unit in the form of interest, ₹ 2.50 per unit in the form of dividend, ₹ Nil per unit in the form of other income and balance ₹ Nil per unit in the form of capital repayment for the year, which is payable within 15 days from the date of declaration.

Notes to Standalone Financial Statements

for the year ended 31 March 2024 (Contd.)

All amounts in ₹ Million unless otherwise stated

32 Comparative figures:

The InvIT was set up on 16 June 2022 as an irrevocable trust under the Indian Trust Act, 1882 and concluded its initial public offer process and listed on BSE and NSE on 12 March 2024. Accordingly, the comparative numbers for the period from 16 June 2022 to 31 March 2023 presented in these standalone financial statement are not subjected to audit and the same have been as compiled and presented by management and approved by the Board of Directors of Investment manager. However, the investment manager has exercised necessary diligence to ensure that the unaudited standalone financial statement for this comparative period provide a true and fair view of the InvIT's affair and financial position. Considering the above, the numbers for the year ended 31 March 2024 are not comparable with numbers of previous period ended 31 March 2023.

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm's Registration No :324982E/E300003

per **Sukrut Mehta**
Partner
Membership No: 101974

Place : Ahmedabad
Date : 28 May 2024

For and on behalf of Board of Directors of
GR Highways Investment Manager Private Limited
(As an Investment Manager to Bharat Highways InvIT)

Siba Narayan Nayak
Director
DIN: 01832348
Place : Gurugram
Date : 28 May 2024

Amit Kumar Singh
Chief Executive Officer

Place : Gurugram
Date : 28 May 2024

Harshael Sawant
Chief Financial Officer

Place : Gurugram
Date : 28 May 2024

Mohnish Dutta
Company Secretary
ICSI Mem. No. FCS10411
Place : Gurugram
Date : 28 May 2024

Independent Auditor's Report

To the Unit Holders of Bharat Highways InvIT

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial statements of Bharat Highways InvIT (hereinafter referred to as "the InvIT") and its subsidiaries (the InvIT and its subsidiaries together referred to as "the Group") comprising of consolidated Balance sheet as at March 31 2024, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Statement of Changes in Unit Holder's Equity, the consolidated Statement of Cash Flow for the year then ended, the consolidated Statement of Net Assets at fair value as at March 31, 2024, the consolidated Statement of Total Returns at fair value, the Statement of Net Distributable Cash Flows (NDCFs) of the InvIT and each of its subsidiaries for the year then ended, and a summary of material accounting policies and other explanatory notes (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and other financial information of subsidiaries, the aforesaid consolidated financial statements give the information required by the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time including circulars, notifications, clarifications and guidelines issued thereunder (together referred as the "InvIT Regulations") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at March 31, 2024, its consolidated profit including other comprehensive income, its consolidated cash movements and its consolidated movement of the unit holders' funds for the year ended March 31, 2024, its consolidated net assets at fair value as at March 31, 2024, its consolidated total returns at fair value and the net distributable cash flows of the InvIT and each of its subsidiaries for the year ended March 31, 2024.

Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Consolidated Financial Statements' section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the InvIT Regulations and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

Emphasis of Matter

We draw attention to note 10 (e) which describes the presentation / classification of "Unit Capital" as "Equity" instead of the applicable requirements of Ind AS 32 - Financial Instruments: Presentation, in order to comply with the relevant InvIT regulations. Our opinion is not modified in respect of this matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2024. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Independent Auditor's Report (Contd.)

Key audit matters	How our audit addressed the key audit matter
Acquisition accounting (as described in note 37 of the consolidated financial statements)	
During the year, the InvIT has acquired 100% stake in seven subsidiaries from G R Infraprojects Limited (GRIL) against the same, the InvIT has issued its units of 13,75,30,405 with issue price of INR 100 per unit. Further, the InvIT has entered into assignment agreement dated February 20, 2024 with for assignment of its unsecured loan receivable from above subsidiaries of INR 5,540.83 million in exchange of 5,54,08,300 units with issue price of INR 100 per unit which resulting in GRIL holding 43.56% stake in the InvIT. The Investment manager has made evaluation of the transaction both from legal compliance and accounting perspective. Key matters for accounting evaluation include (a) whether the acquisitions is to be considered as common control transaction which in turn involves evaluation of control and relationship between InvIT's Sponsor and GRIL, (b) whether transaction is to be treated assets acquisition or business combination, (c) identification of assets acquired, and liabilities assumed, (d) assessment of fair value of assets and liabilities on the date of acquisition, and (e) accounting for difference, if any, arising between fair value of net assets acquired and consideration paid. Based on the above evaluation, the Investment manager has accessed and concluded that the acquisition should be treated as an asset acquisition and accounted for capital reserve amounting to INR 5,656.26 million. The above transaction involves significant assumptions and judgement and accordingly the same has been considered as key audit matter.	Our audit procedures included, among others, the following: • Read and assessed the Group's accounting policies with respect to acquisition accounting. • Obtained and read through legal opinion obtained to evaluate its relationship between Sponsor and GRIL. • Read and evaluated the key terms of the underlying agreements applicable to the acquisitions along with the necessary approvals, as applicable, for the acquisition. • Obtained management's evaluation relating to assessment of whether the acquisition is considered as common control transaction including its evaluation of relationship with sponsor. • Obtained management's evaluation relating to assessment of whether the acquisition is considered as an asset acquisition including evaluation of optional concentration test under Ind AS 103. • Obtained and read the fair valuation reports issued by the independent valuer engaged by the management for measuring, the assets acquired, and liabilities assumed, at fair value. Enquired valuer regarding specific reasons for difference between fair value of net assets acquired and consideration paid. Also assessed the independent valuer's objectivity and independence. • Involved valuation specialists to review the significant assumptions such as used by the independent valuer engaged by the management in arriving at the fair value of assets and liabilities acquired. • Assessed the related disclosures and compliance in the consolidated financial statements regarding the acquisition.
Finance income on receivable under service concession carried on amortised cost (as described in note 2.2 (f) and 18 of the consolidated financial statements)	
The Group has operational hybrid annuity assets of road infrastructure under the concession agreement with Concession Authority. The Group provides construction and operational services against annuity receivable from Concession Authority under the concession agreement and accordingly recognized financial assets in accordance with appendix D of Ind AS 115, Service Concession Arrangements. Finance income on receivable under service concession is recognized using effective interest rate in accordance with Ind AS 109. There are significant judgement and estimates involve determining effective interest rate. Considering the judgement involved in determination of effective interest rate due to inherent uncertainty and complexity of the assumptions used. This is considered as a key audit matter.	Our audit procedures included but were not limited to: • Obtained, read and assessed the Group's policies, processes and procedures in respect of preparation of accounting model to determine effective interest rate. • Obtained and assessed key terms of the concession agreement. • Obtained the accounting model and understood the key assumptions around the forecasts like annuity, interest rate and future operating costs. • Tested on sample basis that the annuity receivable including interest thereon and operating cost over period of concession agreement considered in the respective accounting models are in agreement with Concession agreement, as certified by independent engineers appointed by Authority and other relevant supporting documents. • Tested the arithmetical accuracy of the model and effective interest rate. • Read and assessed the adequacy of the disclosures made in the consolidated financial statements.

Independent Auditor's Report (Contd.)

Key audit matters	How our audit addressed the key audit matter
Impairment of receivable under service concession carried on amortised cost (as described in note 2.2 (c) (iv) and 3 of the consolidated financial statements)	
The Group has operational hybrid annuity asset of road infrastructure under the concession agreement with Concession Authority. The Group provides construction and operational services against annuity receivable from Concession Authority under the concession agreement and accordingly recognized financial assets in accordance with appendix D of Ind AS 115, Service Concession Arrangements. The carrying value of receivable under service concession as at March 31, 2024 is INR 50,187.70 million. The Group is required to assess whether financial assets carried at amortised cost are credit-impaired in accordance with Ind AS 109 at each reporting date. The Group follows the expected credit loss method for determination of impairment loss which require management judgement such as historical payment records, the likelihood of collection based on the terms, evaluation of litigations, credit information of customer as well as the time value of money. Considering the significant amounts, estimates and judgements as stated above, this is considered as a key audit matter.	Our audit procedures included but were not limited to: • Obtained, read and assessed the Group's policies, processes and procedures in respect of determination of impairment including judgement and assumption used by the management. • Obtained and assessed key terms of the concession agreement. • Performed test of details on selected sample and tested relevant supporting document including certification of annuity receivable by lender's engineers and receipts of annuity receivable including interest thereon. • Obtained relevant communications to/ from authority on test check basis. • Read and assessed the adequacy of the disclosures made in the consolidated financial statements.
Computation and disclosures relating to Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value under InvIT Regulations	
The Group is required to disclose Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value pursuant to paragraph 5.2 of Chapter 4 to the Securities Exchange Board of India (SEBI) master circular no. SEBI/HO/DDHS-PoD-2/P/CIR/2023/115 Dated July 06, 2023 as amended including any Guideline and Circulars issued thereunder ("SEBI Circulars") which requires fair valuation of the assets. Such fair valuation has been carried out by the independent valuer appointed by the Group. For the purpose of the above, fair value is determined by forecasting and discounting future cash flows. The processes and methodologies for assessing and determining the fair value is based on complex assumptions, that by their nature imply the use of the management's judgement, in particular with reference to assumptions used in the discounted cash flow models, such as annuity, interest rate, discount rate and future operating cost based on management's view of future business prospects. Considering the judgement involved in determination of fair values due to inherent uncertainty and complexity of the assumptions used, accordingly, this is considered as a key audit matter.	Our audit procedures included but were not limited to: • Read the requirements of InvIT regulations for disclosures relating to Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value. • Obtained understanding of the Group's policy on the assessment and valuation methodology applied in determining the fair valuation including preparation of statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value as per SEBI Circulars. • Obtained and read the valuation report by the InvIT's independent valuation expert, and assessed the expert's competence, capability and objectivity. • Obtained the fair valuation model and understood the key assumptions around the cash flow forecasts like annuity, interest rate, discount rate and future operating costs. • Tested on sample basis that the annuity receivable including interest thereon and operating cost over period of concession agreement considered in the respective fair valuation models are in agreement with Concession agreement and as certified by independent engineers appointed by Authority and other relevant supporting documents. • In performing the above procedures, we used our valuation specialists to perform an independent review of methodology and key assumptions used in the valuation. • Tested the arithmetical accuracy of the fair valuation model. • Read and assessed the adequacy of the disclosures made in the consolidated financial statements.

Independent Auditor's Report (Contd.)

Information Other than the Consolidated Financial Statements and Auditor's Report Thereon

The Management of GR Highways Investment Manager Private Limited (the "Investment Manager") is responsible for the other information other than the consolidated financial statements and auditor's report thereon. The other information other than the consolidated financial statements and auditor's report thereon comprises the information included in the Annual Report but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information other than the consolidated financial statements and auditor's report thereon and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information other than the consolidated financial statements and auditor's report thereon and, in doing so, consider whether such other information other than the consolidated financial statements and auditor's report thereon is materially inconsistent with the consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information other than the consolidated financial statements and auditor's report thereon, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of Management for the Consolidated Financial Statements

The Board of Directors of the Investment Manager are responsible for the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash movements and the consolidated movement of the unit holders' funds for the year ended March 31, 2024, the consolidated net assets at fair value as at March 31, 2024, the consolidated total returns at fair value of the InvIT and the net distributable cash flows of the InvIT and each of its subsidiaries in accordance with the requirements of the InvIT Regulations; the Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended), and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the management, as aforesaid.

In preparing the consolidated financial statements, the Board of Directors of the Investment Manager and the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The management and respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion,

Independent Auditor's Report (Contd.)

forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing opinion on effectiveness of the entity's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the InvIT and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

a) We did not audit the financial statements and other financial information, in respect of seven subsidiaries, whose financial statements include total assets of INR 57,690.79 million as at March 31, 2024, and total revenues of INR 1,257.58 million and net cash inflows of INR 384.20 million for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in sofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in so far as it relates to the aforesaid subsidiaries is based solely on the reports of such other auditors.

   Our opinion above on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors and the financial statements.

b) The financial statements of the InvIT for the period from June 16, 2022 to March 31, 2023 included as comparative financial information in the accompanying consolidated financial statement have been prepared solely based on the information compiled by the Investment Manager and approved by the Board of Directors of Investment Manager and has not been subjected to audit.

Independent Auditor's Report (Contd.)

Report on Other Legal and Regulatory Requirements

Based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiaries as noted in the 'other matter' paragraph, we report that;

A. We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purpose of our audit;

B. The Consolidated Balance Sheet, and the Consolidated Statement of Profit and Loss are in agreement with the books of account; and

C. In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards (Ind AS) and/or any addendum thereto as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015, as amended.

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm Registration Number: 324982E/E300003

per **Sukrut Mehta**
Partner
Membership Number: 101974
UDIN: 24101974BKERTM6957

Place of Signature: Ahmedabad
Date: May 28, 2024

Consolidated Balance Sheet

as at 31 March 2024

All amounts in ₹ Million unless otherwise stated

	Notes	As at 31 March 2024	As at 31 March 2023 (Refer Note 40)
Assets			
Non-current assets			
(a) Financial assets			
(i) Receivable under service concession arrangements	3	47,002.25	-
(ii) Other financial assets	4	1,239.01	-
(b) Assets for current tax (net)	5	139.85	-
(c) Other non-current assets	6	254.71	-
Total Non-Current Assets		**48,635.82**	**-**
Current assets			
(a) Financial assets			
(i) Investments	7	673.50	-
(ii) Trade receivables	8	60.44	-
(iii) Cash and cash equivalents	9	1,912.97	0.09
(iv) Bank balance other than (iii) above	9	3,209.56	-
(v) Receivable under service concession agreements	3	3,185.45	-
(vi) Other financial assets	4	2,702.49	-
(b) Other current assets	6	2,213.88	77.97
Total Current Assets		**13,958.29**	**78.06**
Total Assets		**62,594.11**	**78.06**
Equity and liabilities			
Equity			
(a) Corpus contribution		0.01	0.01
(b) Unit capital	10	43,761.52	-
(c) Other equity	11	5,804.32	-
Total Unit Holder's Equity		**49,565.85**	**0.01**
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	12	9,730.48	-
Total Non-Current Liabilities		**9,730.48**	**-**
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	1,645.55	25.45
(ii) Trade payables	14		
(a) Total outstanding dues of micro enterprises and small enterprises		0.68	-
(b) Total outstanding dues of creditors other than micro and small enterprises		1,118.80	-
(iii) Other financial liabilities	15	361.50	47.45
(b) Other current liabilities	16	163.12	5.15
(c) Liabilities for current tax (net)	17	8.13	-
Total Current Liabilities		**3,297.78**	**78.05**
Total Liabilities		**13,028.26**	**78.05**
Total Equity and Liabilities		**62,594.11**	**78.06**
Summary of material accounting policies	2.2		

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm's Registration No :324982E/E300003

per **Sukrut Mehta**
Partner
Membership No: 101974

Place : Ahmedabad
Date : 28 May 2024

For and on behalf of Board of Directors of
GR Highways Investment Manager Private Limited
(As an Investment Manager to Bharat Highways InvIT)

Siba Narayan Nayak
Director
DIN: 01832348
Place : Gurugram
Date : 28 May 2024

Amit Kumar Singh
Chief Executive Officer

Place : Gurugram
Date : 28 May 2024

Harshael Sawant
Chief Financial Officer

Place : Gurugram
Date : 28 May 2024

Mohnish Dutta
Company Secretary
ICSI Mem. No. FCS10411
Place : Gurugram
Date : 28 May 2024

Consolidated Statement of Profit and Loss

for the year ended 31 March 2024

All amounts in ₹ Million unless otherwise stated

		Notes	Year ended 31 March 2024	Period ended from 16 June 2022 to 31 March 2023 (Refer Note 40)
I	**Incomes and gains:**			
	(a) Revenue from operations	18	1,206.93	-
	(b) Interest income on deposit with banks		38.64	-
	(c) Interest income from income tax refund		35.43	-
	(d) Fair value gain on financial assets measured at FVTPL		5.07	-
	(e) Other Income		0.15	
	Total income and gain		**1,286.22**	**-**
II	**Expenses and losses:**			
	(a) Sub-contractor charges		760.11	-
	(b) Valuation expenses		1.30	-
	(c) Audit fees		4.13	-
	(d) Insurance and security expenses		3.74	-
	(e) Employee benefits expense	19	0.51	-
	(f) Project management fees	20	0.18	-
	(g) Investment management fees	21	4.89	-
	(h) Trustee fees		0.59	-
	(i) Finance costs	22	249.85	-
	(j) Other expenses	23	63.74	-
	Total expenses		**1,089.04**	**-**
III	**Profit before tax (I-II)**		**197.18**	**-**
IV	**Tax expense:**	24		
	(a) Current tax		49.12	-
	(b) Deferred tax charge		-	-
	Total tax expenses		**49.12**	**-**
V	**Net profit for the year / period (III-IV)**		**148.06**	**-**
VI	**Other comprehensive income ("OCI")**			
	(a) Items that will not be reclassified to profit or loss in subsequent years / period (net of tax)		-	-
	(b) Items that will be reclassified to profit or loss in subsequent years /period (net of tax)		-	-
	Other comprehensive income (net of tax)		-	-
VII	**Total Comprehensive Income for the year / period (V+VI)**		**148.06**	**-**
	Net profit for the year/period attributable to:			
	- Unit holders		148.06	-
	- Non controlling interests		-	-
			148.06	**-**
	Other comprehensive income for the year attributable to:			
	- Unit holders		-	-
	- Non controlling interests		-	-
			-	**-**
	Total comprehensive income for the year attributable to :			
	- Unit holders		148.06	-
	- Non controlling interests		-	-
			148.06	**-**
	Earnings per unit (issue value ₹ 100 each) (in ₹)			
	- Basic	25	4.65	-
	- Diluted		4.65	-
	Summary of material accounting policies	2.2		

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm's Registration No :324982E/E300003

per **Sukrut Mehta**
Partner
Membership No: 101974

Place : Ahmedabad
Date : 28 May 2024

For and on behalf of Board of Directors of
GR Highways Investment Manager Private Limited
(As an Investment Manager to Bharat Highways InvIT)

Siba Narayan Nayak
Director
DIN: 01832348
Place : Gurugram
Date : 28 May 2024

Amit Kumar Singh
Chief Executive Officer

Place : Gurugram
Date : 28 May 2024

Harshael Sawant
Chief Financial Officer

Place : Gurugram
Date : 28 May 2024

Mohnish Dutta
Company Secretary
ICSI Mem. No. FCS10411
Place : Gurugram
Date : 28 May 2024

BHARAT HIGHWAYS INVIT

Consolidated Statement of Changes in Unit Holders' Equity

for the year ended 31 March 2024

All amounts in ₹ Million unless otherwise stated

A Unit Capital (unit of ₹ 100 each)

	Number of units	Amount
As at 16 June 2022 (refer note 40)	-	-
Add: Unit issued during the period (refer note 10)	-	-
As at 31 March 2023	-	-
As at 01 April 2023	-	-
Add: Unit issued during the year (refer note 10)	442,938,605	44,293.86
Less Issue expenses (refer note 10)	-	(532.34)
As at 31 March 2024	**442,938,605**	**43,761.52**

B Other equity

	Reserves and surplus		Total
	Retained Earnings (refer note 11)	Capital Reserve (refer note 11)	
As at 16 June 2022 (refer note 40)	-	-	-
Add: Profit for the period	-	-	-
Total comprehensive income for the period	-	-	-
Less: Distributed during the period *	-	-	-
As at 31 March 2023	-	-	-
As at 01 April 2023	-	-	-
Add: Profit for the year	148.06	-	148.06
Total comprehensive income for the year	**148.06**	**-**	**148.06**
Add : On account of acquisition (refer note 37)	-	5,656.26	5,656.26
Less: Distributed during the year (refer note below)	-	-	-
As at 31 March 2024	**148.06**	**5,656.26**	**5,804.32**

* The InvIT has not made any distribution during the previous year.

Note:

1 The Board of directors of Investment manager in their meeting on 28 May 2024 have approved distribution of ₹ 3.00 per unit to the unitholders, which comprises of ₹ 0.50 per unit in the form of interest, ₹ 2.50 per unit in the form of dividend, ₹ Nil per unit in the form of other income and balance ₹ Nil per unit in the form of capital repayment for the year, which is payable within 15 days from the date of declaration.

2 The distributions that will be made to unitholders will be based on the Net Distributable Cash Flows (NDCF) of InvIT under the InvIT Regulations.

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm's Registration No :324982E/E300003

per **Sukrut Mehta**
Partner
Membership No: 101974

Place : Ahmedabad
Date : 28 May 2024

For and on behalf of Board of Directors of
GR Highways Investment Manager Private Limited
(As an Investment Manager to Bharat Highways InvIT)

Siba Narayan Nayak
Director
DIN: 01832348
Place : Gurugram
Date : 28 May 2024

Amit Kumar Singh
Chief Executive Officer
Place : Gurugram
Date : 28 May 2024

Harshael Sawant
Chief Financial Officer
Place : Gurugram
Date : 28 May 2024

Mohnish Dutta
Company Secretary
ICSI Mem. No. FCS10411
Place : Gurugram
Date : 28 May 2024

Consolidated Cash Flow Statement

for the year ended 31 March 2024

All amounts in ₹ Million unless otherwise stated

		Year ended 31 March 2024	Period ended from 16 June 2022 to 31 March 2023 (Refer Note 40)
A	**Cash flows from operating activities**		
	Profit before tax	**197.18**	**-**
	Adjustment to reconcile profit before tax to net cash flows:		
	Interest income	(74.07)	
	Fair value on financial assets measured at FVTPL (net)	(5.07)	-
	Finance income on financial assets carried on amortised cost	(307.37)	-
	Finance costs	249.85	-
	Operating Profit before Working Capital changes	**60.52**	**-**
	Adjustment for changes in working capital :		
	(Increase) in receivable under service concession arrangements	(121.58)	-
	Decrease / (Increase) in financial and other assets	77.65	(2.95)
	Decrease in trade receivables	27.51	-
	Increase in trade payables	797.10	-
	Increase in provisions, financial and other liabilities	11.44	5.15
	Cash generated from operating activities	**852.64**	**2.20**
	Direct tax paid (net of refunds)	434.48	-
	Net Cash generated from operating activities	**1,287.12**	**2.20**
B	**Cash Flows from Investing Activities**		
	(Investments) in bank deposits having original maturity of more than three months (net)	(1,307.86)	-
	Earmarked Balance with banks	(473.56)	-
	Interest received on bank deposits / receivable under service concession arrangements	254.99	-
	Net Cash generated (used in) investing activities	**(1,526.43)**	**-**
C	**Cash Flows from Financing Activities**		
	Proceeds from Corpus contribution	-	0.01
	Proceeds from issue of units (refer note 4 below)	24,999.99	-
	Unit issue expenses paid	(143.75)	(27.57)
	Proceeds from non-current borrowings	4,873.68	-
	Repayment of non-current borrowings	(28,832.88)	-
	Proceeds / (repayment) of current borrowings (net)	5.47	25.45
	Interest paid	(278.72)	-
	Net cash generated from / (used in) financing activities	**623.79**	**(2.11)**
	Net Increase in cash and cash equivalents (A+B+C)	**384.48**	**0.09**
	Cash and cash equivalents at the beginning of the year/period	0.09	-
	Cash and cash equivalents on account of acquisition of subsidiaries *	1,528.40	-
	Cash and cash equivalents at the end of the year / period	**1,912.97**	**0.09**

* Pertains to subsidiaries acquired during the year (refer note 37)

Consolidated Cash Flow Statement

for the year ended 31 March 2024 (Contd.)

All amounts in ₹ Million unless otherwise stated

Notes:

1 Components of cash and cash equivalents (refer note 9)

	As at 31 March 2024	As at 31 March 2023
Cash on hand	0.12	0.01
Balance with banks		
in current account	1,149.07	0.08
Deposits with bank having original maturity of less than three months	763.78	-
Cash and cash equivalents at end of the year / period	**1,912.97**	**0.09**

2 The above Consolidated Statement of Cash Flows has been prepared under the "Indirect Method" as set out in Indian Accounting Standard (Ind AS) - 7 "Statement of Cash Flows".

3 **Changes in liabilities arising from financing activities in terms of Ind AS 7:**

	As at 01 April 2023	On account of acquisition of subsidiaries (refer note 37)	Net cash flow	Others *	As at 31 March 2024
Non-current borrowings (including current maturities and interest)	-	35,333.18	(24,237.92)	246.96	11,342.22
Current borrowings	25.45	-	5.47	2.89	33.81
Total	**25.45**	**35,333.18**	**(24,232.45)**	**249.85**	**11,376.03**

	As at 16 June 2022	On account of acquisition of subsidiaries (refer note 37)	Net cash flow	Others *	As at 31 March 2023
Non-current borrowings (including current maturities and interest)	-	-	-	-	-
Current borrowings	-	-	25.45	-	25.45
Total	**-**	**-**	**25.45**	**-**	**25.45**

* Others represent interest accrued and other borrowing cost accrued during the year/ period.

4 The InvIT has acquired 100% equity stake in GR Akkalkot Solapur Highway Private Limited, GR Dwarka Devariya Highway Private Limited, GR Gundugolanu Devarapalli Highway Private Limited, GR Phagwara Expressway Limited, Porbandar Dwarka Expressway Private Limited, Varanasi Sangam Expressway Private Limited and GR Sangli Solapur Highway Private Limited from G R Infraprojects Limited in exchange of issuance of 13,75,30,405 its units as consideration. Additionally, pursuant to assignment agreement entered with G R Infraprojects Limited dated 20 February 2024, InvIT has issued 5,54,08,300 units toward assignment of outstanding unsecured loan of ₹ 5,540.83 Million given by G R Infraproejcts Limited to subsidiary companies. The same being non-cash tranasction is not reflected in consolidated cash flow statement.

5 Figures in brackets represent outflows.

Refer note 2.2 for Summary of material accounting policies

The accompanying notes are an integral part of these consolidated financial statements

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm's Registration No :324982E/E300003

per **Sukrut Mehta**
Partner
Membership No: 101974

Place : Ahmedabad
Date : 28 May 2024

For and on behalf of Board of Directors of
GR Highways Investment Manager Private Limited
(As an Investment Manager to Bharat Highways InvIT)

Siba Narayan Nayak
Director
DIN: 01832348
Place : Gurugram
Date : 28 May 2024

Amit Kumar Singh
Chief Executive Officer

Place : Gurugram
Date : 28 May 2024

Harshael Sawant
Chief Financial Officer

Place : Gurugram
Date : 28 May 2024

Mohnish Dutta
Company Secretary
ICSI Mem. No. FCS10411
Place : Gurugram
Date : 28 May 2024

Disclosures pursuant to SEBI Circulars

as at and for the year ended 31 March 2024

All amounts in ₹ Million unless otherwise stated

Security Exchange Board of India (SEBI) Master Circular No. SEBI/HO/DDHS-PoD-2/P/CIR/2023/115 dated 06 July 2023 and SEBI Circular No. SEBI/HO/DDHS-PoD/CIR/2023/184 dated 06 December 2023 issued under the InvIT Regulations, as amended including any guidelines and circulars issued thereunder ("SEBI Circulars")

A. Statements of Net Distributable Cash Flows (NDCFs)

I. Bharat Highways InvIT ('InvIT')

Particulars		Year ended 31 March 2024	Period ended from 16 June 2022 to 31 March 2023 (Refer Note 40)
Cashflows from operating activities of the Trust		(18.71)	-
Add:	Cash flows received from SPV's which represent distributions of NDCF computed as per relevant framework *	1,656.06	-
Add:	Treasury income / income from investing activities of the InvIT (interest income received from FD, any investment entities as defined in Regulation 18(5) of the SEBI InvIT 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 which will be considered on a cash receipt basis	0.12	-
Add:	Proceeds from sale of infrastructure investments, infrastructure assets or shares of SPVs or investment entity adjusted for the following		
	• 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(7) of the SEBI InvIT Regulations or any other relevant provisions of the InvIT Regulations	-	-
Add:	Proceeds from sale of infrastructure investments, infrastructure assets or sale of shares of SPVs or investment entity not distributed pursuant to an earlier plan to re-invest as per Regulation 18(7) of the SEBI InvIT Regulations or any other relevant provisions of the SEBI InvIT Regulations, if such proceeds are not intended to be invested subsequently	-	-
Less:	Finance cost on borrowings, excluding amortisation of any transaction costs as per profit and loss account of the InvIT	(21.50)	-
Less:	Debt repayment at InvIT 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)	(60.92)	-
Less:	any reserve required to be created under the terms of, or pursuant to the obligations arising in accordance with, any:	-	-
Less:	any reserve required to be created under the terms of, or pursuant to the obligations arising in accordance with, any:		
	(i) loan agreement entered with financial institution; or	-	-
	(ii) terms and conditions, covenants or any other stipulations applicable to debt securities issued by the InvIT or any of its SPVs; or	(196.50)	-
	(iii) terms and conditions, covenants or any other stipulations applicable to external commercial borrowings availed by the InvIT or any of its SPVs; or	-	-
	(iv) agreement pursuant to which the InvIT operates or owns the infrastructure 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	-	-
Less:	any capital expenditure on existing assets owned / leased by the InvIT, to the extent not funded by debt / equity or from contractual reserves created in the earlier years	-	-
	Net Distributable Cash Flows	**1,358.55**	

* Includes dividend received from SPVs subsequent to year end amounting to ₹ 1,380.00 Million considered as per note 1 of circular SEBI/HO/DDHS/DDHS-PoD/P/CIR/2023/184 dated 06 December 2023.

Disclosures pursuant to SEBI Circulars

as at and for the year ended 31 March 2024 (Contd.)

All amounts in ₹ Million unless otherwise stated

II. SPV level NDCF

Particulars		Period from 1 March 2024 to 31 March 2024 (Refer Note 40)						
		VSEPL	PDEPL	GRPEL	GRGDHPL	GRASHPL	GRSSHPL	GRDDHPL
Cash flow from operating activities as per cash flow statement		648.03	89.16	61.94	50.55	323.78	44.64	87.73
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, it is clarified that these amounts will be considered on a cash receipt basis)	1.67	3.86	4.40	6.21	248.55	0.66	4.56
Add:	Proceeds from sale of infrastructure investments, infrastructure assets or shares of SPVs or investment entity adjusted for the following							
	• 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(7) of the SEBI InvIT Regulations or any other relevant provisions of the InvIT Regulations	-	-	-	-	-	-	-
Add:	Proceeds from sale of infrastructure investments, infrastructure assets or sale of shares of SPVs or investment entity not distributed pursuant to an earlier plan to re-invest as per Regulation 18(7) of the SEBI InvIT Regulations or any other relevant provisions of the SEBI InvIT Regulations, if such proceeds are not intended to be invested subsequently	-	-	-	-	-	-	-
	Total cash inflow at SPV level	**649.70**	**93.02**	**66.34**	**56.76**	**572.33**	**45.30**	**92.29**
Less:	Finance cost on borrowings, excluding amortisation of any transaction costs as per profit and loss account and any shareholder debt / loan from InvIT	(56.68)	(13.19)	(13.64)	(18.16)	(8.88)	(8.51)	(10.06)
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 as well as repayment of any shareholder debt / loan from trust)	-	-	(36.14)	-	-	-	-
Less:	any reserve required to be created under the terms of, or pursuant to the obligations arising in accordance with, any:							
	(i) loan agreement entered with financial institution; or	(1,636.69)	(651.42)	(788.90)	(895.48)	(343.74)	(594.26)	(720.24)

Disclosures pursuant to SEBI Circulars

as at and for the year ended 31 March 2024 (Contd.)

All amounts in ₹ Million unless otherwise stated

Particulars	Period from 1 March 2024 to 31 March 2024 (Refer Note 40)						
	VSEPL	PDEPL	GRPEL	GRGDHPL	GRASHPL	GRSSHPL	GRDDHPL
(ii) terms and conditions, covenants or any other stipulations applicable to debt securities issued by the InvIT or any of its SPVs; or	-	-	-	-	-	-	-
(iii) terms and conditions, covenants or any other stipulations applicable to external commercial borrowings availed by the InvIT or any of its SPVs; or	-	-	-	-	-	-	-
(iv) agreement pursuant to which the InvIT operates or owns the infrastructure 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	-	-	-	-	-	-	-
Less: any capital expenditure on existing assets owned / leased by the InvIT, to the extent not funded by debt / equity or from contractual reserves created in the earlier years	-	-	-	-	-	-	-
Total cash outflow / retention at SPV level	**(1,693.37)**	**(664.61)**	**(838.68)**	**(913.64)**	**(352.62)**	**(602.77)**	**(730.30)**
Add: Surplus cash available in SPVs due to:							
(i) 10% of NDCF withheld in line with the Regulations in any earlier year or half year or							
(ii) Such surplus being available in a new SPV on acquisition of such SPV by InvIT	991.43	821.25	1,243.27	1,049.52	243.04	647.13	889.98
(iii) Any other reason, excluding if such surplus cash is available due to any debt raise							
Net Distributable Cash Flows at SPV level	**(52.24)**	**249.66**	**470.93**	**192.64**	**462.75**	**89.66**	**251.97**

B. Statement of Net Assets at Fair Value

	Particulars	As at 31 March 2024		As at 31 March 2023 (Refer Note 40)	
		Book value	Fair value	Book value	Fair value
I	Assets	62,594.11	63,576.04	78.06	78.06
II	Liabilities (at book value)	13,028.26	13,028.26	78.05	78.05
III	Net Assets (I-II)	49,565.85	50,547.78	0.01	0.01
IV	No. of units (in absolute number) (refer note (i) and 10)	442,938,605	442,938,605	-	-
V	NAV (III/IV) (refer note (i) below)	111.90	114.12	-	-

Disclosures pursuant to SEBI Circulars

as at and for the year ended 31 March 2024 (Contd.)

All amounts in ₹ Million unless otherwise stated

Notes:

i. As the units have been issued during the year ended 31 March 2024, accordingly, disclosures in respect of number of units and NAV per unit have not been presented in the comparative period ended 31 March 2023

ii. Project wise break up of Fair value of Assets as at 31 March 2024.

Particulars	As at 31 March 2024	As at 31 March 2023 (Refer Note 40)
(i) Varanasi Sangam Expressway Private Limited	16,480.18	-
(ii) Porbandar Dwarka Expressway Private Limited	9,357.47	-
(iii) GR Phagwara Expressway Limited	6,540.30	-
(iv) GR Gundugolanu Devarapalli Highway Private Limited	11,121.27	-
(v) GR Akkalkot Solapur Highway Private Limited	5,370.27	-
(vi) GR Sangli Solapur Highway Private Limited	6,279.52	-
(vii) GR Dwarka Devariya Highway Private Limited	7,360.29	-
Sub Total	**62,509.30**	**-**
(i) InvIT Assets	1,066.74	-
Total Assets	**63,576.04**	**-**

iii. The above fair value of total assets as at 31 March 2024 is based on solely on the fair valuation report dated 27 May 2024 of the independent valuer appointed by Investment Manager.

iv. Fair values of assets have been arrived by the valuer after adding the cash and cash equivalents, investments, etc in the enterprise value.

v. The Group has acquired above subsidiaries during the year and hence fair value of total assets has not been presented in the comparative period ended 31 March 2023.

C. Statement of total returns at fair value (refer note (ii) below)

Particulars	Year ended 31 March 2024	Period ended from 16 June 2022 to 31 March 2023 (Refer Note 40)
Total Comprehensive Income (As per the Statement of Profit and Loss)	148.06	-
Add/(less): Other Changes in Fair Value (e.g., in investment property, property, plant & equipment (if cost model is followed)) not recognised in Total Comprehensive Income (refer note below)	981.93	-
Total Return	**1,129.99**	**-**

Notes :

i. As all the subsidiaries have been acquired in the current year (refer note 37), hence, there is no change in the fair value from the previous year which has been reported above.

ii. In the above statement, other changes in fair value for the year ended 31 March 2024 has been computed based on the fair values of total assets as at 31 March 2024 and 29 February 2024 which are based solely on the valuation reports dated 27 May 2024 of the independent valuer appointed under InvIT Regulations and has been relied upon by the auditors.

iii. Sensitivity analysis with respect to significant unobservable inputs used in the fair value measurement has been disclosed in Note 30.

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm's Registration No :324982E/E300003

per **Sukrut Mehta**
Partner
Membership No: 101974

Place : Ahmedabad
Date : 28 May 2024

For and on behalf of Board of Directors of
GR Highways Investment Manager Private Limited
(As an Investment Manager to Bharat Highways InvIT)

Siba Narayan Nayak
Director
DIN: 01832348
Place : Gurugram
Date : 28 May 2024

Amit Kumar Singh
Chief Executive Officer

Place : Gurugram
Date : 28 May 2024

Harshael Sawant
Chief Financial Officer

Place : Gurugram
Date : 28 May 2024

Mohnish Dutta
Company Secretary
ICSI Mem. No. FCS10411
Place : Gurugram
Date : 28 May 2024

Notes to Consolidated Financial Statements

for the year ended 31 March 2024

All amounts in ₹ Million unless otherwise stated

1. InvIT Information

The Consolidated financial statements comprise financial statements of Bharat Highways InvIT ('the Holding Entity, 'the Parent' or 'the InvIT') and its subsidiaries (collectively referred as a 'the Group') for the year ended 31 March 2024. The InvIT was set up as an irrevocable trust under the Indian Trust Act, 1882 pursuant to Trust Deed dated 16 June 2022 which was subsequently amended by First Amended and Restated Indenture of Trust dated 08 December 2022 and further amended on 31 October 2023. The InvIT has been settled for an initial sum of ₹10,000. The InvIT has been registered as an Infrastructure Investment Trust with Securities Exchange Board of India ('SEBI') under the Securities Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014 vide Certificate of Registration (IN/InvIT/22-23/0023) dated 03 August 2022.

The Trustee to the InvIT is IDBI Trusteeship Services Limited (the "Trustee"), Sponsor and project manager of the InvIT is Aadharshila Infratech Private Limited (the "Sponsor" or "Project Manager") and Investment manager for the InvIT is GR Highways Investment Manager Private Limited subsidiary of Lokesh Builders Private Limited (the "Investment Manager"). The registered office of the InvIT is located at Novus Tower, Second Floor, Plot No. 18, Sector 18, Gurugram, Haryana-122015, India. The InvIT's units got listed on NSE and BSE stock exchange on 12 March 2024.

The object and purpose of the InvIT, as described in the Trust Deed, is to carry on the activity of an infrastructure investment trust as permissible under SEBI (Infrastructure Investment Trusts) Regulations, 2014 as amended from time to time including circulars, notifications, clarifications and guidelines issued thereunder to raise funds through the InvIT, to make investments in accordance with the InvIT Regulations and the investment strategy and to carry on the activities as may be required for operating the InvIT, including incidental and ancillary matters thereto. The principal activity of InvIT is to own and invest in infrastructure assets primarily in the road sector in India through special purpose vehicles with the objective of producing stable and sustainable distributions to unitholders.

The Consolidated Financial Statements were approved for issue in accordance with resolution passed by the Board of Directors of the Investment Manager, acting on behalf of the InvIT on 22 May 2024.

2. Material Accounting Policies

2.1 Basis of preparation and consolidation

The Consolidated financial statements comprise of the Consolidated Balance Sheet as at 31 March 2024, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Statement of Changes in Unit Holders' Equity and the Consolidated Statement of Cash Flow for the year then ended, the Consolidated Statement of Net Assets at fair value as at 31 March 2024, the Consolidated Statement of Total Returns at fair value and the Statement of Net Distributable Cash Flows ('NDCFs') of the InvIT and each of its subsidiaries for the year then ended and a summary of material accounting policies and other explanatory notes (collectively, the "Consolidated Financial Statements") prepared in accordance with requirement of SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time including circulars, notifications, clarifications and guidelines issued thereunder ("InvIT Regulations") and SEBI Master Circular No. SEBI/HO/DDHS-PoD-2/P/CIR/2023/115 dated 06 July 2023 and SEBI Circular No. SEBI/HO/DDHS- PoD/CIR/2023/184 dated 06 December 2023 issued under the SEBI InvIT Regulations ("SEBI Circulars"); Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other accounting principles generally accepted in India. The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

The Consolidated Financial Statements have been prepared on a historical cost convention and on an accrual basis except for certain financial assets and liabilities which has been measured at fair value (refer accounting policy regarding financial instruments).

The Consolidated Financial Statements are presented in ₹, which is the functional currency of the Group. The Group does not have any foreign operation and has assessed the functional currency to be ₹. All values are rounded to the nearest Million rupees, unless otherwise indicated. Certain amounts that are required to be disclosed and do not appear due to rounding-off are expressed as 0.00. The consolidated financial statements provide comparative information in respect of the previous period.

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the InvIT and its subsidiaries as at 31 March 2024. Control is achieved when the InvIT is exposed or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including: (i) The contractual arrangement with the other vote holders of the investee: (ii) rights arising from other contractual arrangements: (iii) the Group's voting rights and potential voting rights, other vote holders or other parties: (iv) the size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders: (v) any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March.

The procedure for preparing Consolidated Financial Statements of the Group are stated below –

i) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date;

ii) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any difference;

iii) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group. Ind AS 12, Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the unitholders of the Trust and to the non-controlling interests (if any), even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the group.

When a change in the ownership interest of a subsidiary resulting to the loses of control over a subsidiary, it (i) derecognises the assets and liabilities of the subsidiary at their carrying amounts at the date when control is lost, (ii) derecognises the carrying amount of any non-controlling interests, (iii) recognises the fair value of the consideration received, (iv) recognises the fair value of any investment retained and (v) recognises any surplus or deficit in profit or loss. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in associate.

Notes to Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

All amounts in ₹ Million unless otherwise stated

The Group has the following operational entities ('Special Purpose Vehicles' or 'SPVs') which has principal activities of construction and operation of national highways projects on Build Operate and Transfer basis (BOT) which has been included in the Consolidated financial statement of the Group:

Name of the Company	Country of incorporation	% of holding as on	
		31 March 2024	31 March 2023
GR Phagwara Expressway Limited*	India	100.00	-
Varanasi Sangam Expressway Private Limited*	India	100.00	-
Porbandar Dwarka Expressway Private Limited*	India	100.00	-
GR Sangli Solapur Highway Private Limited*	India	100.00	-
GR Akkalkot Solapur Highway Private Limited*	India	100.00	-
GR Gundugolanu Devarapalli Highway Private Limited*	India	100.00	-
GR Dwarka Devariya Highway Private Limited*	India	100.00	-

*Acquired during the financial year 2023-24.

2.2 Summary of material accounting policies

The following are the material accounting policies applied by the Group in preparing its Consolidated financial statements:

a. Current versus non-current classification

The Group presents assets and liabilities in the Balance Sheet based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The terms of the liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

Operating cycle

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Group has ascertained its operating cycle being a period of twelve months for the purpose of classification of assets and liabilities as current and non-current.

b. Business Combinations

The Group are accounted Business combinations for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. Acquisition-related costs are expensed as incurred.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs or considered as assets acquisition if assets or group of assets does not constitute of business.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Any contingent consideration to be transferred by the acquirer is recognised at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109. If the contingent consideration is not within the scope of Ind AS 109 Financial Instruments, it is measured in accordance with the appropriate Ind AS and is recognised in profit and loss.

Goodwill on consolidation is initially measured at cost, being the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed. Capital reserve on consolidation represents excess of the net idetifiable assets acquired and liabilities assumed over the cost of acquisition at each point of time of making the investment in the subsidiary. Goodwill arising on consolidation is not amortised, however, it is tested for impairment annually. In the event of cessation of operations of a subsidiary, the un impaired goodwill is written off fully.

Asset acquisitions

In case of acquisition of an asset or a group of assets that does not constitute a business, the Group identifies and recognises individual identifiable assets acquired (including those assets that meet the definition of, and recognition criteria for, intangible assets in Ind AS 38, Intangible Assets) and liabilities assumed. The cost of the group shall be allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction or event does not give rise to goodwill.

c. Financial instruments

i Initial recognition

Financial instruments i.e. Financial Assets and Financial Liabilities are recognised when the Group becomes a party to the contractual provisions of the instruments. The classification of financial assets at initial recognition depends on the financial asset's contractual cash flow characteristics and the Group's business model for managing them. With the exception of trade receivables that do not contain a significant financing component or for which the Group has applied the practical expedient, the Group initially measures a financial instruments at its fair value plus transaction costs that are directly attributable to the acquisition or issue of financial instruments (other than financial instruments at fair value through profit or loss) are added to or deducted from the fair value of the financial instruments. Transaction costs directly attributable to the acquisition of financial instruments assets or financial liabilities at fair value through profit or loss are recognised in profit or loss.

ii Financial Assets - Subsequent Measurement

The Group subsequently measures all financial assets at amortised cost (amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR) using effective interest method except for financial assets carried at fair value through Profit and Loss (FVTPL) or fair value through other comprehensive income (FVOCI) which are measured at fair value at the end of each reporting period with any gains or losses arising on remeasurement recognised in profit or loss or other comprehensive income respectively. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Financial Assets under Service Concession Arrangements (Appendix D of "Ind AS 115 – Revenue from Contracts with Customers")

The Group constructs or upgrades infrastructure (construction or upgrade services) used to provide a public service and operates and maintains that infrastructure (operation services) for a specified period of time. These arrangements may include infrastructure used in a public-to-private service concession arrangement for its entire useful life.

The Group recognises the considerations given by the grantor i.e. National Highway Authority of India ('NHAI') in accordance with Appendix D-'Service Concession

Notes to Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

All amounts in ₹ Million unless otherwise stated

Arrangements' of Ind AS 115- 'Revenue from Contracts with Customers'. The Group recognises a financial asset to the extent that it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor of the contract for the services performed under concession agreement; the grantor has little, if any, discretion to avoid payment, usually because the agreement is enforceable by law.

The Group recognises above financial asset at fair value on date of completion of construction and subsequently measures at amortised cost using effective interest method. In case of movement in the market rate of interest, the group re-estimates its cash flows and alters the effective interest rate.

iii Financial Assets - Derecognition

The Group derecognises financial asset primarily when the right to receive cash flows from the asset has expired, or the Group has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and with that a) the Group has transferred substantially all the risks and rewards of the asset, or b) the Group has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

iv Financial Assets - Impairment

At each date of balance sheet, the Group assesses whether a financial asset or a group of financial assets carried at amortised cost are credit-impaired. The Group applies the expected credit loss (ECL) model for measurement and recognition of impairment losses. The Group follows the simplified approach for recognition of impairment allowance on all trade receivable, receivable under service concession. The application of the simplified approach does not require the Group to track changes in credit risk. Rather, it recognises impairment allowance based on lifetime. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

Loss allowances for financial assets measured at amortised cost are deducted from the gross carrying amount of the assets and recognised in the statement of profit and losses under the head of "Other Expenses

v Financial liabilities – Classification

Financial liabilities issued by the Group are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability.

vi Financial liabilities - Subsequent Measurement

Loans and borrowings are subsequently measured at amortised cost using Effective Interest Rate (EIR), except for financial liabilities at fair value through profit or loss. Gains and losses are recognised in profit through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. Amortisation arising on unwinding of the financial liabilities as per EIR is included as a part of Finance Costs in the Statement of Profit and Loss.

Financial liabilities recognised at FVTPL are measured at fair value at the end of each reporting period with any gains or losses arising on remeasurement recognised in profit or loss.

vii Financial Liabilities - Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

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for the year ended 31 March 2024 (Contd.)

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viii Reclassification

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets, such as equity instruments designated at FVTPL or FVOCI and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets.

ix Offsetting

Financial assets and financial liabilities are offset and the net amount presented in the balance sheet when, and only when, the Group currently has a legally enforceable right to set off the amounts and it intends either to settle them on a net basis or to realise the asset and settle the liability simultaneously.

d. Fair values measurement

The Group measures financial instrument, such as mutual fund and total assets as per InvIT regulation at fair values at each balance sheet date.

The Group's management determines the policies and procedures for both recurring fair value measurement, such as fair value of total assets, unquoted financial assets measured at fair value and for non-recurring fair value measurement such as asset under the scheme of business undertaking.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the Consolidated financial statements are categorised within the fair value hierarchy, based on the lowest level input that is significant to the fair value measurement as a whole.

For assets and liabilities that are recognised in the Consolidated financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets, such as fair value of total assets, unquoted financial assets and financial liabilities.

For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above.

e. Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets.

Short-term leases and leases of low-value assets

The Group has elected not to recognise right of use assets and lease liabilities for short term leases of all the assets that have a lease term of twelve months or less with no purchase option and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognised as an expense on a straight-line basis over the lease term.

f. Revenue from contracts with customer

The accounting policies for the specific revenue streams of the Group as summarised below:

i Construction Income

Revenue, where the performance obligation is satisfied over time since the Group creates an assets that the customer controls as the asset is created and the Group has an enforceable right to payment for performance completed to date if it meets the agreed specifications, is recognised in proportion to

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the stage of completion of the contract. The stage of completion is measured by input method i.e. the proportion that costs incurred to date bear to the estimated total costs of a contract. Contract costs are recognised as an expense in the Statement of Profit and Loss in the accounting periods in which the work to which they relate is performed.

When it is probable that total contract costs will exceed total contract revenue, expected loss, if any, on a contract is recognised as expense in the period in which it is foreseen, irrespective of the stage of completion of the contract.

ii Change of Scope and Utility shifting Income

Change of scope services includes services performed for NHAI other than mentioned in a service concession arrangement. Revenue related to change of scope services and utility shifting services are accounted for when there is certainty of realisation and can be measured reliably.

iii Operational and maintenance Income

The Group is required to carry out operations and maintenance on the road annually with an obligation to carry out periodic maintenance in terms of the concession at regular intervals. Revenue is recognised when services are performed.

iv Income from Service Concession Arrangement (Finance Income)

The Group recognises the considerations given by the grantor i.e. National Highway Authority of India ('NHAI') in accordance with the Appendix D to Ind AS 115 – Service Concession Arrangements under financial assets mode. Under financial assets mode, the Group has an unconditional contractual right to receive cash i.e. fixed annuity after concession period including interest thereon. The finance Income calculated on the basis of the effective interest rate in accordance with the Ind AS 109. The finance Income is recognised under other operating income.

v Variable consideration

The Group's claim for bonus, incentives and other claims relating to execution of contracts are recognised as revenue in the year in which said claims are finally accepted by the clients. Claims under arbitration/ disputes are accounted as income based on final award. Expenses on arbitration are accounted as incurred.

vi Contract balances

Contract assets

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables

A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial instrument section.

Contract liabilities

A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

vii Recognition of interest income and insurance claim

Interest income is recognised using the effective interest method.

Insurance claims are accounted for on the basis of claims admitted/expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

g. Service concession arrangement

The Group constructs or upgrades infrastructure (construction or upgrade service) used to provide to public service and operates and maintains that infrastructure (operation service) for a specified period of time. These arrangement may include

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for the year ended 31 March 2024 (Contd.)

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infrastructure used in a public-to-private service concession arrangement for its entire useful life.

The Group recognises the considerations given by the grantor i.e. National Highway Authority of India ('NHAI') in accordance with Appendix D to Ind AS 115 – 'Revenue from Contracts with Customers'. The Group recognises contract assets under Ind AS 115 during the construction period. Upon completion of assets, the Group classifies the contract asset as financial assets to the extent that it has an unconditional contractual right to receive cash in accordance with Ind AS 109. Ind AS 109 requires a financial asset to be measured at its fair value and any difference between the initial measurement of the financial asset in accordance with Ind AS 109 and the contract asset recognised under Ind AS 115 to be presented as an expense. Such financial assets subsequently measure at amortised cost using effective interest method.

h. Taxes

Current income tax

Tax expense comprises current tax expense and deferred tax.

Current tax comprises of the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

Deferred tax

Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. Deferred tax is also recognised in respect of carried forward tax losses.

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax liabilities are recognised for all taxable temporary differences except when the deferred tax liability arises from the initial recognition an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets – unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority on the same taxable entity, or on different tax entities, but they intend to settle current tax liabilities and assets on a net basis or their tax assets and liabilities will be realised simultaneously.

Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Goods and service tax taxes paid on assets acquired or expenses incurred

Expenses and assets are recognised net of the amount of goods and service taxes paid, except: when the tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the tax paid is recognised as part of the cost of acquisition of the asset or as part of the expense item, as applicable or when receivables and payables are stated with the amount of tax included.

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The net amount of tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the balance sheet.

i. Impairment of Non-Financial Assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

j. Borrowing cost

Borrowing costs are interest and other costs incurred in connection with the borrowing of funds. Borrowing costs directly attributable to acquisition or construction of an asset which necessarily take a substantial period of time to get ready for their intended use are capitalised as part of the cost of that asset. Capitalisation of borrowing costs ceases when substantially all the activities necessary to prepare the qualifying assets for their intended use are complete.

Borrowing costs attributable to concession arrangement classified as financial assets are charged to Statement of Profit and Loss in the period in which such costs are incurred. All other borrowing costs are recognised as an expense in the Consolidated Statement of Profit and Loss in the period in which they are incurred.

k. Provisions and contingencies

A provision is recognised if, as a result of a past event, the Group has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are measured based on investment manager's estimated to settle the obligation at the balance sheet date and are discounted the expected future cash flows (representing the best estimate of the expenditure required to settle the present obligation at the balance sheet date) at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability.

Provisions are reviewed at each balance sheet date and adjusted to reflect the current best estimate. If it is no longer probable that the outflow of resources would be required to settle the obligation, the provision is reversed.

Contingencies

Contingent liability is a possible obligation arising from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity or a present obligation that arises from past events but is not recognised because it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation or the amount of the obligation cannot be measured with sufficient reliability.

The Group does not recognise a contingent liability but discloses the same as per the requirements of Ind AS 37.

l. Unitholders' equity

Under the provisions of the InvIT Regulations, the InvIT is required to distribute to unitholders not less than 90% of the net distributable cash flows of the InvIT for each financial year. Accordingly, Unit capital contains a contractual obligation to pay cash to unitholders. Thus, In accordance with requirement of Ind AS 32 - Financial Instruments: Presentation. the Unit Capital contain a liability element which should be classified and treated accordingly. However, SEBI Circulars require the Unit Capital to be presented/classified as "Equity", which is at variance from the requirements of Ind-AS 32.

In order to comply with the aforesaid SEBI requirements, the InvIT has presented unit capital as equity and costs attributable to the issue of units have been reduced from the Unitholders capital in accordance with Ind AS 32 Financial Instruments: Presentation.

m. Distribution to unit holders

The InvIT recognises a liability to make cash distributions to unit holders when the distribution is authorised and a legal obligation has been created. As per the InvIT Regulations, a distribution is authorised when it is approved by the Board of Directors of the Investment Manager. Consistent with Unit Capital being classified as equity, the distribution to Unitholders is also presented in Statement of Changes in Unitholders' Equity when the distributions are approved by the Board of Directors of Investment Manager.

n. Earnings per unit

Basic Earnings Per Unit is calculated by dividing the net profit or loss for the period attributable to unit holders by the weighted average number of units outstanding during the year.

For the purpose of calculating Diluted Earnings Per Unit, the net profit or loss for the period attributable to unit holders and the weighted average number of units outstanding during the period are adjusted for the effects of all dilutive potential equity units.

o. Operating segments

The principal activity of Group is to own and invest in infrastructure assets primarily in the SPVs operating in the road sector in India in accordance with the provisions of the InvIT Regulations and Trust deed. The Board of Directors of the Investment Manager is responsible for allocating resources and assess the performance of the Group and thus are the Chief Operating Decision Maker (CODM).

Segment results that are reported to the Investment manager (CODM) include items directly attributable to a segment as well as those that can be allocated on a reasonable basis. Segment capital expenditure is the total cost incurred during the period to acquire property and equipment and intangible assets other than goodwill.

p. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.

For the purpose of the Combined statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Group's cash management.

2.3 Significant accounting judgements, estimates and assumptions

The preparation of the Consolidated financial statements requires investment manager to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. For preparation of Consolidated financial statements, The Group based its assumptions and estimates on parameters available at the time of preparation of financial statement. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

The following are the key judgement, estimation and assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Acquisition of subsidiaries

The Sponsor of InvIT is holding 15% in the InvIT and G R Infraprojects Limited (GRIL) is holding 43.56% in the InvIT. The Investment manager has applied its judgement to evaluate relationship between the Sponsor and GRIL based on ownership structure, business relationship between both the entities along with legal evaluation, voting rights, financial position, lending arrangement by Sponsor and security arrangements. Accordingly, the Investment Manager has concluded

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that the sponsor is an independent entity with its own operations etc. and is not an agent or a de-facto agent for GRIL under Ind AS 110. Accordingly, the above transaction for purchase of subsidiaries from GRIL is not considered as common control and the GRIL does not exercise control over InvIT in accordance with Ind AS 103.

Further, the Investment manager has applied the optional concentration test under Ind AS 103 and concluded that the acquired set of activities and assets is not a business because substantially all of the fair value of the gross assets acquired is concentrated in receivables under service concession arrangements, with similar risk characteristics. Accordingly, this transaction has been accounted for as an asset acquisition. The investment manager has also applied judgement and determined that excess of fair value of net assets acquired over consideration paid as explained in note 37 above is arising because GRIL is a significant unitholder in the InvIT and accordingly, accounted for the excess as capital reserve as detail disclosed in Note 9.

Service Concession arrangement:

The Group recognises the considerations given by the grantor i.e. National Highway Authority of India ('NHAI') in accordance with Appendix D to Ind AS 115 – 'Revenue from Contracts with Customers'. The Group recognises contract assets under Ind AS 115 during the construction period. Upon completion of assets, the Group classifies the contract asset as financial assets to the extent that it has an unconditional contractual right to receive cash in accordance with Ind AS 109. Ind AS 109 requires a financial asset to be measured at its fair value and any difference between the initial measurement of the financial asset in accordance with Ind AS 109 and subsequently measure at amortised cost using effective interest method.

To determine effective interest rate, there are significant judgement and estimates involve annuity and interest on annuity inflows, estimations on cost to maintain the asset and other operational efficiencies. These inputs are based on circumstances existing and management judgement / assumption on the future expectations based on current situations. Judgements include management view on expected earnings in future years, changes in interest rates, cost inflation, government policy changes, etc. These input assumptions could affect the estimation and accordingly these assumptions are reviewed periodically.

Fair value measurement and valuation process:

Where assets and liabilities are measured or disclosed at fair value for the financial reporting purposes, the Group determines the appropriate valuation techniques and inputs for fair value measurements.

Further, SEBI Circulars issued under the InvIT Regulations require disclosures relating to net assets at fair value and total returns at fair value. In estimating the fair value of total fair value of assets of subsidiaries, the Group engages independent qualified external valuers to perform the valuation.

The Investment manager works closely with the valuers to establish the appropriate valuation techniques and inputs to the model. The Investment manager reports the valuation report and findings to the Board of the Investment Manager half yearly to explain the cause of fluctuations in the fair value of the projects. The inputs to the valuation models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as WACC, Tax rates, interest rate, future cost etc. Changes in assumptions about these factors could affect the fair value.

Impairment of financial assets:

The impairment provision for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

Taxes

Uncertainties exist with respect to the interpretation of complex tax regulations, changes in tax laws, and the amount and timing of future taxable income. Given the wide range of business relationships and the long-term nature and complexity of existing contractual agreements, differences arising between the actual results and the assumptions made, or future changes to such assumptions, could necessitate future adjustments to tax income and expense already recorded. The Group establishes provisions, based on reasonable estimates.

Recognition and measurement of provision and contingencies

The Group recognises a provision if it is probable that an outflow of cash or other economic resources will be required to settle the provision. If an outflow is not probable, the item is treated as a contingent liability. Risks and uncertainties are taken into account in measuring a provision.

2.4 Changes in accounting policies and disclosures

New and amended standards

The accounting policies adopted in the preparation of the Consolidated financial statements are consistent except for amendments to the existing Indian Accounting Standards (Ind AS).

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective for annual periods beginning on or after 01 April 2023. The Group applied for the first-time these amendments.

(i) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates. The amendments had no impact on the Group's consolidated financial statements.

(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's financial statements.

Apart from these, consequential amendments and editorials have been made to other Ind AS like Ind AS 101, Ind AS 102, Ind AS 103, Ind AS 107, Ind AS 109, Ind AS 115 and Ind AS 34.

Standards notified but not yet effective

There are no new standards that are notified, but not yet effective, upto the date of issuance of the Group's Consolidated financial statements.

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3 Receivable under service concession arrangements

	Non-current		Current	
	As at 31 March 2024	As at 31 March 2023 (Refer Note 40)	As at 31 March 2024	As at 31 March 2023 (Refer Note 40)
Receivable under service concession arrangements	47,002.25	-	3,185.45	-
Total	**47,002.25**	**-**	**3,185.45**	**-**

Notes:-

a) Above carrying value of receivable are subject to a charge to secure the Group's secured borrowings (refer note 12)

b) Disclosure pursuant to Appendix E of Ind AS 115 for Service Concession Arrangements given in note 34.

4 Other financial assets (Unsecured, considered good)

	Non-current		Current	
	As at 31 March 2024	As at 31 March 2023 (Refer Note 40)	As at 31 March 2024	As at 31 March 2023 (Refer Note 40)
Deposits with bank (refer note (c) and (d) below)	1,227.29	-	2,669.25	-
Security deposits (refer note (e) below)	11.72	-	25.00	-
Receivable from NHAI	-	-	8.24	-
Total	**1,239.01**	**-**	**2,702.49**	**-**

Notes:-

Notes:

a) The fair value of non current assets is not materially different from the carrying value presented.

b) Above carrying value of receivable are subject to a charge to secure the Group's secured borrowing (refer note 12)

c) The deposit with bank includes ₹ 3,300.59 Million towards earmarked deposit with banks/ lenders against Debt Service Reserve Account (DSRA) and Major Maintenance Reserve Account (MMRA). These earmarked deposits with banks / lenders were against the secured borrowings in the subsidiary, which have been fully repaid in the current year and lien has been discharged subsequent to year end.

d) Deposit with bank includes balance of Initial Public Offer proceeds of ₹ 370.00 Million in bank which will be utilised as stated in the Final Offer Document

e) The InvIT has given ₹ 25.00 Million towards security deposit and the Investment manager has given ₹ 25.00 Million as an irrecoverable and unconditional bank guarantee on behalf of the InvIT to National Stock Exchange for due performance and fulfillment by the InvIT of its engagement, commitments, operations obligation or liabilities as an issuer.

5 Assets for current tax (net)

	As at 31 March 2024	As at 31 March 2023 (Refer Note 40)
Non-current		
Income tax receivable (net of provision)	139.85	-
Total	**139.85**	**-**

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6 Other assets (Unsecured, Considered Good, unless otherwise stated)

	Non-current		Current	
	As at 31 March 2024	As at 31 March 2023 (Refer Note 40)	As at 31 March 2024	As at 31 March 2023 (Refer Note 40)
Contract assets (refer note 33)	-	-	41.69	-
Advance to suppliers for goods and services	-	-	1.09	2.95
Prepaid expenses	-	-	29.08	-
IPO related expenses (refer note (b) below)	-	-	-	75.02
Balances with government authorities (refer note 26)	254.71	-	2,142.02	-
Total	**254.71**	**-**	**2,213.88**	**77.97**

Notes:-

a) Above carrying value of receivable are subject to a charge to secure the group's secured borrowing (refer note 12).

b) Pertains to expenses relating to Initial public offering (IPO), which were subsequently reduced from the unitholders capital in the current year, in accordance with Ind AS 32 Financial Instruments: Presentation.

7 Investments

	As at 31 March 2024		As at 31 March 2023 (Refer Note 40)	
	Units	Amount	Units	Amount
Current				
Unquoted				
Investment in Mutual funds at fair value through profit or loss			-	-
ICICI prudential money marked fund (growth)	1,928,558	673.50	-	-
Total	**1,928,558**	**673.50**	**-**	**-**
Aggregate value of unquoted investments	-	673.50	-	-
Aggregate amount of impairment in value of investments	-	-	-	-

8 Trade receivables

	As at 31 March 2024	As at 31 March 2023 (Refer Note 40)
Secured, considered good	-	-
Unsecured, considered good	60.44	-
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	-	-
Total	**60.44**	**-**

Below is trade receivables ageing schedule

	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 month	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2024							
Undisputed Trade Receivables – considered good	-	53.43	5.27	1.74	-	-	**60.44**

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	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 month	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivable – credit impaired	-	-	-	-	-	-	-
Total	**-**	**53.43**	**5.27**	**1.74**	**-**	**-**	**60.44**
As at 31 March 2023 (refer note 40)							
Undisputed Trade Receivables – considered good	-	-	-	-	-	-	-
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivable – credit impaired	-	-	-	-	-	-	-
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Notes:-

a) Trade Receivables are unsecured, non interest bearing and generally have credit period of 30-90 days.

b) For terms and conditions relating to related party receivables (refer Note 27)

c) Above carrying value of trade receivable are subject to a charge to secure the Group secured borrowing. (refer note 12)

d) As there is net allowance for expected credit loss made by the Group and hence, no disclosure related to expected credit loss has been given.

9 Cash and cash equivalents and other bank balance

	As at 31 March 2024	As at 31 March 2023 (Refer Note 40)
Cash and cash equivalents		
Cash on hand	0.12	0.01
Balance with banks		
in current account	1,149.07	0.08
Deposits with bank having original maturity of less than three months	763.78	-
Total - A	**1,912.97**	**0.09**
Other bank balances		
Earmarked Balance with banks (refer note (b) below)	473.56	-
Deposits with bank having original maturity more than 3 month but less than 12 months (refer note (a) below)	2,736.00	-
Total - B	**3,209.56**	**-**
Total - (A+B)	**5,122.53**	**0.09**

Notes to Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

All amounts in ₹ Million unless otherwise stated

Notes :

a) The deposit with bank includes earmarked deposit with banks/ lenders of ₹ 2,288.68 Million against Debt Service Reserve Account (DSRA) and Major Maintenance Reserve Account (MMRA). These earmarked deposits with banks / lenders were against the secured borrowings in the subsidiaries, which have been fully prepaid in the current year and lien has been discharged subsequent to year end.

b) Includes balance of Initial Public Offer proceeds of ₹ 467.18 Million in current account with bank (under escrow arrangement), which will be utilised as stated in the final offer document.

c) Cash at bank earns interest at floating rates based on daily bank deposit rates. Short term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirement of the Group and earn interest at the respective short term deposit rates.

10 Unit Capital

	As at 31 March 2024	As at 31 March 2023 (Refer Note 40)
Issued, subscribed and fully paid up		
44,29,38,605 (31 March 2023: Nil) units (issue price of ₹ 100 each)	43,761.52	-
Total	**43,761.52**	**-**

A. Reconciliation of the number of units at the beginning and at the end of the reporting period given below:

	As at 31 March 2024		As at 31 March 2023 (Refer Note 40)	
	Numbers of units	Amount	Numbers of units	Amount
At the beginning of the year / period	-	-	-	-
Add:- movement during the year / period	442,938,605	44,293.86	-	-
Less : Issue expenses (refer note (b) below)	-	(532.34)	-	-
Outstanding at the end of the year / period	**442,938,605**	**43,761.52**	**-**	**-**

Notes:-

a) The Bharat Highways InvIT (InvIT) has issued 249,999,900 units for cash at a price of ₹ 100 per unit (the 'issue price'), aggregating to ₹ 24,999.99 Million to the sponsor and eligible unitholders (as defined in Final Offer Document) by ways of initial public offer, in accordance with Securities Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014 including the rules, circulars and guidelines issued thereunder.

Additionally, pursuant to to the share purchase agreement and assignment agreement entered with G R Infraprojects Limited dated 20 February 2024, InvIT has issued its unit of 137,530,405 in exchange of 100% equity stake in seven companies and 5,54,08,300 units toward assignment of outstanding unsecured loan given by G R Infraprojects Limited to its then Subsidiary companies.

The InvIT Offer Committee of GR Highways Investment Manager Private Limited (Investment Manager), considered and approved allotment of 442,938,605 units to the unitholders on 06 March 2024

b) Issue expenses of ₹ 532.34 Million incurred in connection with issue of units have been reduced from the Unitholders capital in accordance with Ind AS 32 Financial Instruments: Presentation.

B. Terms/Rights attached to units

The InvIT has only one class of unit. Each unit represents an undivided beneficial interest in the InvIT. Each holder of unit is entitled to one vote per unit. The Unitholders have the right to receive at least 90% of the Net Distributable Cash Flows of the InvIT at least once in every six months in each financial year in accordance with the InvIT Regulations. The Investment Manager approves dividend distributions. The distribution will be in proportion to the number of units held by the unitholders. The InvIT declares and pays dividends in Indian rupees.

A unitholder has no equitable or proprietary interest in the projects of the InvIT and is not entitled to any share in the transfer of the projects (or any part thereof) or any interest in the projects (or any part thereof). A unitholder's right is limited to the right to require due administration of InvIT in accordance with the provisions of the trust deed and investment management agreement.

Notes to Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

All amounts in ₹ Million unless otherwise stated

C Details of unitholders holding more than 5% units in the InvIT

	As at 31 March 2024		As at 31 March 2023 (Refer Note 40)	
	Numbers of units	% of holding in class	Numbers of units	% of holding in class
Aadharshila Infratech Private Limited	66,450,000	15.00%	-	-
G R Infraprojects Limited	192,938,705	43.56%	-	-

D The InvIT has not allotted any fully paid up units by way of bonus units nor it has bought back any class of units from the date of incorporation till the Balance Sheet date.

E Under the provisions of the InvIT Regulations, the InvIT is required to distribute to unitholders not less than 90% of the net distributable cash flows of the InvIT for each financial year. Accordingly, the unit capital contains a contractual obligation to pay cash to the unitholders. Thus, in accordance with requirement of Ind AS 32 - Financial Instruments: Presentation, the unit capital contains liability component which should be classified and treated accordingly. However, SEBI Circulars requires the unit capital to be presented/classified as "Equity", which is at variance from the requirements of Ind-AS 32. In order to comply with the aforesaid SEBI requirements, the InvIT has presented unit capital as equity in these consolidated financial statement. Consistent with unit capital being classified as equity, the distributions to unitholders is also presented in Statement of Changes in Unitholders' Equity when the distributions are approved by the Board of Directors of Investment Manager.

11 Other equity

	As at 31 March 2024	As at 31 March 2023 (Refer Note 40)
A. Capital reserve (refer note (i) below)		
Balance at the beginning of the year / period	-	-
Add :- on account of acquisition (refer note 37)	5,656.26	-
Add :- movement during the year / period	-	-
Balance at the end of the year / period	**5,656.26**	**-**
B. Retained earnings (refer note (ii) below)		
Balance at the beginning of the year / period	-	-
Add:-Profit for the year / period	148.06	-
Balance at the end of the year / period	**148.06**	-
Total (A+B)	**5,804.32**	**-**

Notes : -

i) Capital reserve

Capital reserve recorded on account of acquisition of subsidiaries (Refer note 37)

ii) Retained earnings

Retained earnings represents the profits earned by the Group till date, less distribution done to unitholders, if any based on approval of Board of Directors of Investment Manager.

Notes to Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

All amounts in ₹ Million unless otherwise stated

12 Non Current Borrowings

	As at 31 March 2024		As at 31 March 2023 (Refer Note 40)	
	Non current	Current Maturities	Non current	Current Maturities
A. Loan from banks - Secured				
Term loan - Indian rupees	4,642.18	170.58	-	-
	4,642.18	**170.58**	**-**	**-**
B. Debentures - Secured #				
Listed Redeemable non convertible debentures (NCD)	5,088.30	1,441.16	-	-
	5,088.30	**1,441.16**	**-**	**-**
Sub-total (A+B)	**9,730.48**	**1,611.74**	**-**	**-**
Less : Current maturities of non current borrowings (refer note 13)	-	(1,611.74)	-	-
Total	**9,730.48**	**-**	**-**	**-**

\# Includes interest accrual and the effect of the transaction cost paid to lender on upfront basis.

Notes:

i) Term loans from banks in Indian rupees are secured by:

1. First pari passu charge on all moveable assets and the receivables of the InvIT present and future including but not limited to:
    a. Receivable of the InvIT limited to Project SPVs & the interest and principal repayment of loans advanced by InvIT to Project SPVs
    b. charge over rights of the InvIT under the loans advanced by InvIT to Project SPV(s) and securities created in favour of the InvIT to secure the loans advanced by the InvIT to the SPV(s). Dividends and any other amounts to be paid / payable by the Project SPVs to InvIT.
2. First pari passu charge on all immoveable assets of the Borrower (if any and if permitted under law).
3. First pari passu charge on the escrow account and all other bank accounts of InvIT, in which the free cash flows of the Project SPVs owned by the InvIT will be deposited or any other account opened / maintained by InvIT in relation to such SPVs.
4. First Pari-passu charge over DSRA
5. Charge over rights of the Loans advanced by InvIT to Project SPVs and securities created by InvIT
6. Pledge of 51% equity shares of all Project SPVs, subject to permitted regulations, otherwise pledged will be restricted to 30% equity shares and for remaining 21% non disposal undertaking to be provided.

ii) In case of NCD issued by GR Phagwara Expressway Limited, debentures are secured by First charges by way of hypothecation of all the fixed assets /Movable assets projects book debts, operating cash flow, receivable, revenue whatever nature, uncalled capital, Projects bank account and Assignment of all the GR Phagwara Expressway Limited's right, insurance policies and interest under all the agreement related to the projects and guarantee or performance bond provided by any party for any contract related to the projects in favour of the borrower and pledge of 51% equity share held by G R Infraprojects Limited. The said NCD has been fully prepaid subsequently on 03 May 2024.

iii) In case of NCD issued by Varanasi Sangam Expressway Private Limited, debentures are secured by First charges by way of hypothecation of all the fixed assets /Movable assets projects book debts, operating cash flow, receivable, revenue whatever nature, uncalled capital, Projects bank account and Assignment of all the Varanasi Sangam Expressway Private Limited's right, insurance policies and interest under all the agreement related to the projects and guarantee or performance bond provided by any party for any contract related to the projects in favour of the borrower and pledge of 51% equity share held by G R Infraprojects Limited. The said NCD has been fully prepaid subsequently on 30 April 2024.

Notes to Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

All amounts in ₹ Million unless otherwise stated

iv) Terms of repayment of Term loan and Debentures:

Nature of borrowings	Repayment and interest terms
a) Listed Redeemable non convertible debentures (NCD)	1) In case of NCD issued in GR Phagwara Expressway Limited, repayment in 24 half-yearly instalment as defined in the repayment schedule starting from 31 March 2022 ending with 30 September, 2033 along with half-yearly interest rate equivalent to aggregate of Repo Rate (as prescribed by Reserve Bank of India from time to time) plus Spread of 2.35% i.e. 6.35% to 8.85% p.a. There is a Put/Call option through which each of the Debenture Holders and the SPV shall have the option to seek the outstanding debentures redeemed with 90 days prior notice (together with accrued interest, if any) on 30 September, 2024. It has subsequently been fully prepaid on 03 May 2024.
	2) In case of NCD issued by Varanasi Sangam Expressway Private Limited, repayment in 27 half-yearly Instalment as defined in the repayment schedule starting from 31 December 2021 ending with 29 December 2034 along with half-yearly interest rate equivalent to aggregate of Repo Rate (as prescribed by Reserve Bank of India from time to time) plus Spread of 2.80% i.e. 6.80% to 9.30% p.a. There is a Put/Call option through which each of the Debenture Holders and the SPV shall have the option to seek the outstanding Debentures redeemed with 90 days prior notice (together with accrued interest, if any) on 14 June 2024. It has subsequently been fully prepaid paid on 30 April 2024.
b) Secured Term loan from bank - Indian Rupee Loan	1) Repayable in 51 quarterly Instalments starting from 31 March 2024 to 30 September, 2036. Interest rate for the facility is Repo rate (quarterly reset) plus spread of 160 bps payable monthly, present applicable interest rate is 8.10% p.a.

v) **Financial Covenants:**

The Group has satisfied all the Financials covenants prescribed in the terms of respective loan/debenture agreement as at reporting date. The Group has not defaulted in any loans/debenture payable.

vi) Undrawn borrowing facility

The Group has ₹ 6,623.05 Million (31 March 2023 : Nil) undrawn committed borrowing facilities (excluding non-fund based facilities).

13 Current Borrowings

	As at 31 March 2024	As at 31 March 2023 (Refer Note 40)
A. Secured		
Current maturities of non current borrowings (refer note 12)	1,611.74	-
	1,611.74	**-**
B. Unsecured		
Loan from a related party (refer note (i) below and 27)	33.81	25.45
	33.81	**25.45**
	1,645.55	**25.45**

i) **Unsecured loan from related party**

The rate of interest which is compounded annually, shall be 8.15% p.a. The said loan is repayable on demand. There was no interest charged by lender on loan outstanding amount upto 31 March 2023 as per interest waiver letter issued by lender.

Notes to Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

All amounts in ₹ Million unless otherwise stated

14 Trade payables

	As at 31 March 2024	As at 31 March 2023 (Refer Note 40)
Total outstanding dues of micro enterprises and small enterprises (refer note (c) below)	0.68	-
Total outstanding dues of creditors other than micro and small enterprises	1,118.80	-
Total	**1,119.48**	**-**

Trade payable ageing schedule

	Unbilled	Outstanding for following periods from due date of payment					Total
		Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2024							
Total outstanding dues of Micro and Small Enterprises	0.67	-	0.01	-	-	-	**0.68**
Total outstanding dues of creditors other than Micro and Small Enterprises	82.49	-	1,035.70	-	0.61	-	**1,118.80**
Disputed dues of Micro and Small Enterprises	-	-	-	-	-	-	**-**
Disputed dues of creditors other than Micro and Small Enterprises	-	-	-	-	-	-	**-**
Total	**83.16**	**-**	**1,035.71**	**-**	**0.61**	**-**	**1,119.48**
As at 31 March 2023 (refer note 40)							
Total outstanding dues of Micro and Small Enterprises	-	-	-	-	-	-	**-**
Total outstanding dues of creditors other than Micro and Small Enterprises	-	-	-	-	-	-	**-**
Disputed dues of Micro and Small Enterprises	-	-	-	-	-	-	**-**
Disputed dues of creditors other than Micro and Small Enterprises	-	-	-	-	-	-	**-**
Total	**-**	**-**	**-**	**-**	**-**	**-**	**-**

Notes:-

a) Trade payable are non interest bearing and generally have credit period of 30-90 days.

b) For terms and conditions relating to related party payables (refer note 27)

c) Details of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006

		As at 31 March 2024	As at 31 March 2023 (Refer Note 40)
i)	The principal amount remaining unpaid to any supplier at the end of each accounting year;	0.68	-
ii)	The interest due thereon remaining unpaid to any supplier at the end of each accounting year;	-	-
iii)	The amount of interest paid by the buyer in terms of section 16 of the MSME Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-

Notes to Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

All amounts in ₹ Million unless otherwise stated

	As at 31 March 2024	As at 31 March 2023 (Refer Note 40)
iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSME Act 2006.	-	-
v) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSME Act 2006	-	-

The disclosure in respect of the amount payable to enterprises which have provided goods and services to the Group and which qualify under the definition of micro and small enterprises, as defined under Micro, Small and Medium Enterprises Development Act, 2006 has been made in the consolidated financial statements as at the reporting date based on the information received and available with the Group. On the basis of such information, no interest is payable to any micro and small enterprises. These have been relied by the auditor.

15 Other financial liabilities

	As at 31 March 2024	As at 31 March 2023 (Refer Note 40)
Dues to employees	0.48	-
Other payable (refer note (i) below and 27)	361.02	47.45
Total	**361.50**	**47.45**

(i) Other payable consist of payable toward issue related expenses

16 Other current liabilities

	As at 31 March 2024	As at 31 March 2023 (Refer Note 40)
Contract liabilities - Advance from customers (refer note 33)	54.12	-
Statutory dues payable	109.00	5.15
Total	**163.12**	**5.15**

17 Liabilities for current tax (net)

	As at 31 March 2024	As at 31 March 2023 (Refer Note 32)
Provision for income tax (net of advance tax)	8.13	-
	8.13	**-**

Notes to Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

All amounts in ₹ Million unless otherwise stated

18 Revenue from operations

	Year ended 31 March 2024	Period ended from 16 June 2022 to 31 March 2023 (Refer Note 40)
Revenue from contracts with customers (refer note 33)		
Changes of scope, utility shifting income and others	732.02	-
Operation and maintenance income	167.54	-
	899.56	**-**
Other operating revenue		
Finance income on financial assets carried on amortised cost	307.37	
	307.37	**-**
Total	**1,206.93**	**-**

19 Employee benefits expense

	Year ended 31 March 2024	Period ended from 16 June 2022 to 31 March 2023 (Refer Note 40)
Salary, wages and bonus	0.51	-
Total	**0.51**	**-**

20 Project management fees

Pursuant to the Project management agreement dated 07 December 2023, Project Manager is entitled to fees @ 0.50% of operational and maintenance expenses incurred by each of subsidiaries per annum including applicable Goods and Service tax. Accordingly, consolidated statement of profit and loss for the year ended 31 March 2024 includes amount of ₹ 0.18 Million (31 March 2023: Nil) towards project management fees. There are no changes during the year in the methodology for computation of fees paid to Project Manager.

21 Investment management fees

Pursuant to the Investment manager agreement dated 21 July 2022, Investment Manager is entitled to fees @ 1.50% of aggregate cash flow received from each of the subsidiaries per annum and upto 0.50% incentive of the assets acquired by InvIT plus Goods and Service tax rate as applicable. Accordingly, consolidated statement of profit and loss for the year ended 31 March 2024 amount of ₹ 4.89 Million (31 March 2023: Nil) towards investment management fees. There are no changes during the year in the methodology for computation of fees paid to Investment Manager.

22 Finance costs

	Year ended 31 March 2024	Period ended from 16 June 2022 to 31 March 2023 (Refer Note 40)
(a) Interest expense on borrowings measured at amortised cost		
Interest on term loan	85.24	-
Interest on debentures	62.68	-
Interest on loan from related party (refer note 27)	3.21	-
	151.13	**-**

Notes to Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

All amounts in ₹ Million unless otherwise stated

	Year ended 31 March 2024	Period ended from 16 June 2022 to 31 March 2023 (Refer Note 40)
(b) Other borrowing cost		
Bank fees and others	98.72	-
	98.72	**-**
Total	**249.85**	**-**

23 Other expense

	Year ended 31 March 2024	Period ended from 16 June 2022 to 31 March 2023 (Refer Note 40)
Rent (expense relating to leases of low-value assets)	0.04	-
Labour cess charges	13.17	-
Electricity expenses	12.72	-
Listing expenses	26.66	
Legal and professional charges	4.25	-
Corporate social responsibility expenses	0.73	-
Shared service charges (refer note 27)	5.91	-
Miscellaneous expenses	0.26	-
Total	**63.74**	**-**

24 Tax expense

The major component of income tax expenses are as under:

A Income tax (income) / expense recognised in the Statement of Profit and Loss:

	Year ended 31 March 2024	Period ended from 16 June 2022 to 31 March 2023 (Refer Note 40)
Current tax		
Current tax on profit for the year / period	49.12	-
	49.12	**-**
Deferred tax		
Deferred tax charge for the year / period	-	-
Total Deferred tax charge	**-**	**-**
Tax expenses reported in the Consolidated Statement of Profit and loss	**49.12**	**-**

B Reconciliation of tax expenses and the accounting profit multiplied by India's domestic tax rate:

	Year ended 31 March 2024	Period ended from 16 June 2022 to 31 March 2023 (Refer Note 40)
Accounting profit before tax	**197.18**	**-**
Statutory income tax rate (in %)	25.17%	-
Computed expected income tax expenses at Group's applicable statutory income tax rate	**49.63**	**-**

Notes to Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

All amounts in ₹ Million unless otherwise stated

	Year ended 31 March 2024	Period ended from 16 June 2022 to 31 March 2023 (Refer Note 40)
Tax effect of adjustments to reconcile expected income tax expenses to reported income tax expenses		
Tax on permanent difference	73.77	-
Tax impact on exemption u/s 10 (23FC) of the Income Tax Act, 1961 available to InvIT	(74.28)	-
Total Tax expense	**49.12**	**-**
Consequent to reconciliation items shown above, the effective tax rate (%)	24.91%	-

25 Earning per Unit

Basic earnings per unit (EPU) amounts are calculated by dividing the net profit for the year attributable to unitholders by the weighted average number of units outstanding during the year. For the purpose of calculating diluted earnings per unit, the weighted average numbers of units outstanding during the year are adjusted for weighted average number of units that would be issued on conversion of all the dilutive potential units into unit capital.

The following reflects in the profit and Unit data used in the basic and diluted EPU computation

	Year ended 31 March 2024	Period ended from 16 June 2022 to 31 March 2023 (Refer Note 40) *
Profit / (Loss) attributable to unitholders (₹ in Million) (A)	148.06	-
Number of units outstanding at the end of the year / period (in absolute number)*	442,938,605	-
Weighted average number of units at the end of the year / period (in absolute number) (B)	31,836,834	-
Basic and diluted earning per unit (in ₹)** (A/B)	4.65	-
Issue price per unit (in ₹)	100.00	-

* The InvIT has issued its Unit to unitholders upon completion of IPO in March 2024 and accordingly, EPU disclosure in corresponding and comparative period is not applicable and hence not given.

** The InvIT does not have any outstanding dilutive potential instruments.

26 Contingent liabilities and commitments

		As at 31 March 2024	As at 31 March 2023 (Refer Note 40)
A	**Contingent liabilities (to the extent not provided for)**		
	Claims against the Company not acknowledged as debts		
	(i) Indirect tax matters (excluding interest and penalty)	2,339.90	-
	Total	**2,339.90**	**-**

Indirect tax matter consist of below:

a) In GR Gundugolanu Devarapalli Highway Private Limited (SPV), the tax authority has denied input tax credit on a proportionate basis due to exempted turnover and demanded difference of input tax credit for the period May-2018 to January 2021 vide demand order. The SPV had filed an appeal before the Hon'ble High Court, Andhra Pradesh against said order. Currently, the matter is pending in Hon'ble High Court, Andhra Pradesh. The total amount involved is ₹ 1,057.25 Million (excluding interest and penalty) against the same, SPV has paid ₹ 73.72 Million under protest.

b) In case of Porbandar Dwarka Expressway Private Limited (SPV), the tax authorities has demanded additional tax on turnover which different than disclosed by the SPV and demanded differential tax at 18% instead of 12%. The matter for the period May-18 to Feb-22. Currently, SPV is in process filling appeal against said order as at reporting date. The total amount involved is ₹ 1,282.60 Million (excluding interest and penalty).

Notes to Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

All amounts in ₹ Million unless otherwise stated

The Group is contesting the demands and the management including its tax advisors, believe that its position shall likely be upheld in the appellate process. No tax expenses has been accrued in these Consolidated Financial Statements for the tax demand raised. The Investment manager believes that the ultimate outcome of those proceeding will not have a material adverse effect on the Group's financial position and results of operations.

B Commitments

The Group has no outstanding commitment as at 31 March 2024 (31 March 2023 : Nil)

27 Related party disclosure

A List of related parties as per the requirements of Ind AS 24 - Related Party Disclosures and Regulation 2(1) (zv) of the InvIT Regulations

Following are the related parties and transactions entered with related parties given below:

I Entity with significant influence over the Group

i G R Infraprojects Limited (w.e.f. 01 March 2024)

II Parties to the InvIT

i Aadharshila Infratech Private Limited - Sponsor and Project Manager (w.e.f. 31.10.2023)

ii GR Highways Investment Manager Private Limited - Investment Manager (w.e.f. 21.07.2022)

iii IDBI Trusteeship Services Limited - Trustee (w.e.f. 21.07.2022)

III Promoters, Directors and Partners details to the InvIT as mentioned in (II) above

Particulars	Sponsor and Project Manager	Investment Manager	Trustee
a. Promotors	Riya Agarwal	Lokesh Builders Private Limited (w.e.f 12.12.2022)	IDBI Bank Limited
	Rahul Agarwal	G R Infraprojects Limited (upto 12.12.2022)	Life Insurance Corporation of India
	Mehul Agarwal		General Insurance Corporation of India
b. Directors	Rahul Agarwal	Ajendra Kumar Agarwal	Pradeep Kumar Jain (w.e.f. 24.03.2022)
	Ramesh Chandra Mehta	Siba Narayan Nayak	Samuel Joseph Jebaraj (resigned w.e.f. 18.04.2023)
	Kishan Kantibai Vachhani	Deepak Maheshwari (w.e.f. 18 July 2022)	
		Raghav Chandra (w.e.f. 18 July 2022)	Madhuri J. Kulkarni (resigned w.e.f. 06.12.2022)
		Swati Kulkarni (w.e.f. 13 June 2023)	
		Ramesh Chandra Jain (w.e.f. 13 June 2023)	Baljinder Kaur Mandal (w.e.f. 17.01.2023)
			Pradeep Kumar Malhotra (w.e.f. 14.12.2022)
			Jayakumar S. Pillai (w.e.f. 18.07.2023)
c. Partners	Not applicable	Not applicable	Not applicable

IV Key Managerial Personnel

a. Amit Kumar Singh - Chief Executive Officer of Investment manager

b. Harshael Sawant - Chief Financial Officer of Investment manager

c. Mohnish Dutta - Company Secretary of Investment manager

Notes to Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

All amounts in ₹ Million unless otherwise stated

B Transactions with the related parties during the year / period:

		Year ended 31 March 2024	Period ended from 16 June 2022 to 31 March 2023 (Refer Note 40)
(a)	**Issue of Unit capital**		
	Aadharshila Infratech Private Limited	6,645.00	-
	G R Infraprojects Limited	19,293.87	-
(b)	**Borrowings taken**		
	GR Highways Investment Manager Private Limited	65.68	25.45
(c)	**Borrowings repaid**		
	GR Highways Investment Manager Private Limited	60.21	-
(d)	**Interest expense on borrowings**		
	GR Highways Investment Manager Private Limited	3.21	-
(e)	**Investment management fees**		
	GR Highways Investment Manager Private Limited	4.89	-
(f)	**Trustee fees**		
	IDBI Trusteeship Services Limited	0.59	-
(g)	**Reimbursement of expenses (including issue related expenses)**		
	GR Highways Investment Manager Private Limited	240.31	49.87
	G R Infraprojects Limited	3.62	-
(h)	**Guarantees given on behalf of InvIT (refer note 4(ii))**		
	GR Highways Investment Manager Private Limited	25.00	-
i)	**Issue expenses**		
	IDBI Trusteeship Services Limited	-	0.48
j)	**Project management fees**		
	Aadharshila Infratech Private Limited	0.18	-
k)	**Sub Contract charges**		
	G R Infraprojects Limited	760.11	-
l)	**Shared service charges**		
	G R Infraprojects Limited	5.91	-
m)	**Purchase of subsidiaries (including assignment of loans)**		
	G R Infraprojects Limited (refer note 37)	19,293.87	-

C Net outstanding amount - payable / receivable as at the end of the year / period:

		As at 31 March 2024	As at 31 March 2023 (Refer Note 40)
a)	**Other payable**		
	GR Highways Investment Manager Private Limited	177.33	45.65
	G R Infraprojects Limited	3.31	-
b)	**Trade Payables**		
	GR Highways Investment Manager Private Limited	4.47	-
	G R Infraprojects Limited	1,091.93	-

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		As at 31 March 2024	As at 31 March 2023 (Refer Note 40)
c)	**Outstanding borrowing (including interest accrued)**		
	GR Highways Investment Manager Private Limited	33.81	25.45
d)	**Outstanding guarantees given on behalf of InvIT**		
	GR Highways Investment Manager Private Limited	25.00	-

D Terms & Condition with Related Party

i) The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balance other than loan taken at the year-end are unsecured and interest free and settlement occurs in cash.

ii) The Group has not provided any commitment to the related party as at 31 March 2024 and 31 March 2023.

E Details in respect of related party transactions involving acquisition of InvIT assets as required by Paragraph 4.4 of Chapter 3 to the SEBI Circulars are as follows:-

Particulars	Year ended 31 March 2024	For the period from 16 June 2022 to 31 March 2023 (Refer Note 40)
Acquisition of InvIT assets	Refer below note (a to d)	No Acquisition
Disposal of an InvIT asset	No Disposal	No Disposal

Note:

a) Summary of the valuation reports (issued by the independent valuer):

Particulars	Method of valuation	Discount rate (WACC)	Enterprise value as at 29 February 2024
Varanasi Sangam Expressway Private Limited	Discounted Cash Flow	7.59%	13,638.95
Porbandar Dwarka Expressway Private Limited	Discounted Cash Flow	7.59%	8,233.23
GR Phagwara Expressway Limited	Discounted Cash Flow	7.59%	5,096.82
GR Gundugolanu Devarapalli Highway Private Limited	Discounted Cash Flow	7.59%	9,744.75
GR Akkalkot Solapur Highway Private Limited	Discounted Cash Flow	7.59%	4,728.93
GR Sangli Solapur Highway Private Limited	Discounted Cash Flow	7.59%	5,519.25
GR Dwarka Devariya Highway Private Limited	Discounted Cash Flow	7.59%	5,817.86

b) Material conditions or obligations in relation to the transactions:

There are no open material conditions / obligations related to above transaction, other than regulatory approvals obtained by the InvIT.

c) Rate of interest, if external financing has been obtained for the transaction/acquisition;

No external financing has been obtained for the acquisition by the InvIT.

d) Any fees or commissions received or to be received by any associate of the related party in relation to the transaction

There is no fees or commission recovered from any associate of the related party in relation to above transaction

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All amounts in ₹ Million unless otherwise stated

28 Disclosure of Financial Instruments by Category

	FVTPL*		Amortised cost	
	As at 31 March 2024	As at 31 March 2023 (Refer Note 40)	As at 31 March 2024	As at 31 March 2023 (Refer Note 40)
Investments	673.50	-	-	-
Receivable under service concession agreements	-	-	50,187.70	-
Trade receivables	-	-	60.44	-
Cash and cash equivalents	-	-	1,912.97	0.09
Other bank balance	-	-	3,209.56	-
Other financial assets	-	-	3,941.50	-
Total Financial assets	**673.50**	**-**	**59,312.17**	**0.09**
Borrowings	-	-	11,376.03	25.45
Trade payables	-	-	1,119.48	-
Other financial liabilities	-	-	361.50	47.45
Total Financial liabilities	**-**	**-**	**12,857.01**	**72.90**

Considering that there is no item of fair value through other comprehensive income, the same is not disclosed.

*FVTPL= Fair value through profit and loss

29 Fair value disclosures for financial assets and financial liabilities

Set out below is a comparison, by class, of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Carrying amount		Fair value	
	As at 31 March 2024	As at 31 March 2023 (Refer Note 40)	As at 31 March 2024	As at 31 March 2023 (Refer Note 40)
Financial assets				
Investment	673.50	-	673.50	-
	673.50	**-**	**673.50**	**-**

Notes -

The carrying amount of financial assets and financial liabilities measured at amortised cost in the consolidated financial statements are a reasonable approximation of their fair values since the Group does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled. The fair value of the financial assets and financial liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

30 Fair value hierarchy

The following table provides the fair value measurement hierarchy of the Group's assets and liabilities:

Quantitative disclosures fair value measurement hierarchy for financial instruments as at 31 March is as under:-

	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
31 March 2024				
Financial assets				
Asset measure at fair value through Profit & Loss				

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	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
Investments	-	673.50	-	673.50
Assets for which fair value disclosure given				
Receivable under service concession agreements *			51,169.63	51,169.63
	-	**673.50**	**51,169.63**	**51,843.13**
31 March 2023				
Financial assets				
Asset measure at fair value through Profit & Loss				
Investments	-	-	-	-
Assets for which fair value disclosure given				
Receivable under service concession agreements *	-	-	-	-
	-	**-**	**-**	**-**

* Consolidated statement of net asset at fair value and consolidated statement of total returns at fair value require disclosures regarding fair value of net assets (liabilities considered at book values). Since the fair values of assets other than receivables under service concession arrangements approximate their book values, hence only receivables under service concession arrangements has been disclosed above.

Valuation technique used to determine fair value:

- Inputs included in Level 1 of Fair Value Hierarchy are based on prices quoted in stock exchange.
- Inputs included in Level 2 of Fair Value Hierarchy have been valued based on inputs from banks, other recognised institutions and NAV declared by fund.
- Inputs included in Level 3 of Fair Value Hierarchy have been valued using acceptable valuation techniques such as Net Asset Value and/or Discounted Cash Flow Method.

There have been no transfers between level 1, level 2 and level 3 during the years.

The fair values of the financial assets and financial liabilities included in the level 3 category above has been determined in accordance with generally accepted pricing models based on a discounted cash flow analysis, with the most significant inputs being the discount rate that reflects the credit risk of counterparties.

The Group is required to present the Statement of total assets at fair value and Statement of total returns at fair value as per Chapter 4 of Master Circular No. SEBI/HO/DDHS-PoD-2/P/CIR/2023/115 dated 06 July 2023 as a part of these consolidated financial statements - Refer Statement of Net assets at fair value and Statement of Total Returns at fair value.

The inputs to the valuation models for computation of fair value of assets for the above mentioned statements are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as WACC, Tax rates, Inflation rates, etc.

The significant unobservable inputs used in the fair value measurement required for disclosures categorised within Level 3 of the fair value hierarchy together with a quantitative sensitivity analysis as at 31 March are as shown below:

Description of significant unobservable inputs to valuation:

Significant unobservable inputs	Input for 31 March 2024	Input for 31 March 2023*	Sensitivity of input to the fair value	Sensitivity of input to the fair value*	Increase / (decrease) in fair value as at 31 March 2024	Increase / (decrease) in fair value as at 31 March 2023*
WACC	7.33%	-	0.50%	-	(1,206.00)	**-**
		-	(0.5%)	-	1,255.00	**-**
Expense	100%	-	10.00%	-	(973.00)	-
		-	(10%)	-	972.00	-

*The InvIT has acquired all subsidiaries during the year and hence above comparative disclosure for 31 March 2023 has not been given.

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31 Financial risk management objectives and policies

The Group's principal financial liabilities comprise of borrowings, trade and other payables and other financial liabilities. The main purpose of these financial liabilities is to finance and support the Group's operations. The Group's financial assets comprise mainly of investment, receivable under service concession, cash and cash equivalents, other balances with banks, trade receivables and other receivables that are derived directly from its operations.

The Group may be exposed to market risk, credit risk and liquidity risk. The board of directors of the investment manager and management of respective subsidiary companies have overall responsibility for establishment and oversees the Group's risk management framework. All activities for risk management purposes are carried out by investment manager which has appropriate skills, experience and supervision. It is the Group's policy that no trading in derivatives for speculative purposes may be undertaken. The Board of Directors of investment manager reviews and agrees policies for managing each of these risks, which are summarised below.

A. Market risk

Market risk is the risk that the fair value of future cash flow of financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk, such as equity prices risk and commodity risk. Financial instruments affected by market risk include receivable under service concession agreements, loans and borrowings, deposits and debts.

The sensitivity analysis in the following sections relate to the position as at 31 March 2024 and 31 March 2023

The sensitivity analysis have been prepared on the basis that the amount of net debt and the ratio of fixed to floating interest rates of the debt are all constant as at 31 March 2024 and 31 March 2023.

The following assumptions have been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31 March 2024 and 31 March 2023.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's long-term debt obligations with floating interest rates. While most of long-term borrowings primarily consist of floating rate obligations linked to the applicable benchmark rates, which may typically be adjusted at certain intervals in accordance with prevailing interest rates. As at 31 March 2024, Group's borrowings of ₹ 33.81 Million are at fixed rate (31 March 2023: ₹ 25.45 Million). Increase in interest rates would increase interest expenses relating to outstanding floating rate borrowings and increase the cost of new debt. In addition, an increase in interest rates may adversely affect ability to service long-term debt which in turn may adversely affect results of operations. The Group seeks to mitigate such risk by maintaining an adequate proportion of floating and fixed interest rate borrowings.

Exposure to interest rate risk

The interest rate profile of the Group's interest - bearing financial instruments as reported to management is as follows:

	As at 31 March 2024	As at 31 March 2023 (Refer Note 40)
Fixed-rate instruments		
Financial assets	7,396.32	-
Financial liabilities	33.81	25.45
Variable-rate instruments		
Financial assets	50,187.70	-
Financial liabilities	11,342.22	-

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Interest rate sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of change in interest rates. The following table demonstrates the sensitivity of floating rate financial instruments to a reasonably possible change in interest rates. The risk estimates provided assume a parallel shift of 100 basis points interest rate across all yield curves. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the year.

Sensitivity analysis	Impact on profit before tax		Impact on equity, net of tax	
	Year ended 31 March 2024	Period ended 31 March 2023 (Refer Note 40)	Year ended 31 March 2024	Period ended 31 March 2023 (Refer Note 40)
Interest rate				
- increase by 100 basis points	388.45	-	290.69	-
- decrease by 100 basis points	(388.45)	-	(290.69)	-

Equity price risk

The Group's exposure to price risk pertaining to the investment in mutual funds arises from investments held by the Group and classified in the balance sheet as fair value through profit or loss (refer note 7). The Group manages the equity price risk through diversification and by placing limits on individual funds. The Board of Directors of the Investment Manager reviews and approves all equity investment decisions and take unitholders approval as per InvIT Regulations.

Equity price sensitivity

The following table demonstrates the sensitivity for reasonable possible change in Investment in mutual funds.

Sensitivity analysis	Impact on profit before tax		Impact on equity, net of tax	
	Year ended 31 March 2024	Period ended 31 March 2023 (Refer Note 40)	Year ended 31 March 2024	Period ended 31 March 2023 (Refer Note 40)
Investment in mutual funds:				
increase 1%	6.74	-	5.04	-
decrease 1%	(6.74)	-	(5.04)	-

Foreign Currency Risk:-

Foreign currency risk is the risk that the fair value or the future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The group did not have any exposure in foreign currency as at 31 March 2024 and 31 March 2023.

B. Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk primarily due to receivable under service concession, trade receivables and other financial assets including deposits with banks. The Group's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the counterparties. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 28.

Trade receivable and receivable under service concession

The Group's customer profile includes government entities. General payment terms is as per the concession agreement for annuity and in other case such as utility shifting and change in scope, it is 30-90 days from date of billing.

Credit risk on trade receivables, receivable under service concession arrangements is limited as the customers of the Group consists of the government entities having a strong credit worthiness. Ageing of trade receivable and movement in expected credit loss has been disclosed in note 8

The significant change in the balance of trade receivables are disclosed in note 33.

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for the year ended 31 March 2024 (Contd.)

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Concentration of credit risk

As at 31 March 2024, the Group had one customer which is public sector undertaking (31 March 2023: no customer) that accounted for 100% of all the receivables outstanding.

Financial instruments and bank deposits

Credit risk from balances with banks and financial instruments is managed by the Investment manager in accordance with the Group's policies. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

This comprises mainly of Investment in mutual fund and deposits with banks. The InvIT's maximum exposure to credit risk for these components as at 31 March 2024 and 31 March 2023 is the carrying amounts as illustrated in Note 28.

C. Liquidity risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach for managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation. The Group invests in bank deposits to meet the immediate obligations.

Exposure to liquidity risk

The liquidity risk is managed on the basis of expected maturity dates of the financial liabilities. The other financial liabilities are with short term durations. The table below summarises the maturity profile of the Group's financial liabilities based on contractual undiscounted payments:

	Carrying amount	Contractual cash flows				
		Total	On demand	Less than 1 year	1-5 years	More than 5 years
As at 31 March 2024						
Borrowings (incl. current maturities) #	11,376.03	18,738.56	33.81	2,363.38	8,546.23	7,795.15
Trade payables	1,119.48	1,119.48	-	1,119.48	-	-
Other financial liabilities	361.50	361.50	-	361.50	-	-
Total	**12,857.01**	**20,219.54**	**33.81**	**3,844.36**	**8,546.23**	**7,795.15**
As at 31 March 2023 (refer note 40)						
Borrowings (incl. current maturities) #	25.45	25.45	25.45	-	-	-
Other financial liabilities	47.45	47.45	-	47.45	-	-
Total	**72.90**	**72.90**	**25.45**	**47.45**	**-**	**-**

Borrowings include interest accrued and future interest obligations.

32 Capital management

For the purpose of the Group's capital management, capital includes unit capital and all other reserves attributable to the unitholders of the Group. The primary objective of the Group's capital management is to ensure that it maintains a strong credit rating and healthy capital ratio in order to support its business and maximise unit holders value.

The Group manages its capital structure and makes adjustments to it in the light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Group may adjust the distribution to unitholders, return of capital to unitholders or issue new units (subject to the provisions of InvIT regulations which require distribution of at least 90% of the net distributable cash flows of the InvIT to unitholders). The Group monitors capital using Debt-Equity ratio, which is net debt divided by total capital plus net debt. The Group includes within net debt, interest bearing loans and borrowings less cash and short-term deposits.

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	Year ended 31 March 2024	Period ended 31 March 2023 (Refer Note 40)
Total borrowings	11,376.03	25.45
Less: cash and cash equivalents	1,912.97	0.09
Net debt (A)	**9,463.06**	**25.36**
Corpus contribution	0.01	0.01
Unit capital	43,761.52	-
Other equity	5,804.32	-
Total capital (B)	**49,565.85**	**0.01**
Capital and net debt (C=A+B)	**59,028.91**	**25.37**
Gearing Ratio (A/C)	**16.03%**	**99.96%**

No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2024 and 31 March 2023.

33 Disclosures pursuant to Indian Accounting standard (Ind AS) 115, Revenue from Contracts with Customers

A. Disaggregated revenue information

	Year ended 31 March 2024	Period ended from 16 June 2022 to 31 March 2023 (Refer Note 40)
i) Type of service rendered		
Changes of scope, utility shifting income and others	732.02	-
Operation and maintenance income	167.54	-
Total	**899.56**	**-**
ii) Based on geography		
India	899.56	-
Outside India	-	-
Total	**899.56**	**-**
iii) Timing of Revenue recognition		
Revenue from Goods and Services transferred to customers at a point in time	-	-
Revenue from Goods and Services transferred to customers over time	899.56	-
Total	**899.56**	**-**

B. Contract balances:

The following table provides information about receivables, contract assets and contract liabilities from the contracts with customers.

	As at 31 March 2024	As at 31 March 2023 (Refer Note 40)
Trade receivables		
Opening balance	-	-
On account of acquisition of subsidiaries	87.95	-
Closing balance	60.44	-
The increase / decrease in trade receivables is mainly due to acquisition of subsidiaries and subsequent realisation. Trade receivables are generally non interest bearing and are on terms of 30 to 90 days.		

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	As at 31 March 2024	As at 31 March 2023 (Refer Note 40)
Receivable under service concession agreements		
Opening balance	-	-
On account of acquisition of subsidiaries	49,991.42	-
Closing balance	50,187.70	-
Receivable under service concession agreements are recognised as per Appendix D to Ind AS 115, when the Group has an unconditional right to receive cash at the direction of the grantor under the service concession agreement.		
Contract assets		
Opening balance	-	-
On account of acquisition of subsidiaries	96.96	-
Closing balance	41.69	-
Contract assets are recognised as per agreement with customer upon completion of work, the contract asset classified as trade receivable subsequently		
Contract liabilities		
Opening balance	-	-
On account of acquisition of subsidiaries	84.00	-
Closing balance	54.12	-
Contract liabilities include advance from customers, These contract liabilities are adjusted with trade receivables upon completion of work.		

C. The amount of revenue recognised from

	Year ended 31 March 2024	Period ended from 16 June 2022 to 31 March 2023 (Refer Note 40)
- Performance obligations satisfied in previous years	605.09	-
- Amounts included in contract liabilities at the beginning of the year	-	-

D. Performance obligation

Sales of Services:

The performance obligation is satisfied over time as the assets are under control of customer and they simultaneously receive and consume the benefits provided by the Group. The Group receives progressive payment towards provision of services.

E. Transaction price allocated to remaining performance obligation

The aggregate amount of transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as at 31 March 2024 after considering the practical expedient mentioned above Nil (31 March 2023: Nil).

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F. Reconciliation of the amount for revenue recognised in the Consolidated Statement of Profit and Loss with the contracted price:

	Year ended 31 March 2024	Period ended from 16 June 2022 to 31 March 2023 (Refer Note 40)
Revenue as per contracted price	**294.47**	**-**
Adjustments		
Add : GST Claims	605.09	-
Revenue from contract with customers	**899.56**	**-**

34 Disclosure pursuant to Appendix E of Ind AS 115 for Service Concession Arrangements

Under Service Concession Arrangements (SCA), where a special purpose vehicle (SPV) has acquired contractual right to receive specified determinable amount (Annuity) for use of assets, such amounts are recognised as "financial assets" and are disclose as "receivable under service concession arrangement". Below is additional disclosure requirement pursuant to Appendix E of IND AS 115, Revenue from Contracts with Customers.

Name of concession	Start of concession period under concession agreement (appointed date)	End of concession period under concession agreement	Period of Concession since the appointed Date	BPC Cost as per concession agreement (₹ in Million)	O&M Cost per annum (₹ in Million) Refer note (iii)	Construction completed date or scheduled completion date under the concession agreement as applicable
GR Phagwara Expressway Limited	6/10/2017	25/2/2035	17.4 years	13,670.00	60.00	25/2/2020
Porbandar Dwarka Expressway Private Limited	12/2/2018	18/4/2035	17.2 years	16,000.00	59.70	18/4/2020
Varanasi Sangam Expressway Private Limited	5/12/2017	2/11/2035	17.9 years	24,470.00	198.70	2/11/2020
GR Gundugolanu Devarapalli Highway Private Limited	22/10/2018	10/7/2036	17.7 years	18,270.00	170.00	10/7/2021
GR Sangli Solapur Highway Private Limited	31/12/2018	28/6/2036	17.5 years	9,570.00	30.00	28/6/2021
GR Akkalkot Solapur Highway Private Limited	14/12/2018	31/3/2036	17.3 years	8,070.00	27.00	31/3/2021
GR Dwarka Devariya Highway Private Limited	8/2/2020	2/8/2037	17.5 years	11,010.00	35.00	2/8/2022

Note:-

(i) 40% of the total bid project cost shall be due and payable to the SPV during the construction period and balance 60% in half yearly annuity in 15 years in accordance with the provision of concession agreement.

(ii) Interest shall be due and receivable on the reducing balance of completion cost at an interest rate equal to the applicable rate specified in the concession agreement. Such interest shall be due and receivable in half yearly annuity in accordance with provision of the concession agreement.

(iii) Operation and maintenance (O&M) cost per year consist of first year amount which is specified under concession agreement and Instalment of subsequent year O&M shall be adjusted with the price index multiple on the reference index date preceding the due date of payment thereof.

(iv) The following other terms and conditions included in accordance with concession agreement.

Investment grant from concession grantor: No

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Infrastructure return at the end of concession period: Yes

Investment and renewal obligation: Nil

Basis upon which re-pricing or re-negotiation is determined: NA

Premium payable to granter: Nil

35 Segment Information

The principal activity of Group is to own and invest in infrastructure assets primarily in the SPVs operating in the road infrastructure development sector in India in accordance with the provisions of the InvIT Regulations and Trust deed. The Board of Directors of the Investment Manager allocates the resources and assess the performance of the Group and thus are the Chief Operating Decision Maker (CODM). In accordance with the requirements of Ind AS 108 - "Segment Reporting", the CODM monitors the operating results of the business as a single segment, hence no separate segment needs to be disclosed. As the Group operates only in India, no separate geographical segment is disclosed.

36 Issue of Units

During the year, the InvIT has completed its initial public offer ("IPO") of 249,999,900 units with issue price of ₹ 100 each unit. The InvIT had received an amount of ₹ 24,999.99 Million from the sponsor and eligible unitholders (as defined in Final Offer Document (FOD)). Expenses incurred on the IPO is amounting to ₹ 532.34 Million (including taxes) (provisional IPO expenses of ₹ 620.80 Million (including taxes) as per FOD). The funds from savings in IPO expenses as compared to provisional IPO expenses shall be transferred to General Corporate purpose after necessary approval. The unit of the InvIT were listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on 12 March 2024.

The expenses incurred for IPO have been reduced from the Unitholders' capital in accordance with Ind AS 32 Financial Instruments: Presentation.

The details of amount utilised from IPO proceeds are as follows:

Particulars	Amount to be Utilised as per FOD	Utilised upto 31 March 2024	Unutilised upto 31 March 2024
Providing loans to the SPVs for repayment/ pre-payment, in part or in full, of their respective outstanding loans (including any accrued interest and prepayment penalty)	24,000.00	24,000.00	-
Issue expenses	620.80	135.02	485.78
General purposes	379.19	27.79	351.40
Total	**24,999.99**	**24,162.81**	**837.18**

Net proceeds which were un-utilised as at 31 March 2024 are temporarily invested in Deposits with banks as well as kept in escrow account with banks.

37 Acquisition of subsidiaries

During the year, the InvIT has entered into share purchase agreement dated 20 February 2024 with G R Infraprojects Limited (GRIL) for acquisition of 100% equity stake in its seven subsidaries namely Varanasi Sangam Expressway Private Limited ("VSEPL"), Porbandar Dwarka Expressway Private Limited ("PDEPL"), GR Phagwara Expressway Limited ("GRPEL"), GR Gundugolanu Devarapalli Highway Private Limited ("GRGDHPL"), GR Akkalkot Solapur Highway Private Limited ("GRASHPL"), GR Sangli Solapur Highway Private Limited ("GRSSHPL") and GR Dwarka Devariya Highway Private Limited ("GRDDHPL") against the same, the InvIT has issued its 13,75,30,405 units with issue price of ₹ 100 per unit as consideration against above sale of shares and 5,54,08,300 units with issue price of ₹ 100 per unit towards assignment of loan receivable from above subsidiaries, which has resulted in the GRIL's holding 43.56% in the InvIT. The equity shares of seven subsidiaries were transferred to the InvIT on 1 March 2024 thereby the InvIT obtained control over these subsidiaries. The Group has consolidated revenue and expenditure of these subsidiaries from the said date in these consolidated financial statements. The Investment manager has accessed and concluded that as part of the acquisition, the InvIT has acquired net assets/ inputs pertaining to these entities and no substantive process has been acquired. Accordingly, the Investment manager has concluded that the acquisition should be treated as an asset acquisition as against the business combination under Ind AS 103 Business Combination.

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for the year ended 31 March 2024 (Contd.)

All amounts in ₹ Million unless otherwise stated

The InvIT has carried out Fair valuation of assets acquired, and liability assumed by independent valuer using inputs generally used by market participants in similar transactions resulting in fair valuation of ₹ 19,409.30 Million. Accordingly, InvIT has recognised the net assets of these SPVs at fair value in the consolidated financial statements and recognised capital reserve amounting to ₹ 5,656.26 Million which is the resultant difference between the fair value and consideration paid by the InvIT arising due to additional contribution by significant unitholder. The amount of capital reserve is mainly on account of (a) differences in valuation parameters particularly Weighed Average Cost of Capital on account of different cost of equity (including debt-equity ratio)for determining transaction price, (b) InvIT Issue expenses, and (c) Net present value of InvIT related expenses (including fees payable to investment manager) considered by InvIT amounting to ₹ 3,017.52 Million, ₹ 589.93 Million and ₹ 2,048.81 Million respectively.

Below is the summary of fair value of individual identifiable assets acquired and liabilities assumed on the date of acquisition:

Particulars	VSEPL	PDEPL	GRPEL	GRGDHPL	GRASHPL	GRSSHPL	GRDDHPL
Assets							
Receivable under service concession agreements	13,080.00	7,836.44	5,017.59	9,114.00	4,428.00	5,192.00	5,323.39
Cash and cash equivalents	377.86	44.80	73.46	95.37	40.39	525.37	371.13
Other bank balances	388.76	867.20	250.79	517.40	138.55	131.44	232.85
Investments	54.25	-	614.18	-	-	-	-
Trade receivables	1.41	1.89	2.07	0.22	3.34	0.47	78.55
Other financial assets	988.69	38.05	469.76	539.14	209.92	62.16	493.38
Other assets	507.32	326.58	73.46	562.50	267.28	290.79	540.59
Assets for current tax (net)	88.55	118.94	43.58	101.88	54.22	60.06	112.66
Total identified assets acquired at fair value (A)	15,486.84	9,233.90	6,544.90	10,930.51	5,141.70	6,262.29	7,152.56
Liabilities							
Borrowings	9,756.84	6,069.12	4,534.01	7,843.68	3,429.40	4,058.58	5,182.38
Trade payables	41.97	39.37	34.45	23.67	18.58	16.68	147.66
Other financial liabilities	0.07	0.09	0.07	0.03	0.04	0.03	0.03
Other current liabilities	3.96	12.14	5.95	14.72	6.41	8.00	95.47
Total liabilities assumed (B)	9,802.84	6,120.72	4,574.48	7,882.10	3,454.43	4,083.29	5,425.54
Total identified net assets acquired (C=A-B)	**5,684.00**	**3,113.18**	**1,970.42**	**3,048.41**	**1,687.27**	**2,179.00**	**1,727.02**
Consideration paid/ units issued (D)	4,044.07	2,437.13	1,231.63	2,074.58	1,260.00	1,506.53	1,199.10
Capital reserve (E=C-D)	**1,639.93**	**676.05**	**738.79**	**973.83**	**427.27**	**672.47**	**527.92**

38 Other Information

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(ii) The Group does not have any transactions with companies struck off.

(iii) The Group has not traded or invested in Crypto currency or Virtual Currency during the respective financial year.

(iv) The Group does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(v) The Group has not been declared as a willful defaulter by any bank or financial institution or other lender.

Notes to Consolidated Financial Statements

for the year ended 31 March 2024 (Contd.)

All amounts in ₹ Million unless otherwise stated

39 Events occurring after reporting period

The Board of directors of Investment manager in their meeting on 28 May 2024 have approved distribution of ₹ 3.00 per unit to the unitholders, which comprises of ₹ 0.50 per unit in the form of interest, ₹ 2.50 per unit in the form of dividend, ₹ Nil per unit in the form of other income and balance ₹ Nil per unit in the form of capital repayment for the year, which is payable within 15 days from the date of declaration.

40 Comparative figures:

The InvIT was set up on 16 June 2022 as an irrevocable trust under the Indian Trust Act, 1882 and concluded its initial public offer process and listed on BSE and NSE on 12 March 2024. Accordingly, the comparative numbers presented for the period from 16 June 2022 to 31 March 2023 in these consolidated financial statement are not subjected to audit and the same have been as compiled and presented by management and approved by the Board of Directors of Investment manager. However, the investment manager has exercised necessary diligence to ensure that the unaudited consolidated financial statement for this comparative period provide a true and fair view of the Group's affair and financial position. Considering the above, the numbers for the year ended 31 March 2024 are not comparable with numbers of previous period ended 31 March 2023.

As per our report of even date

For **S R B C & CO LLP**
Chartered Accountants
ICAI Firm's Registration No :324982E/E300003

per **Sukrut Mehta**
Partner
Membership No: 101974

Place : Ahmedabad
Date : 28 May 2024

For and on behalf of Board of Directors of
GR Highways Investment Manager Private Limited
(As an Investment Manager to Bharat Highways InvIT)

Siba Narayan Nayak
Director
DIN: 01832348
Place : Gurugram
Date : 28 May 2024

Amit Kumar Singh
Chief Executive Officer

Place : Gurugram
Date : 28 May 2024

Harshael Sawant
Chief Financial Officer

Place : Gurugram
Date : 28 May 2024

Mohnish Dutta
Company Secretary
ICSI Mem. No. FCS10411
Place : Gurugram
Date : 28 May 2024

Notice of Annual General Meeting

Notice is hereby given that First Annual General Meeting ("AGM") of the Unitholders of Bharat Highways InvIT (the "Trust" / "InvIT") will be held on Thursday, 25 July 2024 at 12:30 PM (IST) through Video Conference ("VC") / Other Audio-Visual Means ("OAVM") without the physical presence of the Unitholders at a common venue, in compliance with Chapter 17 of the SEBI Master Circular No. SEBI/HO/DDHS-PoD-2/P/CIR/2024/44 dated 15 May 2024, on Infrastructure Investment Trusts, to transact the businesses mentioned hereinbelow:

Ordinary Business

Item No. 1

To consider and adopt Audited Standalone Financial Statements along with Audited Consolidated Financial Statements of the Bharat Highways InvIT as at 31 March 2024, together with the Report of the Auditors thereon and the Report on Performance of the InvIT:

To consider and if thought fit, to pass the following resolution(s) with or without modification(s), by way of simple majority, i.e. votes cast in favour of the resolution shall be more than the votes cast against the resolution in accordance with Regulation 22(3) of the SEBI (Infrastructure Investment Trusts) Regulations, 2014:

"RESOLVED THAT pursuant to the provisions of Regulation 22(3) and other applicable provisions of the SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time, read with applicable circulars, notifications, rules, guidelines issued thereunder, if any, (**"SEBI InvIT Regulations"**) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Audited Standalone Financial Statements along with Audited Consolidated Financial Statements of the Bharat Highways InvIT (the "InvIT") as at 31 March 2024, together with the Report of the Auditors thereon and the report on Performance of the InvIT be and are hereby approved and adopted.

Item No. 2

To approve and adopt Valuation Report of the InvIT assets for the Financial Year ended 31 March 2024:

To consider and if thought fit, to pass the following resolution(s) with or without modification(s), by way of simple majority, i.e. votes cast in favour of the resolution shall be more than the votes cast against the resolution in accordance with Regulation 22(3) of the SEBI (Infrastructure Investment Trusts) Regulations, 2014:

"RESOLVED THAT pursuant to the provisions of Regulation 22(3) and other applicable provisions of the SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time, read with applicable circulars, notifications, rules, guidelines issued thereunder, if any, (**"SEBI InvIT Regulations"**) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the Valuation Report of assets of Bharat Highways InvIT ("InvIT") for the Financial Year ended 31 March 2024, issued by Mr. S. Sundararaman, Registered Valuer IBBI (Registration no.: IBBI/RV/06/2018/10238), be and is hereby approved and adopted."

Item No. 3

To consider, approve the appointment of valuer of the Bharat Highways InvIT:

To consider and if thought fit, to pass the following resolution(s) with or without modification(s), by way of requisite majority, i.e. votes cast in favour of the resolution shall be more than the votes cast against the resolution in accordance with Regulation 22(3) of the SEBI (Infrastructure Investment Trusts) Regulations, 2014:

"RESOLVED THAT pursuant to the provisions of Regulation 21, 22(3) and other applicable provisions of the SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time, read with applicable circulars, notifications, rules, guidelines issued thereunder, if any, (**"SEBI InvIT Regulations"**) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and in accordance with the Appointment of Auditor and Valuer Policy of Bharat Highways InvIT (the "**InvIT**") the appointment of Mr. S. Sundararaman, Registered Valuer IBBI (Registration no.: IBBI/RV/06/2018/10238) ("**Valuer**"), who had confirmed their eligibility to be appointed as the Valuer of the InvIT and its Project Special Purpose Vehicles ("Project SPVs") for financial year 2024-25, on such remuneration and terms and conditions as may be mutually agreed by and between the GR Highways Investment Manager Private Limited ("the **Investment Manager**") and the Valuer, be and is hereby approved.

RESOLVED FURTHER THAT Mr. Amit Kumar Singh, Chief Executive Officer, Mr. Harshael Sawant, Chief Financial Officer and Mr. Mohnish Dutta, Company Secretary ("authorised officers")of the Investment Manager, be and are hereby severally authorized to finalize the terms and conditions of the aforesaid appointment, and to inform all regulatory, statutory and governmental authorities, as may be required under applicable laws, and in such form and manner as may be required or necessary and also to execute such agreements, letter and other writings and to do all acts, deeds, things, and matters as may be required or necessary to give effect to this resolution or as otherwise considered by the authorsied officers to be in the best interest of the InvIT and its unitholders, as they may deem fit."

Item No. 4

To consider, approve and ratify the appointment of auditor of the Bharat Highways InvIT and fix their remuneration:

To consider and if thought fit, to pass the following resolution(s) with or without modification(s), by way of simple majority, i.e. votes cast in favour of the resolution shall be more than the votes cast against the resolution in accordance with Regulation 22(3) of the SEBI (Infrastructure Investment Trusts) Regulations, 2014:

"**RESOLVED THAT** pursuant to Regulation 10, 13, 22 and other applicable provisions, if any, of Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 as amended from time to time, read with circulars and guidelines issued thereunder, if any, ("**SEBI InvIT Regulations**") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and in accordance with the Policy on the appointment of the Auditor and Valuer of Bharat Highways InvIT ("**InvIT**"), the appointment of M/s. S R B C & Co. LLP, Chartered Accountants, (Firm Registration No. 324982E/E300003), as the Statutory Auditor of InvIT for a term of five consecutive financial years commencing from FY 2022-23 upto FY 2026-27 who shall hold office till the date of conclusion of the Third Annual General Meeting of the Unitholders to be held in year 2027, at a remuneration of ₹ 35,00,000/- (excluding applicable taxes and out of pocket expenses), on such terms and conditions as may be mutually agreed by and between the GR Highways Investment Manager Private Limited ("the **Investment Manager**") and the Statutory Auditor, from time to time, be and is hereby approved and ratified.

RESOLVED FURTHER THAT Mr. Amit Kumar Singh, Chief Executive Officer, Mr. Harshael Sawant, Chief Financial Officer and Mr. Mohnish Dutta, Company Secretary ("authorised officers")of the Investment Manager, be and are hereby severally authorized to finalize the terms and conditions of the aforesaid appointment, and to inform all regulatory, statutory and governmental authorities, as may be required under applicable laws, and in such form and manner as may be required or necessary and also to execute such agreements, letter and other writings and to do all acts, deeds, things, and matters as may be required or necessary to give effect to this resolution or as otherwise considered by the authorsied officers to be in the best interest of the InvIT and its unitholders, as they may deem fit.

Special Business

Item No. 5

To consider and approve the aggregate consolidated borrowings and deferred payments of Bharat Highways InvIT ("InvIT") upto forty nine percent of the value of InvIT assets and matters related thereto:

To consider and if thought fit, to pass the following resolution by way of simple majority (i.e., where the votes cast in favour of the resolution are required to be more than the votes cast against the resolution) in accordance with Regulation 22(4) of the SEBI (Infrastructure Investment Trusts) Regulations, 2014:

"RESOLVED THAT pursuant to the provisions of Regulation 20(3), 22(4) and other applicable provisions of the SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time, read with applicable circulars, notifications, rules, guidelines issued thereunder, if any, (**"SEBI InvIT Regulations"**) (including any statutory modification(s) or re-enactment(s) thereof for the time being in force),and in terms of Borrowing Policy of the Bharat Highways InvIT ("InvIT"), the consent of the Unitholders, be and is hereby accorded to the InvIT and/or, its Holding Companies ("**Holdcos**") and its Special Purpose Vehicles, acquired / to be acquired ("**SPVs**") ("**collectively InvIT Assets**") (as defined under the SEBI InvIT Regulations) , to borrow from time to time, any sum or sums of money (in one or more tranches) but not exceeding forty nine percent of the aggregate consolidated borrowings and deferred payments of InvIT and InvIT Assets, net of cash and cash equivalents (as set out under Regulation 20(3)(a) of the SEBI InvIT Regulations), in whatever form including but not limited to debentures, term loans, advances, deposits, bonds, and such other instruments, facilities and arrangements as permitted under applicable law, whether secured or unsecured, on such terms and conditions, the Board of Directors of Investment Manager, may deem fit in the best interest of the InvIT and the Unitholders, on such security, including by way of mortgage, hypothecation, pledge, lien and/or charge, in addition to the mortgage, hypothecation, pledge and/or charge already created, in the manner, ranking and such terms as the Board of Directors of the Investment Manager may decide, on all or any of the movable or immovable properties, tangible or intangible assets and any other properties or assets of the InvIT and the InvIT Assets, both present and future, as the case may be, for securing the borrowings availed or to be availed by InvIT and/or the InvIT Assets, including providing any undertakings and/or guarantees as may be required in connection therewith and to do all such acts, deeds and things and to execute all such documents, instruments and writings, and register all charges as may be required in this regard.

"**RESOLVED FURTHER THAT** the Board of Directors of the Investment Manager (including any committee(s) thereof be and is hereby authorised on behalf of InvIT to negotiate and finalise the terms and conditions of any facility, and any agreement, deed, undertaking and any other document, in relation thereto, including any amendment, supplement or modification to such documents, as applicable or appropriate, and also to sign, execute, amend, deliver and terminate any agreement, document, letter, deed or instrument, as may be required and to make any filing, furnish any return or submit any other document to any regulatory or governmental authority, as may be applicable, and to do all such acts, deeds, matters and things as the Board may, in its discretion, deem necessary, proper or desirable, in the interest of the InvIT and the Unitholders

Item No. 6

To consider and approve the proposed acquisition of GR Aligarh Kanpur Highways Private Limited currently owned by G R Infraprojects Limited

To consider and if thought fit, to pass the following resolution by way of simple majority (i.e., where the votes cast in favour of the resolution are required to be more than the votes cast against the resolution) in accordance with Regulation 22(4) of the SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended:

"RESOLVED THAT pursuant to the provisions of Regulation 10, 18, 19, 21, 22 and other applicable provisions of the SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time, read with applicable circulars, notifications, rules, guidelines issued thereunder, if any, ("SEBI InvIT Regulations") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), the requisite approvals of any relevant governmental, statutory or regulatory authorities or third party, if any, and subject to such terms and conditions as may be prescribed by any such authority while granting such approval as may be necessary, the consent of the Unitholders, be and is hereby granted to the Bharat Highways InvIT ("**InvIT**"), acting through its Investment Manager, GR Highways Investment Manager Private Limited ("**Investment Manager**"), to enter into material related party transaction(s), being the acquisition, in one or more tranches, of up to 100% (one hundred percent) equity shareholding and beneficial ownership of GR Aligarh Kanpur Highway Private Limited ("GAKHPL") which owns and operates a 4 lane highway comprising the Aligarh-Kanpur section from 289.000 (design chainage 302.108) to km 356.000 (design chainage 373.085) (Package IV from Naviganj Mitrasen) of NH- 91 Uttar Pradesh on a Hybrid Annuity Mode ("HAM") basis under Bharatmala Pariyojana of the Government of India from G R Infraprojects Limited (the "Seller"), related party of the InvIT, for an aggregate consideration (including repayment of Seller's debt) at an aggregate consideration of upto ₹ 3,902.70/- Million, payable in one or more tranches, subject to all necessary adjustments including but not limited to on account of movement in working capital, carry cost and other terms and conditions as may be agreed to between the parties and as may be specified in the definitive documentation to be entered for this purpose, the enterprise value of GR Aligarh Kanpur Highway Private Limited as per the report of the independent valuer i.e. Mr. S. Sundararaman, Registered Valuer IBBI (Registration no.: IBBI/RV/06/2018/10238) is ₹ 11,865 Million (including cash and cash equivalents of the GAKHPL).

RESOLVED FURTHER THAT the consent of the unitholders be and is hereby granted for the finalisation, execution, modification and amendment by the Board of Directors of the Investment Manager of all documents, agreements, deeds in relation to the acquisition of the issued, subscribed and paid-up share capital issued by the GR Aligarh Kanpur Highway Private Limited to be entered into between all relevant parties including but not limited to G R Infraprojects Limited, the Investment Manager and/or the Trustee (acting on behalf of, and its capacity as, the Trustee to InvIT).

RESOLVED FURTHER THAT the Board of Directors ("Board") of the Investment Manager (including its committee or duly authorised officers thereof), be and is hereby authorised on behalf of Bharat Highways InvIT to do all acts, deeds, things, and matters, including sub-delegation of all, or any of these powers, as may be required or are necessary to give effect to the this resolution or as otherwise considered by the by the Board of the Investment Manager (including any committee(s) or duly authorised officers thereof) to be in the best interest of the Bharat Highways InvIT, including to negotiate and finalize the terms and conditions of and to execute, amend, deliver and terminate any agreements including the share purchase agreement, shareholders' agreements, operation and management related agreements, memoranda, documents, letters, deeds or instruments as may be required in this regard, as well as amendments or supplements thereto, in relation to the above transaction, including to appoint any advisers, valuers, experts or other persons and to do all such acts, deeds, matters and things as they may, in their discretion, deem necessary, proper or desirable for such purpose, and to make any filings, furnish any returns or submit any other documents to any regulatory or governmental authorities as may be required, and to settle any question, difficulty or doubt and further to do or cause to be done all such acts, deeds, matters and things and to give such directions and/ or instructions as it may from time to time decide and to accept and give effect to such modifications, adjustments, changes, variations, alterations, deletions and/ or additions as regards the terms and conditions as may be required, without being required to seek further consent or approval of the Unitholders or otherwise to the end and intent that the Unitholders shall be deemed to have given their approval thereto expressly by the authority of this resolution.

RESOLVED FURTHER THAT all actions taken by the Board of the Investment Manager (including any committee(s) thereof or any other authorised official by the Board or committee) authorised pursuant to the above resolution in connection with any matter(s) referred to or contemplated in the foregoing resolution be and are hereby approved, ratified and confirmed in all respects."

For and on behalf of Board of Directors of
GR Highways Investment Manager Private Limited
(Investment Manager to Bharat Highways InvIT)

Mohnish Dutta
Company Secretary & Compliance Officer
ICSI Membership No.: FCS 10411

Date: 28 June 2024
Place: Gurugram

Principal Place of Business and Contact Details of the Trust:
Bharat Highways InvIT
Novus Tower, Second Floor, Plot No. 18, Sector 18, Gurugram, Haryana 122 015, India

SEBI Registration Number: IN/InvIT/22-23/0023
Tel: +91 85888 55586
E-mail: cs@bharatinvit.com
Website: https://www.bharatinvit.com/
Compliance Officer: Mr. Mohnish Dutta

Registered Office and Contact Details of the Investment Manager:
GR Highways Investment Manager Private Limited
Second Floor, Novus Tower, Plot No. 18
Sector 18, Gurugram 122 015
Haryana, India.
CIN: U65999HR2022PTC102221
Email Id: cs@bharatinvit.com
Contact Person: Mr. Mohnish Dutta
Tel: +91 124 643 5000

Notes:

1. GENERALLY, A UNITHOLDER ENTITLED TO ATTEND AND VOTE AT ANNUAL GENERAL MEETING ("**AGM**"), MAY APPOINT A PROXY TO ATTEND AND VOTE IN THE AGM, AND SUCH PROXT NEED NOT BE A UNITHOLDER OF THE BHARAT HIGHWAYS INVIT. HOWEVER, SINCE THE AGM IS PROPOSED TO BE HELD THROUGH VIDEO CONFERENCE OR OTHER AUDIO-VISUAL MEANS, AND PHYSICAL ATTENDANCE OF THE UNITHOLDERS IS DISPENSED WITH, THE FACILITY FOR APPOINTMENT OF PROXIES BY THE UNITHOLDERS HAS ALSO BEEN DISPENSED. HENCE PROXY FORM AND ATTENDANCE SLIP ARE NOT ANNEXED TO THE NOTICE.
2. Securities and Exchange Board of India ("SEBI") has vide its Master Circular No. SEBI/HO/DDHS-PoD-2/P/CIR/2024/44 dated 15 May 2024 ("SEBI Master Circular"), has permitted Infrastructure Investment Trusts, to hold Annual General Meeting of the Unitholders through Video Conference or Other Audio-visual Means ("VC / OAVM"), without physical presence of the Unitholders at a common venue.
3. Accordingly, pursuant to the provisions of Regulation 22 and other applicable Regulations of the SEBI (Infrastructure Investment Trusts) Regulations, 2014 ("SEBI InvIT Regulations") read with Circulars / Master Circulars issued thereunder, the Annual General Meeting of the Unitholders of the Bharat Highways InvIT ("InvIT") is being conducted through VC / OAVM. Since the meeting is being conducted through VC / OAVM, the proceedings of the AGM are deemed to be conducted at the registered office of the InvIT.
4. The explanatory statement stating all material facts and the reasons for the proposed resolution is annexed herewith.
5. The InvIT's Registrar and Transfer Agent for its Unit Registry work is KFin Technologies Limited ("KFintech / RTA"). GR Highways Investment Manager Private Limited ("the Investment Manager") on behalf of the InvIT has appointed KFin Technologies Limited to provide Video Conferencing facility for the AGM.
6. Ms. Preksha Dawet, Practicing Company Secretary has been appointed as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.
7. The Annual General Meeting Notice is being sent to Unitholders on their registered/ updated/ available email Ids with the InvIT/ RTA/ Depository Participants as on the close of business hours on 21st day of June 2024 except for those Unitholders whose email Ids are not registered/ updated/ available with the Trust / RTA / Depository Participants. The Unitholders shall vote through electronic mode only as per the instructions for e-voting provided in the Notice.
8. Only those Unitholders whose names are recorded in the Register of Beneficial Owners maintained by the Depositories as on the close of business hours on cut-off date for e-voting i.e. Thursday, 18th day of July 2024 will be entitled to cast their votes.
9. The remote e-voting will start at 9:00 a.m. (IST) on 22 July 2024 and will end at 5:00 p.m. (IST) on 24 July 2024.
10. The Copy of the Notice along with the Annual report is also uploaded on the website of the InvIT at www.bharatinvit.com, the website of the Stock Exchange(s) i.e. BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com, respectively and on website of KFintech at https://evoting.kfintech.com.
11. The Unregistered Unitholders can get their email ids registered by contacting their respective Depository Participants. The Unitholders, who have registered their e-mail ids, mobile numbers, postal addresses, bank details etc. are requested to validate / update their registered details by contacting their respective Depository Participants. In case of any queries, members may write to bharathighways.invit@kfintech.com.
12. Unitholders are requested to send their queries, if any, to the Investment Manager on or before 21 July 2024 to enable the Investment Manager to provide the required information.
13. The recorded transcript of the meeting held through Video Conferencing or Other Audio-visual means shall be maintained in safe custody of the Investment Manager and shall also be uploaded on the website of the InvIT, forthwith, after the conclusion of the AGM.
14. The Unitholders who are present at the AGM and have not cast their votes on the resolutions through remote e-voting and are otherwise not barred from doing so, may cast their vote during the AGM through e-voting system provided by the KFintech.
15. The Unitholders can join the Annual Meeting in the VC/OAVM mode 15 minutes before the scheduled time for commencement of Meeting and after the commencement of Meeting by following the procedure mentioned in the Notice. The facility for participation at the Meeting through VC/OAVM will be made available for all Unitholders. The detailed instructions for joining the Meeting through VC/OAVM forms part of the Notes to this Notice.
16. All documents referred to in the accompanying explanatory statement are available for inspection upto the date of the AGM on the website of the Bharat Highways InvIT at www.bharatinvit.com.

INSTRUCTIONS TO UNITHOLDERS FOR ATTENDING THE AGM THROUGH VC / OAVM, REMOTE E-VOTING / E-VOTING DURING THE AGM

General Instructions for e-voting

i. Pursuant to SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09 December 2020 on "e-Voting facility provided by Listed Companies", e-Voting process has been enabled to all the individual demat account holders, by way of single login credential, through their demat accounts / websites of Depositories / DPs in order to increase the efficiency of the voting process. Members are advised to update their mobile number and email address in their demat account in order to access remote e-Voting.

ii. The Investment Manager of the InvIT is providing facility of remote e-voting to the Unitholders of the InvIT through KFinTechnologies Limited, the RTA of the InvIT.

iii. The remote e-voting facility will be available during the following period:

   a. Commencement of remote e-voting: 9:00 a.m. (IST) on Monday, 22 July 2024

   b. End of remote e-voting: 5:00 p.m. (IST) on Wednesday, 24 July 2024

iv. The voting rights of Unitholders in respect of the e-voting shall be reckoned in proportion to their units in the paid-up unit capital as on the Cut-off date i.e. Thursday, 18 July 2024

v. Any person who acquires units of the InvIT and becomes a Unitholder of the InvIT after sending of the Notice and holding Units as of the cut-off date, may obtain the login ID and password by sending a request at evoting@Kfintech.com. However, if he / she is already registered with KFintech for remote e-Voting then he /she can use his / her existing User ID and password for casting the vote.

vi. The remote e-voting will not be allowed beyond the aforesaid date and time and the e-voting module will be disable by the KFintech upon expiry of the aforesaid period.

vii. Ms. Preksha Dawet, Practicing Company Secretary, has been appointed as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.

viii. Institutional / Corporate Unitholders (i.e. other than Individuals / Trusts / HUFs / NRIs etc.) are required to send a scanned copy (PDF/JPG Format) of its Board / Governing Body Resolution / Authorisation etc. authorising its representative to attend the AGM and vote either through remote e-voting or voting during the AGM, on its behalf. The said authorisation should be sent electronically through the registered email id of the Unitholder to the Scrutiniser of the AGM, Ms. Preksha Dawet at dawet.preksha@yahoo.com with copy to Compliance Officer of the InvIT at cs@bhartinvit.com, not less than 48 hours before the commencement of the AGM.

ix. Once the vote on a resolution in this notice is cast by the Unitholder through remote e-voting, the Unitholder shall not be allowed to change it subsequently and such vote shall be final. The Unitholders who have cast their vote through remote e-voting may also attend the AGM, however such Unitholder shall not be allowed to vote again during the AGM.

x. The Unitholders may contact KFintech, at toll free number 1-800-309-4001 or write to them at evoting@kfintech.com, for any technical assistance before or during the AGM.

A. Remote E-voting / E-voting during the AGM Instructions for Unitholders holding Units in Demat Mode:

Method 1: login through National Securities Depository Limited ("NSDL") and Central Depository Services (India Limited) ("CDSL")

Individual Shareholders holding securities in demat form with NSDL	Individual Shareholders holding securities in demat form with CDSL
1. User already registered for IDeAS facility: i. Visit the e-services website of NSDL https://eservices.nsdl.com. ii. On the e-services home page click on the "Beneficial Owner" icon under "Login" under 'IDeAS' section. iii. A new page will open. Enter the existing user id and password for accessing IDeAS. iv. After successful authentication, members will be able to see e-voting services under 'Value Added Services'. Please click on "Access to e-voting" under e-voting services, after which the e-voting page will be displayed. v. Click on InvIT's name, i.e. 'Bharat Highways InvIT', or e-voting service provider, i.e. KFintech. vi. Members will be re-directed to KFintech's website for casting their vote during the remote e-voting period.	**1. Existing user who have opted for Easi / Easiest** Visit URL: https://web.cdslindia.com/myeasitoken/Home/Login or URL: www.cdslindia.com Click on New System Myeasi Login with your registered user id and password. The user will see the e-Voting Menu. The Menu will have links of ESP i.e. KFintech's e-Voting portal. Click on "**Bharat Highways InvIT**" or e-Voting service provider and you will be re-directed to e-voting service provider, i.e. KFintech's website for casting the vote during the remote e-Voting period or & voting during the AGM.

Individual Shareholders holding securities in demat form with NSDL	Individual Shareholders holding securities in demat form with CDSL
2. User not registered for IDeAS e-Services If you are not registered for IDeAS e-services, option to register is available at https://eservices.nsdl.com. Kindly select "**Register Online for IDeAS**" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp and fill out the required fields. Follow the steps in the Para 1 above	**2. User not registered for Easi/Easiest** Option to register is available at: https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration Proceed with completing the required fields Follow the steps in the Para 1 above
3. Alternatively, by directly accessing the e-Voting website of NSDL Open URL: https://www.evoting.nsdl.com/ Click on the icon "**Login**" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen-digit demat account number held with NSDL), Password / OTP and a Verification Code as shown on the screen. Post successful authentication, you will requested to select the name of the company and the e-Voting Service Provider name, i.e. KFintech. On successful selection, you will be redirected to KFin e-Voting page for casting your vote during the remote e-Voting period.	**3. Alternatively, by directly accessing the e-Voting website of CDSL** Visit URL: www.cdslindia.com Provide your demat Account Number and PAN No. System will authenticate user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP, i.e. KFintech where the e- Voting is in progress.
4. NSDL Mobile App Members can also download the NSDL Mobile App "NSDL Speede" facility by scanning the QR code for seamless voting experience. NSDL Mobile App is available on App Store Google Play	

Important note: Members who are unable to retrieve User ID / Password are advised to use Forgot user ID and Forgot Password option available at respective websites. Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL is given below:

Members facing any technical issue - NSDL	Members facing any technical issue - CDSL
Unitholders facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30 1 **weblink to contact:** https://www.evoting.nsdl.com/eVotingWeb/contactus.do	Unitholders facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33 **weblink to contact:** https://www.evotingindia.com/ContactUs.jsp

Method 2: Access to KFintech's e-Voting system

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Click on e-Voting option and you will be redirected to NSDL/CDSL Depository site after successful authentication. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period.

Members whose email IDs are registered with the Company/ Depository Participants(s), will receive an email from KFintech which will include details of E-Voting Event Number (EVEN), USER ID and password. They will have to follow the following process:

i. Launch internet browser by typing the URL: https://evoting.kfintech.com

ii. Enter the login credentials (i.e. User ID and password). User ID will be your DP ID and Client ID. However, if you are already registered with KFintech for e-voting, you can use your existing User ID and password for casting the vote.

iii. After entering these details appropriately, click on "LOGIN".

iv. You will now reach password change Menu wherein you are required to mandatorily change your password. The new password shall comprise of minimum 8 characters with at least one upper case (A- Z), one lower case (a-z), one numeric value (0-9) and a special character (@,#,$, etc.,). The system will prompt you to change your password and update your contact details like mobile number, email ID etc. on first login. You may also enter a secret question and answer of your choice to retrieve your password in case you forget it. It is strongly recommended that you do not share your password with any other person and that you take utmost care to keep your password confidential.

v. You need to login again with the new credentials.

vi. On successful login, the system will prompt you to select the "EVEN" i.e., "Bharat Highways InvIT'- "AGM" and click on "Submit"

Members who have forgotten the user id and password, may obtain / retrieve the same in the manner mentioned below:

i. If the mobile number of the member is registered against Folio No. / DP ID Client ID, the member may send SMS: MYEPWD<space>E-voting Event Number (EVEN) + Folio No. or DP ID Client ID to +91 9212993399

ii. Example for NSDL:

MYEPWD<SPACE>IN12345612345678 Example for CDSL: MYEPWD<SPACE>1402345612345678

iii. Example for Physical: MYEPWD<SPACE> XXXX1234567890

iv. If email ID of the member is registered against Folio No. / DP ID Client ID, then on the home page of https://evoting.kfintech.com, the member may click 'Forgot password' and enter Folio No. or DP ID Client ID and PAN to generate a password.

v. Members may send an email request to einward.ris@kfintech.com. If the member is already registered with the KFintech e-voting platform then such member can use his / her existing User ID and password for casting the vote through remote e-voting.

vi. Members may call KFintech toll free number 1-800-309-4001 for any clarifications / assistance that may be required.

vii. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for shareholders and e-voting User Manual for shareholders available at the download section of https://evoting.kfintech.com/public/Faq.aspx. In case of any queries / concern / grievances, you may contact KFin Technologies Limited, Selenium, Tower B, Plot 31 & 32, Financial District, Nanakramguda, Serilingampally Mandal, Hyderabad-500032, India, at email: einward.ris@kfintech.com; 1-800-309-4001 (toll free).

Method 3: login through Demat Account / website of Depository Participant

i. Unitholders can also login using the login credentials of their demat account through their DP registered with the Depositories for e-voting facility.

ii. Once logged-in, Unitholders will be able to view e-voting option.

iii. Upon clicking on e-voting option, Unitholders will be redirected to the NSDL / CDSL website after successful authentication, wherein they will be able to view the e-voting feature.

iv. Click on options available against Bharat Highways InvIT or KFintech.

v. Unitholders will be redirected to e-voting website of KFintech for casting their vote during the remote e-voting period without any further authentication.

Voting Instructions to be followed after logging in through any of the above three methods

i. On the voting page, enter the number of shares (which represents the number of votes) as on the Cut-off Date under "FOR/AGAINST" or alternatively, you may partially enter any number in "FOR" and partially "AGAINST" but the total number in "FOR/AGAINST" taken together shall not exceed your total shareholding as mentioned herein above. You may also choose the option ABSTAIN. If the Member does not indicate either "FOR" or "AGAINST" it will be treated as "ABSTAIN" and the shares held will not be counted under either head.

ii. Members holding multiple demat accounts shall choose the voting process separately for each demat account.

iii. Voting has to be done for each item of the notice separately. In case you do not desire to cast your vote on any specific item, it will be treated as abstained.

iv. You may then cast your vote by selecting an appropriate option and click on "Submit".

v. A confirmation box will be displayed. Click "OK" to confirm else "CANCEL" to modify. Once you have voted on the resolution (s), you will not be allowed to modify your vote. During the voting period, Unitholders can login any number of time till they have voted on the Resolution(s).

vi. All grievances connected with the facility for voting by electronic means may be addressed to KFintech by sending an email to evoting@kfintech.com or call 1800 309 4001 (Toll Free).

B. Instructions for Unitholders to attend the AGM through video conference / other audio-visual mode

i. Unitholders will be provided with a facility to attend the AGM through **VC / OAVM** platform provided by KFintech. Unitholders may access the same at https://emeetings.kfintech.com/ by using the e-voting login credentials provided in the email received from the InvIT/KFintech. After logging in, click on the Video Conference tab and select the EVEN of the InvIT. Click on the video symbol and accept the meeting etiquettes to join the meeting. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned above.

ii. Facility for joining AGM though VC/ OAVM shall open atleast 15 minutes before the commencement of the Meeting.

iii. Unitholders are encouraged to join the Meeting through Laptops/ Desktops with Google Chrome (preferred browser), Safari, Internet Explorer, Microsoft Edge, Mozilla Firefox 22.

iv. Unitholders will be required to grant access to the webcam to enable VC / OAVM. Further, Members connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

v. The Members who have not cast their vote through remote e-voting shall be eligible to cast their vote through e-voting system available during the AGM. E-voting during the AGM is integrated with the VC / OAVM platform. The Members may click on the voting icon displayed on the screen to cast their votes.

vi. A Member can opt for only single mode of voting i.e., through Remote e-voting or voting at the AGM. If a Member casts votes by both modes, then voting done through Remote e-voting shall prevail and vote at the AGM shall be treated as invalid.

vii. Facility of joining the AGM through VC / OAVM shall be available for 2000 members on first come first serve basis.

viii. Institutional Members are encouraged to attend and vote at the AGM through VC/OAVM.

Speaker Registration and Queries

I. The Unitholders who wish to speak during the meeting may register themselves as speakers for the AGM to express their views. They can visit https://emeetings.kfintech.com and login through the user id and password provided in the mail received from KFintech. On successful login, select 'Speaker Registration' which will opened from 9:00 a.m. (IST) on 22 July 2024 and will end at 5:00 p.m. (IST) on 23 July 2024.Unitholders shall be provided a 'queue number' before the meeting. The Company reserves the right to restrict the speakers at the AGM to only those Unitholders who have registered themselves, depending on the availability of time for the AGM.

II. **Post your Question:** The Unitholders who wish to post their questions prior to the meeting can do the same by visiting https://emeetings.kfintech.com. Please login through the user id and password provided in the mail received from KFintech. On successful login, select 'Post Your Question' option which will opened from 9:00 a.m. (IST) on 22 July 2024 and will end at 5:00 p.m. (IST) on 23 July 2024

In case of any query and/or grievance, in respect of voting by electronic means, Members may refer to the Help & Frequently Asked Questions (FAQs) and E-voting user manual available at the download section of https://evoting.kfintech.com (KFintech's s Website) or send e-mail at evoting@kfintech.com or call KFintech's toll free No. 1-800-309-4001 for any further clarifications.

Declaration of Result

1. The Scrutiniser's decision on the validity of the vote shall be final.

2. The Scrutiniser after scrutinising the votes cast by remote e-voting and e-voting during the AGM will make a consolidated Scrutiniser's Report and submit the same forthwith but no later than 48 hours, after the conclusion of the AGM, to the Chaiman of the Investment Manager or a person authorised by him in writing, who shall countersign the same.

3. The results declared along with consolidated Scrutiniser's Report shall be hosted on the website of the InvIT at www.bharatinvit.com, on the website of the KFintech at https://emeetings.kfintech.com, on the website of the BSE Limited at www.bseindia.com and on the website of National Stock Exchange of India Limited at www.nseindia.com.

4. The resolutions shall be deemed to be passed at the registered office of the Investment Manager on the date of the AGM, subject to receipt of the requisite number of votes in favour of the resolutions.

EXPLANATORY STATEMENT

The following statement set out the material facts and reasons for the proposed resolutions stated in the accompanying notice above:

Item No. 3

To consider, approve and ratify the appointment of valuer of the Bharat Highways InvIT and fix their remuneration.

Under the SEBI (Infrastructure Investment Trusts) Regulations, 2014 ("**SEBI InvIT Regulations**"), a Valuer is required to be appointed to carry out valuation of the assets of Bharat Highways InvIT ("**InvIT**"). For this purpose, the 'Valuer' means any person who is a "**Registered Valuer**" under section 247 of the Companies Act, 2013 or as specified by SEBI from time to time. Further, Board of Directors of GR Highways Investment Manager Private Limited, the Investment Manager of the InvIT ("**Investment Manager**") has also adopted the "Policy on Appointment of Auditor and Valuer of Bharat Highways InvIT" ("**Policy**").

Subject to the approval of Unitholders, the Board of Directors of the Company had approved the appointment of Mr. S. Sundararaman, Registered Valuer IBBI (Registration no.: IBBI/RV/06/2018/10238) (**"Valuer"**) as the Valuer of the InvIT for Financial Year 2024-25.

Brief profile of Mr. S. Sundararaman, Registered Valuer is as follows:

Mr. S. Sundararaman is a Fellow Member of the Institute of Chartered Accountants of India, Graduate member of the Institute of Cost and Works Accountants of India, Information Systems Auditor (DISA of ICAI) and has completed the Post Qualification Certification courses of ICAI on IFRS, Valuation. He is a partner at Haribhakti & Co. LLP. He is a registered Insolvency Professional and a Registered Valuer for Securities or Financial Assets, having been enrolled with the Insolvency and Bankruptcy Board of India (IBBI) after passing the respective Examinations. He possesses more than 30 years of experience in servicing large and medium sized clients in the areas of Corporate Advisory including Strategic Restructuring, Governance, Acquisitions and related Valuations and Tax Implications apart from Audit and Assurance Services.

In accordance with Regulation 22(3), the approval of appointment of valuer shall be taken up in the Annual General Meeting of the Unitholders. Accordingly, Unitholders are requested to approve and the appointment of Mr. S. Sundararaman as the valuer of the InvIT for Financial Year 2024-25 and to authorise the Investment Manager to fix their remuneration, in consultation with the Valuer.

None of the directors or key managerial personnel of the Investment Manager are interested in the proposed resolution.

The Board of Directors of Investment Manager recommends the resolution as set out in Item No. 3 of the Notice for your approval by way of simple majority (i.e. where the votes cast in favour of the resolution are required to be more than the votes cast against the resolution).

Item No. 4

To consider, approve and ratify the appointment of auditor of the Bharat Highways InvIT and fix their remuneration.

The Board of Directors of the GR Highways Investment Manager Private Limited ("Investment Manager") in consultation with IDBI Trusteeship Services Limited (in its capacity as the trustee to the Bharat Highways InvIT) ("Trustee") had approved the appointment of M/s. S R B C & Co. LLP, Chartered Accountants, (Firm Registration No. 324982E/E300003) as Statutory Auditors to InvIT for a term of five consecutive Financial Years commencing from FY 2022-23 upto FY 2026-27.

Brief Profile of the Auditor is as follows:

M/s. S R B C & CO LLP (ICAI Firm Registration No. 324982E/E300003) is a firm of Chartered Accountants registered with the Institute of Chartered Accountants of India. The firm is a part of S.R. Batliboi & Affiliates network of audit firms. The firm has its registered office at 22, Camac Street, Block 'B', 3rd Floor, Kolkata and has various offices across cities in India. The Firm has a valid Peer Review certificate. It is primarily engaged in providing audit and assurance services to its clients.

In accordance with Regulation 22(3), the approval of appointment of auditor and their fees shall be taken up in the Annual General Meeting of the Unitholders. Since, the Units of the InvIT were listed on BSE Limited and National Stock Exchange of India Limited on 12th March 2024, the ensuing meeting is considered as the First Annual General Meeting of the InvIT, accordingly, Unitholders are requested to approve and ratify the appointment of M/s. S R B C & Co. LLP, Chartered Accountants, (Firm Registration No. 324982E/E300003) as the Auditors of the InvIT for a terms of five consecutive Financial Years commencing from FY 2022-23 to FY 2026-27, at a remuneration of ₹ 35,00,000/- (excluding applicable taxes and out of pocket expenses), and on such terms and conditions as may be mutually agreed by and between the GR Highways Investment Manager Private Limited ("the Investment Manager") and the Statutory Auditor, from time to time.

None of the directors or key managerial personnel of the Investment Manager is interested in the proposed resolution.

The Board of Directors of Investment Manager recommends the resolution as set out in Item No. 4 of the Notice for your approval by way of simple majority (i.e. where the votes cast in favour of the resolution are required to be more than the votes cast against the resolution).

Item No. 5

To consider and approve the aggregate consolidated borrowings and deferred payments of Bharat Highways InvIT ("InvIT") upto forty nine percent of the value of Trust assets and matters related thereto.

Pursuant to the provisions of Regulation 20 of the SEBI InvIT Regulations and the Borrowing Policy of Bharat Highways InvIT ("InvIT"), the aggregate consolidated borrowings and deferred payments of the InvIT, any holding company and the Project SPVs, net of cash and cash equivalents, exceeding 25% and upto 49% of the value of the InvIT Assets requires a credit rating from a credit rating agency registered with the SEBI and approval of Unitholders in accordance with Regulation 22(4) of the SEBI InvIT Regulations.

In this context, envisaging the funds requirement for future acquisition of assets by the InvIT, and to effectively undertake, inter alia, operation and maintenance of the SPVs of the InvIT, including any other Holdcos or SPVs set up or acquired by the InvIT in future, which qualify as a Holdcos or SPVs under the SEBI InvIT Regulations, the InvIT proposes to avail financial assistance from time to time, in whatever form including but not limited to issuance of debt securities, term loans, advances, deposits, preference shares, etc., on such terms and conditions as the GR Highways Investment Manager Private Limited ("Investment Manager") may deem fit in the best interest of InvIT and the Unitholders.

Pursuant to the above, the Investment Manager seeks the consent of the Unitholders, under Regulations 20(3) read with Regulation 22(4) and all applicable provisions of SEBI InvIT Regulations, for the following:

a. to borrow from time to time, any sum or sums of money (in one or more tranches) but not exceeding forty nine percent of the aggregate consolidated borrowings and deferred payments of InvIT, its Holdcos and SPVs ("collectively InvIT Assets"), net of cash and cash equivalents of the InvIT assets, in whatever form including but not limited to issuance of debt securities, term loans, advances, deposits, etc., on such terms and conditions as the Investment Manager may deem fit in the best interest of the InvIT and the Unitholders, and

b. for creation of charge on such security, including by way of mortgage, hypothecation, pledge, lien and/or charge and in such other form, in the manner and ranking, on all or any of the movable or immovable properties, tangible or intangible assets and any other properties or assets of the InvIT or the InvIT Assets, both present and future, as the case may be, for securing the borrowings availed or to be availed by InvIT of the InvIT Assets, including providing any undertakings and/or guarantees as may be required in connection therewith, and to do all such acts, deeds and things and to execute all such documents, instruments and writings, and register all charges as may be required in this regard.

The InvIT has obtained AAA; Stable Credit Rating from Care Ratings Limited for its consolidated borrowings upto ₹ 3,000 Crores.

Subject to the approval of Unitholders, the Board of Directors of the Investment Manager, had approved to avail aggregate consolidated borrowings and deferred payments of the InvIT, any holding company and the Project SPVs, net of cash and cash equivalents, upto 49% of the InvIT assets. The Investment Manager seeks the approval of the Unitholders in terms of the Regulation 20(3) and Regulation 22(4) of the SEBI InvIT Regulations on the resolution contained in Item No. 5 of the accompanying Notice.

None of the Directors or Key Managerial Personnel of the Investment Manager are interested in proposed resolution.

In view of the above, the Board of Directors of Investment Manager recommends the resolution as set out in Item No. 5 of the Notice for your approval by way of simple majority (i.e. where the votes cast in favour of the resolution are required to be more than the votes cast against the resolution).

Item No. 6

Pursuant to the Right of First Offer Agreement ("**ROFO Agreement**") dated 20 February 2024, executed between G R Infraprojects Limited (as seller) and IDBI Trusteeship Services Limited (in its capacity as Trustee of Bharat Highways InvIT) and GR Highways Investment Manager Private Limited, the Investment Manager the Seller has vide its letter dated 8 March 2024 had provided an invitation to offer to the Bharat Highways InvIT ("**InvIT**") for the acquisition and assignment / refinancing of existing unsecured / secured debt of GR Aligarh Kanpur Highway Private Limited ("**GAKHPL**").

The InvIT vide its letter dated 5 April 2024 expressed its interest in acquiring GAKHPL from the seller in accordance with the ROFO Agreement. For the acquisition of GAKHPL, the Investment Manager appointed independent valuers, various consultants and advisors to carry out the necessary valuation and due diligence. The brief details of GAKHPL are provided below:

Name of SPV	GR Aligarh Kanpur Highway Private Limited
Asset type	Hybrid Annuity Mode ("HAM")
Concessioning Authority	National Highways Authority of India ("NHAI")
Project Length / Laning	70.977
States Covered	Uttar Pradesh
PCOD	PCOD achieved on 24 February 2023
Residual Life (years)	13.74 Years as on 31 May 2024
Bid Project Cost	₹ 18,616.20 Million
No. of annuities receivable	28 bi-annual installments

Mr. S. Sundararaman, Registered Valuer IBBI (Registration

No.: IBBI/RV/06/2018/10238) ("**Valuer**") has undertaken a full valuation of GAKHPL as of 31 May 2024 and has submitted the valuation report dated 27 June 2024 The detailed valuation report, enterprise valuation and assumptions thereof, of GAKHPL is provided in **Annexure A** to this Annual Report. The Valuation Report is available on the website of InvIT and has also been made available to the BSE Limited and the National Stock Exchange of India Limited. The summary of Valuation report is reproduced below:

(₹ In Million)

WACC (%)	Fair Enterprise Value	Adjusted Enterprise Value	Unsecured Loan availed by GAKHPL from Seller	External Borrowings	Equity Value
7.65%	11,806	11,865	2,345	7,660	1,860

Since, G R Infraprojects Limited, the seller, is the Related Party of the InvIT, the proposed acquisition of GAKHPL, requires prior approval of Unitholders of the InvIT as required under Regulation 19(3) read with Regulation 22 of the SEBI InvIT Regulations, if the total value of all the related party transactions, in a financial year, pertaining to acquisition or sale of assets exceeds 5% (five per cent) of the value of the InvIT assets, and voting by any person who is a related party in such transaction as well as associates of such person(s) shall not be considered on the specific issue.

The Board of Directors of the Investment Manager, on the recommendation of the Audit Committee, has approved the aforesaid acquisition and related party transaction on 27 June 2024, and has noted that the same is at arm's length. Information in respect of the proposed related party transaction is as follows:

Type, material terms and particulars of the proposed transaction	Acquisition of 100% shareholding of GAKHPL and assignment/ refinancing of unsecured loan availed by GAKHPL from Seller amounting to ₹ 2,345 Million resulting in aggregate consideration of ₹ 3,902.70 Million
Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise)	G R Infraprojects Limited currently holds 43.56% units of the InvIT and as per Indian Accounting Standard 24, has significant influence on the InvIT and is accordingly considered as related party
Value of the proposed transaction	₹ 3,902.70 Million
Details of the source of funds in connection with the proposed transaction;	The proposed transaction will be funded through mix of internal accruals and external borrowings, or in such other manner as the board of directors of the Investment Manager may determine, subject to necessary approvals and applicable law
A copy of the valuation or other external party report, if any such report has been relied upon;	Valuation report given by Registered Valuer i.e. Mr. S. Sundararaman forming part as Annexure – A to this Annual Report
Any other Relevant/ Important Information	Subject to satisfaction of conditions precedent to the transaction, the Seller and InvIT will undertake closure of the transaction

The acquisition is subject to approval of the unitholders of InvIT, approval of the relevant governmental and regulatory authorities and certain other third parties, as may be required and the provisions of share purchase agreements and other definitive documentation (including completion of customary condition precedents by the Seller prior to acquisition).

None of the directors, key managerial personnel or their relatives, except Mr. Ajendra Kumar Agarwal, Mr. Siba Narayan Nayak and Mr. Ramesh Chandra Jain, are interested in the proposed Resolution. The Board of Directors of Investment Manager recommends the Resolution as set out in Item No. 6 of the Notice for your approval with the simple majority (i.e. where votes cast by the present and voting unitholders in favour of the Resolution are more than the votes cast against the Resolution).

For and on behalf of Board of Directors of
GR Highways Investment Manager Private Limited
(Investment Manager to Bharat Highways InvIT)

Mohnish Dutta
Company Secretary & Compliance Officer
ICSI Membership No.: FCS 10411

Date: 28 June 2024
Place: Gurugram

Principal Place of Business and Contact Details of the Trust:
Bharat Highways InvIT
Novus Tower, Second Floor, Plot No. 18, Sector 18, Gurugram, Haryana 122 015, India

SEBI Registration Number: IN/InvIT/22-23/0023
Tel: +91 85888 55586
E-mail: cs@bharatinvit.com
Website: https://www.bharatinvit.com/
Compliance Officer: Mr. Mohnish Dutta

Registered Office and Contact Details of the Investment Manager:
GR Highways Investment Manager Private Limited
Second Floor, Novus Tower, Plot No. 18
Sector 18, Gurugram 122 015
Haryana, India.
CIN: U65999HR2022PTC102221
Email Id: cs@bharatinvit.com
Contact Person: Mr. Mohnish Dutta

NOTES

BHARAT HIGHWAYS INVIT

Principal Place of Business and Registered Office

Novus Tower, Second Floor, Plot No. 18, Sector 18,
Gurugram, Haryana - 122 015, India
Tel: +91 85888 55586
Compliance Officer: Mohnish Dutta
E-mail: cs@bharatinvit.com
Website: www.bharatinvit.com

Annexure-A

Prepared for:
Bharat Highways InvIT ("the Trust")

GR Highways Investment Manager Private Limited
("the Investment Manager")

Valuation as per SEBI (Infrastructure Investment Trusts) Regulations, 2014 as amended

Fair Enterprise Valuation

Valuation Date: 31st May 2024

Report Date: 27th June 2024

Mr. S Sundararaman,
Registered Valuer,
IBBI Registration No - IBBI/RV/06/2018/10238

RV/SSR/R/2025/11 Date: 27th June 2024

Bharat Highways InvIT
(acting through IDBI Trusteeship Services Limited [in it's capacity as "the Trustee" of the Trust.)
2nd Floor, Novus Tower, Plot No. 18,
Sub Major Laxmi Chand Road, Sector-18,
Gurugram, Haryana - 122 015.

GR Highways Investment Management Private Limited
(acting as the Investment Manager to Bharat Highways InvIT)
2nd Floor, Novus Tower, Plot No. 18,
Sub Major Laxmi Chand Road, Sector-18,
Gurugram, Haryana - 122 015.

Sub: Financial Valuation as per SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended ("the SEBI InvIT Regulations")

Dear Sir(s)/ Madam(s),

I, Mr. S. Sundararaman ("**Registered Valuer**" or "**RV**" or "**I**" or "**My**" or "**Me**") bearing IBBI registration number IBBI/RV/06/2018/10238, have been appointed vide letter dated 15th April, 2024 as an independent valuer, as defined under Regulation 2(zzf) of the SEBI (Infrastructure Investment Trusts) Regulations, 2014 by **GR Highways Investment Manager Private Limited** ("**GHIMPL**" or "**the Investment Manager**") acting as the investment manager for **Bharat Highways InvIT** ("**the Trust**" or "**Bharat InvIT**"), for the purpose of the financial valuation of the Special Purpose Vehicle (defined below and hereinafter referred to as "**the SPV**") to be acquired by the Trust as per the requirements of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended ("**SEBI InvIT Regulations**"). The SPV to be valued is proposed to be transferred to the Trust set up under the SEBI InvIT Regulations. The SPV is to be valued in accordance with the Master Circular for Infrastructure Investment Trusts vide circular no. SEBI/HO/DDHS/DDHS_Div3/P/CIR/2022/53 dated April 26, 2022 read with the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 as amended and circulars issued by SEBI from time to time.

I am enclosing the Report providing opinion on the fair enterprise value of the SPV as defined hereinafter on a going concern basis as at 31st May 2024 ("**Valuation Date**").

Enterprise Value ("**EV**") is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash or cash equivalents to meet those liabilities. The attached Report details the valuation methodologies used, calculations performed and the conclusion reached with respect to this valuation.

I have relied on explanations and information provided by the Investment Manager. Although, I have reviewed such data for consistency, those are not independently investigated or otherwise verified. My team and I have no present or planned future interest in the Trust, the SPV or the Investment Manager except to the extent of this appointment as an independent valuer and the fee for this Valuation Report ("**Report**") which is not contingent upon the values reported herein. The valuation analysis should not be construed as investment advice, specifically, I do not express any opinion on the suitability or otherwise of entering into any financial or other transaction with the Trust.

The analysis must be considered as a whole. Selecting portions of any analysis or the factors that are considered in this Report, without considering all factors and analysis together could create a misleading view of the process underlying the valuation conclusions. The preparation of a valuation is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis.

Following Special Purpose Vehicle is proposed to be transferred to the Trust:

Sr. No.	Name of the SPV	Term
1	GR Aligarh Kanpur Highway Private Limited	GAKHPL

(Hereinafter referred to as "**the SPV**")

The information provided to me by the Investment Manager in relation to the SPV included but not limited to historical financial statements, forecasts/projections, other statements and assumptions about future matters like forward-looking financial information prepared by the Investment Manager. The forecasts and projections as supplied to me are based upon assumptions about events and circumstances which are yet to occur.

By nature, valuation is based on estimates and it includes the risks and uncertainties relating to the events occurring in the future. Accordingly, the actual figures in future may differ from these estimates and may have a significant impact on the valuation of the SPV.

I have not tested individual assumptions or attempted to substantiate the veracity or integrity of such assumptions in relation to the forward-looking financial information, however, I have made sufficient enquiry to satisfy myself that such information has been prepared on a reasonable basis.

Notwithstanding anything above, I cannot provide any assurance that the forward looking financial information will be representative of the results which will actually be achieved during the cash flow forecast period.

The valuation provided by RV and the valuation conclusion are included herein and the Report complies with the SEBI InvIT Regulations and guidelines, circular or notification issued by the Securities and Exchange Board of India ("**SEBI**") thereunder.

Please note that all comments in the Report must be read in conjunction with the caveats to the Report, which are contained in Section 10 of this Report. This letter, the Report and the summary of valuation included herein can be provided to Trust's advisors and may be made available for the inspection to the public and with the SEBI, the stock exchanges and any other regulatory and supervisory authority, as may be required.

RV draws your attention to the limitation of liability clauses in Section 10 of this Report.

This letter should be read in conjunction with the attached Report.

Yours faithfully,

SWAMINATHAN SUNDARARAMAN

Digitally signed by SWAMINATHAN SUNDARARAMAN
Date: 2024.06.27 11:40:08 +05'30'

S. Sundararaman
Registered Valuer
IBBI Registration No.: IBBI/RV/06/2018/10238
Asset Class: Securities or Financial Assets
Place: Chennai
UDIN: 24028423BKGAAY8888

Definition, abbreviation & glossary of terms

Abbreviations	Meaning
Capex	Capital Expenditure
CCIL	Clearing Corporation of India Limited
CCM	Comparable Companies Multiples
COD	Commercial Operation Date
Cr	Crores
CTM	Comparable Transactions Multiples
DCF	Discounted Cash Flow
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization
ERP	Equity Risk Premium
EV	Enterprise Value
FCFF	Free Cash Flow to the Firm
FDI	Foreign Direct Investment
FY	Financial Year Ended 31st March
GAKHPL	GR Aligarh Kanpur Highways Private Limited
GQ	Golden Quadrilateral
HAM	Hybrid Annuity Model
ICDS	Income Computation and Disclosure Standards
Ind AS	Indian Accounting Standards
INR	Indian Rupees
Investment Manager/GHIMPL	GR Highways Investment Manager Private Limited
IVS	ICAI Valuation Standards 2018
Kms	Kilometers
MoRTH	Ministry of Road Transport and Highways
MMR	Major Maintenance and Repairs
Mn	Million
NAV	Net Asset Value Method
NH	National Highway
NHAI	National Highways Authority of India
NHDP	National Highways Development Project
NS-EW	North- South and East-West Corridors
O&M	Operation & Maintenance
PPP	Public Private Partnership
RV	Registered Valuer
SEBI	Securities and Exchange Board of India
SEBI InvIT Regulations	SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended
NH	National Highway
Sponsor/ AIPL	Aadharshila Infratech Private Limited
SPV	Special Purpose Vehicle
The Trustee	IDBI Trusteeship Services Limited

Contents

1. Executive Summary

1.1. Background

The Trust

1.1.1. Bharat Highways InvIT ("the Trust" or " Bharat InvIT") was established on 16th June 2022 as an irrevocable trust pursuant to the trust deed under the provisions of the Indian Trusts Act, 1882. The Trust is registered as an Indian infrastructure investment trust with the Securities and Exchange Board of India ("SEBI") with effect from 3rd August 2022, bearing registration number IN/InvIT/22-23/0023, pursuant to the SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time ("**the SEBI InvIT Regulations").**

1.1.2. Bharat Highways InvIT is an infrastructure investment trust established to acquire, manage and invest in a portfolio of infrastructure assets across sectors and/or securities of companies engaged in the infrastructure sector.

1.1.3. IDBI Trusteeship Services Limited ("**the Trustee**") has been appointed as the Trustee of Bharat InvIT.

1.1.4. The units of the Trust are listed in the National Stock Exchange of India Limited and BSE Limited since 12th March 2024.

1.1.5. The unit holding of the Trust as on the 31st March 2024 is as under :

Sr. No.	Particulars	No. of units	%
1	Sponsor	6,64,50,000	15.00%
2	Mutual Funds	9,09,19,358	20.53%
3	Financial Institutions / Banks	59,97,787	1.35%
4	Insurance Companies	1,48,50,422	3.35%
5	Foreign Portfolio Investors	88,77,193	2.00%
6	Alternative Investment Fund	56,38,311	1.27%
7	Non-Institutional Investors	25,02,05,534	56.49%
	Total	**44,29,38,605**	**100.0 %**

Source: Investment Manager

The Sponsor

1.1.6. G R Infraprojects Limited ("**the Transferor**" or "**GR Infra**") has settled an infrastructure investment trust under the SEBI InvIT Regulations called "**Bharat Highways InvIT**" ("**Bharat InvIT**" or "**the Trust**") as an irrevocable trust under the provisions of the Indian Trusts Act, 1882, pursuant to the trust deed dated 16th June 2022.

1.1.7. Aadharshila Infratech Private Limited ("**the Sponsor**" or "**AIPL**") is the sponsor the Bharat InvIT as per the amended and restated trust deed of Bharat InvIT dated 31st October 2023.

1.1.8. The Sponsor is a private company, limited by shares and was incorporated on 30th June 2010 under the Companies Act, 1956.

1.1.9. Equity shareholding of the Sponsor as on 31st May 2024 is as under:

Sr. No	Particulars	No. of shares	%
1	Riya Agarwal	4,300	43.00%
2	Rahul Agarwal	3,185	31.85%
3	Mehul Agarwal	2,515	25.15%
	Total	**10,000**	**100.00%**

The Transferor

1.1.10. G R Infraprojects Limited ("**the Transferor**" or "**GR Infra**") was incorporated on 22nd December 1995 under the Companies Act, 1956. The equity shares of GR Infra are listed on the National Stock Exchange of India Limited and BSE Limited since 19th July 2021.

1.1.11. GR Infra is engaged in integrated road engineering, procurement and construction with an experience of over 25 years in design and construction of various road / highway projects across 16 states in India.

The Investment Manager

1.1.12. GR Highways Investment Manager Private Limited ("**GHIMPL**" or "**The Investment Manager**") has been appointed as the Investment Manager to the Trust by the Trustee and will be responsible to carry out the duties of such person as mentioned under the SEBI InvIT Regulations.

1.1.13. Shareholding Pattern of the Investment Manager as at 31st May 2024 is as follows:

Sr. No.	Particulars	No. of shares	%
1	Lokesh Builders Private Limited	1,99,99,990	99.99 %
2	Purshottam Agarwal	10	Negligible
	Total	**2,00,00,000**	**100.0 %**

Source: Investment Manager

Scope and Purpose of Valuation

1.2. Asset to be Valued

The asset under consideration is valued at Enterprise Value of the following:

Sr. No.	Name of the SPV	Term
1	GR Aligarh Kanpur Highway Private Limited	GAKHPL

(Hereinafter referred to as "**the SPV**")

I understand that the Trust is contemplating to acquire 100% equity stake / economic interest in the SPV from the existing respective shareholders along with unsecured loan extended by the Transferor ("**Proposed Transaction").**

1.3. Purpose of Valuation

As per Regulation 21(8) (a) of the SEBI InvIT Regulations, for any transaction of purchase or sale of infrastructure projects whether directly or through SPV, for publicly offered InvITs, a full valuation of the specific project shall be undertaken.

I understand that the Investment Manager is proposing to undertake a fair enterprise valuation of the SPV as on 31st May 2024 for the purpose of Regulation 22(4)(b) of the SEBI (Infrastructure Investment Trusts) Regulations, 2014 ("InvIT Regulations"). As per Regulation 22(4)(b) of the SEBI (Infrastructure Investment Trusts) Regulations, 2014 ("InvIT Regulations") provides that in case of any transaction, other than any borrowing, value of which is equal to or greater than twenty-five per cent of the InvIT assets shall require approval of the unitholders where votes casted in favour of the resolution shall be more than the votes cast against the resolution (simple majority). The valuation is proposed to be shared with the unitholder for the purpose of undertaking their assessment while voting on the proposed resolution.

In this regard, the Investment Manager and the Trustee have appointed Mr. S. Sundararaman ("Registered Valuer" or "RV" or "I" or "My" or "Me") bearing IBBI registration number IBBI/RV/06/2018/10238 to undertake the fair valuation at the enterprise level of the SPV as per the SEBI InvIT Regulations as at 31st May 2024.

Registered Valuer declares that:

i. The RV is competent to undertake the financial valuation in terms of the SEBI InvIT Regulations;

ii. The RV is independent and has prepared the Valuation Report ("the Report") on a fair and unbiased basis;

iii. RV has valued the SPV in accordance with Valuation Standards issued by the Institute of Chartered Accountants of India;

This Report covers all the disclosures required as per the SEBI InvIT Regulations and the valuation of the SPV is impartial, true and fair and in compliance with the SEBI InvIT Regulations.

1.4. Nature of the Asset to be Valued

The RV has been mandated by the Investment Manager to arrive at the Enterprise Value ("EV") of the SPV. Enterprise Value is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash or cash equivalents to meet those liabilities.

1.5. Valuation Base

Valuation Base means the indication of the type of value being used in an engagement. In the present case, I have determined the fair value of the SPV at the enterprise level. Fair Value Bases defined as under:

Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the valuation date. It is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. Fair value or Market value is usually synonymous to each other except in certain circumstances where characteristics of an asset translate into a special asset value for the party(ies) involved.

1.6. Valuation Date

Valuation Date is the specific date at which the value of the assets to be valued gets estimated or measured. Valuation is time specific and can change with the passage of time due to changes in the condition of the asset to be valued. Accordingly, valuation of an asset as at a particular date can be different from other date(s).

The Valuation Date considered for the fair enterprise valuation of the SPV is 31st May 2024 ("**Valuation Date**"). The attached Report is drawn up by reference to accounting and financial information as on 31st May 2024. The RV is not aware of any other events having occurred since 31st May 2024 till date of this Report which he deems to be significant for his valuation analysis.

1.7. Premise of Value

Premise of Value refers to the conditions and circumstances how an asset is deployed. In the present case, RV has determined the fair enterprise value of the SPV on a Going Concern Value defined as under:

Going Concern Value

Going Concern value is the value of a business enterprise that is expected to continue to operate in the future. The intangible elements of going concern value result from factors such as having a trained work force, an operational plant, necessary licenses, systems, and procedures in place etc.

1.8. **Summary of Valuation**

I have assessed the fair enterprise value of the SPV on a stand-alone basis by using the Discounted Cash Flow ("**DCF**") method under the income approach. Following table summarizes my explaination on the usage or non usage of different valuation methods:

Valuation Approach	Valuation Methodology	Used	Explanation
Cost Approach	Net Asset Value	No	NAV does not capture the future earning potential of the business. Hence NAV method is considered only for background reference.
Income Approach	Discounted Cash Flow	Yes	The revenue of the SPV is mainly derived from the annuity fees and O&M payments that is typically pre-determined with the relevant government authority and cannot be modified to reflect prevailing circumstances, other than annual adjustments to account for inflation and interest rate changes as applicable, as specified in the concession agreements. Accordingly, since the SPV is generating income based on pre-determined agreements / mechanism and since the Investment Manager has provided me the financial projections for the balance tenor of the concessions agreements, DCF Method under the income approach has been considered as the appropriate method for the present valuation exercise.
Market Approach	Market Price	No	The equity shares of the SPV are not listed on any recognized stock exchange in India. Hence, I was unable to apply the market price method.
	Comparable Companies	No	In the absence of any exactly comparable listed companies with characteristics and parameters similar to that of the SPV, I am unable to consider this method for the current valuation.
	Comparable Transactions	No	In the absence of adequate details about the Comparable Transactions, I was unable to apply the CTM method.

Under the DCF Method, the Free Cash Flow to Firm ("FCFF") has been used for the purpose of valuation of the SPV. In order to arrive at the fair EV of the SPV under the DCF Method, I have relied on Financial Statements for the period ended 31st May 2024 prepared in accordance with the Indian Accounting Standards (Ind AS) and the financial projections of the SPV provided to me by the Investment Manager as at the Valuation Date.

The discount rate considered for the SPV for the purpose of this valuation exercise is based on the Weighted Average Cost of Capital ("**WACC**") for the SPV. As the SPV under consideration has executed projects under the HAM model, the operating rights of the underlying assets shall be transferred back to the appointing authority after the expiry of the concession period. At the end of the agreed concession period, the operating rights in relation to the roads, the obligation to maintain the road reverts to the government entity that granted the concession by the SPV. Accordingly, terminal period value i.e. value on account of cash flows to be generated after the expiry of concession period has not been considered.

Based on the methodology and assumptions discussed further, RV has arrived at the fair enterprise value of the SPV as on the Valuation Date:

Sr. No.	SPV	WACC	Fair EV (INR Mn)	Adjusted Fair EV (INR Mn)
1	GAKHPL	7.65%	11,806	11,865

(Refer Appendix 1 & 2 for the detailed workings)

Enterprise Value ("EV") is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash or cash equivalents to meet those liabilities. The attached Report details *the valuation methodologies used, calculations performed and the conclusion reached with respect to this valuation.*

I was further requested by the Investment Manager to provide the adjusted enterprise value of the SPV as at 31st May 2024, where the adjusted enterprise value ("Adjusted EV") is derived as EV as defined above plus cash or cash equivalents of the SPV as at 31st May 2024.

1.9. The fair EV of the SPV is estimated using DCF method. The valuation requires Investment Manager to make certain assumptions about the model inputs including forecast cash flows, discount rate, and credit risk.

1.10. Valuation is based on estimates of future financial performance or opinions, which represent reasonable expectations at a particular point of time, but such information, estimates or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, a particular event will occur or that a particular price will be offered or accepted. Actual results achieved during the period covered by the prospective financial analysis will vary from these estimates and the variations may be material.

1.11. Accordingly, I have conducted sensitivity analysis on certain model inputs, the results of which are as indicated below:

1. WACC by increasing / decreasing it by 0.5%
2. WACC by increasing / decreasing it by 1.0%
3. Expenses by increasing / decreasing it by 10%
4. Expenses by increasing / decreasing it by 20%

Sensitivity Analysis of Enterprise Value

1. Fair Enterprise Valuation Range based on

a. WACC parameter (0.5%)

INR Mn

Sr. No.	SPV	WACC + 0.5%	EV	Base WACC	EV	WACC - 0.5%	EV
1	GAKHPL	8.15%	11,504	7.65%	11,806	7.15%	12,121

b. WACC parameter (1.0%)

INR Mn

Sr. No.	SPV	WACC + 1.0%	EV	Base WACC	EV	WACC - 1.0%	EV
1	GAKHPL	8.65%	11,215	7.65%	11,806	6.65%	12,450

c. Expenses parameter (10%)

INR Mn

Sr. No.	SPV	EV at Expenses + 10%	EV at Base Expenses	EV at Expenses - 10%
1	GAKHPL	11,660	11,806	11,952

d. Expenses parameter (20%)

INR Mn

Sr. No.	SPV	EV at Expenses + 20%	EV at Base Expenses	EV at Expenses - 20%
1	GAKHPL	11,513	11,806	12,098

Sensitivity Analysis of Adjusted Enterprise Value

1. Fair Adjusted Enterprise Valuation Range based on

a. WACC parameter (0.5%)

INR Mn

Sr. No.	SPV	WACC + 0.5%	EV	Base WACC	EV	WACC - 0.5%	EV
1	GAKHPL	8.15%	11,564	7.65%	11,865	7.15%	12,180

b. WACC parameter (1.0%)

INR Mn

Sr. No.	SPV	WACC + 1.0%	EV	Base WACC	EV	WACC - 1.0%	EV
1	GAKHPL	8.65%	11,275	7.65%	11,865	6.65%	12,509

c. Expenses parameter (10%)

INR Mn

Sr. No.	SPV	EV at Expenses + 10%	EV at Base Expenses	EV at Expenses - 10%
1	GAKHPL	11,719	11,865	12,011

d. Expenses parameter (20%)

INR Mn

Sr. No.	SPV	EV at Expenses + 20%	EV at Base Expenses	EV at Expenses - 20%
1	GAKHPL	11,573	11,865	12,158

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Sensitivity Analysis of Equity Value

1. **Fair Equity Valuation Range based on**

a. WACC parameter (0.5%)

INR Mn

Sr. No.	SPV	WACC +0.5%	Equity Value	Base WACC	Equity Value	WACC -0.5%	Equity Value
1	GAKHPL	8.15%	1,559	7.65%	1,860	7.15%	2,175

b. WACC parameter (1.0%)

INR Mn

Sr. No.	SPV	WACC +1.0%	Equity Value	Base WACC	Equity Value	WACC -1.0%	Equity Value
1	GAKHPL	8.65%	1,270	7.65%	1,860	6.65%	2,504

c. Expenses parameter (10%)

INR Mn

Sr. No.	SPV	Equity Value at Expenses +10.0%	Equity Value at Base Expenses	Equity Value at Expenses - 10%
1	GAKHPL	1,714	1,860	2,006

d. Expenses parameter (20%)

INR Mn

Sr. No.	SPV	Equity Value at Expenses +20.0%	Equity Value at Base Expenses	Equity Value at Expenses - 20%
1	GAKHPL	1,568	1,860	2,152

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2. Procedures adopted for current valuation exercise

2.1. I have performed the valuation analysis, to the extent applicable, in accordance with ICAI Valuation Standards 2018 ("**IVS**") issued by the Institute of Chartered Accountants of India.

2.2. In connection with this analysis, I have adopted the following procedures to carry out the valuation analysis:

2.2.1. Requested and received financial and qualitative information relating to the SPV;

2.2.2. Obtained and analyzed data available in public domain, as considered relevant by me;

2.2.3. Discussions with the Investment Manager on:

- Understanding of the business of the SPV – business and fundamental factors that affect its earning-generating capacity including strengths, weaknesses, opportunities and threats analysis and historical and expected financial performance;

2.2.4. Undertook industry analysis:

- Research publicly available market data including economic factors and industry trends that may impact the valuation;
- Analysis of key trends and valuation multiples of comparable companies/comparable transactions, if any, using proprietary databases subscribed by me;

2.2.5. Analysis of other publicly available information;

2.2.6. Selection of valuation approach and valuation methodology/(ies), in accordance with IVS, as considered appropriate and relevant by me;

2.2.7. Conducted physical site visit of the road stretch of the SPV;

2.2.8. Determination of fair EV of the SPV on a going concern basis at the Valuation Date.

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3. Overview of InvIT and SPV

The Trust

3.1.1. Bharat Highways InvIT was established on 16th June 2022 as an irrevocable trust pursuant to the trust deed under the provisions of the Indian Trusts Act, 1882. The Trust is registered as an Indian Infrastructure Investment Trust with the SEBI with effect from 3rd August 2022, bearing registration number IN/InvIT/22-23/0023, pursuant to the SEBI InvIT Regulations.

3.1.2. IDBI Trusteeship Services Limited has been appointed as the Trustee of Bharat InvIT. GR Highways Investment Manager Private Limited has been appointed as the Investment Manager to the Trust by the Trustee and will be responsible to carry out the duties of such person as mentioned under the SEBI InvIT Regulations.

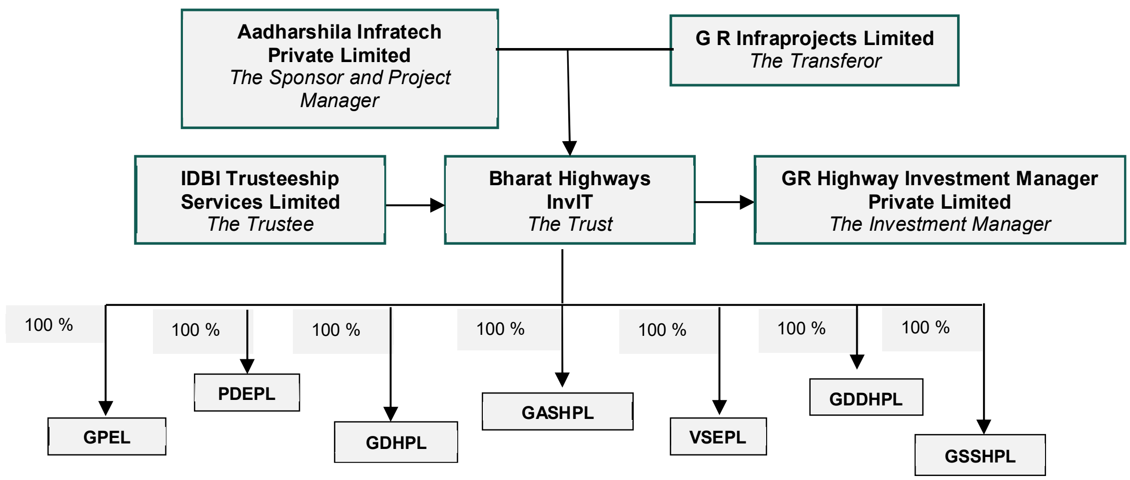
3.1.3. The units of the trust are listed on the National Stock Exchange of India Limited and BSE Limited since 12th March 2024.

3.1.4. Following is the summary of SPVs, held under the trust including the date and cost of acquisition :

Sr. No.	SPVs	Acquisition Date	Purchase price* (INR Mn)
1	GR Phagwara Expressway Limited ("GPEL"	29-02-2024	1,232
2	Porbandar Dwarka Expressway Private Limited ("PDEPL")	29-02-2024	2,347
3	GR Gundugolanu Devarapalli Highway Private Limited ("GDHPL")	29-02-2024	2,075
4	GR Akkalkot Solapur Highway Private Limited ("GASHPL")	29-02-2024	1,260
5	Varanasi Sangam Expressway Private Limited ("VSEPL")	29-02-2024	4,044
6	GR Sangli Solapur Highway Private Limited ("GSSHPL")	29-02-2024	1,507
7	GR Dwarka Devariya Highway Private Limited ("GDDHPL")	29-02-2024	1,199

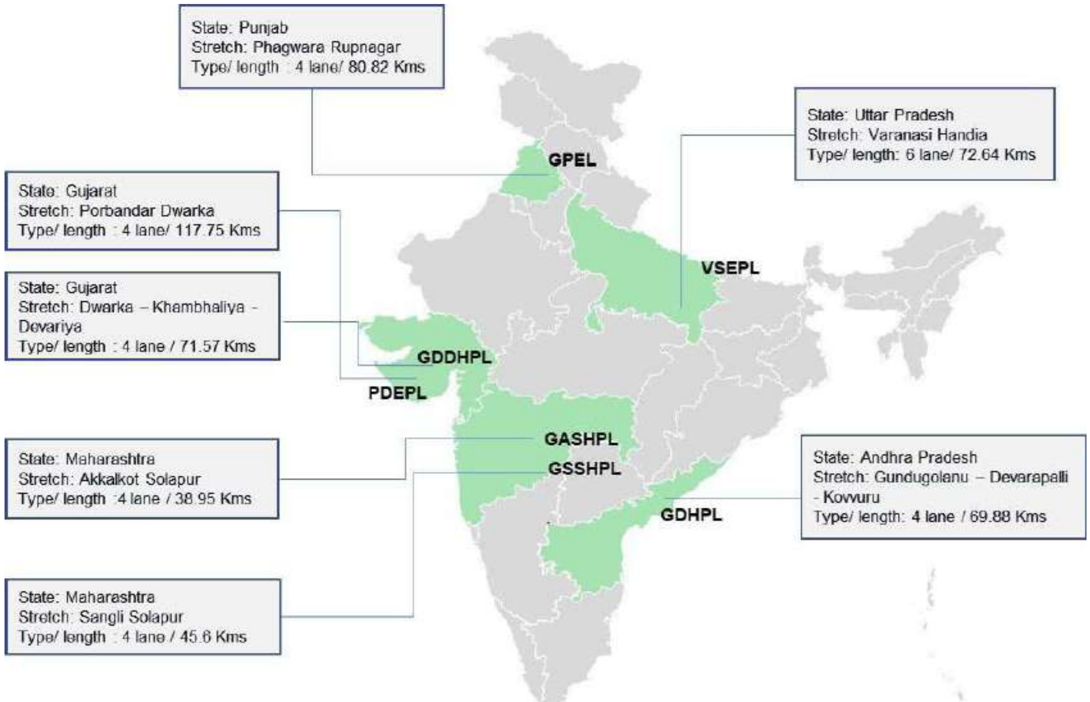
* Purchase price considered basis the number of units allotted to G R Infraprojects during the IPO of InvIT for 100% equity stake

3.1.5. Following is the Structure of the Trust as at 31st May 2024:



Source: Investment Manager

3.1.6. A map depicting the respective location of the existing project SPVs of the Trust is provided below:



Background of the SPV

GR Aligarh Kanpur Highway Private Limited ("GAKHPL")

3.1.7. The map below illustrates the location of the Project and the corridor it covers:

Source: Investment Manager

3.1.8. Summary of project details of GAKHPL are as follows:

Parameters	Details
Lane Length	347.296 Km
Nos. of Lanes	4 lanes
NH	NH-91
State Covered	Uttar Pradesh
Area (Start and End)	Naviganj-Mitrasen
Bid Project Cost	2200 Cr.
Proposed Bid Project Cost (post Descoping)	1861.62 Cr
PPP Model	Hybrid Annuity Mode
Project Type	Hybrid Annuity Mode
Concession Granted by	NHAI
PCOD Date	24.02.2023
Appointed Date	18.02.2021
Nos. of Annuities	30
Total Annuity Amount	1306 Cr
Construction Period	910 days
Operational Period	15 years

Source: Investment Manager

3.1.9. The Project Road is a section of NH-91. The Project Road starts at Naviganj at km. 302+108 and ends at Mitrasen at km. 373+085. The Project Road passes through the built-up sections of Prempur, Chhibramau, Khurhawa, Hasanpur, Karmallapur,Sarai Daulat, Sarai Prayag, Fatehpur Jasoda, Kannauj, Bahadurpur, Manimau, Dedaura Baju, Tikhawa and Mitrasen.The design length of the Project Road is 70.977 kms.

Sr. No.	Salient Features	Units
1	Total Length of the Project Highway	70.977 Km
2	Total length of Service Roads	60.103 Km
3	Length of RCC drain	49.418 Km
4	No. of Flyover	-
5	Toll Plaza	01 no.
6	Bus Bays / Bus Shelters	06 nos.
7	Truck Lay Bays	02 nos.
8	No of Rest Areas	02 nos.
9	Major Junction	03 nos.
10	Minor Junctions	35 nos.
11	No of Vehicular underpasses	32 nos
12	No of Pedestrian underpasses	1 no.
13	Minor Bridges	18 nos.
14	Box/Slab Culverts	147 nos.
15	Pipe Culverts	53 nos.

Source: Investment Manager

3.1.10. The shareholding of GAKHPL as on Valuation Date is as follows:

Sr. No.	Particulars	No. of Shares	%
1	G R Infraprojects Limited	6,30,00,000*	100.00%
	Total	**6,30,00,000**	**100.00%**

**includes 10 Equity shares held by nominee of G R Infraprojects Limited*

Source: Investment Manager

I have been represented by the Investment Manager that there is no change in shareholding pattern from the Valuation Date till the date of this Report.

3.1.11. My team had conducted physical site visit for GAKHPL on 21st June,2024 .Following are the pictures of the plant site:

4. Overview of the Industry

4.1 Introduction

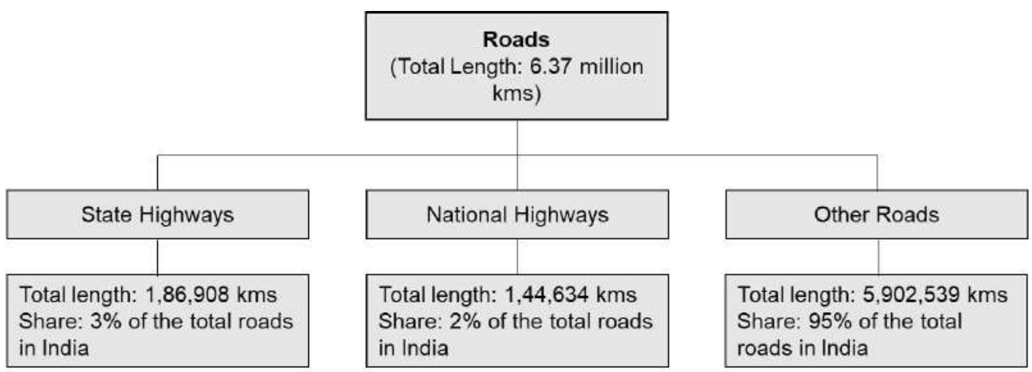
4.1.1 The road infrastructure is an important determinant of economic growth in India and it plays a significant role in the economy's overall development process.

4.1.2 Creation and operation of quality road infrastructure continue to be major requirements for enabling overall growth and development of India in a sustained manner.

4.1.3 Bridging of existing infrastructure gaps and creating additional facilities to cater to the increasing population are equally important. Apart from providing connectivity in terms of enabling movement of passengers and freight, roads act as force multipliers in the economy.

4.2 Road Network in India

4.2.1 India has the second largest road network in the world, spanning over 6.37 million kms. Over 64.5% of all goods in the country are transported through roads, while 90% of the total passenger traffic uses road network to commute.



Source: IBEF Roads Report, February 2023

4.2.2 Out of this around 1.41 lakh km are National Highways ("NHs"). Significantly, NHs constitute around 2 per cent of the total road network in the country but carry about 40% of the road traffic. The density of India's highway network at 1.89 km of roads per square kilometer of land – is similar to that of the France (1.98) and much greater than China's (0.49) or USA's (0.68).

4.3 Government Agencies for Road Development

4.3.1 The Ministry of Road Transport & Highway ("**MoRTH**") is responsible for development of Road Transport and Highways in general and construction & maintenance of National Highways.

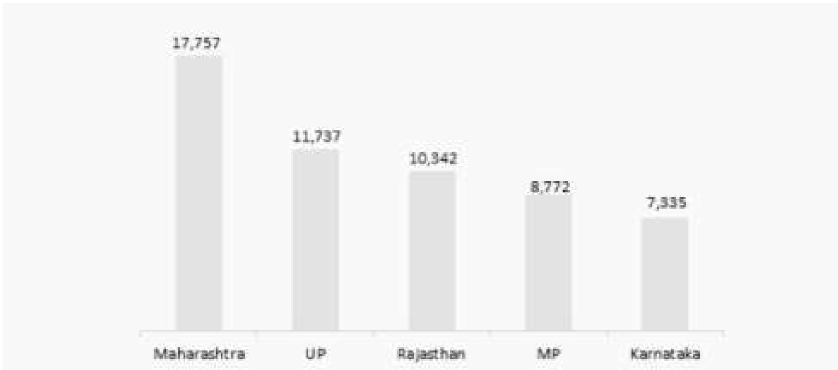
4.3.2 The National Highways Authority of India ("**NHAI**") is an autonomous agency of the Government of India, set up in 1988 and is responsible for implementation of National Highways Development Project ("**NHDP**").

4.3.3 The NHDP in the context of NHs is nearing completion- in seven phases. Later, the other highway development programmes like Special Accelerated Road Development Programme for Development of Road Network in North Eastern States (SARDP- NE) and National Highways Interconnectivity Improvement Project (NHIIP) were also taken up by MoRTH. Further, Bharatmala Pariyojana is ongoing. For majority of the projects under NHDP and Bharatmala Pariyojana, NHAI is the implementation agency. Other NH related programmes/works are being implemented through agencies like National Highways Infrastructure Development Corporation Limited (NHIDCL), State Public Works Departments (PWDs), State Road Development Corporations and the Border Road Organization.

4.3.4 Roads in the jurisdiction of state governments are under different categories like State Highways ("SHs") and Major District Roads. They are being developed/ upgraded through State PWDs and State Road Development Corporations. Pradhan Mantri Gramm Sadak Yojana is being implemented for rural roads through the Ministry of Rural Affairs with active participation by state governments. Further, roads within urban areas are maintained/ developed mostly with PWDs and Urban Local Bodies.

4.3.5 State Governments have a significant role to play in developing the SHs, Major District Roads, Other District Roads to ensure the last mile connectivity. States have varying levels of maturity in terms of road infrastructure development due to issues such as inadequate identification and prioritization of projects, funding shortfall, limited institutional capacity to implement projects, etc.

Top 5 states by length of NHs in India (in Km)



Source: MoRTH, Government of India.

4.4 Trend of Road and Highways Construction

4.4.1 The length of National Highways awarded has almost doubled in the years FY15 to FY18 compared to FY11 to FY14.

4.4.2 Length of NHs constructed has increased by 70% during the same period. This pace is expected to gain further ground, with the ambitious targets set by the ministry and the implementation of the Bharatmala Pariyojana as MORTH is planning to construct around 83,677 km of national highways at an estimated cost of Rs 10.63 trillion (US$ 130 billion) after factoring in cost escalations up to December 2021 and is 99% higher than the initial estimates owing to substantial rise in land acquisition cost, and steep increase in input costs.

4.4.3 India has become the fastest highway developer in the world with 28.64 kms of highways built each day in 2021-22 and plans to construct 18,000 kilometres of national highways in 2022-23 at a record speed of 50 kms per day.

4.4.4 Under the Union Budget 2023-24, the Government of India has allocated Rs. 270,000 crore (US$ 33 billion) to the Ministry of Road Transport and Highways.

4.4.5 The GST on construction equipment has been reduced to 18% from 28%, which is expected to give a boost to infrastructure development in the country.

4.4.6 The NHDP is a program to upgrade, rehabilitate and widen major highways in India to a higher standard. The project was started in 1998 to be implemented in 7 phases.

4.4.7 With the launch of Bharatmala project, 10,000 km of highway construction left under NHDP was merged with Phase I of the Bharatmala project.

4.4.8 The Indian government launched Gati Shakti-National Master Plan, which has consolidated a list of 81 high impact projects, out of which road infrastructure projects were the top priority. The major highway projects include the Delhi-Mumbai expressway (1,350 kilometres), Amritsar-Jamnagar expressway (1,257 kilometres) and Saharanpur-Dehradun expressway (210 kilometres).

4.4.9 The main aim of this program is a faster approval process by digitizing the process through a dedicated Gati Shakti Portal.

4.4.10 In December 2021, the government set a highway monetization target of Rs. 2 trillion (US$ 26.20 billion) for the next 3 years.

4.4.11 The Ministry of Road Transport and Highways awarded road projects with a total length of 12,731 kms in FY22 as against 10,964 km in FY 21.

4.4.12 In FY 22, 10,457 kms of highways have been constructed against 13,298 kms of highway constructed in FY 21 across India.

4.4.13 The Government of India has allocated Rs. 111 lakh crore (US$ 13.14 billion) under the National Infrastructure Pipeline for FY 2019-25. The Roads sector is expected to account for 18% capital expenditure over FY 2019-25.

4.4.14 NHAI is planning to raise Rs. 40,000 crore (US$ 5.72 billion) to monetise its highway assets through Infrastructure Investment Trust (InvIT). The InvIT of NHAI, National Highways Infra Trust, has raised more than Rs 10,200 crore from foreign and Indian institutional investors till December 2022.

4.4.15 The development of market for roads and highways is projected to exhibit a CAGR of 36.16% during 2016-2025, on account of growing government initiatives to improve transportation infrastructure in the country.

Details of national highways awarded (by NHAI) and constructed in India (KMs):

4.5 Implementation of important projects and expressways:

4.5.1 Bharatmala Pariyojna

Bharatmala Pariyojana is a new umbrella program for the highways sector that focuses on optimizing efficiency of freight and passenger movement across the country by bridging critical infrastructure gaps through effective interventions like development of Economic Corridors, Inter Corridors and Feeder Routes, National Corridor Efficiency Improvement, Border and International connectivity roads, Coastal and Port connectivity roads and Green-field expressway.

The Bharatmala Pariyojana envisages development of about 26,000 km length of Economic Corridors, which along with Golden Quadrilateral (GQ) and North-South and East-West (NS-EW) Corridors are expected to carry majority of the Freight Traffic on roads.

A total length of 34,800 km in road projects have been proposed to be constructed with an estimated outlay of Rs 5.35 trillion (US$ 74.15 billion) under Bharatmala Pariyojana Phase-I over a five year period (2017-18 to 2021-22). In Bharatmala Pariyojana, 60% projects on Hybrid Annuity Mode, 10% projects on BOT (Toll) Mode and 30% projects on EPC mode have been envisaged respectively.

Components under Bharatmala Pariyojana Phase-I are as given below:

Component	Length (Km)	Cost (INR Cr)
Economic corridors development	9,000	1,20,000
Inter-corridor & feeder roads	6,000	80,000
National Corridors Efficiency	5,000	1,00,000
Border & International connectivity	2,000	25,000
Coastal & port connectivity roads	2,000	20,000
Expressways	800	40,000
Sub Total	**24,800**	**3,85,000**
Other works - under NHDP	10,000	1,50,000
Total	**34,800**	**5,35,000**

Source: Ministry of Road Transport and Highways, Government of India

The completion cost of Phase-I is now estimated 10.63 trillion (US$ 130 billion) after factoring in cost escalations up to December 2021 and is 99% higher than the initial estimates owing to substantial rise in land acquisition cost, and steep increase in input costs. It is expected to be completed in FY2028, a delay of six years from the initial envisaged completion date of FY2022. During the last seven years, around 60% (20,632 km vs 34,800 km) of highway length has been awarded as of December 2021, and ~23% of the total length completed till March 2022

4.5.2 Char Dham Vikas Mahamarg Pariyojna:

This project envisages development of easy access to the four dhams in India – Gangotri, Yamunotri, Kedarnath and Badrinath. Development of this route of 889 km route us expected at an estimated cost of INR 12,000 Crores.

4.5.3 Eastern peripheral and western peripheral expressway

These two projects will connect NH-1 and NH-2 from western and eastern side of Delhi.

4.5.4 Setu Bharatam:

This project aims to replace crossings on NHs with Road Over Bridges and Road Under Bridges. It is projected to construct 174 such structures.

4.5.5 To further augment road infrastructure, more economic corridors are also being planned by Government of India as revealed in Budget 2021-22.

a. 3,500 km of National Highway works in the state of Tamil Nadu at an investment of INR 1.03 lakh Crores. These include Madurai-Kollam corridor, Chittoor-Thatchur corridor. Construction will start next year.

b. 1,100 km of National Highway works in the State of Kerala at an investment of INR 65,000 Crores including 600 km section of Mumbai Kanyakumari corridor in Kerala.

c. 675 km of highway works in the state of West Bengal at a cost of INR 25,000 Crores including upgradation of existing road-Kolkata –Siliguri.

d. National Highway works of around INR 19,000 Crores are currently in progress in the State of Assam. Further works of more than INR 34,000 Crores covering more than 1300 kms of National Highways will be undertaken in the State in the coming three years.

e. In the Union Budget of 2022-23, the increase in Budget was a whopping 68% compared to the last year and the government plans to complete 25,000 kilometres of National highways.

4.6 Opportunities in road development & maintenance in India

a. India has joined the league of 15 of global alliance which will work towards the ethical use of smart city technologies

b. The Government aims to construct 65,000 kms of national highways at a cost of Rs. 5.35 lakh crore (US$ 741.51 billion).

c. The government also aims to construct 23 new national highways by 2025.

d. Road building in India is second least expensive in Asia.

e. Andhra Pradesh will spend US$ 296.05 million to build 8,970 kms of roads.

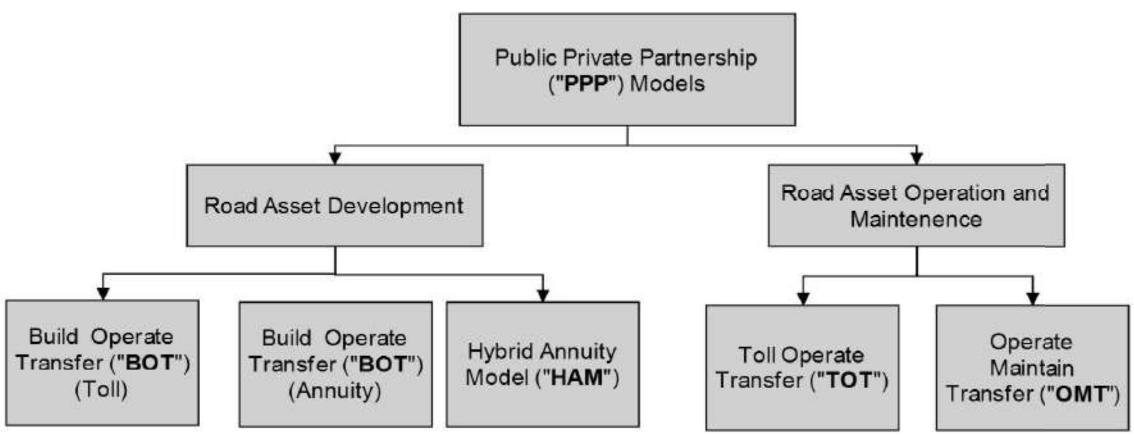
f. In February 2022, NHAI rolled out a plan to construct 5,795 kilometres of highways that will connect 117 districts. The plan was worth Rs. 1 trillion (US$ 13.09 billion).

4.7 Public Private Partnership (“PPP”) Models of road development and maintenance in India

4.7.1 India has a well-developed framework for Public-Private-Partnerships (PPP) in the highway sector. PPP has been a major contributor to the success story of the roads and highway sector in India. With the emergence of private players over the last decade, the road construction market has become fragmented and competitive. Players bidding for projects also vary in terms of size. PPP modes have been used in India for both development and operation & maintenance of road assets.

NHAI is planning to award 500 km of the 6,500 km target for FY23 through BOT mode. It may give minimum toll revenue guarantee to make it easier for contractors to bid for BOT projects.

4.7.2 In August 2020, the Government of India revised the Model Concession Agreement for BOT projects to plug delays by imposing a deadline on the NHAI and incentivising timely work by concessionaires. According to revised norms, the NHAI will have to hand over 90% of the project land (vacant and ready to build) to private developers, thus creating a more market-friendly sector and attracting more private players.



4.7.3 Road Asset Development Models

- **BOT Toll**
  - In a BOT toll project, the concessionaire is responsible for designing, building, financing, operating, maintaining, tolling and transferring the project to the relevant authority at the end of the concession period. The concession period is project specific but is usually for 20-25 years. In BOT Toll model, the concessionaire earns revenue primarily in the form of toll revenue which in turns depends on the traffic on the road stretch. Toll rates are regulated by the government through rules.

- **BOT Annuity**
    - Similar to a BOT Toll projects, in BOT Annuity project, the concessionaire is responsible for designing, building, financing, operating, maintaining, tolling and transferring the project to the relevant authority at the end of the concession period. However, in these projects, the right to collect toll on road stretch lies with the government. The concessionaire earns revenue in the form of pre-determined semi-annual annuity payments.
- **HAM**
    - Similar to a BOT projects, in HAM project, the concessionaire is responsible for designing, building, financing, operating, maintaining, tolling and transferring the project to the relevant authority at the end of the concession period. However, in these projects, the right to collect toll on road stretch lies with the government. The construction period for HAM projects is project specific and a fixed operation period of 15 years.

4.8 Government Investment in the Sector

4.8.1 Under Union Budget 2023-24, the Government of India has allocated Rs. 270,000 crore (US$ 33 billion) to the Ministry of Road Transport and Highways.

4.8.2 During 2019-23, NHAI is expected to generate Rs. 1 trillion (US$ 14.30 billion) annually from toll and other sources.

4.8.3 NHAI is planning to raise Rs. 40,000 crore (US$ 5.72 billion) to monetize its highway assets through Infrastructure Investment Trust (InvIT). Five operational roads with an estimated enterprise value of INR 5,000 crores have been transferred to the NHAI InvIT.

4.9 Growth Drivers

4.9.1 Robust Demand :

Growing domestic trade flows have led to rise in commercial vehicles and freight movement; supported by rise in production of commercial vehicles to 752,022 in FY20 which commands stronger road network in India. Higher individual discretionary spending has led to increased spending on two and four wheelers. Domestic sales of passenger vehicles, three-wheelers and two-wheelers, reached 3,069,499, 260,995, and 13,466,412 units, respectively, in FY22. Road's traffic share of the total traffic in India has grown from 13.8% to 65% in freight traffic and from 32% to 90% in passenger traffic over 1951–2019.

4.9.2 Increasing Investment :

Huge investment have been made in the sector with total investment increasing more than three times from Rs. 51,914 crore (US$ 7.43 billion) in 2014-15 to Rs. 158,839 crore (US$ 22.73 billion) in 2018- 19. Between FY16 and FY21, budget outlay for road transport and highways increased at a robust CAGR of 13.10%. In 2019-20. Under the Union Budget 2023-24, the Government of India has allocated Rs. 270, 000 crore (US$ 33 billion) to the Ministry of Road Transport and Highways.

4.9.3 Policy Support :

100% FDI is allowed under automatic route subject to applicable laws and regulations, standardized process for bidding and tolling. Under Union Budget 2022-23, allocation to the rural roads construction scheme PMGSY raised by 36 per cent to Rs 19,000 crore for the fiscal year 2022-23. Government of India has set up India Infrastructure Finance Company (IIFCL) to provide long-term funding for infrastructure projects.

4.10 Challenges & Issues in the Sector

4.10.1 Land Acquisition Delays & Cost :

- Land acquisition cost has increased more than 30% since 2017, primarily due to enhanced compensation payment requirements as per 'The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013'.
- Delay in pre-construction activities (such as land acquisition, relocation) affects project timelines. Land acquisition for road projects involves various stages. Each stage involves a number of stakeholders and regulatory bodies. Thus processes consume considerable time.

4.10.2 Regulatory Approvals & Disputes :

- Road development process requires a number of approvals such as environmental clearance, forest clearance, railways clearance, etc. Each of these activities takes considerable time and non-adherence to timelines result in cost overruns due to delays.
- Claims arising out of disputes between the concessionaire/ contractor and the government authorities are also a significant cost which can lead to large liabilities.

4.10.3 Operational Issues :

- Uncertainty of toll revenue collection and variation of collected toll revenue compared to projected levels as Actual traffic is much less than the anticipated traffic.
- Often unforeseen weather conditions require unplanned O&M, over and above the routine and periodic maintenance activities. This results in enhanced O&M expenses. The increase in O&M costs is also affecting the project returns.

4.10.4 Financing road construction projects :

- In the case of toll motorways, the challenge of financing construction projects is different but still remains. Traditionally, the construction of toll motorways is a profitable investment but in the times of recession, funding may be rare or nonexistent.
- Powerful national economies may be able to efficiently tackle the problem but weaker economies can hardly find the financing sources for road construction projects.

4.10.5 Climate Change

- The road sector is vulnerable to climate change impacts. Climate change and extreme weather events pose a significant challenge to the safety, reliability, effectiveness and sustainability of road transportation systems. Tsunami waves, wildfires, floods and hurricanes constitute a big risk for passengers, vehicles and goods, as well as for the integrity of the transport infrastructure.
- Since reliable road transport is an essential driver of economic growth and social wellbeing worldwide, national road authorities and motorway operators must adapt the infrastructure to climate change and increase the resilience of road transport to extreme weather

4.10.6 Economy and cost effectiveness :

- Among all transport modes, road transport occupies a significant place in short- and medium distance travel operations. However, the unit cost of transportation (per ton × km), compared with other modes of transport, remains high and is getting higher and cost-ineffective as the travel distance increases.
- Road transport cost comprises direct costs (fuel, capital depreciation, maintenance, motorway tolls, ferry fares and wages) and external costs (noise, congestion, infrastructure damages, health and environmental issues).

4.11 Recent Initiatives by Government

4.11.1 Bhoomi Rashi – Land Acquisition Portal

The ministry has corroborated with the National Informatics Centre, to create Bhoomirashi, a web portal which digitises the cumbersome land acquisition process, and also helps in processing notifications relating to land acquisition online. Processing time, which was earlier two to three months has come down to one to two weeks now.

4.11.2 FASTag – Electronic Toll Collection

National Electronic Toll Collection (NETC) system, has been implemented on pan India basis in order to remove bottlenecks and ensure seamless movement of traffic and collection of user fee as per the notified rates, using passive Radio Frequency Identification (RFID) technology. India saw a 46 per cent growth in electronic toll collection through FASTags on highways in FY 22 from INR 34,778 Crores in FY 21 to INR 50,855 Crores in FY22. In 2021, the total amount collected through electronic toll was Rs 34,778 crore. Similarly, the number of FASTag transactions also witnessed a growth of around 48 per cent in 2022 as compared to that in 2021. The number of FASTag transactions in 2021 and 2022 was 219 crore and 324 crore, respectively.

4.11.3 Revival of languishing projects

Projects which were languishing for a number of years have been attempted to be revived, with the help of a number of policy measures taken by the government. Some of the policy measures like Premium deferment in stressed projects, extension of concession period for languishing projects to the extent of delay not attributable to concessionaires, One Time Capital Support for physical completion of languishing projects that have achieved at least 50 per cent physical progress, through one time fund infusion by NHAI, subject to adequate due diligence on a case to case basis.

4.11.4 Rural development

Under the Union Budget 2022-23, the Government of India allocated Rs. 19,000 (US$ 2.37 billion) for Pradhan Mantri Gram Sadak Yojana (PMGSY), a 36% rise over the earlier estimate of INR 15,000 in Union Budget 2021-22. Under the Union Budget 2020-21, the Government of India has allocated Rs. 19,500 crore (US$ 2.79 billion) for Pradhan Mantri Gram Sadak Yojana (PMGSY).

4.11.5 Improve safety standards

In October 2021, the government announced rules to improve road safety, such as fixed driving hours for commercial truck drivers and a mandate to install sleep detection sensors in commercial vehicles. In October 2020, a memorandum of understanding (MoU) has been signed with the National Highways Authority of India (NHAI) by Guru Nanak Dev University (GNDU) to conduct advanced research on various aspects, including highway architecture, protection and revitalisation. The GNDU will undertake studies on ~137 km length of the National Highways passing through Pathankot, Gurdaspur and Amritsar districts.

4.11.6 Portfolios in roads & highways sector

In October 2020, the National Investment and Infrastructure Fund (NIIF) is making progress towards integrating its road and highway portfolio. The NIIF has acquired Essel Devanahalli Tollway and Essel Dichpally Tollway through the NIIF master fund. These road infra-projects will be supported by Athaang Infrastructure, NIIF's proprietary road network, assisted by a team of established professionals with diverse domain expertise in the transport field.

4.11.7 International Tie-ups

In December 2020, the Ministry of Road Transport and Highways signed an MoU with the Federal Ministry of Climate Action, Environment, Energy, Mobility, Innovation and Technology of the Republic of Austria on technology cooperation in the road infrastructure sector.

4.11.8 Encourage private funding to reduce finance constraints

- From April 2000 to September 2022, the construction sector in India attracted 26 billion U.S. dollars in foreign direct investments (FDI) for construction development. Another 28 billion U.S. dollars went into construction activities. Maif 2 Investments India Pvt. Ltd. became the first-largest foreign investment in Indian roads sector under toll-operate-transfer (TOT) mode worth Rs. 9,681.5 crore (US$ 1.50 billion).
- In October 2020, the Asian Development Bank (ADB) and the Government of India signed a US$ 177 million loan to upgrade 450 kms of state highways and major district roads in Maharashtra.
- In January 2021, the Government of India and New Development Bank (NDB) signed two loan agreements for US$ 646 million for upgrading the state highway and district road networks in Andhra Pradesh.
- In August 2020, the Government of India revised the Model Concession Agreement for BOT projects to plug delays by imposing a deadline on the NHAI and incentivising timely work by concessionaires.
- According to revised norms, the NHAI will have to hand over 90% of the project land (vacant and ready to build) to private developers, thus creating a more market-friendly sector and attracting more private players.

Sources: IBEF Roads Report, February 2023; KPMG Report - Roads and Highway Sector; ICRA reports, website of Ministry of Road Transport and Highways, Government of India.

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5. Valuation Methodology and Approach

5.1. The present valuation exercise is being undertaken in order to derive the fair EV of the SPV.

5.2. The valuation exercise involves selecting a method suitable for the purpose of valuation, by exercise of judgment by the valuers, based on the facts and circumstances as applicable to the business of the company to be valued.

5.3. There are three generally accepted approaches to valuation:

(a) "Cost" approach
(b) "Market" approach
(c) "Income" approach

Cost Approach

5.4. The cost approach values the underlying assets of the business to determine the business value. This valuation method carries more weight with respect to holding companies than operating companies. Also, cost value approaches are more relevant to the extent that a significant portion of the assets are of a nature that could be liquidated readily if so desired.

Net Asset Value ("NAV") Method

5.5. The NAV Method under Cost Approach considers the assets and liabilities, including intangible assets and contingent liabilities. The Net Assets, after reducing the dues to the preference shareholders, if any, represent the value of a company.

The NAV Method is appropriate in a case where the main strength of the business is its asset backing rather than its capacity or potential to earn profits. This valuation approach is also used in cases where the firm is to be liquidated, i.e. it does not meet the "Going Concern" criteria.

As an indicator of the total value of the entity, the NAV method has the disadvantage of only considering the status of the business at one point in time.

Additionally, NAV does not properly take into account the earning capacity of the business or any intangible assets that have no historical cost. In many aspects, NAV represents the minimum benchmark value of an operating business.

Market Approach

5.6. Under the Market approach, the valuation is based on the market value of the company in case of listed companies, and comparable companies' trading or transaction multiples for unlisted companies. The Market approach generally reflects the investors' perception about the true worth of the company.

Comparable Companies Multiples ("CCM") Method

5.7. The value is determined on the basis of multiples derived from valuations of comparable companies, as manifest in the stock market valuations of listed companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

Comparable Transactions Multiples ("CTM") Method

5.8. Under the CTM Method, the value is determined on the basis of multiples derived from valuations of similar transactions in the industry. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances. Few of such multiples are EV/Earnings before Interest, Taxes, Depreciation & Amortization ("**EBITDA**") multiple and EV/Revenue multiple.

Market Price Method

5.9. Under this method, the market price of an equity share of the company as quoted on a recognized stock exchange is normally considered as the fair value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded. The market value generally reflects the investors' perception about the true worth of the company.

Income Approach

The income approach is widely used for valuation under "Going Concern" basis. It focuses on the income generated by the company in the past as well as its future earning capability. The Discounted Cash Flow Method under the income approach seeks to arrive at a valuation based on the strength of future cash flows.

DCF Method

5.10. Under DCF Method value of a company can be assessed using the Free Cash Flow to Firm Method ("**FCFF**") or Free Cash Flow to Equity Method ("**FCFE**"). Under the DCF method, the business is valued by discounting its free cash flows for the explicit forecast period and the perpetuity value thereafter. The free cash flows represent the cash available for distribution to both, the owners and creditors of the business. The free cash flows in the explicit period and those in perpetuity are discounted by the WACC. The WACC, based on an optimal vis-à-vis actual capital structure, is an appropriate rate of discount to calculate the present value of future cash flows as it considers equity-debt risk by incorporating debt-equity ratio of the firm.

The perpetuity (terminal) value is calculated based on the business' potential for further growth beyond the explicit forecast period. The "Constant Growth Model" is applied, which implies an expected constant level of growth for perpetuity in the cash flows over the last year of the forecast period.

The discounting factor (rate of discounting the future cash flows) reflects not only the time value of money, but also the risk associated with the business' future operations. The EV (aggregate of the present value of explicit period and terminal period cash flows) so derived, is further reduced by the value of debt, if any, (net of cash and cash equivalents) to arrive at value to the owners of the business.

Conclusion on Cost Approach

5.11. The existing book value of EV of the SPV comprising of the value of its Net fixed assets, Net intangible assets and working capital based on the financial statements as at 31st May 2024 prepared as per Indian Accounting Standards (Ind AS) are as under :

Sr. No	SPV	Book EV (INR Mn)	Adjusted EV**
1	GAKHPL	11,461	11,521

* Enterprise Value ("EV") is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash or cash equivalents to meet those liabilities.

** Adjusted Enterprise Value of the SPV is derived as the EV as defined above plus cash or cash equivalents of the SPV as at the Valuation Date.

5.12. In the present case, the SPV operates and maintains the project facilities in accordance with the terms and conditions under the relevant concession agreement. During the concession period, the SPV operates and maintains the road asset and earns revenue through annuity payments that are pre-determined as per the respective concession agreement. In such scenario, the true worth of the business is reflected in its future earning capacity rather than the cost of the project. Accordingly, I have not considered the cost approach for the current valuation exercise.

Conclusion on Market Approach

5.13. The present valuation exercise is to undertake fair EV of the SPV engaged in the road infrastructure projects for a predetermined tenure. Further, the tariff revenue and expenses are very specific to the SPV depending on the nature of their geographical location, stage of project, terms of profitability. In the absence of any exactly comparable listed companies with characteristics and parameters similar to that of the SPV, I have not considered CCM method in the present case. In the absence of adequate details about the Comparable Transactions, I was unable to apply the CTM method. Currently, the equity shares of the SPV are not listed on any recognized stock exchange of India. Hence, I was unable to apply market price method.

Conclusion on Income Approach

5.14. The SPV operates under a HAM based concession agreement with NHAI.

5.15. Currently, the SPV is completed and generating revenue. The revenue of the SPV is based on tenure, annuity and O&M payments, operations and other factors that are unique to the SPV. The revenue of the SPV is mainly derived from the annuity payments (annuity fees), interest income on balance annuity payments (which is linked to bank rate) and O&M payments (adjusted for inflation), that is defined under respective Concession Agreement for operation period.

5.16. The annuity fees are typically pre-determined with the relevant government authority (NHAI in this case) and cannot be modified to reflect prevailing circumstances. Interest on balance annuity payments are linked to bank rate, which is changed by RBI based on prevailing market conditions. The rights in relation to the underlying assets of the SPV shall be transferred after the expiry of the Concession Period. Accordingly, since the SPV are generating income based on pre-determined agreements / mechanism and since the Investment Manager has provided me with the financial projections of the SPV for the balance tenor of the concession agreements, DCF Method under the income approach has been considered as the appropriate method for the present valuation exercise.

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6. Valuation of the SPV

6.1. In the present exercise, my objective is to determine the Fair Enterprise Value of the SPV as per the DCF Method. EV is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash or cash equivalents to meet those liabilities. Accordingly, in the present case, I have considered it appropriate to consider cash flows at FCFF (Free Cash Flow to Firm) level i.e., cash flows that are available to all the providers of capital (equity shareholders, preference shareholders and lenders). Therefore, cash flows required to service lenders and preference shareholders such as interest, dividend, repayment of principal amount and even additional fund raising are not considered in the calculation of FCFF.

6.2. While carrying out this engagement, I have relied extensively on the information made available to me by the Investment Manager. I have considered projected financial statement of the SPV as provided by the Investment Manager. I have not tested individual assumptions or attempted to substantiate the veracity or integrity of such assumptions in relation to the forward-looking financial information, however, I have made sufficient enquiries to satisfy myself that such information has been prepared on a reasonable basis. Notwithstanding anything above, I cannot provide any assurance that the forward looking financial information will be representative of the results which will actually be achieved during the cash flow forecast period.

6.3. Following are the major steps I have considered in order to arrive the EV of the SPV as per the DCF Method:

- Determination of Free Cash Flows to Firm which included:
    a. Obtaining the financial projections to determine the cash flows expected to be generated by the SPV from the Investment Manager;
    b. Analyzed the projections and its underlying assumptions to assess the reasonableness of the cash flows;
- Determination of the discount rate for the explicit forecast period; and
- Applying the discount rate to arrive at the present value of the explicit period cash flows and for arriving at the terminal value.

6.4. The key assumptions of the projections provided to me by the Investment Manager are:

Key Assumptions:

6.4.1. **Revenue cash flows**

The Cash flow for the SPV can be divided into two segments:

Payment from NHAI during the Construction Period:

The SPV was eligible to receive 40% of the Bid Project Cost, adjusted for the price index multiple, in 5 installments of 8% each during the construction period. I have been represented by the Investment Manager that the SPV has received the agreed portion of the inflation adjusted bid project cost (of 40%) as per the respective concession agreement. Hence, no further cash flow receipts are attributable towards this segment of cash flows.

Payment by NHAI during the Operation Period: Accordingly, the revenue of the SPV would mainly consists of the following receipts:

a. **Annuity payments**: The Bid Project Cost remaining, adjusted for the price index multiple, to be paid in pursuance of the respective concession agreements (i.e. the Balance Completion Cost) is eligible to be received by the respective SPV by way of specified biannual installments as mentioned in their respective concession agreement for the balance period of operations.

b. **Interest**: As per the concession agreements, the SPV is entitled to receive interest on reducing Balance Completion Cost equal to applicable Bank Rate (as decided by the Monetary Policy Committee and published by the Reserve Bank of India) + 3.00% spread. Such interest is due and payable along with each of the biannual installments as mentioned above; and

c. **Operation and Maintenance Revenue**: In lieu of O&M expenses to be incurred by SPV, SPV is eligible for certain O&M income (as defined in the respective concession agreement) at each biannual installment date, duly adjusted for an appropriate inflation rate.

Following table summarizes the payment received by the SPV from NHAI till the Valuation Date, and balance number of biannual NHAI payments expected to be received:

Particulars	INR Mn
First Annuity Amount	958
Second Annuity Amount	846
Total	**1,804.85**
No. of Annuities received till date	2
No. of Annuities yet to be received	28

6.4.2. **Expenditure:**

Since the SPV is operational on the Valuation Date, following are the major costs incurred by the SPV:

Operation and Maintenance Costs (Routine) ("O&M Costs")

These are routine costs incurred every year. These costs are related to the normal wear and tear of the road and hence involve repairing the patches damaged mainly due to heavy traffic movement. O&M Costs also includes staff salaries, project management fees, professional fees, insurance, security expenses, electricity, etc. The primary purpose of these expenses is to maintain the road as per the specifications mentioned in the respective concession agreement. SPV is responsible for carrying out operation and maintenance activities at its road during its concession period**.** Within the scope of such operation and maintenance obligations, the SPV may be required to undertake routine maintenance of project roads, maintain and comply with safety standards to ensure safe traffic movement, deploy adequate human resources for incident management, maintain proper medical and sanitary arrangements for personnel deployed at the site, prevent any unauthorized entry to and exit from the project as may be required.

The Investment Manager has provided the estimated O&M costs for the projected period and I have corroborated the said expenses with the Technical Due Diligence report of the SPV prepared by the external professional agency [FP Project Management Consultancy Services Private Limited (Formerly Frischmann Prabhu (I) Pvt. Ltd.)] for estimating major maintenance expenses and O&M Costs for the projected period.

I understand from the Investment Manager that after acquisition of the SPV, the Project Manager of the Trust will be supervising and managing the operations & maintenance of the Project Road, which will be undertaken through the O&M contractors at the SPV level.

Major Maintenance and Repairs Costs ("MMR Costs")

Estimating the MMR Costs

Major maintenance expenses will be incurred on periodic basis. These are the costs incurred to bring the road assets back to its earlier condition or keep the road assets in its normal condition as per the concession agreement terms. These expenses are primarily related to the construction or re-laying of the top layer of the road. Accordingly, such costs include considerable amounts of materials and labour.

The Investment Manager has provided the estimated MMR cost for the projected period and I have corroborated the said expenses with the Technical Due Diligence report of the SPV prepared by the external professional agency [FP Project Management Consultancy Services Private Limited (Formerly Frischmann Prabhu (I) Pvt. Ltd.)] for estimating major maintenance expenses and O&M Costs for the projected period.

Capital Expenditure ("Capex"): As represented by the Investment Manager, regarding the maintenance Capex, there is no capex for the projected period.

6.4.3. **Direct Taxes**: As per the discussions with the Investment Manager, the new provisions of Income Tax Act, 1961 (Section 115BAA) have been considered for the projected period of the SPV. The SPV has been filing its income tax returns on the basis of IND AS Income, adjusted for adjustments prescribed by Income Computation and Deduction Standards IV i.e Revenue Recognition and ICDS III i.e. Construction Contracts which can be substantiated from the income tax returns of the SPV.

6.4.4. **Working Capital:**

The Investment Manager has provided projected financial information on biannual basis for the SPV. The biannual period are based on the annuity dates of the SPV. The amount of O&M expenses payable to O&M Contractor by the SPV on the basis of its O&M Agreements is also due and payable on the basis of the annuity amount and date on which annuities are received. Hence, for the SPV where annuity payments are material component of revenue, there are no receivables and payables estimated to be outstanding at their respective annuity dates during the biannually prepared projected period. Other working capital items outstanding as at the Valuation Date mainly represents the advance income tax, GST input tax (and cash) credit, prepaid expenses, MMR, DSRA ("Debt Service Reserve Account") etc.

The Investment Manager has provided projected Working Capital information for the SPV. I have relied on the same.

6.4.5. **GST Claim:** The Investment Manager has informed us that due to the changes in extant provision of the Goods & Services Tax ("GST") laws, the SPV are eligible to receive GST claim from NHAI which are as follows:

i. **On Annuity:** As per the Annexure IV of the Policy circular of Ministry of Road Transport & Highways as on 27th August 2021 vis-à-vis Ministry of Finance circular dated 17th June 2021, SPV are eligible to claim reimbursement of GST on annuity, considering change in law, after adjusting GST input credit lying with the SPV.

ii. **On Interest on Annuity:** As per the Ministry of Finance circular dated 17th June 2021, GST will be applicable on annuity (deferred payments) paid for construction of roads i.e. annuity plus interest, additionally Ministry of Road Transport & Highways issued clarification dated 17th June 2021 that the SPV will be eligible to claim reimbursement of GST on interest.

iii. **Change in GST rates:** Ministry of Finance vide notification no. 03/2022 dated 13th July 2022, increased the GST rates applicable on road construction services from 12% to 18%. As per the Policy circular of Ministry of Road Transport & Highways as on 20th September 2022, the above increase in GST rates are eligible for reimbursement from NHAI as it is considered as change in law (i.e. change of rate).

6.5. **Impact of Ongoing Litigation on Valuation**

As on 31st May 2024, there are no ongoing litigations.

6.6. Calculation of Weighted Average Cost of Capital for the SPV

6.6.1. **Cost of Equity:**

Cost of Equity (CoE) is a discounting factor to calculate the returns expected by the equity holders depending on the perceived level of risk associated with the business and the industry in which the business operates.

For this purpose, I have used the Capital Asset Pricing Model (CAPM), which is a commonly used model to determine the appropriate cost of equity for the SPV.

K(e) = Rf + [ERP* Beta] + CSRP

Wherein:
K(e) = cost of equity
Rf = risk free rate
ERP = Equity Risk Premium
Beta = a measure of the sensitivity of assets to returns of the overall market
CSRP = Company Specific Risk Premium (In general, an additional company-specific risk premium will be added to the cost of equity calculated pursuant to CAPM).
For valuation exercise, I have arrived at adjusted cost of equity of the SPV based on the above calculation (Refer Appendix 2).

6.6.2. **Risk Free Rate:**

I have applied a risk free rate of return of 6.94% on the basis of the zero coupon yield curve as on 31st May 2024 for government securities having a maturity period of 10 years, as quoted on the website of Clearing Corporation of India Limited.

6.6.3. **Equity Risk Premium ("ERP"):**

Equity Risk Premium is a measure of premium that investors require for investing in equity markets rather than bond or debt markets. The equity risk premium is estimated based on consideration of historical realised returns on equity investments over a risk-free rate as represented by 10 year government bonds. Based on the aforementioned, a 7% equity risk premium for India is considered appropriate.

6.6.4. **Beta:**

Beta is a measure of the sensitivity of a company's stock price to the movements of the overall market index. In the present case, I find it appropriate to consider the beta of companies in similar business/ industry to that of the SPV for an appropriate period.

For the valuation of the SPV, I find it appropriate to consider the beta of MEP Infrastructure Developers Limited, Bharat Road Network Limited and IRB InvIT fund for an appropriate period. The beta so arrived, is further adjusted based on the factors of mentioned SPV like completion of projects, revenue certainty, past collection trend, lack of execution uncertainty, etc. to arrive at the adjusted unlevered beta appropriate to the SPV.

I have further unlevered the beta of such companies based on market debt-equity of the respective company using the following formula:
Unlevered Beta = Levered Beta / [1 + (Debt / Equity) *(1-T)]

Further I have re-levered it based on debt-equity at 70:30 based on the industry Debt: Equity ratio of HAM based projects using the following formula:
Re-levered Beta = Unlevered Beta * [1 + (Debt / Equity) *(1-T)]

Accordingly, as per above, I have arrived at re-levered betas of the SPV. (Refer Appendix 2)

6.6.5. **Company Specific Risk Premium ("CSRP"):**

Discount Rate is the return expected by a market participant from a particular investment and shall reflect not only the time value of money but also the risk inherent in the asset being valued as well as the risk inherent in achieving the future cash flows. In the present case, considering the counter-party risk for the SPV, considering the length of the explicit period for the SPV, and basis my discussion with Investment Manager, I found it appropriate to consider 0% CSRP for the SPV.

6.6.6. **Cost of Debt:**

The calculation of Cost of Debt post-tax can be defined as follows:
K(d) = K(d) pre-tax * (1 - T)

Wherein:
K(d) = Cost of debt
T = tax rate as applicable

For valuation exercise, pre-tax cost of debt has been considered as 8.8%, as represented by the Investment Manager.

6.6.7. **Weighted Average Cost of Capital (WACC):**

The discount rate, or the WACC, is the weighted average of the expected return on equity and the cost of debt. The weight of each factor is determined based on the company's optimal capital structure.

Formula for calculation of WACC:
WACC = [K(d) * Debt /(Debt + Equity)] + [K(e) * (1 - Debt /(Debt + Equity))]

Accordingly, as per above, I have arrived the WACC for the explicit period of the SPV.
(Refer Appendix 2 for detailed workings).

6.6.8. **Cash Accrual Factor (CAF):**

The Cash Accrual Factor refers to the duration between the Valuation date and the point at which each cash flow is expected to accrue

6.7. At the end of the agreed concession period, the rights in relation to the underlying assets, its operations, the obligation to maintain the road reverts to the government authority that granted the concession. Hence, the SPV is not expected to generate cash flow after the expiry of their respective concession agreements. Accordingly, I found it appropriate not to consider terminal period value, which represents the present value at the end of explicit forecast period of all subsequent cash flows to the end of the life of the asset or into perpetuity if the asset has an indefinite life, in this valuation exercise.

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7. Valuation Conclusion

7.1. The current valuation has been carried out based on the discussed valuation methodology explained herein earlier. Further, various qualitative factors, the business dynamics and growth potential of the business, having regard to information base, management perceptions, key underlying assumptions and limitations were given due consideration.

7.2. I have been represented by the Investment Manager that there is no potential devolvement on account of the contingent liability as of valuation date; hence no impact has been factored in to arrive at fair EV of the SPV.

7.3. Based on the above analysis, the fair EV as on the Valuation Date of the SPV is as mentioned below:

INR Mn

SPV	End of Projected Period	Approximate Balance Period	Enterprise Value	Adjusted Enterprise Value
GAKHPL	23-Feb-2038	~13 years 9 months	11,806	11,865

(Refer Appendix 1 for detailed workings)

7.4. EV is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash or cash equivalents to meet those liabilities.

7.5. Adjusted Enterprise Value ("Adj. EV") is described as the Enterprise Value plus any closing cash or cash equivalents as at the date of valuation.

7.6. On request of the Investment Manager, I have also calculated the 100% Equity Value of the SPV as on the Valuation Date. For arriving at the 100% Equity Value, I have adjusted the EV arrived under DCF method for cash & cash equivalents, borrowings from lenders and Subordinated debts from related party, based on the balance sheet of the SPV as on the Valuation Date to arrive at the 100% Equity Value of the SPV.

7.7. Also, on request on the Investment Manager, I have calculated sensitivity on the Equity value based on various parameters in Section 1 and 7.

7.8. Calculation of Equity Value of the SPV as on the Valuation Date:

	INR Mn
	GAKHPL
Fair Enterprise Value	**11,806**
Adjustments:	
Cash & Cash Equivalents	60
Borrowings from lenders	(7,660)
Borrowings from Related party	(2,345)
Adjustments as per DCF	**(9,945)**
Equity Value	**1,860**

7.9. The fair EV of the SPV is estimated using DCF method. The valuation requires Investment Manager to make certain assumptions about the model inputs including forecast cash flows, discount rate, and credit risk.

7.10. Valuation is based on estimates of future financial performance or opinions, which represent reasonable expectations at a particular point of time, but such information, estimates or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, a particular event will occur or that a particular price will be offered or accepted. Actual results achieved during the period covered by the prospective financial analysis will vary from these estimates and the variations may be material.

7.11. Accordingly, I have conducted sensitivity analysis on certain model inputs, the results of which on EV and Adjusted EV are as indicated below:

1. WACC by increasing / decreasing it by 0.5%
2. WACC by increasing / decreasing it by 1.0%
3. Expenses by increasing / decreasing it by 10%
4. Expenses by increasing / decreasing it by 20%

1. Fair Enterprise Value Range based on

a. WACC parameter (0.5%)

INR Mn

Sr. No.	SPV	WACC + 0.5%	EV	Base WACC	EV	WACC - 0.5%	EV
1	GAKHPL	8.15%	11,504	7.65%	11,806	7.15%	12,121

b. WACC parameter (1.0%)

INR Mn

Sr. No.	SPV	WACC + 1.0%	EV	Base WACC	EV	WACC - 1.0%	EV
1	GAKHPL	8.65%	11,215	7.65%	11,806	6.65%	12,450

c. Expenses parameter (10%)

INR Mn

Sr. No.	SPV	EV at Expenses + 10%	EV at Base Expenses	EV at Expenses - 10%
1	GAKHPL	11,660	11,806	11,952

d. Expenses parameter (20%)

INR Mn

Sr. No.	SPV	EV at Expenses + 20%	EV at Base Expenses	EV at Expenses - 20%
1	GAKHPL	11,513	11,806	12,098

2. Fair Adjusted Enterprise Valuation Range based on

a. WACC parameter (0.5%)

INR Mn

Sr. No.	SPV	WACC + 0.5%	EV	Base WACC	EV	WACC - 0.5%	EV
1	GAKHPL	8.15%	11,564	7.65%	11,865	7.15%	12,180

b. WACC parameter (1.0%)

INR Mn

Sr. No.	SPV	WACC + 1.0%	EV	Base WACC	EV	WACC - 1.0%	EV
1	GAKHPL	8.65%	11,275	7.65%	11,865	6.65%	12,509

c. Expenses parameter (10%)

INR Mn

Sr. No.	SPV	EV at Expenses + 10%	EV at Base Expenses	EV at Expenses - 10%
1	GAKHPL	11,719	11,865	12,011

d. Expenses parameter (20%)

INR Mn

Sr. No.	SPV	EV at Expenses + 20%	EV at Base Expenses	EV at Expenses - 20%
1	GAKHPL	11,573	11,865	12,158

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3. Fair Equity Valuation Range based on

a. WACC parameter (0.5%)

INR Mn

Sr. No.	SPV	WACC +0.5%	Equity Value	Base WACC	Equity Value	WACC -0.5%	Equity Value
1	GAKHPL	8.15%	1,559	7.65%	1,860	7.15%	2,175

b. WACC parameter (1.0%)

INR Mn

Sr. No.	SPV	WACC +1.0%	Equity Value	Base WACC	Equity Value	WACC -1.0%	Equity Value
1	GAKHPL	8.65%	1,270	7.65%	1,860	6.65%	2,504

c. Expenses parameter (10%)

INR Mn

Sr. No.	SPV	Equity Value at Expenses +10.0%	Equity Value at Base Expenses	Equity Value at Expenses - 10%
1	GAKHPL	1,714	1,860	2,006

d. Expenses parameter (20%)

INR Mn

Sr. No.	SPV	Equity Value at Expenses +20.0%	Equity Value at Base Expenses	Equity Value at Expenses - 20%
1	GAKHPL	1,568	1,860	2,152

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8. Additional Procedures to be complied with in accordance with InvIT regulations

8.1. Scope of Work

The Schedule V of the SEBI InvIT Regulations prescribes the minimum set of mandatory disclosures to be made in the valuation report. In this reference, the minimum disclosures in valuation report may include following information as well, so as to provide the investors with the adequate information about the valuation and other aspects of the underlying assets of the InvIT.

The additional set of disclosures, as prescribed under Schedule V of InvIT Regulations, to be made in the valuation report of the SPV are as follows:

- List of one-time sanctions/approvals which are obtained or pending;
- List of up to date/overdue periodic clearances;
- Statement of assets;
- Estimates of already carried as well as proposed major repairs and improvements along with estimated time of completion;
- Revenue pendencies including local authority taxes associated with InvIT asset and compounding charges, if any;
- On-going material litigations including tax disputes in relation to the assets, if any;
- Vulnerability to natural or induced hazards that may not have been covered in town planning/ building control.

8.2. Limitations

This Report is based on the information provided by the representatives of the Investment Manager. The exercise has been restricted and kept limited to and based entirely on the documents, records, files, registers and information provided to me. I have not verified the information independently with any other external source.

I have assumed the genuineness of all signatures, the authenticity of all documents submitted to me as original, and the conformity of the copies or extracts submitted to me with that of the original documents.

I have assumed that the documents submitted to me by the representatives of Investment Manager in connection with any particular issue are the only documents related to such issue.

I have reviewed the documents and records from the limited perspective of examining issues noted in the scope of work and I do not express any opinion as to the legal or technical implications of the same.

Analysis of Additional Set of Disclosures for the SPV

A. **List of one-time sanctions/approvals which are obtained or pending:**

The list of sanctions/ approvals obtained by the SPV till the date of this Report is provided in Appendix 3.1. As informed by the Investment Manager, there are no applications for government sanctions/ licenses by the SPV for which approval is pending as on 31st May 2024.

B. **List of up to date/ overdue periodic clearances:**

The Investment Manager has confirmed that the SPV are not required to take any periodic clearances and hence there are no up to date/ overdue periodic clearances as on 31st May 2024.

C. **Statement of assets included:**

The details of assets in INR Mn of the SPV as at 31st May 2024 are as mentioned below:

INR Mn

Sr. No.	SPV	Net Fixed Assets	Non Current Assets*	Current Assets
1	GAKHPL	-	9,544	2,122

Source: Investment Manager

** Non-Current Assets for Annuity SPV includes Non-Current Financial Assets in the form of Annuity Receivable from respective counterparties.*

D. **Estimates of already carried as well as proposed major repairs and improvements along with estimated time of completion:**

I have been informed that maintenance is regularly carried out by SPV in order to maintain the working condition of the assets.

Forecasted major repairs

INR Mn

SPV	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31
GAKHPL	-	-	-	-	-	-	134

SPV	FY 32	FY 33	FY 34	FY 35	FY 36	FY 37	FY 38
GAKHPL	140	-	-	-	-	179	188

Source: Investment Manager

E. **Revenue pendencies including local authority taxes associated with InvIT asset and compounding charges, if any:**

Investment Manager has informed me that there are no material dues including local authority taxes (such as Municipal Tax, Property Tax, etc.) pending to be payable to the government authorities with respect to the SPV (InvIT assets).

F. **On-going material litigations including tax disputes in relation to the assets, if any:**

As informed by the Investment Manager, as on the valuation date, there are no ongoing litigations. Hence, I have relied on the Investment Manager with respect to the current status of litigations, if any.

G. **Vulnerability to natural or induced hazards that may not have been covered in town planning/ building control:**

Investment Manager has confirmed to me that there are no such natural or induced hazards which have not been considered in town planning/ building control.

9. Sources of Information

9.1. For the Purpose of undertaking this valuation exercise, I have relied on the following sources of information provided by the Investment Manager:

i. Audited Financial Statements of the SPV for Financial Year ("FY") 31st March 2021, 31st March 2022, 31st March 2023 and 31st March 2024.

ii. Provisional Financial Statements for period ended 31st May 2024.

iii. Projected financial information for the remaining project life for the SPV;

iv. Details of projected Major Maintenance & Repairs (MMR) Expenditure and Capital Expenditure (Capex);

v. Technical Due Diligence Study Report dated June, 2024 prepared by FP Project Management Private Limited for the SPV;

vi. Details of Written Down Value (WDV) (as per Income Tax Act) of assets as at 31st March 2024;

vii. Concession Agreement of the SPV with the respective authority;

viii. List of licenses / approvals, details of tax litigations, civil proceeding and arbitrations of the SPV;

ix. Shareholding pattern as on 31st May 2024 of the SPV and other entities mentioned in this Report;

x. Management Representation Letter by the Investment Manager dated 24th May 2024;

xi. Relevant data and information about the SPV provided to us by the Investment Manager either in written or oral form or in the form of soft copy;

9.2. Information provided by leading database sources, market research reports and other published data.

9.3. The information provided to me by the Investment Manager in relation to the SPV included but not limited to historical financial statements, forecasts/projections, other statements and assumptions about future matters like forward-looking financial information prepared by the Investment Manager. The forecasts and projections as supplied to me are based upon assumptions about events and circumstances which are yet to occur.

9.4. I have not tested individual assumptions or attempted to substantiate the veracity or integrity of such assumptions in relation to the forward-looking financial information, however, I have made sufficient enquiries to satisfy myself that such information has been prepared on a reasonable basis.

9.5. Notwithstanding anything above, I cannot provide any assurance that the forward looking financial information will be representative of the results which will actually be achieved during the cash flow forecast period.

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10. Exclusions and Limitations

10.1. My Report is subject to the limitations detailed hereinafter. This Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.

10.2. Valuation analysis and results are specific to the purpose of valuation and is not intended to represent value at any time other than the valuation date of 31st May 2024 ("Valuation Date") mentioned in the Report and as per agreed terms of my engagement. It may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.

10.3. This Report, its contents and the results are specific to (i) the purpose of valuation agreed as per the terms of my engagements; (ii) the Valuation Date and (iii) are based on the financial information of the SPV till 31st May 2024. The Investment Manager has represented that the business activities of the SPV have been carried out in normal and ordinary course between 31st May 2024 and the Report Date and that no material changes have occurred in the operations and financial position between 31st May 2024 and the Report date.

10.4. The scope of my assignment did not involve me performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information that was provided and used by me during the course of my work. The assignment did not involve me to conduct the financial or technical feasibility study. I have not done any independent technical valuation or appraisal or due diligence of the assets or liabilities of the SPV or any of other entity mentioned in this Report and have considered them at the value as disclosed by the SPV in their regulatory filings or in submissions, oral or written, made to me.

10.5. In addition, I do not take any responsibility for any changes in the information used by me to arrive at my conclusion as set out here in which may occur subsequent to the date of my Report or by virtue of fact that the details provided to me are incorrect or inaccurate.

10.6. I have assumed and relied upon the truth, accuracy and completeness of the information, data and financial terms provided to me or used by me; I have assumed that the same are not misleading and do not assume or accept any liability or responsibility for any independent verification of such information or any independent technical valuation or appraisal of any of the assets, operations or liabilities of the SPV or any other entity mentioned in the Report. Nothing has come to my knowledge to indicate that the material provided to me was misstated or incorrect or would not afford reasonable grounds upon which to base my Report.

10.7. This Report is intended for the sole use in connection with the purpose as set out above. It can however be relied upon and disclosed in connection with any statutory and regulatory filing in connection with the provision of SEBI InvIT Regulations. However, I will not accept any responsibility to any other party to whom this Report may be shown or who may acquire a copy of the Report, without my written consent.

10.8. It is clarified that this Report is not a fairness opinion under any of the stock exchange/ listing regulations. In case of any third party having access to this Report, please note this Report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose.

10.9. Further, this Report is necessarily based on financial, economic, monetary, market and other conditions as in effect on, and the information made available to me or used by me up to, the date hereof. Subsequent developments in the aforementioned conditions may affect this Report and the assumptions made in preparing this Report and I shall not be obliged to update, revise or reaffirm this Report if information provided to me changes.

10.10. This Report is based on the information received from the sources as mentioned in Section 9 of this Report and discussions with the Investment Manager. I have assumed that no information has been withheld that could have influenced the purpose of my Report.

10.11. Valuation is not a precise science and the conclusions arrived at in many cases may be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value. I have arrived at an indicative EV based on my analysis. While I have provided an assessment of the value based on an analysis of information available to me and within the scope of my engagement, others may place a different value on this business.

10.12. Any discrepancies in any table / appendix between the total and the sums of the amounts listed are due to rounding-off.

10.13. Valuation is based on estimates of future financial performance or opinions, which represent reasonable expectations at a particular point of time, but such information, estimates or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, a particular event will occur or that a particular price will be offered or accepted. Actual results achieved during the period covered by the prospective financial analysis will vary from these estimates and the variations may be material.

10.14. I do not carry out any validation procedures or due diligence with respect to the information provided/extracted or carry out any verification of the assets or comment on the achievability and reasonableness of the assumptions underlying the financial forecasts, save for satisfying ourselves to the extent possible that they are consistent with other information provided to me in the course of this engagement.

10.15. My conclusion assumes that the assets and liabilities of the SPV, reflected in their respective latest balance sheets remain intact as of the Report date.

10.16. Whilst all reasonable care has been taken to ensure that the factual statements in the Report are accurate, neither myself, nor any of my associates, officers or employees shall in any way be liable or responsible either directly or indirectly for the contents stated herein. Accordingly, I make no representation or warranty, express or implied, in respect of the completeness, authenticity or accuracy of such factual statements. I expressly disclaim any and all liabilities, which may arise based upon the information used in this Report. I am not liable to any third party in relation to the issue of this Report.

10.17. The scope of my work has been limited both in terms of the areas of the business & operations which I have reviewed and the extent to which I have reviewed them. There may be matters, other than those noted in this Report, which might be relevant in the context of the transaction and which a wider scope might uncover.

10.18. For the present valuation exercise, I have also relied on information available in public domain; however the accuracy and timelines of the same has not been independently verified by me.

10.19. In the particular circumstances of this case, my liability (in contract or under any statute or otherwise) for any economic loss or damage arising out of or in connection with this engagement, however the loss or damage caused, shall be limited to the amount of fees actually received by me from the Investment Manager, as laid out in the engagement letter for such valuation work.

10.20. In rendering this Report, I have not provided any legal, regulatory, tax, accounting or actuarial advice and accordingly I do not assume any responsibility or liability in respect thereof.

10.21. This Report does not address the relative merits of investing in InvIT as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

10.22. I am not an advisor with respect to legal, tax and regulatory matters for the proposed transaction. No investigation of the SPV's claim to title of assets has been made for the purpose of this Report and the SPV' claim to such rights have been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.

10.23. I have no present or planned future interest in the Trustee, Investment Manager or the SPV and the fee for this Report is not contingent upon the values reported herein. My valuation analysis should not be construed as investment advice; specifically, I do not express any opinion on the suitability or otherwise of entering into any financial or other transaction with the Investment Manager or SPV.

10.24. I have submitted the draft valuation report to the Trust and Investment Manager for confirmation of accuracy of the factual data used in my analysis and to prevent any error or inaccuracy in this Report.

Limitation of Liabilities

10.25. It is agreed that, having regard to the RV's interest in limiting the personal liability and exposure to litigation of its personnel, the Sponsor, the Investment Manager and the Trust will not bring any claim in respect of any damage against any of RV personally.

10.26. In no circumstances RV shall be responsible for any consequential, special, direct, indirect, punitive or incidental loss, damages or expenses (including loss of profits, data, business, opportunity cost, goodwill or indemnification) in connection with the performance of the services whether such damages are based on breach of contract, tort, strict liability, breach of warranty, negligence, or otherwise, even if the Investment Manager had contemplated and communicated to RV the likelihood of such damages. Any decision to act upon the deliverables (including this Report) is to be made by the Investment Manager and no communication by RV should be treated as an invitation or inducement to engage the Investment Manager to act upon the deliverable(s).

10.27. It is clarified that the Investment Manager will be solely responsible for any delays, additional costs, or other liabilities caused by or associated with any deficiencies in their responsibilities, misrepresentations, incorrect and incomplete information including information provided to determine the assumptions.

10.28. RV will not be liable if any loss arises due to the provision of false, misleading or incomplete information or documentation by the Investment Manager.

10.29. Further, this Report is necessarily based on financial, economic, monetary, market and other conditions as in effect on, and the information made available to me or used by me up to, the date hereof. Subsequent developments in the aforementioned conditions may affect this Report and the assumptions made in preparing this Report and I shall not be obliged to update, revise or reaffirm this Report if information provided to me changes.

Yours faithfully,

SWAMINATHAN SUNDARARAMAN

Digitally signed by SWAMINATHAN SUNDARARAMAN
Date: 2024.06.27 11:40:44 +05'30'

S. Sundararaman
Registered Valuer
IBBI Registration No.: IBBI/RV/06/2018/10238
Asset Class: Securities or Financial Assets
Place: Chennai
UDIN: 24028423BKGAAY8888

Appendix 1 – Valuation of SPV as on 31st May 2024

Abbreviations	Meaning
EBITDA	Operating Earnings Before Interest, Taxes, Depreciation and Amortization
MME	Major Maintenance and Repair Expenses
O&M	Operations and Maintenance
Capex	Capital Expenditure
DSRA	Debt Service Reserve Account
Wcap	Incremental Working Capital
FCFF	Free Cash Flow to the Firm
CAF	Cash Accrual Factor
DF	Discounting Factor
PVFCFF	Present value of Free Cash Flow to the Firm

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Strictly Private and Confidential

Appendix 1 – Valuation of GAKHPL as on 31st May 2024 under the DCF Method

INR Mn

Period	Financial Income	O&M Income	Changes in Financial Asset	Other Income	Total Inflow	Routine O&M Exp	Cash EBITDA	MME	Capex	WCap	Tax	FCFF	CAF	WACC	DF	PVFCFF
	A	B	C	D	E=A+B+C+D	F	G=E-F	H	I	J	K	L=G-H-I-J-K			M	N=L*M
Aug-24	184	58	679	8	929	58	871	-	-	141	143	586	0.33	7.65%	0.98	572
Feb-25	587	73	225	9	893	73	821	-	-	(72)	131	762	0.84	7.65%	0.94	716
Aug-25	572	76	220	9	877	76	801	-	-	(63)	126	739	1.33	7.65%	0.91	669
Feb-26	557	76	238	9	880	76	804	-	-	(68)	127	745	1.84	7.65%	0.87	651
Aug-26	542	80	233	9	863	80	784	-	-	(152)	122	814	2.33	7.65%	0.84	685
Feb-27	526	80	251	9	866	80	786	-	-	(153)	122	817	2.84	7.65%	0.81	663
Aug-27	510	84	248	9	850	84	766	-	-	(147)	117	796	3.33	7.65%	0.78	623
Feb-28	494	84	265	9	851	84	767	-	-	(131)	117	781	3.84	7.65%	0.75	589
Aug-28	476	88	265	9	837	88	749	-	-	(129)	113	765	4.34	7.65%	0.73	556
Feb-29	459	88	280	8	835	88	747	-	-	(103)	112	738	4.84	7.65%	0.70	516
Aug-29	440	92	279	8	819	92	727	-	-	(5)	107	624	5.34	7.65%	0.67	421
Feb-30	422	92	296	8	818	92	726	-	-	(12)	107	631	5.84	7.65%	0.65	410
Aug-30	403	163	227	8	801	96	705	67	-	(69)	85	623	6.34	7.65%	0.63	390
Feb-31	388	163	240	8	799	96	703	67	-	(80)	84	632	6.84	7.65%	0.60	382
Aug-31	373	171	232	8	784	101	683	70	-	(69)	78	603	7.34	7.65%	0.58	351
Feb-32	357	171	243	8	780	101	679	70	-	(71)	77	602	7.84	7.65%	0.56	338
Aug-32	340	106	313	8	766	106	661	-	-	(5)	91	575	8.34	7.65%	0.54	311
Feb-33	320	106	383	8	817	106	711	-	-	(3)	103	610	8.84	7.65%	0.52	318
Aug-33	294	111	407	7	820	111	709	-	-	(2)	103	609	9.34	7.65%	0.50	306
Feb-34	267	111	429	7	815	111	704	-	-	(4)	102	607	9.84	7.65%	0.48	294
Aug-34	239	117	440	7	803	117	686	-	-	(4)	97	593	10.34	7.65%	0.47	277
Feb-35	210	117	463	7	797	117	680	-	-	(2)	95	587	10.84	7.65%	0.45	264
Aug-35	180	122	468	7	777	122	655	-	-	(11)	89	576	11.34	7.65%	0.43	250
Feb-36	149	122	476	7	753	122	631	-	-	(4)	83	552	11.84	7.65%	0.42	231
Aug-36	119	218	407	7	750	128	622	90	-	(108)	58	582	12.34	7.65%	0.40	235
Feb-37	92	218	443	6	759	128	631	90	-	(484)	60	965	12.85	7.65%	0.39	374
Aug-37	63	218	447	-	727	123	604	94	-	(78)	60	528	13.34	7.65%	0.37	197
Feb-38	33	217	448	-	699	123	576	94	-	(174)	53	603	13.85	7.65%	0.36	217
Enterprise Value																**11,806**
Adjustments:																
Cash & Cash Equivalents																60
Adjusted Enterprise Value																**11,865**

Appendix 2 – Weighted Average Cost of Capital of the SPV as on 31st May 2024

Particulars	GAKHPL	Remarks
Risk Free Rate (Rf)	6.94%	Risk Free Rate has been considered based on zero coupon yield curve as at 31st May 2024 of Government Securities having maturity period of 10 years, as quoted on the website of Clearing Corporation of India Ltd (CCIL)
Equity Risk Premium (ERP)	7.00%	Based on historical realized returns on equity investments over a risk free rate represented by 10 years government bonds, a 7% equity risk premium is considered appropriate for India
Beta (relevered)	0.46	Beta has been considered based on the beta of companies operating in the similar kind of business in India
Base Cost of Equity	**10.13%**	**Base Ke = Rf + ERP * β**
Company Specific Risk Premium (CSRP)	0.00%	Based on SPV specific risk(s)
Adjusted Cost of Equity (Ke)	**10.13%**	**Adjusted Ke = Rf + ERP * β + CSRP**
Pre-tax Cost of Debt (Kd)	8.80%	As represented by the Investment Manager
Tax rate of SPV	25.17%	Tax Rate Applicable to SPV is considered
Post-tax Cost of Debt	**6.59%**	**Post-tax Kd = Pre-tax Kd * (1-Tax rate)**
Debt / (Debt + Equity)	70%	Debt : Equity ratio computed as [D/(D+E)] is considered as 70%
WACC	**7.65%**	**WACC = [Ke * (1 - D/(D+E))] + [Kd * (1-t) * D/(D+E)]**

Appendix 3 – GAKHPL: Summary of approval and licences

Sr. No.	Approval	Date of Issue	Valid Upto	Issuing Authority
1	Approval of labour license under the provision of the contract labour act	26-08-2020	25-08-2024	Deputy Chief Labour Commissioner (Central)
2	Registration Certificate under the provisions of the building and other Construction Workers (Regulation of employment and Condition of Service) Central Rule 1998	04-09-2020	Valid	Deputy Chief Labour Commissioner (Central)

Source: Investment Manager

<< End of Report >>

Annexure-B

Prepared for:
Bharat Highways InvIT **("the Trust")**

GR Highways Investment Manager Private Limited **("the Investment Manager")**

Valuation as per SEBI (Infrastructure Investment Trusts) Regulations, 2014 as amended

Fair Enterprise Valuation

Valuation Date: 31st March 2024

Report Date: 27th May, 2024

Mr. S Sundararaman,
Registered Valuer,
IBBI Registration No - IBBI/RV/06/2018/10238

RV/SSR/R/2025/10 Date: 27th May, 2024

Bharat Highways InvIT
(acting through IDBI Trusteeship Services Limited [in its capacity as "the Trustee" of the Trust])
2nd Floor, Novus Tower, Plot No. 18,
Sub. Major Laxmi Chand Road, Sector-18,
Gurugram, Haryana – 122 015.

GR Highways Investment Manager Private Limited
(acting as the Investment Manager to Bharat Highways InvIT)
2nd Floor, Novus Tower, Plot No. 18,
Sub. Major Laxmi Chand Road, Sector-18,
Gurugram, Haryana – 122 015.

Sub: Financial Valuation as per SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended ("the SEBI InvIT Regulations")

Dear Sir(s)/ Madam(s),

I, Mr. S. Sundararaman ("**Registered Valuer**" or "**RV**" or "**I**" or "**My**" or "**Me**") bearing IBBI registration number IBBI/RV/06/2018/10238, have been appointed vide letter dated 24th April, 2024 as an independent valuer, as defined as per Regulation 2(zzf) of the SEBI InvIT Regulations, by **GR Highways Investment Manager Private Limited** ("**GHIMPL**" or "**the Investment Manager"**) acting as the investment manager for **Bharat Highways InvIT** ("**the Trust**" or "**Bharat InvIT**"), for the financial valuation of the special purpose vehicles (defined below and hereinafter together referred as "**the SPVs"**) of the Trust as per the requirements of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended ("**SEBI InvIT Regulations**").

The SPVs are acquired by the Trust and are to be valued as per Regulation 21(4) read with Chapter V of the SEBI InvIT Regulations.

Following Special Purpose Vehicles are held under the Trust:

Sr. No.	Name of the SPV	Term
1	GR Phagwara Expressway Limited	GPEL
2	Porbandar Dwarka Expressway Private Limited	PDEPL
3	GR Gundugolanu Devarapalli Highway Private Limited	GDHPL
4	GR Akkalkot Solapur Highway Private Limited	GASHPL
5	Varanasi Sangam Expressway Private Limited	VSEPL
6	GR Sangli Solapur Highway Private Limited	GSSHPL
7	GR Dwarka Devariya Highway Private Limited	GDDHPL

(Hereinafter all the seven companies mentioned above are together referred to as "**the SPVs"**)

I am enclosing the Report providing opinion on the fair enterprise value of the SPVs as defined hereinafter on a going concern basis as at 31st March 2024 ("**Valuation Date**").

Enterprise Value ("**EV**") is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash or cash equivalents to meet those liabilities. The attached Report details the valuation methodologies used, calculations performed and the conclusion reached with respect to this valuation.

I was further requested by the Investment Manager to provide the adjusted enterprise value of the SPVs as at 31st March 2024, where the adjusted enterprise value ("**Adjusted EV**") is derived as EV as defined above plus cash or cash equivalents of the SPVs as at 31st March 2024.

I have relied on explanations and information provided by the Investment Manager. Although, I have reviewed such data for consistency, those are not independently investigated or otherwise verified. My team and I have no present or planned future interest in the Trust, the SPVs or the Investment Manager except to the extent of this appointment as an independent valuer and the fee for this Valuation Report ("**Report**") which is not contingent upon the values reported herein. The valuation analysis should not be construed as investment advice, specifically, I do not express any opinion on the suitability or otherwise of entering into any financial or other transaction with the Trust.

The analysis must be considered as a whole. Selecting portions of any analysis or the factors that are considered in this Report, without considering all factors and analysis together could create a misleading view of the process underlying the valuation conclusions. The preparation of a valuation is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis.

The information provided to me by the Investment Manager in relation to the SPVs included but not limited to historical financial statements, forecasts/projections, other statements and assumptions about future matters like forward-looking financial information prepared by the Investment Manager. The forecasts and projections as supplied to me are based upon assumptions about events and circumstances which are yet to occur.

I have not tested individual assumptions or attempted to substantiate the veracity or integrity of such assumptions in relation to the forward-looking financial information, however, I have made sufficient enquiry to satisfy myself that such information has been prepared on a reasonable basis.

Notwithstanding anything above, I cannot provide any assurance that the forward looking financial information will be representative of the results which will actually be achieved during the cash flow forecast period.

The valuation provided by RV and the valuation conclusion are included herein and the Report complies with the SEBI InvIT Regulations and guidelines, circular or notification issued by the Securities and Exchange Board of India (“**SEBI**”) thereunder.

Please note that all comments in the Report must be read in conjunction with the caveats to the Report, which are contained in Section 11 of this Report. This letter, the Report and the summary of valuation included herein can be provided to Trust’s advisors and may be made available for the inspection to the public and with the SEBI, the stock exchanges and any other regulatory and supervisory authority, as may be required.

I draw your attention to the limitation of liability clauses in Section 11 of this Report.

This letter should be read in conjunction with the attached Report.

Yours faithfully,

SWAMINATHAN SUNDARARAMAN
Digitally signed by SWAMINATHAN SUNDARARAMAN
Date: 2024.05.27 21:25:33 +05'30'

S. Sundararaman
Registered Valuer
IBBI Registration No.: IBBI/RV/06/2018/10238
Asset Class: Securities or Financial Assets
Place: Chennai
UDIN: 24028423BKGAAX8452

Definition, Abbreviation & Glossary of terms

Abbreviations	Meaning
BOT	Build, Operate and Transfer
Capex	Capital Expenditure
CCM	Comparable Companies Multiples
COD	Commercial Operation Date
CTM	Comparable Transactions Multiples
DCF	Discounted Cash Flow
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization
EV	Enterprise Value
FCFF	Free Cash Flow to the Firm
FDI	Foreign Direct Investment
FY	Financial Year Ended 31st March
GASHPL	GR Akkalkot Solapur Highway Private Limited
GDDHPL	GR Dwarka Devariya Highway Private Limited
GDHPL	GR Gundugolanu Devarapalli Highway Private Limited
GPEL	GR Phagwara Expressway Limited
GR Infra/Settlor	G R Infraprojects Limited
GSSHPL	GR Sangli Solapur Highway Private Limited
HAM	Hybrid Annuity Model
Ind AS	Indian Accounting Standards
INR	Indian Rupee
Investment Manager/ GHIMPL	GR Highways Investment Manager Private Limited
IVS	ICAI Valuation Standards 2018
Kms	Kilometers
MMR	Major Maintenance and Repairs
Mn	Million
MoRTH	Ministry of Road Transport and Highways
NAV	Net Asset Value Method
NH	National Highway
NHAI	National Highways Authority of India
NHDP	National Highways Development Project
NS-EW	North- South and East-West Corridors
O&M	Operation & Maintenance
PDEPL	Porbandar Dwarka Expressway Private Limited
PPP	Public Private Partnership
RFID	Radio Frequency Identification
RV	Registered Valuer
SEBI	Securities and Exchange Board of India
SEBI InvIT Regulations	SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended
SH	State Highway
Sponsor/ AIPL	Aadharshila Infratech Private Limited
SPV	Special Purpose Vehicle
Trustee	IDBI Trusteeship Services Limited
VSEPL	Varanasi Sangam Expressway Private Limited

Contents

1. Executive Summary

1.1. Background

The Trust

1.1.1. Bharat Highways InvIT ("**Bharat InvIT**" or "**the Trust**") was established on 16th June 2022 as an irrevocable trust pursuant to the trust deed under the provisions of the Indian Trusts Act, 1882. The Trust is registered as an Indian infrastructure investment trust with the Securities and Exchange Board of India ("**SEBI**") with effect from 3rd August 2022, bearing registration number IN/InvIT/22-23/0023, pursuant to the SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time ("**the SEBI InvIT Regulations**").

1.1.2. Bharat Highways InvIT is an infrastructure investment trust established to acquire, manage and invest in a portfolio of infrastructure assets across sectors and/or securities of companies engaged in the infrastructure sector.

1.1.3. IDBI Trusteeship Services Limited ("**the Trustee**") has been appointed as the Trustee of Bharat InvIT.

1.1.4. The units of the Trust are listed on the National Stock Exchange of India Limited and BSE Limited since 12th March 2024.

1.1.5. Unit holding pattern of the Trust as on 31st March 2024 is as follows:

Particulars	No. of Units	%
Sponsor & sponsor group	6,64,50,000	15.00%
Mutual Funds	9,09,19,358	20.53%
Financial Institutions/Banks	59,97,787	1.35%
Insurance Companies	1,48,50,422	3.35%
Foreign Portfolio Investors	88,77,193	2.00%
Alternative Investment Fund	56,38,311	1.27%
Non-institutional investors	25,02,05,534	56.49%
Total Outstanding Units	**44,29,38,605**	**100.00%**

The Sponsor

1.1.6. G R Infraprojects Limited ("**the Settlor**" or "**GR Infra**") has settled the infrastructure investment trust under the SEBI InvIT Regulations called "**Bharat Highways InvIT**" ("**Bharat InvIT**" or "**the Trust**") as an irrevocable trust under the provisions of the Indian Trusts Act, 1882, pursuant to the trust deed dated 16th June 2022.

1.1.7. Aadharshila Infratech Private Limited ("**the Sponsor**" or "**AIPL**") is the sponsor of Bharat InvIT as per the amended & restated trust deed of Bharat InvIT dated 31st October 2023.

1.1.8. The Sponsor is a private company, limited by shares and was incorporated on 30th June 2010 under the Companies Act, 1956.

1.1.9. Equity shareholding of the Sponsor as on 31st March 2024 is as under:

Sr. No.	Particulars	No. of shares	%
1	Riya Agarwal	4,300	43.00%
2	Rahul Agarwal	3,185	31.85%
3	Mehul Agarwal	2,515	25.15%
	Total	**10,000**	**100.00%**

Source: Investment Manager

The Settlor

1.1.10. G R Infraprojects Limited ("**the Settlor**" or "**GR Infra**") was incorporated on 22nd December 1995 under the Companies Act, 1956. The equity shares of GR Infra are listed on the National Stock Exchange of India Limited and BSE Limited since 19th July 2021.

1.1.11. GR Infra is engaged in integrated road engineering, procurement and construction with an experience of over 25 years in design and construction of various road / highway projects across 16 states in India.

The Investment Manager

1.1.12. GR Highways Investment Manager Private Limited ("**GHIMPL**" or "**the Investment Manager**") has been appointed as the Investment Manager to the Trust by the Trustee and will be responsible to carry out the duties of such person as mentioned under the SEBI InvIT Regulations.

1.1.13. Shareholding of the Investment Manager as on 31st March 2024 is as under:

Sr. No.	Particulars	No. of shares	%
1	Lokesh Builders Private Limited	1,99,99,990	99.99%
2	Purshottam Agarwal	10	Negligible
	Total	**2,00,00,000**	**100.00%**

Source: Investment Manager

Financial Assets to be Valued

1.1.14. The financial assets under consideration are valued at Enterprise Value and Adjusted Enterprise Value of the following:

Sr. No.	Name of the SPV
1	GR Phagwara Expressway Limited ("GPEL")
2	Porbandar Dwarka Expressway Private Limited ("PDEPL")
3	GR Gundugolanu Devarapalli Highway Private Limited ("GDHPL")
4	GR Akkalkot Solapur Highway Private Limited ("GASHPL")
5	Varanasi Sangam Expressway Private Limited ("VSEPL")
6	GR Sangli Solapur Highway Private Limited ("GSSHPL")
7	GR Dwarka Devariya Highway Private Limited ("GDDHPL")

(Together referred to as "the **SPVs**")

Purpose of Valuation

1.1.15. As per Regulation 21(4) of Chapter V of the SEBI InvIT Regulations:

"A full valuation shall be conducted by the valuer not less than once in every financial year: Provided that such full valuation shall be conducted at the end of the financial year ending March 31st within two months from the date of end of such year"

1.1.16. In this regard, the Investment Manager has appointed me, S. Sundararaman ("**Registered Valuer**" or "**RV**" or "**I**" or "**My**" or "**Me**") bearing IBBI registration number IBBI/RV/06/2018/10238 to undertake fair valuation of the SPVs at the enterprise level as per the extant provisions of the SEBI InvIT Regulations issued by SEBI. Enterprise Value ("**EV**") is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash or cash equivalents to meet those liabilities.

1.1.17. Further, on the request of the Investment Manager, I have calculated Adjusted Enterprise Value of the SPVs which is derived as the EV as defined above plus cash or cash equivalents of the SPVs as at the Valuation Date.

1.1.18. I declare that:

i. I am competent to undertake the financial valuation in terms of the SEBI InvIT Regulations;

ii. I am not an associate of the Sponsor(s) or Investment Manager or Trustee and I have not less than five years of experience in valuation of infrastructure assets;

iii. I am independent and have prepared the Report on a fair and unbiased basis;

iv. I have valued the SPVs based on the valuation standards as specified / applicable as per SEBI InvIT Regulations.

1.1.19. This Report covers all the disclosures required as per the SEBI InvIT Regulations and the Valuation of the SPVs is impartial, true and fair and in compliance with the SEBI InvIT Regulations.

1.2. Scope of Valuation

1.2.1. Nature of the Asset to be Valued

The RV has been mandated by the Investment Manager to arrive at the Enterprise Value ("EV") of the SPVs. Enterprise Value is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash or cash equivalents to meet those liabilities.

1.2.2. Valuation Base

Valuation Base means the indication of the type of value being used in an engagement. In the present case, I have determined the fair value of the SPVs at the enterprise level. Fair Value Bases defined as under:

Fair Value

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the valuation date. It is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. Fair value or Market value is usually synonymous to each other except in certain circumstances where characteristics of an asset translate into a special asset value for the party(ies) involved.

1.2.3. Valuation Date

Valuation Date is the specific date at which the value of the assets to be valued gets estimated or measured. Valuation is time specific and can change with the passage of time due to changes in the condition of the asset to be valued. Accordingly, valuation of an asset as at a particular date can be different from other date(s).

The Valuation Date considered for the fair enterprise valuation of the SPVs is 31st March 2024 ("**Valuation Date**"). The attached Report is drawn up by reference to accounting and financial information as on 31st March 2024. The RV is not aware of any other events having occurred since 31st March 2024 till date of this Report ("**Report Date**") which he deems to be significant for his valuation analysis, except for any events disclosed by the Investment Manager during the valuation exercise.

1.2.4. Premise of Value

Premise of Value refers to the conditions and circumstances how an asset is deployed. In the present case, RV has determined the fair enterprise value of the SPVs on a Going Concern Value defined as under:

Going Concern Value

Going Concern value is the value of a business enterprise that is expected to continue to operate in the future. The intangible elements of going concern value result from factors such as having a trained work force, an operational plant, necessary licenses, systems, and procedures in place etc.

1.3. Summary of Valuation

I have assessed the fair enterprise value of each of the SPVs on a stand-alone basis by using the Discounted Cash Flow ("**DCF**") method under the income approach. Following table summarizes my explaination on the usage or non usage of different valuation methods:

Valuation Approach	Valuation Methodology	Used	Explanation
Cost Approach	Net Asset Value	No	NAV does not capture the future earning potential of the business. Hence NAV method is considered only for background reference.
Income Approach	Discounted Cash Flow	Yes	The revenue of all the SPVs is mainly derived from the annuity fees that are typically pre-determined with the relevant government authority and cannot be modified to reflect prevailing circumstances, other than annual adjustments to account for inflation and interest rate changes as applicable, as specified in the concession agreements. Accordingly, since all the SPVs are generating income based on pre-determined agreements / mechanism and since the Investment Manager has provided me the financial projections for the balance tenor of the concession agreements, DCF Method under the income approach has been considered as the appropriate method for the present valuation exercise.
Market Approach	Market Price	No	The equity shares of the SPVs are not listed on any recognized stock exchange in India. Hence, I was unable to apply the market price method.
	Comparable Companies	No	In the absence of any exactly comparable listed companies with characteristics and parameters similar to that of the SPVs, I am unable to consider this method for the current valuation.
	Comparable Transactions	No	In the absence of adequate details about the Comparable Transactions, I was unable to apply the CTM method.

Under the DCF Method, the Free Cash Flow to Firm ("**FCFF**") has been used for the purpose of valuation of each of the SPVs. In order to arrive at the fair EV of the individual SPVs under the DCF Method, I have relied on provisional financial statements as at 31st March 2024 prepared in accordance with the Indian Accounting Standards (Ind AS) and the financial projections of the respective SPVs prepared by the Investment Manager as at the Valuation Date based on their best judgement.

The discount rate considered for the respective SPVs for the purpose of this valuation exercise is based on the Weighted Average Cost of Capital ("**WACC**") for each of the SPVs. As all the SPVs under considerations have executed projects under the HAM model, the operating rights of the underlying assets shall be transferred back to the appointing authority after the expiry of the concession period. At the end of the agreed concession period, the operating rights in relation to the roads and the obligation to maintain the road revert to the government entity that granted the concession by the SPVs. Accordingly, terminal period value i.e. value on account of cash flows to be generated after the expiry of concession period has not been considered.

Based on the methodology and assumptions discussed further, RV has arrived at the fair enterprise value of the SPVs as on the Valuation Date:

INR Mn

Sr. No.	SPVs	Approximate Projection Period (Balance Concession Period)	WACC	Fair EV (INR Mn)	Fair Adj EV (INR Mn)
1	GPEL	~10 Years -11 Months	7.33%	5,126	6,488
2	PDEPL	~11 Years 1 Months	7.33%	8,347	9,309
3	GDHPL	~12 Years 3 Months	7.33%	9,947	11,087
4	GASHPL	~12 Years 0 Months	7.33%	4,330	5,258
5	VSEPL	~11 Years -7 Months	7.33%	14,005	15,712
6	GSSHPL	~12 Years 3 Months	7.33%	5,557	6,264
7	GDDHPL	~13 Years 4 Months	7.33%	6,005	7,147
Total				**53,316**	**61,266**

** Enterprise Value ("**EV**") is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash or cash equivalents to meet those liabilities.*

*** Further, on the request of the Investment Manager, I have calculated Adjusted Enterprise Value of the SPVs which is derived as the EV as defined above plus cash or cash equivalents of the SPVs as at the Valuation Date.*
(Refer Appendix 1 & 2 for the detailed workings)

Further to above, considering that present valuation exercise is based on the future financial performance and based on opinions on the future credit risk, cost of debt assumptions, etc., which represent reasonable expectations at a particular point of time, but such information, estimates or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, a particular event will occur or that a particular level of income or profit will be achieved, a particular event will occur or that a particular price will be offered or accepted. Actual results achieved during the period covered by the prospective financial analysis will vary from these estimates and variations may be material. Accordingly, a quantitative sensitivity analysis is considered on the following unobservable inputs:

a. WACC by increasing / decreasing it by 1.0%
b. WACC by increasing / decreasing it by 0.5%
c. Total Expenses by increasing / decreasing it by 10%
d. Total Expenses by increasing / decreasing it by 20%

1. Fair Enterprise Valuation Range based on

a. WACC parameter (1.0%)

INR Mn

Sr. No.	SPVs	WACC +1.0%	EV	Base WACC	EV	WACC -1%	EV
1	GPEL	8.33%	4,918	7.33%	5,126	6.33%	5,349
2	PDEPL	8.33%	7,996	7.33%	8,347	6.33%	8,724
3	GDHPL	8.33%	9,513	7.33%	9,947	6.33%	10,415
4	GASHPL	8.33%	4,122	7.33%	4,330	6.33%	4,555
5	VSEPL	8.33%	13,410	7.33%	14,005	6.33%	14,648
6	GSSHPL	8.33%	5,300	7.33%	5,557	6.33%	5,834
7	GDDHPL	8.33%	5,690	7.33%	6,005	6.33%	6,349
Total of all SPVs			**50,949**		**53,316**		**55,875**

b. WACC parameter (0.5%)

INR Mn

Sr. No.	SPVs	WACC +0.5%	EV	Base WACC	EV	WACC -0.5%	EV
1	GPEL	7.83%	5,020	7.33%	5,126	6.83%	5,236
2	PDEPL	7.83%	8,168	7.33%	8,347	6.83%	8,532
3	GDHPL	7.83%	9,726	7.33%	9,947	6.83%	10,177
4	GASHPL	7.83%	4,224	7.33%	4,330	6.83%	4,440
5	VSEPL	7.83%	13,702	7.33%	14,005	6.83%	14,321
6	GSSHPL	7.83%	5,426	7.33%	5,557	6.83%	5,693
7	GDDHPL	7.83%	5,844	7.33%	6,005	6.83%	6,173
Total of all SPVs			**52,110**		**53,316**		**54,571**

c. Expenses parameter (10%)

INR Mn

Sr. No.	SPVs	EV at Expenses +10.0%	EV at Base Expenses	EV at Expenses -10.0%
1	GPEL	4,906	5,126	5,345
2	PDEPL	8,257	8,347	8,437
3	GDHPL	9,723	9,947	10,171
4	GASHPL	4,277	4,330	4,382
5	VSEPL	13,744	14,005	14,267
6	GSSHPL	5,500	5,557	5,614
7	GDDHPL	5,937	6,005	6,073
	Total of all SPVs	**52,343**	**53,316**	**54,288**

d. Expenses parameter (20%)

INR Mn

Sr. No.	SPVs	EV at Expenses +20.0%	EV at Base Expenses	EV at Expenses -20.0%
1	GPEL	4,632	5,126	5,621
2	PDEPL	8,167	8,347	8,544
3	GDHPL	9,499	9,947	10,394
4	GASHPL	4,225	4,330	4,440
5	VSEPL	13,483	14,005	14,528
6	GSSHPL	5,435	5,557	5,678
7	GDDHPL	5,869	6,005	6,149
Total of all SPVs		**51,308**	**53,316**	**55,354**

2. **Adjusted Enterprise Valuation Range based on**

a. **WACC parameter (1.0%)**

INR Mn

Sr. No.	SPVs	WACC +1.0%	Adjusted EV	Base WACC	Adjusted EV	WACC -1.0%	Adjusted EV
1	GPEL	8.33%	6,279	7.33%	6,488	6.33%	6,711
2	PDEPL	8.33%	8,959	7.33%	9,309	6.33%	9,687
3	GDHPL	8.33%	10,654	7.33%	11,087	6.33%	11,556
4	GASHPL	8.33%	5,050	7.33%	5,258	6.33%	5,482
5	VSEPL	8.33%	15,117	7.33%	15,712	6.33%	16,355
6	GSSHPL	8.33%	6,008	7.33%	6,264	6.33%	6,542
7	GDDHPL	8.33%	6,831	7.33%	7,147	6.33%	7,491
Total of all SPVs			**58,898**		**61,266**		**63,824**

b. **WACC parameter (0.5%)**

INR Mn

Sr. No.	SPVs	WACC +0.5%	Adjusted EV	Base WACC	Adjusted EV	WACC -0.5%	Adjusted EV
1	GPEL	7.83%	6,382	7.33%	6,488	6.83%	6,598
2	PDEPL	7.83%	9,131	7.33%	9,309	6.83%	9,494
3	GDHPL	7.83%	10,866	7.33%	11,087	6.83%	11,317
4	GASHPL	7.83%	5,152	7.33%	5,258	6.83%	5,368
5	VSEPL	7.83%	15,409	7.33%	15,712	6.83%	16,028
6	GSSHPL	7.83%	6,134	7.33%	6,264	6.83%	6,400
7	GDDHPL	7.83%	6,986	7.33%	7,147	6.83%	7,315
Total of all SPVs			**60,059**		**61,266**		**62,520**

c. **Expenses parameter (10%)**

INR Mn

Sr. No.	SPVs	EV at Expenses +10.0%	EV at Base Expenses	EV at Expenses -10.0%
1	GPEL	6,268	6,488	6,707
2	PDEPL	9,219	9,309	9,399
3	GDHPL	10,863	11,087	11,311
4	GASHPL	5,205	5,258	5,310
5	VSEPL	15,451	15,712	15,974
6	GSSHPL	6,207	6,264	6,321
7	GDDHPL	7,079	7,147	7,215
Total of all SPVs		**60,292**	**61,266**	**62,237**

d. Expenses parameter (20%)

INR Mn

Sr. No.	SPVs	EV at Expenses +20.0%	EV at Base Expenses	EV at Expenses -20.0%
1	GPEL	5,993	6,488	6,983
2	PDEPL	9,129	9,309	9,506
3	GDHPL	10,639	11,087	11,535
4	GASHPL	5,153	5,258	5,368
5	VSEPL	15,190	15,712	16,235
6	GSSHPL	6,143	6,264	6,386
7	GDDHPL	7,010	7,147	7,291
Total of all SPVs		**59,257**	**61,266**	**63,304**

3. 100% Equity Valuation Range based on

a. WACC parameter (1.0%)

INR Mn

Sr. No.	SPVs	WACC +1.0%	Equity Value	Base WACC	Equity Value	WACC -1.0%	Equity Value
1	GPEL	8.33%	1,808	7.33%	2,017	6.33%	2,240
2	PDEPL	8.33%	2,879	7.33%	3,230	6.33%	3,607
3	GDHPL	8.33%	2,778	7.33%	3,212	6.33%	3,680
4	GASHPL	8.33%	1,615	7.33%	1,823	6.33%	2,048
5	VSEPL	8.33%	5,316	7.33%	5,911	6.33%	6,554
6	GSSHPL	8.33%	1,948	7.33%	2,205	6.33%	2,483
7	GDDHPL	8.33%	1,591	7.33%	1,906	6.33%	2,250
Total of all SPVs			**17,936**		**20,303**		**22,861**

b. WACC parameter (0.5%)

INR Mn

Sr. No.	SPVs	WACC +0.5%	Equity Value	Base WACC	Equity Value	WACC -0.5%	Equity Value
1	GPEL	7.83%	1,911	7.33%	2,017	6.83%	2,126
2	PDEPL	7.83%	3,051	7.33%	3,230	6.83%	3,415
3	GDHPL	7.83%	2,991	7.33%	3,212	6.83%	3,441
4	GASHPL	7.83%	1,717	7.33%	1,823	6.83%	1,933
5	VSEPL	7.83%	5,608	7.33%	5,911	6.83%	6,226
6	GSSHPL	7.83%	2,074	7.33%	2,205	6.83%	2,341
7	GDDHPL	7.83%	1,745	7.33%	1,906	6.83%	2,075
Total of all SPVs			**19,097**		**20,303**		**21,557**

c. **Expenses parameter (10%)**

INR Mn

Sr. No.	SPVs	Equity Value at Expenses +10.0%	Equity Value at Base Expenses	Equity Value at Expenses - 10%
1	GPEL	1,796	2,017	2,235
2	PDEPL	3,140	3,230	3,320
3	GDHPL	2,988	3,212	3,435
4	GASHPL	1,770	1,823	1,876
5	VSEPL	5,650	5,911	6,173
6	GSSHPL	2,148	2,205	2,262
7	GDDHPL	1,838	1,906	1,975
Total of all SPVs		**19,330**	**20,303**	**21,275**

d. **Expenses parameter (20%)**

INR Mn

Sr. No.	SPVs	Equity Value at Expenses +20.0%	Equity Value at Base Expenses	Equity Value at Expenses -20.0%
1	GPEL	1,522	2,017	2,511
2	PDEPL	3,049	3,230	3,427
3	GDHPL	2,764	3,212	3,659
4	GASHPL	1,718	1,823	1,933
5	VSEPL	5,388	5,911	6,434
6	GSSHPL	2,084	2,205	2,326
7	GDDHPL	1,770	1,906	2,051
Total of all SPVs		**18,295**	**20,303**	**22,341**

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2. Procedures adopted for current valuation exercise

2.1. I have performed the valuation analysis, to the extent applicable, in accordance with ICAI Valuation Standards 2018 ("**IVS**") issued by the **I**nstitute of Chartered Accountants of **I**ndia.

2.2. In connection with this analysis, I have adopted the following procedures to carry out the valuation analysis:

2.2.1. Requested and received financial and qualitative information relating to the SPVs;

2.2.2. Obtained and analyzed data available in public domain, as considered relevant by me;

2.2.3. Discussions with the Investment Manager on:

- Understanding of the business of the SPVs – business and fundamental factors that affect its earning-generating capacity including strengths, weaknesses, opportunities and threats analysis and historical and expected financial performance;

2.2.4. Undertook industry analysis:

- Research publicly available market data including economic factors and industry trends that may impact the valuation;
- Analysis of key trends and valuation multiples of comparable companies/comparable transactions, if any, using proprietary databases subscribed by me;

2.2.5. Analysis of other publicly available information;

2.2.6. Selection of valuation approach and valuation methodology/(ies), in accordance with IVS, as considered appropriate and relevant by me;

2.2.7. Conducted physical site visit of the road stretch of the SPVs;

2.2.8. Determination of fair value of the EV of the SPVs on a going concern basis till the end of the concession period as at the Valuation Date and determination of fair value of the Adjusted EV of the SPVs on a going concern basis till the end of the concession period as at the Valuation Date on request of the Investment Manager.

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3. Overview of InvIT and SPVs

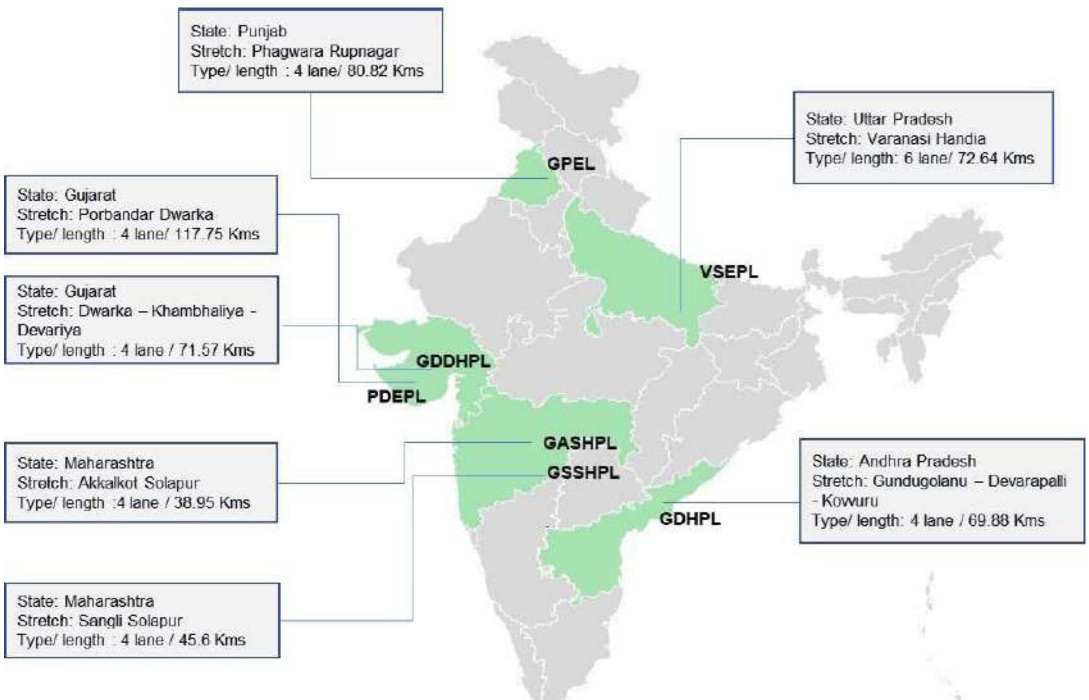
3.1. InvIT / Bharat Highways InvIT ("Trust")

3.1.1. Bharat Highways InvIT was established on 16th June 2022 as an irrevocable trust pursuant to the trust deed under the provisions of the Indian Trusts Act, 1882. The Trust is registered as an Indian infrastructure investment trust with the SEBI with effect from 3rd August 2022, bearing registration number IN/InvIT/22-23/0023, pursuant to the SEBI InvIT Regulations.

3.1.2. IDBI Trusteeship Services Limited has been appointed as the Trustee of Bharat InvIT. GR Highways Investment Manager Private Limited has been appointed as the Investment Manager to the Trust by the Trustee and will be responsible to carry out the duties of such person as mentioned under the SEBI InvIT Regulations.

3.1.3. The units of the Trust are listed on the National Stock Exchange of India Limited and BSE Limited since 12th March 2024.

3.1.4. Following is a map of India showing the area covered by the SPVs of the Trust:

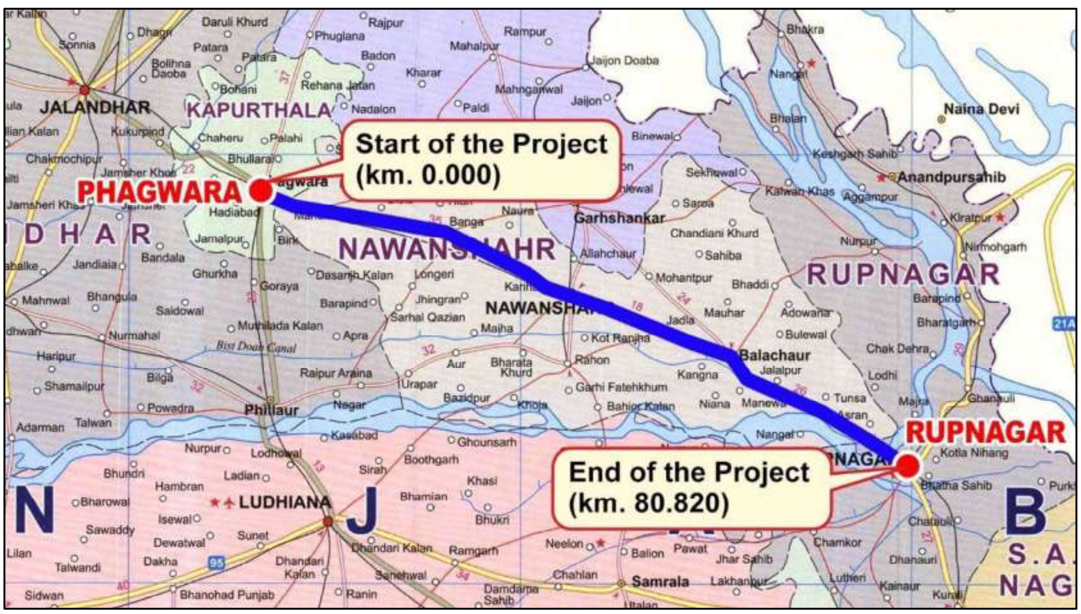


Source: Investment Manager

3.2. Background of the SPVs

3.2.1. GR Phagwara Expressway Limited (“GPEL”)

- GPEL was incorporated on 21st September 2016 as a public limited company under the Companies Act, 2013 pursuant to certificate of incorporation issued by the Registrar of Companies, Central Registration Centre. The registered office of GPEL is located at GR House, Hiran Magri, Sector – 11, Udaipur, Rajasthan 313 002, India.
- GPEL was incorporated to identify, formulate, aid, promote, finance, establish, build, construct, erect, equip, operate, maintain, control, upgrade, regulate, modify, takeover, and / or to undertake development of four laning of Phagwara to Rupnagar section of NH-344A from km. 0.00 (design chainage) to km. 80.820 (design chainage).
- The project highway Phagwara to Rupnagar (NH-344A), starts from km. 0.000 at Phagwara Town and terminates at km. 80.820 at Rupnagar Town. The design length of the project highway is 80.820 kms. The project stretch is the important link connecting important cities in Punjab State such as Amritsar, Jalandhar and Chandigarh. The project involved development of existing 2 lane carriageway to 4 lane divided carriageway with 1.5 m wide paved shoulder and 2.0 m earthen shoulder on either side.
- GPEL has received final completion certificate on 26th May 2021 by completing all the works as mentioned in the technical schedules of concession agreement.
- The project highway passes through the Districts of Nawanshahr and Kapurthala. The project highway passes through the built-up areas of towns and villages enroute. Important towns along the alignment are Mehli, Bahar Majara, Jasso Majara, Behram, Malha Sodhian, Dhahan, Banga, Kahma, Nawanshahr, Langroya, Garhi Kanugoan, and Bachhwan.
- The map below illustrates the location of the Project and the corridor it covers:



Source: Investment Manager

- Summary of project details of GPEL are as follows:

Parameters	Details
Total Length	323.3 Lane Kms
Nos. of Lanes	4
NH / SH	NH 344A
State Covered	Punjab
Area (Start and End)	Phagwara - Rupnagar
Bid Project Cost	INR 13,670 Mn
Model	PPP
Project Type	HAM
Concession Granted by	NHAI
PCOD Date	25th February 2020
COD Date	26th May 2021
Nos. of Annuities	30
Construction Period	910 days from Appointed date
Operational Period	15 years from PCOD date

Source: Investment Manager

- The corridor starts from 0.00 Km to 80.820 Km connecting Phagwara – Rupnagar on NH 344A.

Sr. No.	Salient Features	As per Site
1	Total Length of the Project Highway	80.82 Km
2	Total length of Service Roads	70.037 Km
3	Widening	71.573 Km
4	New Alignment including bypass	11.247 Km
5	Approaches to underpasses	0 Km
6	No of Bypass Roads	2 Nos.
7	Flexible Pavement for Main carriageway	69.56 Km
8	Rigid Pavement for Main carriageway	11.26 Km
9	Total length of Slip Roads	0 Km
10	Toll Plaza	2 Nos.
11	Bus Bays / Bus Shelters	43 Nos.
12	Truck Lay Bays	2 Nos.
13	No of Rest Areas	2 Nos.
14	Major Junction	7 Nos.
15	Minor Junctions	102 Nos.
16	No of Vehicular underpasses	3 Nos.
17	Vehicle overpass	0 Nos.
18	No of Subways	0 Nos.
19	Elevated Structure	1 Nos.
20	No of Flyovers	4 Nos.
21	Pedestrian/Cattle Underpass	1 Nos.
22	ROB	1 Nos.
23	Major Bridges	1 Nos.
24	Minor Bridges for Main Carriageway	22 Nos.
25	Box/Slab Culverts	51 Nos.
26	Pipe Culverts	41 Nos.

Source: Investment Manager

- The shareholding of GPEL as on Valuation Date is as follows:

Sr. No.	Particulars	No. of Shares	%
1	The InvIT	2,02,99,940	100%
2	Ajendra Kumar Agarwal*	10	Negligible
3	Ramesh Chandra Jain*	10	Negligible
4	Amit Kumar Singh*	10	Negligible
5	Harshael Sawant*	10	Negligible
6	Sunil Chhikara*	10	Negligible
7	Bajrang Lal Bhura*	10	Negligible
	Total	**2,03,00,000**	**100%**

**Nominee of the InvIT*

Source: Investment Manager

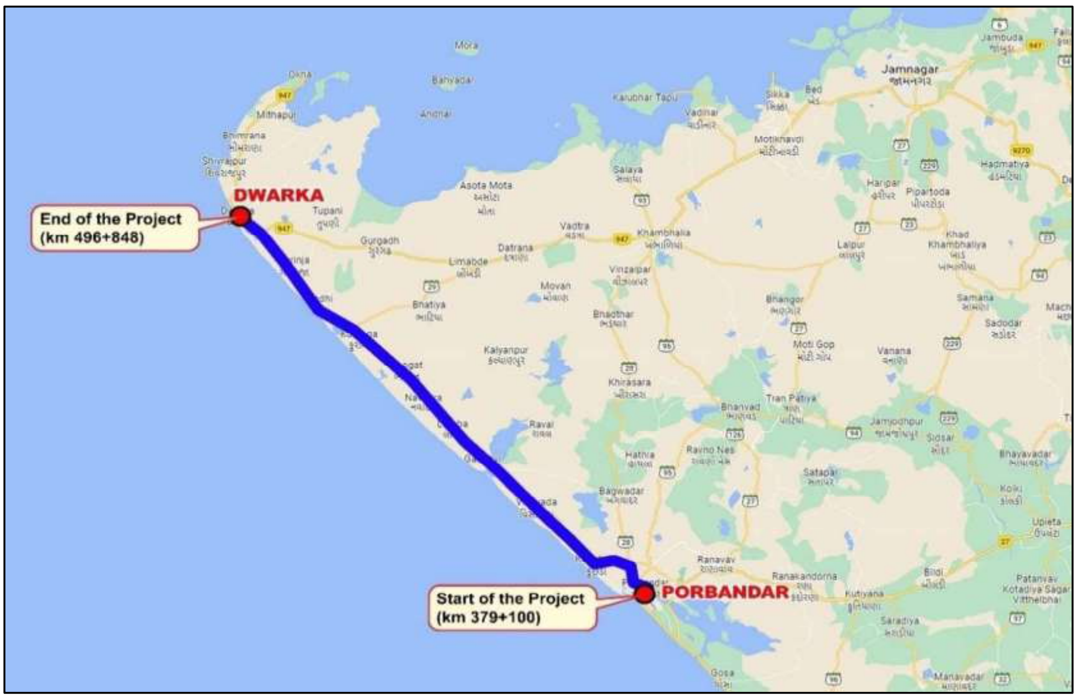
I have been represented by the Investment Manager that there is no change in shareholding pattern from the Valuation Date till the date of this Report.

- My team had conducted physical site visit of the road stretch of GPEL on 16th April, 2024. Refer below for the pictures of the road stretch:




3.2.2. Porbandar Dwarka Expressway Private Limited (“PDEPL”)

- PDEPL was incorporated on 9th June 2017 as a private limited company under the Companies Act, 2013 pursuant to certificate of incorporation issued by the Registrar of Companies, Central Registration Centre. The registered office of PDEPL is located at GR House, Hiran Magri, Sector No. 11, Udaipur, Rajasthan 313 002, India.
- PDEPL was incorporated for the purpose of four laning with paved shoulder of Porbandar - Dwarka section of NH-8E (Ext.) from km 356.766 (design chainage km. 379.100) to km 473.000 (Design Chainage km 496.848) through public-private partnership.
- The project highway is a section of National Highway Number 08E, NH-08E in the State of Gujarat which starts from km. 379+100 near Porbandar Bypass and ends at km. 496+848 in Dev Bhumi Dwarka. Existing length of the project highway was 116.234 kms whereas design length measures to be 117.748 kms.
- PDEPL has received final completion certificate on 13th October 2021.
- The project highway passes through the built-up areas of towns and villages enroute. Important towns along the alignment are Visawada, Miyami, Bhavpuru, Jodhpur etc.
- The map below illustrates the location of the Project and the corridor it covers:



Source: Investment Manager

- Summary of project details of PDEPL are as follows:

Parameters	Details
Total Length	471.0 Lane Kms
Nos. of Lanes	4
NH / SH	NH 08E
State Covered	Gujarat
Area (Start and End)	Porbandar – Dwarka
Bid Project Cost	INR 16,000 Mn
Model	PPP
Project Type	HAM
Concession Granted by	NHAI
PCOD Date	18th April 2020
COD Date	13th October 2021
Nos. of Annuities	30
Construction Period	1,095 days from Appointed date
Operational Period	15 years from PCOD date

Source: Investment Manager

- The corridor forms a part of existing road from KM 379+100 to Km 496+848 of NH-08E connecting Porbandar and Dwarka.

Sr. No.	Salient Features	As per Site
1	Total Length of the Project Highway	117.748 Km
2	Total length of Service Roads	11.676 Km
3	Widening	0 Km
4	New Alignment including bypass	23.3 Km
5	Approaches to underpasses	0 Km
6	No of Bypass Roads	2 Nos.
7	Flexible Pavement for Main carriageway	2.998 Km
8	Rigid Pavement for Main carriageway	114.750 Km
9	Total length of Slip Roads	4.95 Km
10	Toll Plaza	2 Nos.
11	Bus Bays / Bus Shelters	4 Nos.
12	Truck Lay Bays	0 Nos.
13	No of Rest Areas	0 Nos.
14	Major Junction	5 Nos.
15	Minor Junctions	42 Nos.
16	Vehicular underpasses	8 Nos.
17	Light Vehicular underpasses	1 Nos.
18	Vehicle overpass	0 Nos.
19	No of Subways	0 Nos.
20	No of Flyovers	2 Nos.
21	Pedestrian/Cattle Underpass	6 Nos.
22	ROB	1 Nos.
23	Major Bridges	11 Nos.
24	Minor Bridges	34 Nos.
25	Box/Slab Culverts	31 Nos.
26	Pipe Culverts	196 Nos.

Source: Investment Manager

- The shareholding of PDEPL as on Valuation Date is as follows:

Sr. No.	Particulars	No. of Shares	%
1	The InvIT	4,19,99,990	100%
2	Ajendra Kumar Agarwal*	10	Negligible
	Total	**4,20,00,000**	**100%**

Nominee of the InvIT
Source: Investment Manager

- My team had conducted physical site visit of the road stretch of PDEPL on 5th April 2024. Refer below for the pictures of the road stretch:

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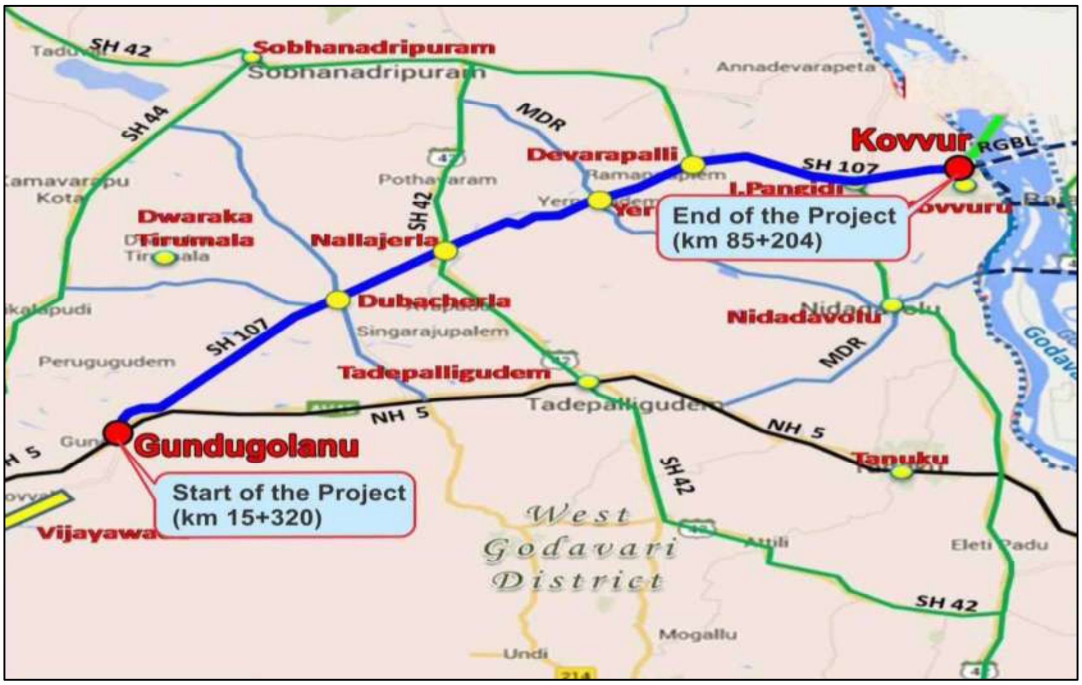
3.3. GR Gundugolanu Devarapalli Highway Private Limited ("GDHPL")

- GDHPL was incorporated on 28th March 2018 as a private limited company under the Companies Act, 2012 pursuant to certificate of incorporation issued by the Registrar of Companies, Central Registration Centre. The registered office of GDHPL is located at GR House, Hiran Magri, Sector 11, Udaipur, Rajasthan 313 002, India.
- GDHPL was incorporated for the purpose of four laning of the Gundugolanu – Devarapalli – Kovvuru section of NH-16 from Km. 15.320 (existing Km. 15.700) to Km. 85.204 (existing Km. 81.400) in the state of Andhra Pradesh under Bharatmala Pariyojana.
- GDHPL has received completion certificate (COD certificate) on 30th September 2022.
- The map below illustrates the location of the Project and the corridor it covers:



Source: Investment Manager

- Summary of project details of GDHPL are as follows:

Parameters	Details
Total Length	279.5 Lane Kms
Nos. of Lanes	4
NH / SH	NH 16
State Covered	Andra Pradesh
Area (Start and End)	Gundugolanu – Kovvur
Bid Project Cost	INR 18,270 Mn
Model	PPP
Project Type	HAM
Concession Granted by	NHAI
PCOD Date	10th July 2021
COD	30th September 2022
Nos. of Annuities	30
Construction Period	910 days from Appointed date
Operational Period	15 years from PCOD date

Source: Investment Manager

- The corridor forms a part of existing road from KM 15.70 to KM 81.40 (Approx. 69.88 Kms) from Gundugolanu to Kovvur in NH-16

Sr. No.	Salient Features	As per Site
1	Total Length of the Project Highway	69.884 Km
2	Total length of Service Roads	54.308 Km
3	Widening	0 Km
4	New Alignment including bypass	46.644 Km
5	Approaches to underpasses	0 Km
6	No of Bypass Roads	6 Nos.
7	Flexible Pavement for Main carriageway	69.884 Km
8	Total length of Slip Roads	47.87 Km
9	Toll Plaza	1 Nos.
10	Bus Bays / Bus Shelters	56 Nos.
11	Truck Lay Bays	2 Nos.
12	No of Rest Areas	4 Nos.
13	Interchange	1 Nos.
14	Major Junction	11 Nos.
15	Minor Junctions	10 Nos.
16	Vehicular underpasses	2 Nos.
17	Light Vehicular underpasses	11 Nos.
18	Vehicle overpass	1 Nos.
19	No of Subways	0 Nos.
20	No of Flyovers	16 Nos.
21	Pedestrian/Cattle Underpass	5 Nos.
22	ROB	1 Nos.
23	Major Bridges	9 Nos.
24	Minor Bridges	22 Nos.
25	Box/Slab Culverts	122 Nos.
26	Pipe Culverts	28 Nos.

Source: Investment Manager

- The shareholding of GDHPL as on Valuation Date is as follows:

Sr. No.	Particulars	No. of Shares	%
1	The InvIT	4,94,99,990	100%
2	Ajendra Kumar Agarwal*	10	Negligible
	Total	**4,95,00,000**	**100%**

**Nominee of the InvIT*
Source: Investment Manager

- My team had conducted physical site visit of the road stretch of GDHPL on 5th April 2024. Refer below for the pictures of the road stretch:

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3.4. GR Akkalkot Solapur Highway Private Limited (“GASHPL”)

- GASHPL was incorporated on 26th April 2018 as a private limited company under the Companies Act, 2013 pursuant to certificate of incorporation issued by the Registrar of Companies, Central Registration Centre. The registered office of GASHPL is located at GR House, Hiran Magri, Sector 11, Udaipur, Rajasthan 313 002, India.
- GASHPL was incorporated for the purpose of four laning of Akkalkot – Solapur section of NH - 150E with paved shoulders from design chainage km. 99.400 to km. 138.352 / existing chainage from km. 102.819 to km. 141.800 (design length 38.952 km.) including Akkalkot bypass (design length 7.350 km.).
- The project highway is part of National Highway No. 150E of Barshi - Gulbarga section in the state of Maharashtra and Karnataka. The total project length is 38.952 kms which starts from km. 99.400 near Akkalkot Bypass and ends at km. 138.352 in Solapur City.
- GASHPL has received Provisional Completion Certificate (PCOD certificate) on 31st March 2021.
- GASHPL has received Completion Certificate (COD certificate) on 9th March 2023.
- The project highway passes through the built-up areas of towns and villages Karjal, Walsung, Chincholi, Rajanpur, Togarhalli, Akkalkot and Kumbhari.
- The map below illustrates the location of the Project and the corridor it covers:

Source: Investment Manager

- Summary of project details of GASHPL are as follow

Parameters	Details
Total Length	155.8 Lane Kms
Nos. of Lanes	4
NH / SH	NH 150E
State Covered	Maharashtra
Area (Start and End)	Akkalkot – Solapur
Bid Project Cost	INR 8,070 Mn
Model	PPP
Project Type	HAM
Concession Granted by	NHAI
PCOD Date	31st March 2021
COD Date	9th March 2023
Nos. of Annuities	30
Construction Period	730 days from Appointed date
Operational Period	15 years from PCOD date

Source: Investment Manager

- The corridor forms a part of existing road from KM 99.40 to 138.35 (Approx. 38.95 Kms) near Akkalkot to Solapur City in NH-150E

Sr. No.	Salient Features	For SPV
1	Total Length of the Project Highway	38.952 Km
2	Total length of Service Roads	16.16 Km
3	Widening	0 Km
4	New Alignment including bypass	7.126 Km
5	Approaches to underpasses	0 Km
6	No of Bypass Roads	1 Nos.
7	Rigid Pavement for Main carriageway	38.952 Km
8	Total length of Slip Roads	8.82 Km
9	Toll Plaza	1 Nos.
10	Bus Bays / Bus Shelters	6 Nos.
11	Truck Lay Bays	0 Nos.
12	No of Rest Areas	1 Nos.
13	Major Junction	3 Nos.
14	Minor Junctions	22 Nos.
15	No of Vehicular underpasses	6 Nos.
16	Vehicle overpass	0 Nos.
17	No of Subways	0 Nos.
18	No of Flyovers	7 Nos.
19	Pedestrian/Cattle Underpass	1 Nos.
20	ROB	0 Nos.
21	Major Bridges	2 Nos.
22	Minor Bridges	20 Nos.
23	Box/Slab Culverts	26 Nos.
24	Pipe Culverts	21 Nos.

Source: Investment Manager

- The shareholding of GASHPL as on Valuation Date is as follows:

Sr. No.	Particulars	No. of Shares	%
1	The InvIT	1,25,99,990	100%
2	Ajendra Kumar Agarwal*	10	Negligible
	Total	**1,26,00,000**	**100%**

**Nominee of the InvIT*

Source: Investment Manager

- My team had conducted physical site visit of the road stretch of GASHPL on 4th May 2024. Refer below for the pictures of the road stretch:




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3.5. Varanasi Sangam Expressway Private Limited (“VSEPL”)

- VSEPL was incorporated on 17th April 2017 as a private limited company under the Companies Act, 2013 pursuant to certificate of incorporation issued by the Registrar of Companies, Central Registration Centre. The registered office of VSEPL is located at GR House, Hiran Magri, Sector No. 11, Udaipur, Rajasthan 313 002, India.
- VSEPL which of six laning of Handia to Varanasi section of NH-2 from km 713.146 to km 785.544 in the state of Uttar Pradesh under NHDP phase–V.
- The project stretch is linking Delhi and Kolkata, traverses through 6 States namely Delhi, Haryana, Uttar Pradesh, Bihar, Jharkhand and West Bengal and connects a number of major urban cities on its way like Delhi, Agra, Kanpur, Allahabad, Varanasi, Dhanbad, Durgapur & Howrah. The project road from Khokhraj approximately 42 kms from Allahabad towards Kanpur to Varanasi i.e., Allahabad bypass to Varanasi.
- VSEPL has received Provisional Completion Certificate (PCOD certificate) on 2nd November 2020.
- VSEPL has received Completion Certificate (COD certificate) on 19th January 2022.
- The project highway passes through the built-up areas of towns and villages enroute. Important towns along the alignment are Rajatalab, Aurai, Gopigunj and Handia.
- The map below illustrates the location of the Project and the corridor it covers:

Source: Investment Manager

- Summary of project details of VSEPL are as follows:

Parameters	Details
Total Length	434.39 Lane Kms
Nos. of Lanes	6
NH / SH	NH 2
State Covered	Uttar Pradesh
Area (Start and End)	Handia - Varanasi
Bid Project Cost	INR 24,470 Mn
Model	PPP
Project Type	HAM
Concession Granted by	NHAI
PCOD Date	2nd November 2020
COD Date	19th January 2022
Nos. of Annuities	30
Construction Period	910 days from Appointed date
Operational Period	15 years from PCOD date

Source: Investment Manager

- The corridor forms a part of existing road from KM 713.21 to 785.70 from Haldia to Varanasi in NH-2.

Sr. No.	Salient Features	As per Site
1	Total Length of the Project Highway	72.644 Km
2	Total length of Service Roads	78.535 Km
3	Widening	0 Km
4	New Alignment including bypass	0 Km
5	Approaches to underpasses	0 Km
6	No of Bypass Roads	0 Nos.
7	Flexible Pavement for Main carriageway	19.383 Km
8	Rigid Pavement for Main carriageway	53.015 Km
9	Total length of Slip Roads	65.44 Km
10	Toll Plaza	2 Nos.
11	Bus Bays / Bus Shelters	36 Nos.
12	Truck Lay Bays	4 Nos.
13	No of Rest Areas	4 Nos.
14	Major Junction	4 Nos.
15	Minor Junctions	167 Nos.
16	No of Vehicular underpasses	11 Nos.
17	Vehicle overpass	0 Nos.
18	No of Subways	0 Nos.
19	Elevated Structure	5 Nos.
20	No of Flyovers	3 Nos.
21	Pedestrian/Cattle Underpass	12 Nos.
22	Foot Over Bridge	2 Nos.
23	ROB	0 Nos.
24	Major Bridges	0 Nos.
25	Minor Bridges	3 Nos.
26	Box/Slab Culverts	34 Nos.
27	Pipe Culverts	15 Nos.

Source: Investment Manager

- The shareholding of VSEPL as on Valuation Date is as follows:

Sr. No.	Particulars	No. of Shares	%
1	The InvIT	3,88,89,990	100%
2	Ajendra Kumar Agarwal*	10	Negligible
	Total	**3,88,90,000**	**100%**

**Nominee of the InvIT*
Source: Investment Manager

- My team had conducted physical site visit of the road stretch of VSEPL on 4th May, 2024. Refer below for the pictures of the road stretch:

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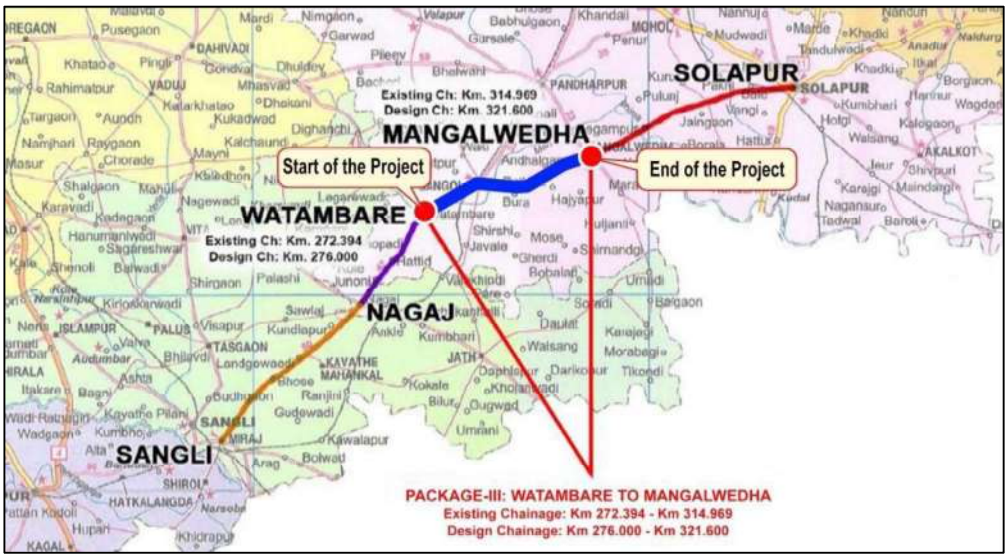
3.6. GR Sangli Solapur Highways Private Limited ("GSSHPL")

- GSSHPL was incorporated on 26th April 2018 as a private limited company under the Companies Act, 2013 pursuant to certificate of incorporation issued by the Registrar of Companies, Central Registration Centre. The registered office of GSSHPL is located at GR House, Hiran Magri, Sector 11, Udaipur, Rajasthan 313 002, India.
- GSSHPL was incorporated for the purpose of four-laning of Sangli – Solapur (Package- III: Watambare to Mangalwedha) Section of NH-166 from existing Ch. Km 272.394 to Ch. km 314.969 (Design Ch. km. 276.000 to Ch. km. 321.600).
- GSSHPL has received Provisional Completion Certificate (PCOD certificate) on 28th June 2021.
- The project highway (Package-III) starts at Watambare at km. 276.00 and ends at Mangalwedha at km. 321.600. This entire package lies in Solapur District. The project highway passes through the built-up sections of Watambare, Yalgarmangewadi, Kamlapur, Godsewadi, Vasud, Sangola, Wadegaon, Rajapur, Landevenchinchole, Lakshmidahiwadi, Andhalgaon, Ganeshwadi and Mangalwedha.
- The map below illustrates the location of the Project and the corridor it covers:



Source: Investment Manager

- Summary of project details of GSSHPL are as follows:

Parameters	Details
Total Length	182.4 Lane Kms
Nos. of Lanes	4
NH / SH	NH 166
State Covered	Maharashtra
Area (Start and End)	Watambare – Mangalwedha
Bid Project Cost	INR 9,570 Mn
Model	PPP
Project Type	HAM
Concession Granted by	NHAI
PCOD Date	28th June 2021
Nos. of Annuities	30
Construction Period	730 days from Appointed date
Operational Period	15 years from PCOD date

Source: Investment Manager

- The corridor forms a part of existing road from Km 276.00 and ends at Km 321.60 in NH-116 connecting Watambare and Mangalwedha.

Sr. No.	Salient Features	As per Site
1	Total Length of the Project Highway	45.60 Km
2	Total length of Service Roads	28.51 Km
3	Widening	29.04 Km
4	New Alignment including bypass	16.56 Km
5	Approaches to underpasses	0 Km
6	No of Bypass Roads	1 Nos.
7	Rigid Pavement for Main carriageway	45.60 Km
8	Total length of Slip Roads	8.022 Km
9	Toll Plaza	0 Nos.
10	Bus Bays / Bus Shelters	34 Nos.
11	Truck Lay Bays	0 Nos.
12	No of Rest Areas	1 Nos.
13	Major Junction	1 Nos.
14	Minor Junctions	39 Nos.
15	Vehicular underpasses	6 Nos.
16	Light Vehicular underpasses	13 Nos.
17	Vehicle overpass	0 Nos.
18	No of Subways	0 Nos.
19	No of Flyovers	0 Nos.
20	Pedestrian/Cattle Underpass	0 Nos.
21	ROB	1 Nos.
22	Major Bridges	2 Nos.
23	Minor Bridges for Main Carriageway	11 Nos.
24	Box/Slab Culverts	6 Nos.
25	Pipe Culverts	64 Nos.

Source: Investment Manager

- The shareholding of GSSHPL as on Valuation Date is as follows:

Sr. No.	Particulars	No. of Shares	%
1	The InvIT	1,49,99,990	100%
2	Ajendra Kumar Agarwal*	10	Negligible
	Total	**1,50,00,000**	**100%**

**Nominee of the InvIT*
Source: Investment Manager

- My team had conducted physical site visit of the road stretch of GSSHPL on 4th May 2024. Refer below for the pictures of the road stretch:

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3.7. GR Dwarka Devariya Highway Private Limited ("GDDHPL")

- GDDHPL was incorporated on 26th March 2019 as a private limited company under the Companies Act, 2013 pursuant to certificate of incorporation issued by the Registrar of Companies, Central Registration Centre. The registered office of GDDHPL is located at GR House, Hiran Magri, Sector 11, Udaipur, Rajasthan 313 002, India.
- GDDHPL was incorporated for the purpose of four laning of Dwarka (Kuranga) – Khambhaliya – Devariya section of NH 151A in the state of Gujarat under Bharatmala Project.
- The project corridor road is a section of National Highway Number 151A (Old NH-08E), NH-151A in section of NH 151A from km 203.500 to km 176.500 and from km 171.800 to km 125.000 (designed length 71.890 km) in the state of Gujarat.
- GDDHPL has received Provisional Completion Certificate (PCOD certificate) on 2nd August 2022.
- The project highway passes through the built-up areas of towns and villages enroute. Important towns along the alignment are Bhatia, Kuvadia, Bamnsa, Dhandusar, Vadinar and Devariya etc.
- The map below illustrates the location of the Project and the corridor it covers:

Source: Investment Manager

- Summary of project details of GDDHPL are as follows:

Parameters	Details
Total Length	287.56 Lane Kms
Nos. of Lanes	4
NH / SH	NH 151A
State Covered	Gujarat
Area (Start and End)	Dwarka – Khambhaliya - Devariya
Bid Project Cost	INR 11,010 Mn
Model	PPP
Project Type	HAM
Concession Granted by	NHAI
PCOD Date	2nd August 2022
Nos. of Annuities	30
Construction Period	912 days from Appointed date
Operational Period	15 years from PCOD date

Source: Investment Manager

- The corridor forms a part of existing road from Km 0+00 near Kuranga village and ends at Km 76+270 in Jakhar Patia in NH-151A in the state of Gujarat.

Sr. No.	Salient Features	As per Site
1	Total Length of the Project Highway	71.890 Km
2	Total length of Service Roads	18.18 Km
3	Widening	0 Km
4	New Alignment including bypass	0 Km
5	Approaches to underpasses	0 Km
6	No of Bypass Roads	0 Nos.
7	Rigid Pavement for Main carriageway	71.890 Km
8	Total length of Slip Roads	0 Km
9	Toll Plaza	1 Nos.
10	Bus Bays / Bus Shelters	50 Nos.
11	Truck Lay Bays	1 Nos.
12	No of Rest Areas	1 Nos.
13	Major Junction	0 Nos.
14	Minor Junctions	55 Nos.
15	No of Vehicular underpasses	5 Nos.
16	Vehicle overpass	0 Nos.
17	No of Subways	0 Nos.
18	No of Flyovers	0 Nos.
19	Pedestrian/Cattle Underpass	0 Nos.
20	ROB	1 Nos.
21	Major Bridges	4 Nos.
22	Minor Bridges	20 Nos.
23	Box/Slab Culverts	32 Nos.
24	Pipe Culverts	92 Nos.

Source: Investment Manager

- The shareholding of GDDHPL as on Valuation Date is as follows:

Sr. No.	Particulars	No. of Shares	%
1	The InvIT	94,99,990	100%
2	Ajendra Kumar Agarwal*	10	Negligible
	Total	**95,00,000**	**100%**

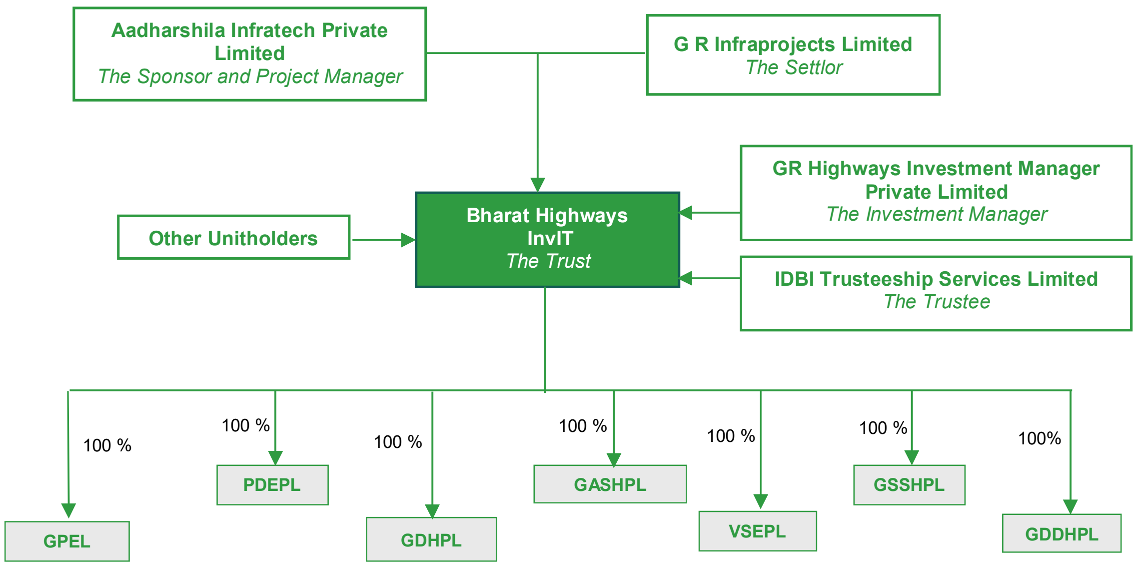
**Nominee of the InvIT*

Source: Investment Manager

- My team had conducted physical site visit of the road stretch of GDDHPL on 5th April 2024. Refer below for the pictures of the road stretch

4. Structure of the Trust

4.1. Following is the structure of Bharat InvIT:



Source: Investment Manager

4.2. Stake in the SPVs by the Trust:

Sr. No.	SPV	As on Report Date Trust Holding
1	GPEL	100.0%
2	PDEPL	100.0%
3	GDHPL	100.0%
4	GASHPL	100.0%
5	VSEPL	100.0%
6	GSSHPL	100.0%
7	GDDHPL	100.0%

Source: Investment Manager

5. Overview of the Industry

The road infrastructure is an important determinant of economic growth in India and it plays a significant role in the economy's overall development process.

India has the second-largest road network in the world, spanning over 6.3 million kms. Over 64.5% of all goods in the country are transported through roads, while 90% of the total passenger traffic uses road network to commute.

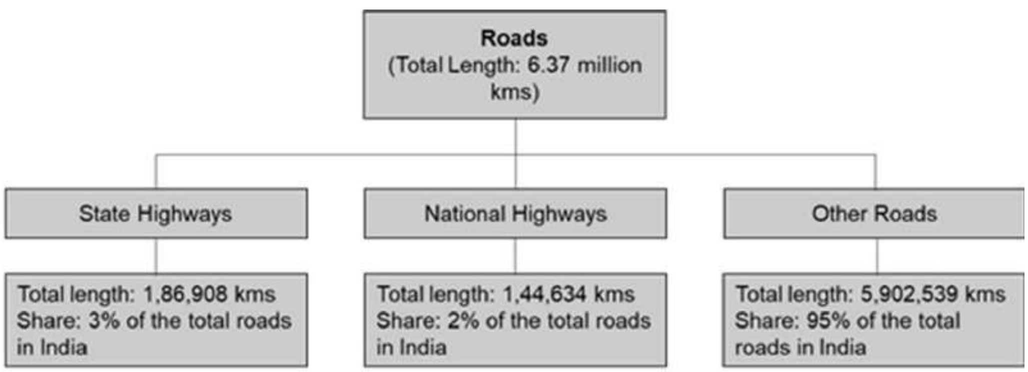
Creation and operation of quality road infrastructure continue to be major requirements for enabling overall growth and development of India in a sustained manner.

Bridging of existing infrastructure gaps and creating additional facilities to cater to the increasing population are equally important. Apart from providing connectivity in terms of enabling movement of passengers and freight, roads act as force multipliers in the economy.

Further, roads play a significant role in times of natural calamities, wars and other such events in terms of timely evacuation of the impacted population, carriage of relief material and other associated movements. Government takes cognisance of this requirement and road infrastructure remains to be a focus area.

5.1 Road Network in India

5.1.1 India has the second largest road network in the world, spanning over 6.37 million kms. Over 64.5% of all goods in the country are transported through roads, while 90% of the total passenger traffic uses road network to commute.



Source: IBEF Roads Report, August 2023

5.1.2 Out of this around 1.41 lakh km are National Highways ("NHs"). Significantly, NHs constitute around 2 per cent of the total road network in the country but carry about 40 per cent of the road traffic. The density of India's highway network at 1.89 km of roads per square kilometer of land – is similar to that of the France (1.98) and much greater than China's (0.49) or USA's (0.68).

5.2 Government Agencies for Road Development

5.2.1 The Ministry of Road Transport & Highway ("**MoRTH**") is responsible for development of Road Transport and Highways in general and construction & maintenance of National Highways.

5.2.2 The National Highways Authority of India ("**NHAI**") is an autonomous agency of the Government of India, set up in 1988 and is responsible for implementation of National Highways Development Project ("**NHDP**").

5.2.3 The NHDP in the context of NHs is nearing completion- in seven phases. Later, the other highway development programmes like Special Accelerated Road Development Programme for Development of Road Network in North Eastern States (SARDP- NE) and National Highways Interconnectivity Improvement Project (NHIIP) were also taken up by MoRTH. Further, Bharatlmala Pariyojana is ongoing. For majority of the projects under NHDP and Bharatmala Pariyojana, NHAI is the implementation agency. Other NH related programmes/works are being implemented through agencies like National Highways Infrastructure

Development Corporation Limited (NHIDCL), State Public Works Departments (PWDs), State Road Development Corporations and the Border Road Organization.

5.2.4 NHAI is planning to raise Rs. 40,000 crore (US$ 5.72 billion) to monetise its highway assets through Infrastructure Investment Trust (InvIT).

5.2.5 In December 2022, NHAI raised Rs. 10,200 crore (US$ 1.23 billion) from foreign and Indian institutional investors to meet ever-growing budgetary support. Indian Government and Asian Development Bank signed US$ 500 million loan agreement to build the longest bridge across river Ganga, in Bihar. The bridge is expected to be ready by December 2021.

5.2.6 NHAI is planning to award 1,000-1,500 km of projects under the BOT model in 2023-24. In FY21, there were 125 PPP projects worth US$ 23.25 billion in India.

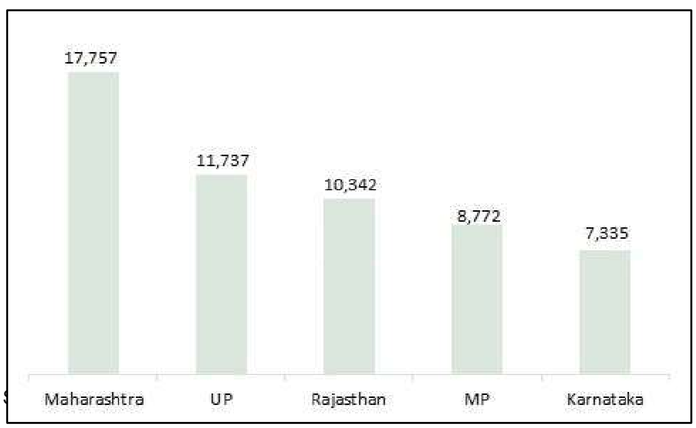
5.2.7 The government has successfully rolled out over 60 road projects in India worth over US$ 10 billion based on the Hybrid Annuity Model (HAM). HAM has balanced risk appropriately between private and public partners and boosted PPP activity in the sector.

5.2.8 In August 2020, the Government of India revised the Model Concession Agreement for BOT projects to plug delays by imposing a deadline on the NHAI and incentivising timely work by concessionaires. According to revised norms, the NHAI will have to hand over 90% of the project land (vacant and ready to build) to private developers, thus creating a more market-friendly sector and attracting more private players.

5.2.9 Roads in the jurisdiction of state governments are under different categories like State Highways ("SHs") and Major District Roads. They are being developed/ upgraded through State PWDs and State Road Development Corporations. Pradhan Mantri Gramm Sadak Yojana is being implemented for rural roads through the Ministry of Rural Affairs with active participation by state governments. Further, roads within urban areas are maintained/ developed mostly with PWDs and Urban Local Bodies.

5.2.10 State Governments have a significant role to play in developing the SHs, Major District Roads, Other District Roads to ensure the last mile connectivity. States have varying levels of maturity in terms of road infrastructure development due to issues such as inadequate identification and prioritization of projects, funding shortfall, limited institutional capacity to implement projects, etc.

Top 5 states by length of NHs in India (in Km)



5.3 Trend of Road and Highways Construction

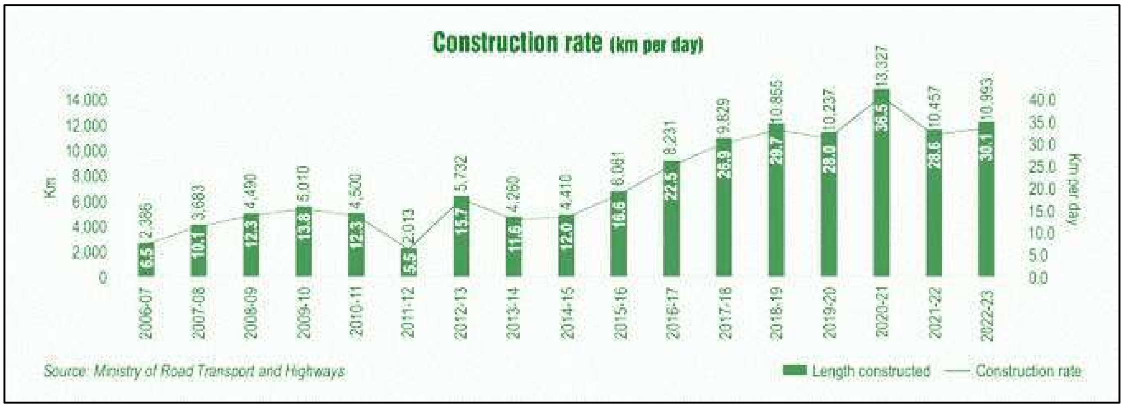
5.3.1 The length of National Highways awarded has almost doubled in the years FY15 to FY18 compared to FY11 to FY14.

5.3.2 The current rate of road construction is almost three times that in 2007-08.

5.3.3 The launch of the Bharatmala Pariyojana in 2017 provided a big fillip to construction activity, with the pace of construction doubling from 12 km per day in 2014-15 to 30 km per day in 2022-23, and peaking at 37 km per day in 2020-21.

5.3.4 The government aims to take this up to 100 km per day in the next few years.

Details of National Highway network:



5.3.5 The road transport and highways ministry (MoRTH) has received a push with the Union Budget raising the allocation by 36 percent to around Rs 2.7 lakh crore for 2023-24. This is nearly 10 percent jump over the Budgetary allocation of Rs 1.99 lakh crore made in the Budget for 2022-23.

5.3.6 The GST on construction equipment has been reduced to 18% from 28%, which is expected to give a boost to infrastructure development in the country.

5.3.7 The NHDP is a program to upgrade, rehabilitate and widen major highways in India to a higher standard. The project was started in 1998 to be implemented in 7 phases.

5.3.8 With the launch of Bharatmala project, 10,000 km of highway construction left under NHDP was merged with Phase I of the Bharatmala project.

5.3.9 The Indian government launched Gati Shakti-National Master Plan, which has consolidated a list of 81 high impact projects, out of which road infrastructure projects were the top priority. The major highway projects include the Delhi-Mumbai expressway (1,350 kilometres), Amritsar-Jamnagar expressway (1,257 kilometres) and Saharanpur-Dehradun expressway (210 kilometres).

5.3.10 The main aim of this program is a faster approval process by digitizing the process through a dedicated Gati shakti portal.

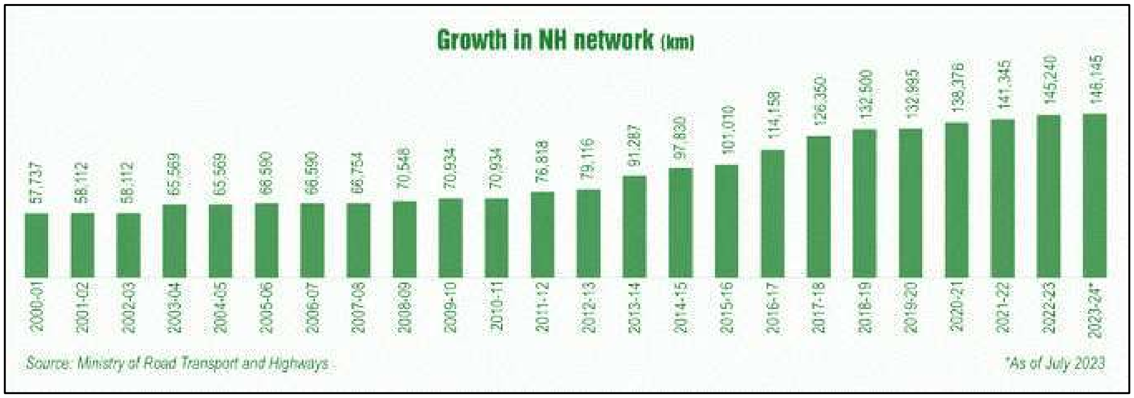
5.3.11 In December 2021, the government set a highway monetization target of Rs. 2 trillion (US$ 26.20 billion) for the next 3 years.

5.3.12 The Government of India has allocated Rs. 111 lakh crore (US$ 13.14 billion) under the National Infrastructure Pipeline for FY 2019-25. The Roads sector is expected to account for 18% capital expenditure over FY 2019-25.

5.3.13 NHAI is planning to raise Rs. 40,000 crore (US$ 5.72 billion) to monetise its highway assets through Infrastructure Investment Trust (InvIT). The InvIT of NHAI, National Highways Infra Trust, has raised more than Rs 8,000 crore from foreign and Indian institutional investors till October 2022.

5.3.14 The development of market for roads and highways is projected to exhibit a CAGR of 36.16% during 2016-2025, on account of growing government initiatives to improve transportation infrastructure in the country.

Details of National Highway network:



5.4 Implementation of important projects and expressways:

5.4.1 Bharatmala Pariyojna

Bharatmala Pariyojana is a new umbrella program for the highways sector that focuses on optimizing efficiency of freight and passenger movement across the country by bridging critical infrastructure gaps through effective interventions like development of Economic Corridors, Inter Corridors and Feeder Routes, National Corridor Efficiency Improvement, Border and International connectivity roads, Coastal and Port connectivity roads and Green-field expressway.

The Bharatmala Pariyojana envisages development of about 24,800 km length of Economic Corridors, which along with Golden Quadrilateral (GQ) and North-South and East-West (NS-EW) Corridors are expected to carry majority of the Freight Traffic on roads.

A total length of 34,800 km in road projects have been proposed to be constructed with an estimated outlay of Rs 5.35 trillion under Bharatmala Pariyojana Phase-I over a five year period (2017-18 to 2021-22).

5.4.2 Char Dham Vikas Mahamarg Pariyojna:

This project envisages development of easy access to the four dhams in India – Gangotri, Yamunotri, Kedarnath and Badrinath. Development of this route of 889 km route us expected at an estimated cost of INR 12,000 Crores.

5.4.3 Eastern peripheral and western peripheral expressway

These two projects will connect NH-1 and NH-2 from western and eastern side of Delhi.

5.4.4 Setu Bharatam:

This project aims to replace crossings on NHs with Road Over Bridges and Road Under Bridges. It is projected to construct 174 such structures.

5.4.5 To further augment road infrastructure, more economic corridors are also being planned by Government of India as revealed in Budget 2021-22.

a. 3,500 km of National Highway works in the state of Tamil Nadu at an investment of INR 1.03 lakh Crores. These include Madurai-Kollam corridor, Chittoor-Thatchur corridor. Construction will start next year.

b. 1,100 km of National Highway works in the State of Kerala at an investment of INR 65,000 Crores including 600 km section of Mumbai Kanyakumari corridor in Kerala.

c. 675 km of highway works in the state of West Bengal at a cost of INR 25,000 Crores including upgradation of existing road-Kolkata –Siliguri.

d. National Highway works of around INR 19,000 Crores are currently in progress in the State of Assam. Further works of more than INR 34,000 Crores covering more than 1300 kms of National Highways will be undertaken in the State in the coming three years.

e. In the Union Budget of 2022-23, the increase in Budget was a whopping 68% compared to the last year and the government plans to complete 25,000 kilometres of National highways.

5.5 Opportunities in road development & maintenance in India

a. India has joined the league of 15 of global alliance which will work towards the ethical use of smart city technologies

b. The Government aims to construct 65,000 kms of national highways at a cost of Rs. 5.35 lakh crore (US$ 741.51 billion).

c. The government also aims to construct 23 new national highways by 2025.

d. Road building in India is second least expensive in Asia.

e. Andhra Pradesh will spend US$ 296.05 million to build 8,970 Kms of roads.

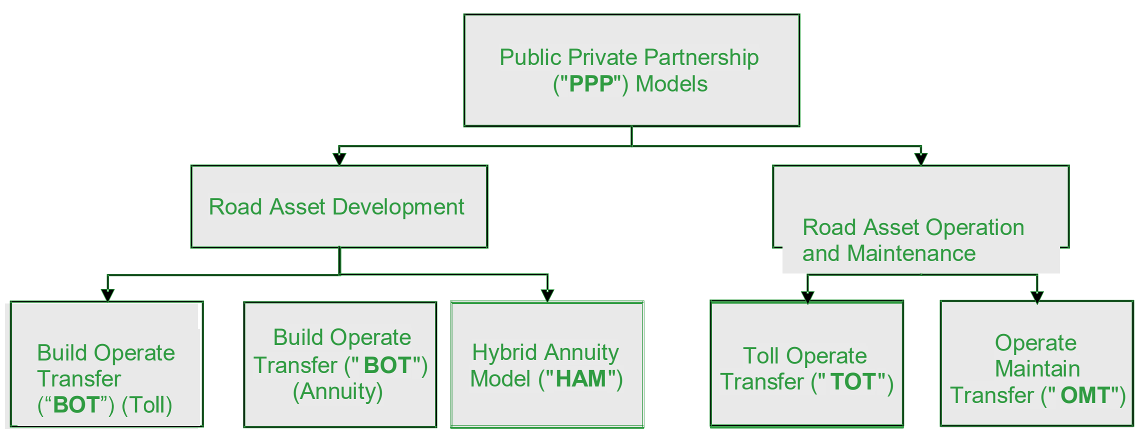
f. In February 2022, NHAI rolled out a plan to construct 5,795 kilometres of highways that will connect 117 districts. The plan was worth Rs. 1 trillion (US$ 13.09 billion).

5.6 Public Private Partnership (“PPP”) Models of road development and maintenance in India

5.6.1 India has a well-developed framework for Public-Private-Partnerships (PPP) in the highway sector. PPP has been a major contributor to the success story of the roads and highway sector in India. With the emergence of private players over the last decade, the road construction market has become fragmented and competitive. Players bidding for projects also vary in terms of size. PPP modes have been used in India for both development and operation & maintenance of road assets.

5.6.2 In FY21, there were 125 PPP projects worth US$ 23.25 billion in India.

5.6.3 In August 2020, the Government of India revised the Model Concession Agreement for BOT projects to plug delays by imposing a deadline on the NHAI and incentivising timely work by concessionaires. According to revised norms, the NHAI will have to hand over 90% of the project land (vacant and ready to build) to private developers, thus creating a more market-friendly sector and attracting more private players.



5.6.4 **Road Asset Development Models**

- **BOT Toll**

In a BOT toll project, the concessionaire is responsible for designing, building, financing, operating, maintaining, tolling and transferring the project to the relevant authority at the end of the concession period. The concession period is project specific but is usually for 20-25 years. In BOT Toll model, the concessionaire earns revenue primarily in the form of toll revenue which in turns depends on the traffic on the road stretch. Toll rates are regulated by the government through rules.

- **BOT Annuity**

Similar to a BOT Toll projects, in BOT Annuity project, the concessionaire is responsible for designing, building, financing, operating, maintaining, tolling and transferring the project to the relevant authority at the end of the concession period. However, in these projects, the right to collect toll on road stretch lies with the government. The concessionaire earns revenue in the form of pre-determined semi-annual annuity payments.

- **HAM**

Similar to a BOT projects, in HAM project, the concessionaire is responsible for designing, building, financing, operating, maintaining, tolling and transferring the project to the relevant authority at the end of the concession period. However, in these projects, the right to collect toll on road stretch lies with the government. The construction period for HAM projects is project specific and a fixed operation period of 15 years.

5.7 Government Investment in the Sector

5.7.1 Under Union Budget 2023-24, the Government of India has allocated Rs. 270,435 Crore to the Ministry of Road Transport and Highways.

5.7.2 The Government aims to increase the toll revenue to INR 1.3 Trillion by 2030. In 2014, the waiting time at the toll plazas was 734 seconds, whereas in the 2023 this has reduced to 47 seconds. We are hopeful that we will bring it down to 30 second soon

5.7.3 NHAI is in the process to raise Rs. 40,000 crore (US$ 5.72 billion) to monetize its highway assets through Infrastructure Investment Trust (InvIT).

5.8 Recent Initiatives by Government

5.8.1 Bhoomi Rashi – Land Acquisition Portal

The ministry has corroborated with the National Informatics Centre, to create Bhoomirashi, a web portal which digitises the cumbersome land acquisition process, and also helps in processing notifications relating to land acquisition online. Processing time, which was earlier two to three months has come down to one to two weeks now.

5.8.2 FASTag – Electronic Toll Collection

National Electronic Toll Collection (NETC) system, has been implemented on pan India basis in order to remove bottlenecks and ensure seamless movement of traffic and collection of user fee as per the notified rates, using passive Radio Frequency Identification (RFID) technology.

5.8.3 Revival of languishing projects

Projects which were languishing for a number of years have been attempted to be revived, with the help of a number of policy measures taken by the government. Some of the policy measures like Premium deferment in stressed projects, extension of concession period for languishing projects to the extent of delay not attributable to concessionaires, One Time Capital Support for physical completion of languishing projects that have achieved at least 50 per cent physical progress, through one time fund infusion by NHAI, subject to adequate due diligence on a case to case basis.

5.8.4 Rural development

Under the Union Budget 2023-24, the Government of India allocated Rs. 19,000 (US$ 2.37 billion) for Pradhan Mantri Gram Sadak Yojana (PMGSY).

5.8.5 Portfolios in roads & highways sector

In October 2020, the National Investment and Infrastructure Fund (NIIF) is making progress towards integrating its road and highway portfolio. The NIIF has acquired Essel Devanahalli Tollway and Essel Dichpally Tollway through the NIIF master fund. These road infra-projects will be supported by Athaang Infrastructure, NIIF's proprietary road network, assisted by a team of established professionals with diverse domain expertise in the transport field.

5.8.6 International Tie-ups

In December 2020, the Ministry of Road Transport and Highways signed an MoU with the Federal Ministry of Climate Action, Environment, Energy, Mobility, Innovation and Technology of the Republic of Austria on technology cooperation in the road infrastructure sector.

5.8.7 Encourage private funding to reduce finance constraints

- Cumulative FDI inflows in construction development stood at US$ 26.21 billion between April 2000-March 2022. Maif 2 Investments India Pvt. Ltd. became the first-largest foreign investment in Indian roads sector under toll-operate-transfer (TOT) mode worth Rs. 9,681.5 crore (US$ 1.50 billion).
- In October 2020, the Asian Development Bank (ADB) and the Government of India signed a US$ 177 million loan to upgrade 450 kms of state highways and major district roads in Maharashtra.
- In January 2021, the Government of India and New Development Bank (NDB) signed two loan agreements for US$ 646 million for upgrading the state highway and district road networks in Andhra Pradesh.
- In August 2020, the Government of India revised the Model Concession Agreement for BOT projects to plug delays by imposing a deadline on the NHAI and incentivising timely work by concessionaires.
- According to revised norms, the NHAI will have to hand over 90% of the project land (vacant and ready to build) to private developers, thus creating a more market-friendly sector and attracting more private players.

5.9 Outlook

5.9.1 India's infrastructure sector is rapidly evolving and the key trends demonstrate positivity and optimism. The market for roads and highways in India is projected to exhibit a CAGR of 36.16% during 2016-2025, on account of growing Government initiatives to improve transportation infrastructure in the country. For the period of 2016-17 to 2021-22, the CAGR stands at 20%.

5.9.2 Development and maintenance of road infrastructure is a key Government priority, the sector has received strong budgetary support over the years. During the past years, the standardized processes for Public Private Partnership & public funded projects and a clear policy framework relating to bidding and tolling have also been developed.

5.9.3 The major initiatives undertaken by the Government such as National Infrastructure Pipeline (NIP) and the PM Gati Shakti National Master Plan will raise productivity, and accelerate economic growth and sustainable development.

5.9.4 The highways sector in India has been at the forefront of performance and innovation. The government is committed towards expanding the National Highway network to 2 lakh kilometres by 2025 emphasizing the construction of the World Class Road infrastructure in time bound & target oriented way. India has a well-developed framework for Public-Private-Partnerships (PPP) in the highway sector.

5.9.5 The Asian Development Bank ranked India at the first spot in PPP operational maturity and also designated India as a developed market for PPPs. The Hybrid Annuity Model (HAM) has balanced risk appropriated between private and public partners and boosted PPP activity in the sector.

Sources: IBEF Roads Report, November 2022; KPMG Report - Roads and Highway Sector; ICRA reports, website of Ministry of Road Transport and Highways, Government of India.

6. Valuation Methodology and Approach

6.1. The present valuation exercise is being undertaken in order to derive the fair EV of the SPVs.

6.2. The valuation exercise involves selecting a method suitable for the purpose of valuation, by exercise of judgment by the valuers, based on the facts and circumstances as applicable to the business of the company to be valued.

6.3. There are three generally accepted approaches to valuation:

(a) "Cost" approach
(b) "Market" approach
(c) "Income" approach

6.4. **Cost Approach**

The cost approach values the underlying assets of the business to determine the business value. This valuation method carries more weight with respect to holding companies than operating companies. Also, cost value approaches are more relevant to the extent that a significant portion of the assets are of a nature that could be liquidated readily if so desired.

Net Asset Value ("NAV") Method

The NAV Method under Cost Approach considers the assets and liabilities, including intangible assets and contingent liabilities. The Net Assets, after reducing the dues to the preference shareholders, if any, represent the value of a company.

The NAV Method is appropriate in a case where the main strength of the business is its asset backing rather than its capacity or potential to earn profits. This valuation approach is also used in cases where the firm is to be liquidated, i.e. it does not meet the "Going Concern" criteria.

As an indicator of the total value of the entity, the NAV method has the disadvantage of only considering the status of the business at one point in time.

Additionally, NAV does not properly take into account the earning capacity of the business or any intangible assets that have no historical cost. In many aspects, NAV represents the minimum benchmark value of an operating business.

6.5. **Market Approach**

Under the Market approach, the valuation is based on the market value of the company in case of listed companies, and comparable companies' trading or transaction multiples for unlisted companies. The Market approach generally reflects the investors' perception about the true worth of the company.

Comparable Companies Multiples ("CCM") Method

The value is determined on the basis of multiples derived from valuations of comparable companies, as manifest in the stock market valuations of listed companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

Comparable Transactions Multiples ("CTM") Method

Under the CTM Method, the value is determined on the basis of multiples derived from valuations of similar transactions in the industry. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances. Few of such multiples are EV/Earnings before Interest, Taxes, Depreciation & Amortization ("**EBITDA**") multiple and EV/Revenue multiple.

Market Price Method

Under this method, the market price of an equity share of the company as quoted on a recognized stock exchange is normally considered as the fair value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded. The market value generally reflects the investors' perception about the true worth of the company.

6.6. Income Approach

The income approach is widely used for valuation under "Going Concern" basis. It focuses on the income generated by the company in the past as well as its future earning capability. The Discounted Cash Flow Method under the income approach seeks to arrive at a valuation based on the strength of future cash flows.

DCF Method

Under DCF Method value of a company can be assessed using the FCFF or Free Cash Flow to Equity Method ("**FCFE**"). Under the DCF method, the business is valued by discounting its free cash flows for the explicit forecast period and the perpetuity value thereafter. The free cash flows represent the cash available for distribution to both, the owners and creditors of the business. The free cash flows in the explicit period and those in perpetuity are discounted by the WACC. The WACC, based on an optimal vis-à-vis actual capital structure, is an appropriate rate of discount to calculate the present value of future cash flows as it considers equity-debt risk by incorporating debt-equity ratio of the firm.

The perpetuity (terminal) value is calculated based on the business' potential for further growth beyond the explicit forecast period. The "Constant Growth Model" is applied, which implies an expected constant level of growth for perpetuity in the cash flows over the last year of the forecast period.

The discounting factor (rate of discounting the future cash flows) reflects not only the time value of money, but also the risk associated with the business' future operations. The EV (aggregate of the present value of explicit period and terminal period cash flows) so derived, is further reduced by the value of debt, if any, (net of cash and cash equivalents) to arrive at value to the owners of the business.

6.7. Conclusion on Valuation Approach

It is pertinent to note that the valuation of any company or its assets is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond my control. In performing my analysis, I have made numerous assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the SPVs. In addition, this valuation will fluctuate with changes in prevailing market conditions, and prospects, financial and otherwise, of the SPVs, and other factors which generally influence the valuation of companies and their assets.

6.8. The goal in selection of valuation approaches and methods for any business is to find out the most appropriate method under particular circumstances on the basis of available information. No one method is suitable in every possible situation. Before selecting the appropriate valuation approach and method, I have considered various factors, inter-alia, the basis and premise of current valuation exercise, purpose of valuation exercise, respective strengths and weaknesses of the possible valuation approach and methods, availability of adequate inputs or information and its reliability and valuation approach and methods considered by the market participants.

Cost Approach

The existing book value of EV of the SPVs comprising of the value of its Net fixed assets, Financial assets, Other non-current assets and working capital based on the provisional financial statements as at 31st March 2024 prepared as per Indian Accounting Standards (Ind AS) are as under :

INR Mn

SR No.	SPV	Book EV*	Adjusted EV**
1	GPEL	4,626	5,988
2	PDEPL	7,500	8,462
3	GDHPL	8,778	9,918
4	GASHPL	3,700	4,628
5	VSEPL	11,539	13,246
6	GSSHPL	4,816	5,523
7	GDDHPL	4,814	5,955
	Total of all SPVs	**45,772**	**53,721**

** Enterprise Value ("**EV**") is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash or cash equivalents to meet those liabilities.*

*** Adjusted Enterprise Value of the SPVs is derived as the EV as defined above plus cash or cash equivalents of the SPVs as at the Valuation Date.*

In the present case, the SPVs operate and maintain the project facilities in accordance with the terms and conditions under the relevant concession agreement(s). During the concession period, the SPVs operate and maintain their respective road assets and earn revenues through annuity payment that are pre-determined as per the respective concession agreement. In such scenario, the true worth of the business is reflected in its future earning capacity rather than the cost of the project. Accordingly, I have not considered the cost approach for the current valuation exercise.

<u>Market Approach</u>

The present valuation exercise is to undertake fair EV of the SPVs engaged in the road infrastructure projects for a predetermined tenure. Further, the tariff revenue and expenses are very specific to the SPVs depending on the nature of their geographical location, stage of project, terms of profitability. In the absence of any exactly comparable listed companies with characteristics and parameters similar to that of the SPVs, I have not considered CCM method in the present case. In the absence of adequate details about the Independent Comparable Transactions, I was unable to apply the CTM method as a measure of valuation. Currently, the equity shares of the SPVs are not listed on any recognized stock exchange of India. Hence, I was unable to apply market price method.

<u>Income Approach</u>

Each of the SPVs operates under a DBOT based concession agreement with NHAI.

Currently, each of the SPVs are completed and are revenue generating. The revenue of the SPVs is based on tenure, annuity payments, operations and other factors that are unique to each of the SPVs. The revenue of the SPVs is mainly derived from the annuity payments (annuity fees), interest income on balance annuity payments (which is linked to bank rate) and O&M payments (adjusted for inflation), that is defined under respective Concession Agreement for operation period.

The annuity fees are typically pre-determined with the relevant government authority (NHAI in this case) and cannot be modified to reflect prevailing circumstances. Interest on balance annuity payments are linked to bank rate, which is changed by RBI based on prevailing market conditions. The rights in relation to the underlying assets of all the SPVs shall be transferred after the expiry of the Concession Period. Accordingly, since all the SPVs are generating income based on pre-determined agreements / mechanism and since the Investment Manager has provided me with the financial projections of the SPVs for the balance tenor of the concession agreements, DCF Method under the income approach has been considered as the appropriate method for the present valuation exercise.

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7. Valuation of the SPVs

7.1. I have estimated the fair EV and Adjusted Enterprise Value of the SPVs using the DCF Method. While carrying out this engagement, I have relied extensively on the information made available to me by the Investment Manager. I have considered projected financial statement of the SPVs as provided by the Investment Manager.

Valuation

7.2. The key assumptions of the projections provided to me by the Investment Manager are:

Key Assumptions:

7.2.1. **Revenue cash flows**

The Cash flow for the SPVs can be divided into two segments:

Payment NHAI during the Construction Period:

Each SPV was eligible to receive 40% of the Bid Project Cost, adjusted for the price index multiple, in 5 equal installments during the construction period. I have been represented by the Investment Manager that all the SPVs have received the agreed portion of the inflation adjusted bid project cost (of 40%) as per their respective concession agreement. Hence, no further cash flow receipts are attributable towards this segment of cash flows.

Payment by NHAI during the Operation Period: Accordingly, the revenue of the SPVs would mainly consists of the following receipts:

a. **Annuity payments**: The Bid Project Cost remaining, adjusted for the price index multiple, to be paid in pursuance of the respective concession agreements (i.e. the Balance Completion Cost) is eligible to be received by the respective SPVs by way of specified biannual installments as mentioned in their respective concession agreement for the balance period of operations.

b. **Interest**: As per the concession agreements, the SPVs are entitled to receive interest on reducing Balance Completion Cost equal to applicable Bank Rate (as decided by the Monetary Policy Committee and published by the Reserve Bank of India) + 3.00% spread. Such interest is due and payable along with each of the biannual installments as mentioned above; and

c. **Operation and Maintenance Revenue**: In lieu of O&M expenses to be incurred by SPV, SPVs are eligible for certain O&M income (as defined in the respective concession agreement) at each biannual installment date, duly adjusted for an appropriate inflation rate.

Following table summarizes the payment received by the respective SPVs from NHAI till the Valuation Date, and balance number of biannual annuity installments expected to be received:

INR in Mn	GPEL*	PDEPL*	GDHPL*	GASHPL*	VSEPL*	GSSHPL*	GDDHPL*
First Annuity Amount	567	632	778	331	1,080	405	482
Second Annuity Amount	561	630	796	303	1,100	393	594
Third Annuity Amount	556	636	897	343	1,095	452	591
Fourth Annuity Amount	562	633	929	434	1,197	337	
Fifth Annuity Amount	578	678	937	400	1,271	464	
Sixth Annuity Amount	641	737		399	1,293		
Seventh Annuity Amount	656	729					
Eighth Annuity Amount	656						
Total	**4,777**	**4,675**	**4,337**	**2,210**	**7,036**	**2,052**	**1,667**
No. of Annuities received till date	8	7	5	6	6	5	3
No. of Annuities yet to be received	22	23	25	24	24	25	27

**The annuities have been rounded-off*

7.2.2. **Expenditure:**

Since all the SPVs are operational on the Valuation Date, following are the major costs incurred by the SPV:

Operation and Maintenance Costs (Routine) ("O&M Costs")

These are routine costs incurred every year. These costs are related to the normal wear and tear of the road and hence involve repairing the patches damaged mainly due to heavy traffic movement. O&M Costs also includes staff salaries, project management fees, professional fees, insurance, security expenses, electricity, etc. The primary purpose of these expenses is to maintain the road as per the specifications mentioned in the respective concession agreement. SPV is generally responsible for carrying out operation and maintenance activities at its road during its concession period**.** Within the scope of such operation and maintenance obligations, the SPV may be required to undertake routine maintenance of project roads, maintain and comply with safety standards to ensure smooth and safe traffic movement, deploy adequate human resources for incident management, maintain proper medical and sanitary arrangements for personnel deployed at the site, prevent any unauthorized entry to and exit from the project as may be required.

The Investment Manager has provided the estimated O&M costs for the projected period and I have corroborated the said expenses with O&M Contract signed with GR Infra through the Project manager i.e. Aadharshila Infratech Private Limited.

I understand that at the end of the seven years from the date of listing of units of the Trust, the O&M contract may be reviewed at the discretion of either of the contracting parties and the costs thereof may be mutually renegotiated if required.

Major Maintenance and Repairs Costs ("MMR Costs")

Estimating the MMR Costs

Period maintenance expenses will be incurred on periodic basis say every 5 years or more. These are the costs incurred to bring the road assets back to its earlier condition or keep the road assets in its present condition. These expenses are primarily related to the construction or re-laying of the top layer of the road. Accordingly, such costs includes considerable amount of materials and labour.

The Investment Manager has provided the estimated MMR cost for the projected period and I have corroborated the said expenses with O&M contract signed with GR Infra through the Project manager i.e. Aadharshila Infratech Private Limited. I understand that at the end of the seven years from the date of listing of units of the Trust, the O&M contract may be reviewed at the discretion of either of the contracting parties and the costs thereof may be mutually renegotiated if required.

7.2.3. **Capital Expenditure ("Capex"):** As represented by the Investment Manager, regarding the maintenance Capex, the same has already been considered in the Operation & Maintenance expenditure and Major Maintenance and Repairs expenditure for the projected period.

7.2.4. **Direct Taxes**: As per the discussions with the Investment Manager, the new provisions of Income Tax Act, 1961 (Section 115BAA) have been considered for the projected period of all SPVs. The SPVs have been filing their income tax returns basis the IND AS Income, adjusted for adjustments prescribed by Income Computation and Deduction Standards IV i.e Revenue Recognition, which can be substantiated from the tax audit reports of the respective SPVs. I have relied on the representation of the Investment Manager for the projected tax outflow for the projected period.

7.2.5. **Working Capital:**

The Investment Manager has provided projected financial information on biannual basis for all the SPVs. The biannual period are based on the annuity dates of the respective SPVs. The amount of O&M expenses payable to GR Infra by the SPVs on the basis of their respective O&M Agreements is also due and payable on the basis of the annuity amount and date on which annuities are received. Hence, for all the SPVs where annuity payments are material component of revenue, there are no receivables and payables estimated to be outstanding at their respective annuity dates during the biannually prepared projected period. Other working capital items outstanding as at the Valuation Date mainly represents the advance income tax, GST input tax (and cash) credit, prepaid expenses, etc. that are separately adjusted in the calculation of the enterprise values of the SPVs. The Investment Manager has provided projected Working Capital information for all the SPVs. I have relied on the same.

7.2.6. **GST Claim:** The Investment Manager has informed us that due to the changes in extant provision of the Goods & Services Tax ("GST") laws, the SPVs are eligible to receive GST claim from NHAI which are as follows:

i. **On Annuity:** As per the clarification notification of Ministry of Road Transport & Highways as on 27th August 2021 vis-à-vis Ministry of Finance circular dated 17th June 2021, SPVs are eligible to claim reimbursement of GST on annuity, considering change in law, after adjusting GST input credit lying with the SPVs.

ii. **On Interest on Annuity:** As per the Ministry of Finance circular dated 17th June 2021, GST will be applicable on annuity (deferred payments) paid for construction of roads i.e. annuity plus interest, additionally Ministry of Road Transport & Highways issued clarification dated 17th June 2021 that the SPVs will be eligible to claim reimbursement of GST on interest.

iii. **Change in GST rates:** Ministry of Finance vide notification no. 03/2022 dated 13th July 2022, increased the GST rates applicable on road construction services from 12% to 18%. As per the clarification of Ministry of Road Transport & Highways dated 20th September 2022, the above increase in GST rates are eligible for reimbursement from NHAI as it is considered as change in law (i.e. change of rate).

7.3. Impact of Ongoing Material Litigation on Valuation

As on 31st March 2024, there are no ongoing material litigations, except indirect tax litigations as shown in Appendix 4. Further, Investment Manager has informed us that majority of the tax litigations are low to medium risk and accordingly no material outflow is expected against the litigations, hence no impact has been factored on the valuation of the SPVs. Further, I have been informed by the Investment Manager that the tax litigations prior to acquisition of SPVs by the Trust shall be covered by an indemnity given by the Settlor (GR Infra) for a period of eight years (from date of such transfer) through the Share Purchase Agreement ("SPA") to be executed between the Trust and the Settlor.

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7.4. Calculation of Weighted Average Cost of Capital for the SPVs

7.4.1. Cost of Equity:

Cost of Equity (CoE) is a discounting factor to calculate the returns expected by the equity holders depending on the perceived level of risk associated with the business and the industry in which the business operates.

For this purpose, I have used the Capital Asset Pricing Model (CAPM), which is a commonly used model to determine the appropriate cost of equity for the SPVs.

K(e) = Rf + [ERP* Beta] + CSRP

Wherein:
K(e) = cost of equity
Rf = risk free rate
ERP = Equity Risk Premium
Beta = a measure of the sensitivity of assets to returns of the overall market
CSRP = Company Specific Risk Premium (In general, an additional company-specific risk premium will be added to the cost of equity calculated pursuant to CAPM).
For valuation exercise, I have arrived at adjusted cost of equity of the SPVs based on the above calculation (Refer Appendix 2).

7.4.2. Risk Free Rate:

I have applied a risk free rate of return of 6.97% on the basis of the zero coupon yield curve as on 31st March 2024 for government securities having a maturity period of 10 years, as quoted on the website of Clearing Corporation of India Limited.

7.4.3. Equity Risk Premium ("ERP"):

Equity Risk Premium is a measure of premium that investors require for investing in equity markets rather than bond or debt markets. The equity risk premium is estimated based on consideration of historical realised returns on equity investments over a risk-free rate as represented by 10 year government bonds. Based on the aforementioned, a 7% equity risk premium for India is considered appropriate.

7.4.4. Beta:

Beta is a measure of the sensitivity of a company's stock price to the movements of the overall market index. In the present case, I find it appropriate to consider the beta of companies in similar business/ industry to that of the SPVs for an appropriate period.

For the valuation of the SPVs, I find it appropriate to consider the beta of MEP Infrastructure Developers Limited, Bharat Road Network Limited and IRB InvIT fund for an appropriate period. The beta so arrived, is further adjusted based on the factors of mentioned SPVs like completion of projects, revenue certainty, past collection trend, lack of execution uncertainty, etc. to arrive at the adjusted unlevered beta appropriate to the SPVs.

I have further unlevered the beta of such companies based on market debt-equity of the respective company using the following formula:
Unlevered Beta = Levered Beta / [1 + (Debt / Equity) *(1-T)]

Further I have re-levered it based on debt-equity at 70:30 based on the industry Debt: Equity ratio of HAM based projects using the following formula:
Re-levered Beta = Unlevered Beta * [1 + (Debt / Equity) *(1-T)]

Accordingly, as per above, I have arrived at re-levered betas of the SPVs. (Refer Appendix 2)

7.4.5. Company Specific Risk Premium ("CSRP"):

As the risk inherent in achieving the future cash flows. In the present case, considering the counter-party risk for Discount Rate is the return expected by a market participant from a particular investment and shall reflect not only the time value of money but also the risk inherent in the asset being valued as well certain SPVs, considering the length of the explicit period for the SPVs, and basis my discussion with Investment Manager, I found it appropriate to 0% CSRP for the SPVs.

7.4.6. Cost of Debt:

The calculation of Cost of Debt post-tax can be defined as follows:
K(d) = K(d) pre-tax * (1 - T)

Wherein:
K(d) = Cost of debt
T = tax rate as applicable

For valuation exercise, pre-tax cost of debt has been considered as 8.20%, as represented by the Investment Manager.

7.4.7. **Weighted Average Cost of Capital (WACC):**

The discount rate, or the WACC, is the weighted average of the expected return on equity and the cost of debt. The weight of each factor is determined based on the company's optimal capital structure.

Formula for calculation of WACC:
WACC = [K(d) * Debt /(Debt + Equity)] + [K(e) * (1 - Debt /(Debt + Equity))]

Accordingly, as per above, I have arrived the WACC for the explicit period of the SPVs.
(Refer Appendix 2 for detailed workings).

7.4.8. **Cash Accrual Factor (CAF) and Discounting Factor**

Discounted cash flow requires to forecast cash flows in future and discount them to the present in order to arrive at present value of the asset as on Valuation Date. To discount back the projections we take in use cash accrual factor. The Cash Accrual Factor refers to the duration between the Valuation date and the point at which each cash flow is expected to accrue. Since the cash inflows and outflows occur continuously year-round, it could be inaccurate to assume that the cash proceeds are all received at the end of each year. As a compromise, mid-year discounting is integrated into DCF models to assume that FCFs are received in the middle of the annual period.

Accordingly, the cash flows during each year of the projected period are discounted back from the mid-year to Valuation Date.

Discounted cash flow is equal to sum of the cash flow in each period divided by discounting factor, where the discounting factor is determined by raising one plus discount rate (WACC) to the power of the CAF.

$DCF = [CF_1 / (1+r)^{CAF1}] + [CF_2 / (1+r)^{CAF2}] + ... + [CF_n /(1+r)^{CAFn}]$

Where,

CF = Cash Flows,

CAF = Cash accrual factor for particular period

R = Discount Rate (i.e. WACC**)**

7.5. At the end of the agreed concession period, the rights in relation to the underlying assets, its operations and the obligation to maintain the road reverts to the government authority that granted the concession. Hence, SPVs are not expected to generate cash flow after the expiry of their respective concession agreements. Accordingly, I found it appropriate not to consider terminal period value, which represents the present value at the end of explicit forecast period of all subsequent cash flows to the end of the life of the asset or into perpetuity if the asset has an indefinite life, in this valuation exercise.

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8. Valuation Conclusion

8.1. The current valuation has been carried out based on the discussed valuation methodology explained herein earlier. Further, various qualitative factors, the business dynamics and growth potential of the business, having regard to information base, management perceptions, key underlying assumptions and limitations were given due consideration.

8.2. I have been represented by the Investment Manager that there is no potential devolvement on account of the contingent liability as of valuation date; hence no impact has been factored in to arrive at fair EV of the SPVs.

8.3. Based on the above analysis, the fair EV and Adjusted Enterprise Value as on the Valuation Date of the SPVs is as mentioned below:

INR

Sr. No.	SPVs	Approximate Projection Period (Balance Concession Period)	WACC	Fair EV (INR Mn)	Fair Adj EV (INR Mn)
1	GPEL	~10 Years -1 Months	7.33%	5,126	6,488
2	PDEPL	~11 Years 1 Months	7.33%	8,347	9,309
3	GDHPL	~12 Years 3 Months	7.33%	9,947	11,087
4	GASHPL	~12 Years 0 Months	7.33%	4,330	5,258
5	VSEPL	~11 Years -5 Months	7.33%	14,005	15,712
6	GSSHPL	~12 Years 3 Months	7.33%	5,557	6,264
7	GDDHPL	~13 Years 4 Months	7.33%	6,005	7,147
Total				**53,316**	**61,266**

(Refer Appendix 1 for detailed workings)

8.4. EV is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash or cash equivalents to meet those liabilities.

8.5. Adjusted Enterprise Value is derived as EV as defined above plus cash or cash equivalents of the SPVs as at 31st March 2024.

8.6. On request of the Investment Manager, I have also calculated the 100% Equity Value of the SPVs as on the Valuation Date. For arriving at the 100% Equity Value, I have adjusted the EV arrived under DCF method for cash & cash equivalents, borrowings from lenders and Subordinated debts from related party, based on the balance sheet of the SPVs as on the Valuation Date to arrive at the 100% Equity Value of the SPVs

8.7. Calculation of Equity Value of the SPVs as on the Valuation Date:

INR Mn

Particulars	GPEL	PDEPL	GDHPL	GASHPL	VSEPL	GSSHPL	GDDHPL
Fair Enterprise Value	**5,126**	**8,347**	**9,947**	**4,330**	**14,005**	**5,557**	**6,005**
Adjustments:							
Cash & Cash Equivalents	1,362	963	1,140	928	1,707	708	1,142
Cash & Cash Equivalents payable to GR Infra	-	-	-	-	702	-	-
CIL Claim payable to GR Infra	-	-	-	-	(702)	-	-
Non-Convertible Debentures	(817)	-	-	-	(5,712)	-	-
Borrowings from Related party	(3,654)	(6,080)	(7,876)	(3,435)	(4,089)	(4,059)	(5,240)
Equity Value	**2,017**	**3,230**	**3,212**	**1,823**	**5,911**	**2,205**	**1,906**

8.8. The fair EV of the SPVs is estimated using DCF method. The valuation requires Investment Manager to make certain assumptions about the model inputs including forecast cash flows, discount rate, and credit risk.

8.9. Valuation is based on estimates of future financial performance or opinions, which represent reasonable expectations at a particular point of time, but such information, estimates or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, a particular event will occur or that a particular price will be offered or accepted. Actual results achieved during the period covered by the prospective financial analysis will vary from these estimates and the variations may be material.

8.10. Accordingly, I have conducted a quantitative sensitivity analysis on certain model inputs, the results of which are as indicated below:

a. WACC by increasing / decreasing it by 1.0%
b. WACC by increasing / decreasing it by 0.5%
c. Total Expenses by increasing / decreasing it by 10%
d. Total Expenses by increasing / decreasing it by 20%

1. Fair Enterprise Valuation Range based on

a. WACC parameter (1.0%)

INR Mn

Sr. No.	SPVs	WACC +1.0%	EV	Base WACC	EV	WACC -1%	EV
1	GPEL	8.33%	4,918	7.33%	5,126	6.33%	5,349
2	PDEPL	8.33%	7,996	7.33%	8,347	6.33%	8,724
3	GDHPL	8.33%	9,513	7.33%	9,947	6.33%	10,415
4	GASHPL	8.33%	4,122	7.33%	4,330	6.33%	4,555
5	VSEPL	8.33%	13,410	7.33%	14,005	6.33%	14,648
6	GSSHPL	8.33%	5,300	7.33%	5,557	6.33%	5,834
7	GDDHPL	8.33%	5,690	7.33%	6,005	6.33%	6,349
Total of all SPVs			**50,949**		**53,316**		**55,875**

b. WACC parameter (0.5%)

INR Mn

Sr. No.	SPVs	WACC +0.5%	EV	Base WACC	EV	WACC -0.5%	EV
1	GPEL	7.83%	5,020	7.33%	5,126	6.83%	5,236
2	PDEPL	7.83%	8,168	7.33%	8,347	6.83%	8,532
3	GDHPL	7.83%	9,726	7.33%	9,947	6.83%	10,177
4	GASHPL	7.83%	4,224	7.33%	4,330	6.83%	4,440
5	VSEPL	7.83%	13,702	7.33%	14,005	6.83%	14,321
6	GSSHPL	7.83%	5,426	7.33%	5,557	6.83%	5,693
7	GDDHPL	7.83%	5,844	7.33%	6,005	6.83%	6,173
Total of all SPVs			**52,110**		**53,316**		**54,571**

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c. **Expenses parameter (10%)**

INR Mn

Sr. No.	SPVs	EV at Expenses +10.0%	EV at Base Expenses	EV at Expenses -10.0%
1	GPEL	4,906	5,126	5,345
2	PDEPL	8,257	8,347	8,437
3	GDHPL	9,723	9,947	10,171
4	GASHPL	4,277	4,330	4,382
5	VSEPL	13,744	14,005	14,267
6	GSSHPL	5,500	5,557	5,614
7	GDDHPL	5,937	6,005	6,073
Total of all SPVs		**52,343**	**53,316**	**54,288**

d. **Expenses parameter (20%)**

INR Mn

Sr. No.	SPVs	EV at Expenses +20.0%	EV at Base Expenses	EV at Expenses -20.0%
1	GPEL	4,632	5,126	5,621
2	PDEPL	8,167	8,347	8,544
3	GDHPL	9,499	9,947	10,394
4	GASHPL	4,225	4,330	4,440
5	VSEPL	13,483	14,005	14,528
6	GSSHPL	5,435	5,557	5,678
7	GDDHPL	5,869	6,005	6,149
Total of all SPVs		**51,308**	**53,316**	**55,354**

2. **Adjusted Enterprise Valuation Range based on**

a. **WACC parameter (1.0%)**

INR Mn

Sr. No.	SPVs	WACC +1.0%	Adjusted EV	Base WACC	Adjusted EV	WACC -1.0%	Adjusted EV
1	GPEL	8.33%	6,279	7.33%	6,488	6.33%	6,711
2	PDEPL	8.33%	8,959	7.33%	9,309	6.33%	9,687
3	GDHPL	8.33%	10,654	7.33%	11,087	6.33%	11,556
4	GASHPL	8.33%	5,050	7.33%	5,258	6.33%	5,482
5	VSEPL	8.33%	15,117	7.33%	15,712	6.33%	16,355
6	GSSHPL	8.33%	6,008	7.33%	6,264	6.33%	6,542
7	GDDHPL	8.33%	6,831	7.33%	7,147	6.33%	7,491
Total of all SPVs			**58,898**		**61,266**		**63,824**

b. WACC parameter (0.5%)

INR Mn

Sr. No.	SPVs	WACC +0.5%	Adjusted EV	Base WACC	Adjusted EV	WACC -0.5%	Adjusted EV
1	GPEL	7.83%	6,382	7.33%	6,488	6.83%	6,598
2	PDEPL	7.83%	9,131	7.33%	9,309	6.83%	9,494
3	GDHPL	7.83%	10,866	7.33%	11,087	6.83%	11,317
4	GASHPL	7.83%	5,152	7.33%	5,258	6.83%	5,368
5	VSEPL	7.83%	15,409	7.33%	15,712	6.83%	16,028
6	GSSHPL	7.83%	6,134	7.33%	6,264	6.83%	6,400
7	GDDHPL	7.83%	6,986	7.33%	7,147	6.83%	7,315
Total of all SPVs			**60,059**		**61,266**		**62,520**

c. Expenses parameter (10%)

INR Mn

Sr. No.	SPVs	EV at Expenses +10.0%	EV at Base Expenses	EV at Expenses -10.0%
1	GPEL	6,268	6,488	6,707
2	PDEPL	9,219	9,309	9,399
3	GDHPL	10,863	11,087	11,311
4	GASHPL	5,205	5,258	5,310
5	VSEPL	15,451	15,712	15,974
6	GSSHPL	6,207	6,264	6,321
7	GDDHPL	7,079	7,147	7,215
Total of all SPVs		**60,292**	**61,266**	**62,237**

d. Expenses parameter (20%)

INR Mn

Sr. No.	SPVs	EV at Expenses +20.0%	EV at Base Expenses	EV at Expenses -20.0%
1	GPEL	5,993	6,488	6,983
2	PDEPL	9,129	9,309	9,506
3	GDHPL	10,639	11,087	11,535
4	GASHPL	5,153	5,258	5,368
5	VSEPL	15,190	15,712	16,235
6	GSSHPL	6,143	6,264	6,386
7	GDDHPL	7,010	7,147	7,291
Total of all SPVs		**59,257**	**61,266**	**63,304**

3. **100% Equity Valuation Range based on**

a. **WACC parameter (1.0%)**

INR Mn

Sr. No.	SPVs	WACC +1.0%	Equity Value	Base WACC	Equity Value	WACC -1.0%	Equity Value
1	GPEL	8.33%	1,808	7.33%	2,017	6.33%	2,240
2	PDEPL	8.33%	2,879	7.33%	3,230	6.33%	3,607
3	GDHPL	8.33%	2,778	7.33%	3,212	6.33%	3,680
4	GASHPL	8.33%	1,615	7.33%	1,823	6.33%	2,048
5	VSEPL	8.33%	5,316	7.33%	5,911	6.33%	6,554
6	GSSHPL	8.33%	1,948	7.33%	2,205	6.33%	2,483
7	GDDHPL	8.33%	1,591	7.33%	1,906	6.33%	2,250
Total of all SPVs			**17,936**		**20,303**		**22,861**

b. **WACC parameter (0.5%)**

INR Mn

Sr. No.	SPVs	WACC +0.5%	Equity Value	Base WACC	Equity Value	WACC -0.5%	Equity Value
1	GPEL	7.83%	1,911	7.33%	2,017	6.83%	2,126
2	PDEPL	7.83%	3,051	7.33%	3,230	6.83%	3,415
3	GDHPL	7.83%	2,991	7.33%	3,212	6.83%	3,441
4	GASHPL	7.83%	1,717	7.33%	1,823	6.83%	1,933
5	VSEPL	7.83%	5,608	7.33%	5,911	6.83%	6,226
6	GSSHPL	7.83%	2,074	7.33%	2,205	6.83%	2,341
7	GDDHPL	7.83%	1,745	7.33%	1,906	6.83%	2,075
Total of all SPVs			**19,097**		**20,303**		**21,557**

c. **Expenses parameter (10%)**

INR Mn

Sr. No.	SPVs	Equity Value at Expenses +10.0%	Equity Value at Base Expenses	Equity Value at Expenses - 10%
1	GPEL	1,796	2,017	2,235
2	PDEPL	3,140	3,230	3,320
3	GDHPL	2,988	3,212	3,435
4	GASHPL	1,770	1,823	1,876
5	VSEPL	5,650	5,911	6,173
6	GSSHPL	2,148	2,205	2,262
7	GDDHPL	1,838	1,906	1,975
Total of all SPVs		**19,330**	**20,303**	**21,275**

d. Expenses parameter (20%)

INR Mn

Sr. No.	SPVs	Equity Value at Expenses +20.0%	Equity Value at Base Expenses	Equity Value at Expenses -20.0%
1	GPEL	1,522	2,017	2,511
2	PDEPL	3,049	3,230	3,427
3	GDHPL	2,764	3,212	3,659
4	GASHPL	1,718	1,823	1,933
5	VSEPL	5,388	5,911	6,434
6	GSSHPL	2,084	2,205	2,326
7	GDDHPL	1,770	1,906	2,051
Total of all SPVs		**18,295**	**20,303**	**22,341**

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9. Additional Procedures to be complied with in accordance with InvIT regulations

Scope of Work

9.1 The Schedule V of the SEBI InvIT Regulations prescribes the minimum set of mandatory disclosures to be made in the valuation report. In this reference, the minimum disclosures in valuation report may include following information as well, so as to provide the investors with the adequate information about the valuation and other aspects of the underlying assets of the InvIT.

The additional set of disclosures, as prescribed under Schedule V of InvIT Regulations, to be made in the valuation report of the SPVs are as follows:

- Purchase Price of the SPV by the InvIT
- Valuation of the InvIT Assets in past
- List of one-time sanctions/approvals which are obtained or pending;
- List of up to date/overdue periodic clearances;
- Statement of assets;
- Estimates of already carried as well as proposed major repairs and improvements along with estimated time of completion;
- Revenue pendencies including local authority taxes associated with InvIT asset and compounding charges, if any;
- On-going material litigations including tax disputes in relation to the assets, if any;
- Vulnerability to natural or induced hazards that may not have been covered in town planning/ building control.

Limitations

9.2 This Report is based on the information provided by the representatives of the Investment Manager. The exercise has been restricted and kept limited to and based entirely on the documents, records, files, registers and information provided to me. I have not verified the information independently with any other external source.

9.3 I have assumed the genuineness of all signatures, the authenticity of all documents submitted to me as original, and the conformity of the copies or extracts submitted to me with that of the original documents.

9.4 I have assumed that the documents submitted to me by the representatives of Investment Manager in connection with any particular issue are the only documents related to such issue.

9.5 I have reviewed the documents and records from the limited perspective of examining issues noted in the scope of work and I do not express any opinion as to the legal or technical implications of the same.

Analysis of Additional Set of Disclosures for the SPVs

A. Purchase Price of the SPV by the InvIT

As informed by the Investment manager, following are the purchase price of the SPVs of the InvIT against which units of Bharat Highways InvIT for an equal amount have been allotted to G R Infraprojects during the IPO of InvIT for 100% Equity.

Sr. No.	SPVs	Purchase Price* (INR Mn)	Acquisition date
1	GPEL	1,232	29th February, 2024
2	PDEPL	2,437	29th February, 2024
3	GDHPL	2,075	29th February, 2024
4	GASHPL	1,260	29th February, 2024
5	VSEPL	4,044	29th February, 2024
6	GSSHPL	1,507	29th February, 2024
7	GDDHPL	1,199	29th February, 2024

** Purchase price considered basis the number of units allotted to G R Infraprojects during the IPO of InvIT for 100% equity stake*

B. Valuation of the InvIT Assets in past

The Trust has acquired from G R Infraprojects Limited ("GR Infra") the SPVs, viz. GPEL, PDEPL, GDHPL, GASHPL, VSEPL, GSSHPL and GDDHPL. Following is the summary of the past EVs and the date of acquisition of the SPVs:

EV (INR Mn)	GPEL	PDEPL	GDHPL	GASHPL	VSEPL	GSSHPL	GDDHPL	Total
30-Jun-22	6,776	9,455	11,619	4,784	15,794	5,910	6,585	**60,923**
31-Mar-23	6,205	9,467	11,197	5,085	15,946	6,089	6,941	**60,931**
30-Sep-23	5,670	8,877	10,455	5,063	14,941	5,796	6,471	**57,273**

C. List of one-time sanctions/approvals which are obtained or pending:

As informed by the Investment Manager, there are no pending applications for government sanctions/ approvals by the SPVs (related to the road stretches of the SPVs) which are pending as on 31st March 2024. The list of sanctions/ approvals obtained by the SPVs till 31st March 2024 is provided in Appendix 3.1 to Appendix 3.7.

D. List of up to date/ overdue periodic clearances:

The Investment Manager has confirmed that the SPVs are not required to take any periodic clearances and hence there are no up to date/ overdue periodic clearances as on 31st March 2024.

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E. Statement of assets included:

The details of assets of the SPVs as per the provisional financial statements at 31st March 2024 are as mentioned below:

INR Mn

Sr. No.	SPVs	Net Fixed Assets	Non Current Assets	Current Assets
1	GPEL	-	4,534	1,827
2	PDEPL	-	7,812	1,294
3	GDHPL	-	8,242	2,076
4	GASHPL	-	3,627	1,383
5	VSEPL	-	11,329	3,736
6	GSSHPL	-	4,589	1,262
7	GDDHPL	-	4,452	1,882
	Total	**-**	**44,584**	**13,459**

Source: Investment Manager

F. Estimates of already carried and proposed major repairs and improvements along with estimated time of completion:

I have been informed that maintenance is regularly carried out by SPVs in order to maintain the working condition of the assets.

Forecasted major repairs

INR Mn

SPVs	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31
GPEL	-	-	524	550	-	-	-
PDEPL	-	-	108	113	-	-	-
GDHPL	-	-	-	-	627	658	-
GASHPL	-	-	-	38	40	-	-
VSEPL	-	-	770	808	-	-	-
GSSHPL	-	-	-	51	53	-	-
GDDHPL	-	-	-	-	61	64	-

SPVs	FY 32	FY 33	FY 34	FY 35	FY 36	FY 37	FY 38
GPEL	-	-	738	775	-	-	
PDEPL	-	-	152	159	-	-	
GDHPL	-	-	-	840	882	-	
GASHPL	-	-	-	53	56	-	
VSEPL	-	-	679	713	-	-	
GSSHPL	-	-	-	71	75	-	
GDDHPL	-	-	-	-	85	90	-

Source: Investment Manager

G. Revenue pendencies including local authority taxes associated with InvIT asset and compounding charges, if any:

Investment Manager has informed me that there are no material dues including local authority taxes (such as Municipal Tax, Property Tax, etc.) pending to be payable to the government authorities with respect to the SPVs (InvIT assets).

H. <u>On-going material litigations including tax disputes in relation to the assets, if any:</u>

As informed by the Investment Manager, as on 31st March 2024, there are no ongoing material litigations, except indirect tax litigations as shown in Appendix 4. Further, Investment Manager has informed us that majority of the tax litigations are low to medium risk and accordingly no material outflow is expected against the litigations, hence no impact has been factored on the valuation of the SPVs. Further, I have been informed by the Investment Manager that the tax litigations prior to acquisition of SPVs by the Trust shall be covered by an indemnity given by the Settlor (GR Infra) for a period of eight years (from date of such transfer) through the Share Purchase Agreement ("SPA") to be executed between the Trust and the Settlor.

I. <u>Vulnerability to natural or induced hazards that may not have been covered in town planning/ building control:</u>

Investment Manager has confirmed to me that there are no natural or induced hazards which may impact town planning/ building control, that have not been considered.

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10. Sources of Information

For the purpose of undertaking this valuation exercise, I have relied on the following sources of information provided by the Investment Manager:

10.1. Audited Financial Statements of the SPVs for Financial Year (“FY”) ended 31st March 2020, 31st March 2021, 31st March 2022 and 31st March 2023;

10.2. Provisional Financial Statements of the SPVs for the period ended 31st March 2024;

10.3. Projected financial information for the remaining project life for each of the SPVs;

10.4. Details of projected Major Maintenance & Repairs (MMR) Expenditure and Capital Expenditure (Capex);

10.5. Signed O&M contracts for projected MMR and O&M Costs;

10.6. Details of brought forward losses (as per Income Tax Act) of the SPVs as at 31st March 2024;

10.7. Concession Agreement of each of the SPVs with their respective concessioning authority;

10.8. List of licenses / approvals, details of tax litigations, civil proceeding and arbitrations of the SPVs;

10.9. Shareholding pattern as on Valuation Date of the SPVs and other entities mentioned in this Report;

10.10. Management Representation Letter by the Investment Manager dated 24th May, 2024;

10.11. Relevant data and information about the SPVs provided by the Investment Manager either in written or oral form or in the form of soft copy;

10.12. Information provided by leading database sources, market research reports and other published data.

The information provided to me by the Investment Manager in relation to the SPVs included but not limited to historical financial statements, forecasts/projections, other statements and assumptions about future matters like forward-looking financial information prepared by the Investment Manager. The forecasts and projections as supplied to me are based upon assumptions about events and circumstances which are yet to occur.

I have not tested individual assumptions or attempted to substantiate the veracity or integrity of such assumptions in relation to the forward-looking financial information, however, I have made sufficient enquiries to satisfy myself that such information has been prepared on a reasonable basis.

Notwithstanding anything above, I cannot provide any assurance that the forward looking financial information will be representative of the results which will actually be achieved during the cash flow forecast period.

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11. Exclusions and Limitations

11.1. My Report is subject to the limitations detailed hereinafter. This Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.

11.2. Valuation analysis and results are specific to the purpose of valuation and is not intended to represent value at any time other than the valuation date of 31st March 2024 ("Valuation Date") mentioned in the Report and as per agreed terms of my engagement. It may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.

11.3. This Report, its contents and the results are specific to (i) the purpose of valuation agreed as per the terms of my engagements; (ii) the Valuation Date and (iii) are based on the financial information of the SPVs till 31st March 2024. The Investment Manager has represented that the business activities of the SPVs have been carried out in normal and ordinary course between 31st March 2024 and the Report Date and that no material changes have occurred in the operations and financial position between 31th March 2024 and the Report date, except for any events disclosed by the Investment Manager during the valuation exercise.

11.4. The scope of my assignment did not involve me performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information that was provided and used by me during the course of my work. The assignment did not involve me to conduct the financial or technical feasibility study. I have not done any independent technical valuation or appraisal or due diligence of the assets or liabilities of the SPVs or any of other entity mentioned in this Report and have considered them at the value as disclosed by the SPVs in their regulatory filings or in submissions, oral or written, made to me.

11.5. In addition, I do not take any responsibility for any changes in the information used by me to arrive at my conclusion as set out here in which may occur subsequent to the date of my Report or by virtue of fact that the details provided to me are incorrect or inaccurate.

11.6. I have assumed and relied upon the truth, accuracy and completeness of the information, data and financial terms provided to me or used by me; I have assumed that the same are not misleading and do not assume or accept any liability or responsibility for any independent verification of such information or any independent technical valuation or appraisal of any of the assets, operations or liabilities of the SPVs or any other entity mentioned in the Report. Nothing has come to my knowledge to indicate that the material provided to me was misstated or incorrect or would not afford reasonable grounds upon which to base my Report.

11.7. This Report is intended for the sole use in connection with the purpose as set out above. It can however be relied upon and disclosed in connection with any statutory and regulatory filing in connection with the provision of SEBI InvIT Regulations. However, I will not accept any responsibility to any other party to whom this Report may be shown or who may acquire a copy of the Report, without my written consent.

11.8. It is clarified that this Report is not a fairness opinion under any of the stock exchange/ listing regulations. In case of any third party having access to this Report, please note this Report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose.

11.9. Further, this Report is necessarily based on financial, economic, monetary, market and other conditions as in effect on, and the information made available to me or used by me up to, the date hereof. Subsequent developments in the aforementioned conditions may affect this Report and the assumptions made in preparing this Report and I shall not be obliged to update, revise or reaffirm this Report if information provided to me changes.

11.10. This Report is based on the information received from the sources as mentioned in Section 9 of this Report and discussions with the Investment Manager. I have assumed that no information has been withheld that could have influenced the purpose of my Report.

11.11. Valuation is not a precise science and the conclusions arrived at in many cases may be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value. I have arrived at an indicative EV based on my analysis. While I have provided an assessment of the value based on an analysis of information available to me and within the scope of my engagement, others may place a different value on this business.

11.12. Any discrepancies in any table / appendix between the total and the sums of the amounts listed are due to rounding-off.

11.13. Valuation is based on estimates of future financial performance or opinions, which represent reasonable expectations at a particular point of time, but such information, estimates or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, a particular event will occur or that a particular price will be offered or accepted. Actual results achieved during the period covered by the prospective financial analysis will vary from these estimates and the variations may be material.

11.14. I do not carry out any validation procedures or due diligence with respect to the information provided/extracted or carry out any verification of the assets or comment on the achievability and reasonableness of the assumptions underlying the financial forecasts, save for satisfying ourselves to the extent possible that they are consistent with other information provided to me in the course of this engagement.

11.15. My conclusion assumes that the assets and liabilities of the SPVs, reflected in their respective latest balance sheets remain intact as of the Report date.

11.16. Whilst all reasonable care has been taken to ensure that the factual statements in the Report are accurate, neither myself, nor any of my associates, officers or employees shall in any way be liable or responsible either directly or indirectly for the contents stated herein. Accordingly, I make no representation or warranty, express or implied, in respect of the completeness, authenticity or accuracy of such factual statements. I expressly disclaim any and all liabilities, which may arise based upon the information used in this Report. I am not liable to any third party in relation to the issue of this Report.

11.17. The scope of my work has been limited both in terms of the areas of the business & operations which I have reviewed and the extent to which I have reviewed them. There may be matters, other than those noted in this Report, which might be relevant in the context of the transaction and which a wider scope might uncover.

11.18. For the present valuation exercise, I have also relied on information available in public domain; however the accuracy and timelines of the same has not been independently verified by me.

11.19. In the particular circumstances of this case, my liability (in contract or under any statute or otherwise) for any economic loss or damage arising out of or in connection with this engagement, however the loss or damage caused, shall be limited to the amount of fees actually received by me from the Investment Manager, as laid out in the engagement letter for such valuation work.

11.20. In rendering this Report, I have not provided any legal, regulatory, tax, accounting or actuarial advice or opinion and accordingly I do not assume any responsibility or liability in respect thereof.

11.21. This Report does not address the relative merits of investing in InvIT as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

I am not an advisor with respect to legal, tax and regulatory matters for the transaction occured. No investigation of the SPVs' claim to title of assets has been made for the purpose of this Report and the SPVs' claim to such rights have been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.

11.22. I have no present or planned future interest in the Trustee, Investment Manager or the SPVs and the fee for this Report is not contingent upon the values reported herein. My valuation analysis should not be construed as investment advice; specifically, I do not express any opinion on the suitability or otherwise of entering into any financial or other transaction with the Investment Manager or SPVs.

11.23. I have submitted the draft valuation report to the Trust and Investment Manager for confirmation of accuracy of the factual data used in my analysis and to prevent any error or inaccuracy in this Report.

Limitation of Liabilities

11.24. It is agreed that, having regard to the RV's interest in limiting the personal liability and exposure to litigation of its personnel, the Sponsor, the Settlor, the Investment Manager and the Trust will not bring any claim in respect of any damage against any of RV personally.

11.25. In no circumstances RV shall be responsible for any consequential, special, direct, indirect, punitive or incidental loss, damages or expenses (including loss of profits, data, business, opportunity cost, goodwill or indemnification) in connection with the performance of the services whether such damages are based on breach of contract, tort, strict liability, breach of warranty, negligence, or otherwise, even if the Investment Manager had contemplated and communicated to RV the likelihood of such damages. Any decision to act upon the deliverables (including this Report) is to be made by the Investment Manager and no communication by RV should be treated as an invitation or inducement to engage the Investment Manager to act upon the deliverable(s).

11.26. It is clarified that the Investment Manager will be solely responsible for any delays, additional costs, or other liabilities caused by or associated with any deficiencies in their responsibilities, misrepresentations, incorrect and incomplete information including information provided to determine the assumptions.

11.27. RV will not be liable if any loss arises due to the provision of false, misleading or incomplete information or documentation by the Investment Manager.

11.28. Further, this Report is necessarily based on financial, economic, monetary, market and other conditions as in effect on, and the information made available to me or used by me up to, the date hereof. Subsequent developments in the aforementioned conditions may affect this Report and the assumptions made in preparing this Report and I shall not be obliged to update, revise or reaffirm this Report if information provided to me changes.

Yours faithfully,

SWAMINATHAN SUNDARARAMAN

Digitally signed by SWAMINATHAN SUNDARARAMAN
Date: 2024.05.27 21:27:00 +05'30'

S. Sundararaman
Registered Valuer
IBBI Registration No.: IBBI/RV/06/2018/10238
Asset Class: Securities or Financial Assets
Place: Chennai
UDIN: 24028423BKGAAX8452

Appendix 1 – Valuation of SPVs as on 31st March 2024

Abbreviations	Meaning
O&M	Operation and Maintenance
EBITDA	Operating Earnings Before Interest, Taxes, Depreciation and Amortization
MME	Major Maintenance and Repairs Expenditure
Capex	Capital Expenditure
WCap	Incremental Working Capital
FCFF	Free Cash Flow to the Firm
CAF	Cash Accrual Factor
WACC	Weighted Average Cost of Capital
DF	Discounting Factor
PVFCFF	Present value of Free Cash Flow to the Firm

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Appendix 1.1 – Valuation of GPEL as on 31st March 2024 under the DCF Method

INR Mn

Period	Financial Income	O&M Income	Changes in Financial Asset	Total Inflow from NHAI	Routine O&M Exp	Cash EBITDA	MME	Capex	WCap	Tax	FCFF	CAF	WACC	DF	PVFCFF
	A	B	C	D=A+B+C	F	G=D-F	H	I	J	K	L=G-H-I-J-K			M	N=L*M
Aug-24	294	60	263	618	60	557	-		12	91	454	0.41	7.33%	0.97	441
Feb-25	278	60	268	607	60	547	-		41	89	417	0.92	7.33%	0.94	390
Aug-25	262	63	271	596	63	533	-		(2)	84	451	1.41	7.33%	0.90	408
Feb-26	246	63	288	597	63	534	-		(2)	82	453	1.92	7.33%	0.87	396
Aug-26	233	328	25	587	66	521	262		(2)	78	183	2.41	7.33%	0.84	154
Feb-27	231	328	27	586	66	520	262		(2)	76	185	2.92	7.33%	0.81	150
Aug-27	230	345	1	576	69	506	275		(2)	71	162	3.41	7.33%	0.79	128
Feb-28	230	345	0	575	69	506	275		(2)	69	164	3.92	7.33%	0.76	124
Aug-28	226	73	267	566	73	493	-		(2)	64	432	4.41	7.33%	0.73	316
Feb-29	210	73	280	563	73	490	-		(3)	61	432	4.92	7.33%	0.71	305
Aug-29	194	76	291	561	76	484	-		(3)	56	431	5.41	7.33%	0.68	294
Feb-30	176	76	350	602	76	526	-		(3)	53	476	5.92	7.33%	0.66	313
Aug-30	155	80	358	594	80	514	-		(3)	48	468	6.41	7.33%	0.64	297
Feb-31	134	80	377	591	80	511	-		(3)	44	469	6.92	7.33%	0.61	288
Aug-31	112	84	387	583	84	499	-		(3)	39	463	7.41	7.33%	0.59	274
Feb-32	89	84	407	580	84	496	-		(3)	35	463	7.92	7.33%	0.57	265
Aug-32	64	88	415	567	88	479	-		(3)	30	452	8.42	7.33%	0.55	249
Feb-33	40	88	423	551	88	463	-		(4)	26	441	8.92	7.33%	0.53	235
Aug-33	20	461	68	550	92	457	369		3	21	64	9.42	7.33%	0.51	33
Feb-34	16	461	80	557	92	465	369		3	16	77	9.92	7.33%	0.50	38
Aug-34	11	484	45	541	97	444	387		10	11	36	10.42	7.33%	0.48	17
Feb-35	9	484	29	522	97	425	387		8	5	24	10.92	7.33%	0.46	11
Enterprise Value															**5,126**
Adjustments:															
Cash & Cash Equivalents															1,362
Adjusted Enterprise Value															**6,488**

Appendix 1.2 – Valuation of PDEPL as on 31st March 2024 under the DCF Method

INR Mn

Period	Financial Income	O&M Income	Changes in Financial Asset	Total Inflow from NHAI	Routine O&M Exp	Cash EBITDA	MME	Capex	WCap	Tax	FCFF	CAF	WACC	DF	PVFCFF
	A	B	C	D=A+B+C	F	G=D-F	H	I	J	K	L=G-H-I-J-K			M	N=L*M
Apr-24	400	44	249	694	44	649	-	-	(8)	107	550	0.05	7.33%	1.00	548
Oct-24	387	44	257	689	44	644	-	-	(56)	104	597	0.56	7.33%	0.96	574
Apr-25	374	46	261	681	46	634	-	-	(105)	100	639	1.05	7.33%	0.93	593
Oct-25	360	46	271	677	46	631	-	-	(27)	97	561	1.56	7.33%	0.90	502
Apr-26	346	102	221	670	49	621	54	-	(2)	93	477	2.05	7.33%	0.86	412
Oct-26	334	102	229	666	49	617	54	-	(3)	90	476	2.56	7.33%	0.83	397
Apr-27	322	107	228	658	51	607	57	-	(3)	85	467	3.05	7.33%	0.81	377
Oct-27	310	107	235	653	51	602	57	-	(3)	82	466	3.56	7.33%	0.78	363
Apr-28	297	53	296	646	53	593	-	-	(3)	78	518	4.06	7.33%	0.75	389
Oct-28	281	53	305	640	53	586	-	-	(3)	73	516	4.56	7.33%	0.72	374
Apr-29	265	56	310	631	56	575	-	-	(3)	69	510	5.06	7.33%	0.70	356
Oct-29	249	56	321	626	56	570	-	-	(3)	65	508	5.56	7.33%	0.67	343
Apr-30	232	59	329	619	59	561	-	-	(3)	60	504	6.06	7.33%	0.65	328
Oct-30	212	59	400	671	59	612	-	-	(3)	55	560	6.56	7.33%	0.63	352
Apr-31	191	61	411	663	61	602	-	-	(3)	50	555	7.06	7.33%	0.61	337
Oct-31	169	61	427	658	61	597	-	-	(3)	45	555	7.56	7.33%	0.59	325
Apr-32	146	64	441	652	64	587	-	-	(3)	40	550	8.06	7.33%	0.57	311
Oct-32	123	64	451	639	64	575	-	-	(4)	35	544	8.56	7.33%	0.55	297
Apr-33	100	143	374	618	68	551	76	-	(4)	29	450	9.06	7.33%	0.53	237
Oct-33	80	143	395	619	68	551	76	-	(4)	24	455	9.56	7.33%	0.51	231
Apr-34	59	150	416	625	71	555	80	-	(3)	18	460	10.06	7.33%	0.49	226
Oct-34	37	150	420	608	71	537	80	-	(4)	12	449	10.56	7.33%	0.47	213
Apr-35	14	38	533	585	38	547	-	-	(32)	6	573	11.06	7.33%	0.46	262
Enterprise Value															**8,347**
Adjustments:															
Cash & Cash Equivalents															963
Adjusted Enterprise Value															**9,309**

Appendix 1.3 – Valuation of GDHPL as on 31st March 2024 under the DCF Method

INR Mn

Period	Financial Income	O&M Income	Changes in Financial Asset	Total Inflow from NHAI	Routine O&M Exp	Cash EBITDA	MME	Capex	WCap	Tax	FCFF	CAF	WACC	DF	PVFCFF
	A	B	C	D=A+B+C	F	G=D-F	H	I	J	K	L=G-H-I-J-K			M	N=L*M
Jul-24	521	62	309	891	62	829	-	-	(71)	130	770	0.29	7.33%	0.98	755
Jan-25	502	62	308	871	62	810	-	-	(77)	128	759	0.80	7.33%	0.95	718
Jul-25	483	65	312	859	65	795	-	-	(137)	122	810	1.29	7.33%	0.91	739
Jan-26	464	65	334	863	65	798	-	-	(116)	120	794	1.80	7.33%	0.88	699
Jul-26	444	68	339	851	68	783	-	-	(3)	114	671	2.29	7.33%	0.85	571
Jan-27	424	68	362	853	68	785	-	-	(3)	112	676	2.80	7.33%	0.82	555
Jul-27	402	71	369	842	71	771	-	-	(3)	106	667	3.29	7.33%	0.79	529
Jan-28	379	71	393	844	71	773	-	-	(3)	104	672	3.80	7.33%	0.76	514
Jul-28	360	388	86	834	74	759	313	-	(3)	98	351	4.30	7.33%	0.74	259
Jan-29	355	388	89	832	74	758	313	-	(3)	95	353	4.80	7.33%	0.71	251
Jul-29	350	407	64	821	78	743	329	-	(3)	88	329	5.30	7.33%	0.69	226
Jan-30	346	407	68	821	78	743	329	-	(3)	85	332	5.80	7.33%	0.66	220
Jul-30	337	82	391	810	82	728	-	-	(3)	79	653	6.30	7.33%	0.64	418
Jan-31	313	82	414	809	82	727	-	-	(3)	75	656	6.80	7.33%	0.62	405
Jul-31	288	86	438	812	86	726	-	-	(3)	68	661	7.30	7.33%	0.60	395
Jan-32	262	86	518	865	86	780	-	-	(4)	64	719	7.80	7.33%	0.58	414
Jul-32	230	90	537	857	90	767	-	-	(4)	58	713	8.30	7.33%	0.56	397
Jan-33	198	90	567	855	90	765	-	-	(4)	52	717	8.80	7.33%	0.54	384
Jul-33	164	94	589	847	94	752	-	-	(4)	46	711	9.30	7.33%	0.52	368
Jan-34	128	94	615	838	94	743	-	-	(4)	40	707	9.80	7.33%	0.50	354
Jul-34	97	519	199	815	99	716	420	-	(5)	33	267	10.30	7.33%	0.48	129
Jan-35	85	519	215	819	99	720	420	-	(4)	28	277	10.80	7.33%	0.47	129
Jul-35	72	545	211	829	104	725	441	-	(4)	21	267	11.30	7.33%	0.45	120
Jan-36	59	545	207	812	104	708	441	-	(4)	14	257	11.80	7.33%	0.43	112
Jul-36	40	109	639	788	109	679	-	-	(16)	7	688	12.30	7.33%	0.42	288
Enterprise Value															**9,947**
Adjustments:															
Cash & Cash Equivalents															1,140
Adjusted Enterprise Value															**11,087**

Appendix 1.4 – Valuation of GASHPL as on 31st March 2024 under the DCF Method

INR Mn

Period	Financial Income	O&M Income	Changes in Financial Asset	Total Inflow from NHAI	Routine O&M Exp	Cash EBITDA	MME	Capex	WCap	Tax	FCFF	CAF	WACC	DF	PVFCFF
	A	B	C	D=A+B+C	F	G=D-F	H	I	J	K	L=G-H-I-J-K			M	N=L*M
Sep-24	236	30	110	376	30	346	-	-	81	60	205	0.53	7.33%	0.96	198
Mar-25	229	30	111	370	30	341	-	-	(28)	57	311	1.03	7.33%	0.93	289
Sep-25	223	31	117	371	31	340	-	-	(55)	57	338	1.53	7.33%	0.90	303
Mar-26	215	31	118	364	31	333	-	-	(49)	54	328	2.03	7.33%	0.87	284
Sep-26	208	33	124	365	33	332	-	-	(1)	53	281	2.53	7.33%	0.84	235
Mar-27	201	33	125	358	33	326	-	-	(1)	50	277	3.03	7.33%	0.81	224
Sep-27	193	53	112	358	34	324	19	-	(1)	49	258	3.53	7.33%	0.78	201
Mar-28	187	53	113	353	34	319	19	-	(1)	46	255	4.03	7.33%	0.75	192
Sep-28	180	56	115	351	36	315	20	-	(1)	44	252	4.54	7.33%	0.73	183
Mar-29	173	56	116	345	36	309	20	-	(2)	42	249	5.03	7.33%	0.70	174
Sep-29	165	38	141	344	38	306	-	-	(2)	40	268	5.54	7.33%	0.68	181
Mar-30	157	38	143	337	38	300	-	-	(2)	37	264	6.03	7.33%	0.65	172
Sep-30	148	39	148	336	39	296	-	-	(2)	35	263	6.54	7.33%	0.63	165
Mar-31	139	39	179	358	39	318	-	-	(2)	32	288	7.03	7.33%	0.61	175
Sep-31	128	41	190	360	41	319	-	-	(2)	30	290	7.54	7.33%	0.59	170
Mar-32	117	41	197	355	41	314	-	-	(2)	27	288	8.04	7.33%	0.57	163
Sep-32	105	43	205	353	43	309	-	-	(2)	25	287	8.54	7.33%	0.55	157
Mar-33	92	43	212	348	43	304	-	-	(2)	21	285	9.04	7.33%	0.53	150
Sep-33	79	45	217	342	45	296	-	-	(2)	19	280	9.54	7.33%	0.51	142
Mar-34	66	45	218	330	45	284	-	-	(2)	16	271	10.04	7.33%	0.49	133
Sep-34	53	74	203	331	48	283	27	-	(2)	13	245	10.54	7.33%	0.47	116
Mar-35	41	74	218	334	48	286	27	-	(2)	10	251	11.04	7.33%	0.46	115
Sep-35	28	78	218	324	50	274	28	-	(2)	7	242	11.54	7.33%	0.44	107
Mar-36	15	78	219	312	50	262	28	-	(4)	3	234	12.04	7.33%	0.43	100
Enterprise Value															**4,330**
Adjustments:															
Cash & Cash Equivalents															928
Adjusted Enterprise Value															**5,258**

Appendix 1.5 – Valuation of VSEPL as on 31st March 2024 under the DCF Method

INR Mn

Period	Financial Income	O&M Income	Changes in Financial Asset	Total Inflow from NHAI	Routine O&M Exp	Cash EBITDA	MME	Capex	WCap	Tax	FCFF	CAF	WACC	DF	PVFCFF
	A	B	C	D=A+B+C	F	G=D-F	H	I	J	K	L=G-H-I-J-K			M	N=L*M
Apr-24	727	76	442	1,246	76	1,170	-	-	(233)	179	1,224	0.09	7.33%	0.99	1,216
Oct-24	699	76	446	1,221	76	1,145	-	-	(107)	174	1,078	0.59	7.33%	0.96	1,034
Apr-25	670	79	462	1,212	79	1,132	-	-	(157)	168	1,122	1.09	7.33%	0.93	1,038
Oct-25	641	79	488	1,209	79	1,129	-	-	(4)	163	970	1.59	7.33%	0.89	866
Apr-26	616	468	114	1,198	83	1,115	385	-	(4)	156	577	2.09	7.33%	0.86	498
Oct-26	609	468	119	1,196	83	1,112	385	-	(4)	151	580	2.59	7.33%	0.83	483
Apr-27	602	491	93	1,186	87	1,099	404	-	(4)	145	554	3.09	7.33%	0.80	445
Oct-27	596	491	94	1,182	87	1,094	404	-	(4)	139	555	3.59	7.33%	0.78	430
Apr-28	584	91	498	1,173	91	1,082	-	-	(4)	133	953	4.10	7.33%	0.75	714
Oct-28	552	91	523	1,166	91	1,075	-	-	(4)	126	953	4.60	7.33%	0.72	689
Apr-29	519	96	542	1,156	96	1,060	-	-	(5)	118	946	5.10	7.33%	0.70	660
Oct-29	484	96	570	1,150	96	1,054	-	-	(5)	112	947	5.60	7.33%	0.67	637
Apr-30	448	100	592	1,140	100	1,039	-	-	(5)	104	940	6.10	7.33%	0.65	611
Oct-30	410	100	623	1,133	100	1,033	-	-	(5)	97	941	6.60	7.33%	0.63	590
Apr-31	370	105	647	1,122	105	1,017	-	-	(5)	89	933	7.10	7.33%	0.61	565
Oct-31	329	105	680	1,114	105	1,009	-	-	(5)	82	932	7.60	7.33%	0.58	545
Apr-32	285	110	709	1,104	110	994	-	-	(5)	73	926	8.10	7.33%	0.56	522
Oct-32	240	110	744	1,094	110	984	-	-	(6)	65	924	8.60	7.33%	0.54	503
Apr-33	198	455	421	1,074	116	959	339	-	(6)	56	569	9.10	7.33%	0.53	299
Oct-33	172	455	419	1,046	116	930	339	-	(6)	48	550	9.60	7.33%	0.51	279
Apr-34	145	478	421	1,044	121	923	356	-	(6)	39	534	10.10	7.33%	0.49	261
Oct-34	118	478	459	1,055	121	933	356	-	(5)	29	553	10.60	7.33%	0.47	261
Apr-35	84	127	816	1,027	127	900	-	-	(6)	20	887	11.10	7.33%	0.46	404
Oct-35	30	5	959	994	5	989	-	-	(58)	10	1,037	11.60	7.33%	0.44	456
Enterprise Value															**14,005**
Adjustments:															
Cash & Cash Equivalents															1,707
Cash & Cash Equivalents payable to GR															702
CIL claim payable to GR															(702)
Adjusted Enterprise Value															**15,712**

Appendix 1.6 – Valuation of GSSHPL as on 31st March 2024 under the DCF Method

INR Mn

Period	Financial Income	O&M Income	Changes in Financial Asset	Total Inflow from NHAI	Routine O&M Exp	Cash EBITDA	MME	Capex	WCap	Tax	FCFF	CAF	WACC	DF	PVFCFF
	A	B	C	D=A+B+C	F	G=D-F	H	I	J	K	L=G-H-I-J-K			M	N=L*M
Jun-24	284	30	130	444	30	415	-	-	(25)	72	368	0.26	7.33%	0.98	361
Dec-24	276	30	132	438	30	409	-	-	(25)	70	364	0.76	7.33%	0.95	345
Jun-25	269	31	134	434	31	403	-	-	(57)	68	393	1.26	7.33%	0.91	359
Dec-25	260	31	141	432	31	401	-	-	(57)	66	392	1.76	7.33%	0.88	346
Jun-26	252	32	143	427	32	394	-	-	(56)	63	387	2.26	7.33%	0.85	330
Dec-26	243	32	149	424	32	392	-	-	(13)	61	344	2.76	7.33%	0.82	283
Jun-27	235	59	126	420	34	386	25	-	(2)	59	303	3.26	7.33%	0.79	241
Dec-27	227	59	131	417	34	383	25	-	(2)	57	303	3.76	7.33%	0.77	232
Jun-28	219	62	131	413	36	377	27	-	(2)	54	298	4.27	7.33%	0.74	220
Dec-28	211	62	135	408	36	373	27	-	(2)	52	296	4.77	7.33%	0.71	211
Jun-29	203	37	163	403	37	366	-	-	(2)	49	319	5.27	7.33%	0.69	220
Dec-29	193	37	170	400	37	363	-	-	(2)	46	318	5.77	7.33%	0.66	211
Jun-30	183	39	173	394	39	355	-	-	(2)	43	314	6.27	7.33%	0.64	201
Dec-30	172	39	192	403	39	364	-	-	(2)	41	325	6.77	7.33%	0.62	201
Jun-31	159	41	222	423	41	381	-	-	(2)	38	346	7.27	7.33%	0.60	207
Dec-31	146	41	232	419	41	378	-	-	(2)	35	345	7.77	7.33%	0.58	199
Jun-32	132	43	240	415	43	372	-	-	(2)	32	342	8.27	7.33%	0.56	191
Dec-32	117	43	251	411	43	368	-	-	(2)	29	341	8.77	7.33%	0.54	184
Jun-33	102	45	259	406	45	361	-	-	(2)	25	338	9.27	7.33%	0.52	175
Dec-33	86	45	267	398	45	353	-	-	(2)	22	334	9.77	7.33%	0.50	167
Jun-34	71	83	231	385	47	338	36	-	(3)	18	286	10.27	7.33%	0.48	138
Dec-34	57	83	245	385	47	338	36	-	(2)	15	290	10.77	7.33%	0.47	135
Jun-35	42	87	260	389	50	340	38	-	(2)	11	293	11.27	7.33%	0.45	132
Dec-35	26	87	265	378	50	328	38	-	(2)	8	286	11.77	7.33%	0.43	124
Jun-36	10	27	327	363	27	337	-	-	(6)	4	339	12.27	7.33%	0.42	142
Enterprise Value															**5,557**
Adjustments:															
Cash & Cash Equivalents															708
Adjusted Enterprise Value															**6,264**

Appendix 1.7 – Valuation of GDDHPL as on 31st March 2024 under the DCF Method

INR Mn

Period	Financial Income	O&M Income	Changes in Financial Asset	Total Inflow from NHAI	Routine O&M Exp	Cash EBITDA	MME	Capex	WCap	Tax	FCFF	CAF	WACC	DF	PVFCFF
	A	B	C	D=A+B+C	F	G=D-F	H	I	J	K	L=G-H-I-J-K			M	N=L*M
Jul-24	327	32	-132	227	32	195	-	-	123	81	-8	0.37	7.33%	0.97	-8
Jan-25	337	33	111	481	33	447	-	-	(86)	80	453	0.87	7.33%	0.94	426
Jul-25	329	34	109	472	34	438	-	-	(85)	76	447	1.37	7.33%	0.91	405
Jan-26	321	35	118	473	35	439	-	-	(70)	75	433	1.87	7.33%	0.88	379
Jul-26	312	36	117	465	36	430	-	-	(69)	72	426	2.37	7.33%	0.85	360
Jan-27	304	37	126	466	37	430	-	-	(69)	71	428	2.87	7.33%	0.82	349
Jul-27	295	37	126	458	37	421	-	-	(29)	68	383	3.37	7.33%	0.79	301
Jan-28	285	38	135	458	38	420	-	-	(2)	66	355	3.87	7.33%	0.76	270
Jul-28	276	70	106	452	39	413	30	-	(2)	63	321	4.37	7.33%	0.73	235
Jan-29	269	71	111	450	40	410	30	-	(2)	61	320	4.88	7.33%	0.71	227
Jul-29	260	73	109	442	41	401	32	-	(2)	58	313	5.37	7.33%	0.68	214
Jan-30	253	74	115	441	42	399	32	-	(2)	56	313	5.88	7.33%	0.66	207
Jul-30	244	43	147	433	43	390	-	-	(2)	52	340	6.37	7.33%	0.64	217
Jan-31	233	44	155	432	44	388	-	-	(2)	50	340	6.88	7.33%	0.61	209
Jul-31	222	45	157	424	45	379	-	-	(2)	46	334	7.37	7.33%	0.59	198
Jan-32	210	46	177	433	46	387	-	-	(2)	44	345	7.88	7.33%	0.57	198
Jul-32	198	48	210	455	48	408	-	-	(2)	41	369	8.38	7.33%	0.55	204
Jan-33	182	49	222	453	49	404	-	-	(2)	38	369	8.88	7.33%	0.53	197
Jul-33	166	50	230	446	50	396	-	-	(2)	34	365	9.38	7.33%	0.52	188
Jan-34	150	51	243	444	51	393	-	-	(2)	31	364	9.88	7.33%	0.50	181
Jul-34	132	52	253	437	52	385	-	-	(2)	27	360	10.38	7.33%	0.48	173
Jan-35	114	53	263	430	53	377	-	-	(3)	24	356	10.88	7.33%	0.46	165
Jul-35	95	97	223	415	55	360	43	-	(3)	20	301	11.38	7.33%	0.45	134
Jan-36	79	99	238	416	56	360	43	-	(3)	16	304	11.88	7.33%	0.43	131
Jul-36	62	102	256	420	57	363	45	-	(2)	12	308	12.38	7.33%	0.42	128
Jan-37	43	104	261	408	59	349	45	-	(3)	8	299	12.88	7.33%	0.40	120
Jul-37	23	60	309	392	60	332	-	-	(175)	4	503	13.38	7.33%	0.39	195
Enterprise Value															**6,005**
Adjustments:															
Cash & Cash Equivalents															1,142
Adjusted Enterprise Value															**7,147**

Appendix 2 – Weighted Average Cost of Capital (WACC) of the SPVs as on 31st March 2024

Particulars	GPEL	PDEPL	GDHPL	GASHPL	VSEPL	GSSHPL	GDDHPL	Remarks
Risk Free Rate (Rf)	6.97%	6.97%	6.97%	6.97%	6.97%	6.97%	6.97%	Risk Free Rate has been considered based on zero coupon yield curve as at 31st March 2024 of Government Securities having maturity period of 10 years, as quoted on the website of Clearing Corporation of India Ltd (CCIL)
Equity Risk Premium (ERP)	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	7.00%	Based on historical realized returns on equity investments over a risk free rate represented by 10 years government bonds, a 7% equity risk premium is considered appropriate for India
Beta (relevered)	0.45	0.45	0.45	0.45	0.45	0.45	0.45	Beta has been considered based on the beta of companies operating in the similar kind of business in India
Base Cost of Equity	**10.12%**	**10.12%**	**10.12%**	**10.12%**	**10.12%**	**10.12%**	**10.12%**	**Base Ke = Rf + ERP * β**
Company Specific Risk Premium (CSRP)	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	Based on SPV specific risk(s)
Adjusted Cost of Equity (Ke)	**10.12%**	**10.12%**	**10.12%**	**10.12%**	**10.12%**	**10.12%**	**10.12%**	**Adjusted Ke = Rf + ERP * β + CSRP**
Pre-tax Cost of Debt (Kd)	8.20%	8.20%	8.20%	8.20%	8.20%	8.20%	8.20%	As represented by the Investment Manager
Tax rate of SPV	25.17%	25.17%	25.17%	25.17%	25.17%	25.17%	25.17%	Tax Rate Applicable to SPVs is considered
Post-tax Cost of Debt	**6.14%**	**6.14%**	**6.14%**	**6.14%**	**6.14%**	**6.14%**	**6.14%**	**Post-tax Kd = Pre-tax Kd * (1-Tax rate)**
Debt / (Debt + Equity)	70%	70%	70%	70%	70%	70%	70%	Debt : Equity ratio computed as [D/(D+E)] is considered as 70%
WACC	**7.33%**	**7.33%**	**7.33%**	**7.33%**	**7.33%**	**7.33%**	**7.33%**	**WACC = [Ke * (1 - D/(D+E))] + [Kd * (1-t) * D/(D+E)]**

Appendix 3.1 – GPEL: Summary of approval and licences

Sr. No.	Approvals	Date of Issue	Valid upto	Issuing Authority
1	Approval of labour license under the provisions of the Contract Labour Act	21-Nov-21	20-Nov-24	Assistant Labour Commissioner (Central) Jalandhar
2	Registration Certificate under the provisions of the Building and other Construction Workers (Regulation of Employment and Condition of Service) Act, 1996.	21-Nov-16	Valid	Assistant Labour Commissioner (Central) Jalandhar
3	Consent to operate-water and operate-air from pollution control board	25-Aug-22	Valid	Punjab Pollution Control Board

Source: Investment Manager

Appendix 3.2 – PDEPL: Summary of approval and licences

Sr. No.	Approvals	Date of Issue	Valid upto	Issuing Authority
1	Approval of labour license under the provisions of the Contract Labour Act	19-Sep-18	18-Sep-24	Assistant Labour Commissioner (Central) Rajkot
2	Registration Certificate under the provisions of the Building and other Construction Workers (Regulation of Employment and Condition of Service) Act, 1996.	19-Sep-18	Valid	Assistant Labour Commissioner (Central) Rajkot

Source: Investment Manager

Appendix 3.3 – GDHPL: Summary of approval and licences

Sr. No.	Approvals	Date of Issue	Valid upto	Issuing Authority
1	Approval of labour license under the provisions of the Contract Labour Act	22-Sep-18	20-Dec-24	Office Of Alc (Central), Vijayawada
2	Registration Certificate under the provisions of the Building and other Construction Workers (Regulation of Employment and Condition of Service) Act, 1996.	22-Sep-18	Valid	Office Of Alc (Central), Vijayawada

Source: Investment Manager

Appendix 3.4 – GASHPL: Summary of approval and licences

Sr. No.	Approvals	Date of Issue	Valid upto	Issuing Authority
1	Approval of labour license under the provisions of the Contract Labour Act	29-Mar-19	28-Mar-25	Regional Labour Commissioner (Central) Pune
2	Registration Certificate under the provisions of the Building and other Construction Workers (Regulation of Employment and Condition of Service) Act, 1996.	29-Mar-19	Valid	Regional Labour Commissioner (Central) Pune

Source: Investment Manager

Appendix 3.5 – VSEPL: Summary of approval and licences

Sr. No.	Approvals	Date of Issue	Valid upto	Issuing Authority
1	Consent to Establish for New Unit/Expansion/Diversification under the provisions of Water (Prevention and control of pollution) Act, 1974 as amended and Air (Prevention and control of Pollution) Act, 1981	07-Feb-22	05-Feb-26	Uttar Pradesh Pollution Control Board
2	Consolidated Consent to Operate and Authorisation hereinafter referred to as the CCA (Consolidated Consent & authorization) (Fresh) under Section-25 of the Water (Prevention & Control of Pollution)Act, 1974 and under Section-21 of the Air (Prevention & Control of Pollution) Act, 1981	11-May-22	31-Jul-26	Uttar Pradesh Pollution Control Board
3	Registration Certificate under the provisions of the Building and other Construction Workers (Regulation of Employment and Condition of Service) Act, 1996.	03-Jul-17	Valid	Assistant Labour Commissioner (Central) Allahabad
4	Approval of labour license under the provisions of the Contract Labour Act	03-Jul-17	29-Jun-24	Assistant Labour Commissioner (Central) Allahabad
6	Approval for digging of ponds/nalas/Water Bodies/Rivers and uttilisation of soil thereof for projects of water conservation in the drought-affected areas of the country	31-Aug-17	Valid	Ministry of Road Transport & Highways

Source: Investment Manager

Appendix 3.6 –GSSHPL: Summary of approval and licences

Sr. No.	Approvals	Date of Issue	Valid upto	Issuing Authority
1	Approval of labour license under the provisions of the Contract Labour Act	22-Apr-19	11-Dec-24	Regional Labour Commissioner (Central), Pune
2	Registration Certificate under the provisions of the Building and other Construction Workers (Regulation of Employment and Condition of Service) Act, 1996.	22-Apr-19	Valid	Regional Labour Commissioner (Central), Pune

Source: Investment Manager

Appendix 3.7 –GDDHPL: Summary of approval and licences

Sr. No.	Approvals	Date of Issue	Valid upto	Issuing Authority
1	Approval of labour license under the provisions of the Contract Labour Act	30-Jul-19	29-Jul-24	Assistant Labour Commissioner (Central) Rajkot
3	Consent to Establish (NOC) under Section 25 of Water Act,1974 and section 21 of Air Act,1981. For site S.No 490, Village Dharampur, Pin 361305, Tal. Khambhalia, Dist Devboomi Dwarka	08-Sep-20	07-Sep-27	Gujarat Pollution Control Board
4	Registration Certificate under the provisions of the Building and other Construction Workers (Regulation of Employment and Condition of Service) Act, 1996.	30-Jul-19	Valid	Office Of Alc (Central), Rajkot

Source: Investment Manager

Appendix 4.1 – GDHPL: Summary of Ongoing Litigations

Sr. No.	Title	Pending Before	Particulars	Tax Amount Involved (INR Mn)	Tax Deposited (INR Mn)
1	Indirect Tax Matters -GST	Hon'ble High Court, Andhra Pradesh	**Background of the case:** M/s G R Gundugolanu Devarapalli Highway Private Limited ('SPV') had entered into a concession agreement for development of road with M/s National Highways Authority of India ('NHAI') on Hybrid Annuity Mode (HAM) basis. As per the concession agreement entered under HAM model fixed amount of consideration i.e. 40% is paid during construction phase and remaining consideration of 60% during Operational and Maintenance phase in the form of annuities. Annuities exempted in GST by virtue of Entry number of 23A of notification number 12/2017-Central Tax (Rate). However, on 17/06/2021 the CBIC released circular number 150/06/2021-GST Dt. 17/06/2021 on the taxability of annuities for construction, which has been interpreted by the authorities in a way that annuities paid under HAM projects are not exempted from GST. Prior to 17/06/2021 the GST authorities issued notices for reversal of input tax credit considering annuities as exempt from GST but after the issuance of said circular Dt. 17/06/2021 issued fresh show cause notices demanding GST on the entire amount of work completed and recognised in financial statements irrespective of the fact whether annuity payments fallen due or not. SPV had filed the Writ Petition before the Hon'ble Andhra Pradesh High Court. Pending Writ petition, the GST authority raised demand vide its order Dt. 23/03/2022 as per which demand of Rs. 147,44,31,064/- has been raised. Hon'ble Andhra Pradesh High court vide its order Dt. 05/05/2022 granted stay on the entire demand subject to payment of 5% of the demand and furnishing Bank Guarantee for 5% of demand. Stay order complied by the SPV with vide letter acknowledged Dt. 12/07/2022. **Current Status:** The matter is currently pending in Andhra.	1474.4 (i.e. ~14.82% of EV as on March - 24)	a) 5% of Demand Amount Deposited i.e. INR 73.7 Mn b) Bank Guarantee Provided for 5% of Demand i.e. INR 73.7 Mn
2	Indirect Tax Matters -GST	Office of the Superintendent of Central Tax, Andhra Pradesh	**Background of the case:** Show Cause Notice ("SCN") was issued to M/s G R Gundugolanu Devarapalli Highway Private Limited in DRC 01 regarding audit observations of 2018-19. This notice is issued after filing reply in Form DRC 01A. Total GST of Rs. 8,72,680/- along with interest and penalty equivalent to tax was proposed to be deposited. Out of the total amount IGST under RCM of Rs. 6,91,470/- and IGST under RCM of Rs. 2,494/- on legal fees was already deposited vide DRC 03 dated 17/05/2022 along with interest of Rs. 4,07,937/- through DRC 03 dated 13/07/2022. The present SCN is seeking remaining IGST payment of Rs. 1,78,164/- under RCM on stamp duty charges and IGST of Rs. 552/- under RCM on other services received from ROC along with applicable interest and penalty equivalent to tax. Appeal has been filed on June 12,2023 **Current Status**: The matter is currently pending	0.87	0.69

Source: Investment Manager

Appendix 4.2 – PDEPL: Summary of Ongoing Litigations

Sr. No.	Title	Pending Before	Particulars	Tax Amount Involved (INR Mn)	Tax Deposited (INR Mn)
3	Indirect Tax Matters -GST	Hon'ble High Court, Gujarat	**Background of the case:** M/s Porbandar Dwarka Expressway Pvt. Ltd. ("PDEPL" or "SPV") has entered into a concession agreement for development of road project in the State of Gujarat on hybrid annuity mode. As per the concession agreement entered under HAM model fixed amount of consideration i.e. 40% is paid during construction phase and remaining consideration of 60% during Operational and Maintenance phase in the form of annuities. Annuities exempted in GST by virtue of Entry number of 23A of notification number 12/2017-Central Tax (Rate). However, on 17/06/2021 the CBIC released circular number 150/06/2021-GST Dt. 17/06/2021 on the taxability of annuities for construction, which has been interpreted by the authorities in a way that annuities paid under HAM projects are not exempted from GST. GST authority Show cause notice amounting to Rs.1,25,80,86,760/-, wherein authority has demanded short paid tax (GST) on the entire Bid Project Cost including escalation was irrespective of the fact whether annuity payments fallen due or not. Further, SPV has rendered utility services to NHAI aggregating to Rs. 40,84,97,849/- and GST authority has demanded short paid tax (GST) amounting to Rs.2,45,09,870/-. SPV had filed the Writ Petition before the Hon'ble Gujarat High Court on July 20,2023. **Current Status:** The matter is currently pending in Gujarat High Court.	1282.60 (i.e. ~15.36% of EV as on March - 24)	

Source: Investment Manager

Appendix 4.3 – GEPL: Summary of Ongoing Litigations

Sr. No.	Title	Pending Before	Particulars	Tax Amount Involved (INR Mn)	Tax Deposited (INR Mn)
4	Indirect Tax Matters -GST	Deputy commissioner of State Tax, Punjab	**Background of the case:** Deputy Commissioner of State Tax (Audit), Ropar, Punjab passed an order in Form GST DRC-07 against M/s GR Phagwara Expressway Limited wherein, a demand of Rs. 6,16,100 was raised on account of difference in ITC available in GSTR – 2A as per table 8(A) and ITC claimed as per table 8(B). Company has submitted rectification request to the Deputy Commissioner in May 2024. **Current Status** : Matter is pending before Deputy Commissioner of State Tax, Ropar, Punjab	6.16	

Source: Investment Manager

<< End of Report >>