NATIONAL HIGHWAYS INFRA INVESTMENT MANAGERS PRIVATE LIMITED
Registered Office: G-5 & 6, Sector-10, Dwarka, New Delhi– 110075,
Tel: 011-25076536, FAX: 25076536. Email: nhiimpl@nhai.org
CIN: U65929DL2020GOI366835

Date: 22nd May, 2023

Corporate Relations Department, **BSE Limited** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	**The Listing Department,** **National Stock Exchange of India Limited** Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051

Ref: Scrip Code: 543385; Scrip ID/Symbol: NHIT

Sub: Outcome of Board Meeting of National Highways Infra Investment Managers Private Limited

Dear Sir/ Ma'am,

In furtherance to the intimation dated 16th May, 2023 and pursuant to applicable provisions of SEBI (Infrastructure Investment Trusts) Regulations, 2014 ("**InvIT Regulations**"), as amended from time to time, read with Regulation 51 of SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("**SEBI LODR Regulations**") and circulars and guidelines issued thereunder, we hereby inform you that the meeting of the Board of Directors ("**Board**") of National Highways Infra Investment Managers Private Limited acting in the capacity of Investment Manager to National Highways Infra Trust ("**NHAI InvIT**") was held today i.e. 22nd May, 2023, wherein the Board, *inter-alia*, considered and approved the following matters:

1) Considered and approved the Audited Standalone and Consolidated Financial Information/Results of NHAI InvIT for the quarter and year ended 31st March, 2023 along with Auditors' Report thereon. The Annual Financials and Audit Report are enclosed as ***Annexure I***.

   Further, please note that the financial information of the Investment Manager is not disclosed as there is no material erosion in the net worth.

   We further hereby declare that in compliance with the provisions of Regulation 52(3)(a) of the SEBI LODR Regulations, the Statutory Auditors i.e. A. R. & Co., Chartered Accountants, New Delhi, have issued the Audit Reports with Unmodified Opinion on the Annual Audited Financial Information/Results of the NHAI InvIT for the financial year ended 31st March, 2023.

2) Considered and approved the quantum of distributions to be paid to the unitholders of Rs. 1.6035 per unit for the quarter ended 31st March, 2023. The distribution will be paid (subject to applicable withholding taxes, if any) as Rs. 1.5778 per unit as Interest and Rs. 0.0257 per unit as other income on surplus funds at Trust level.

   The said distributions shall be paid within 15 days from the date of declaration.

   Further, the Record Date is declared as 24th May, 2023 to ascertain the eligibility of Unit holders entitled to receive the aforesaid distributions.

3) Took note of the Valuation of the existing assets of NHAI InvIT prepared by independent valuer (RBSA Valuation Advisors LLP ("RBSA")) for the period ended 31st March, 2023 which provides the valuation of the SPV as Rs.11260.20 Crores (Equity valuation of Rs.1956.17 Crores).

4) Pursuant to Regulation 10(21) of SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time read with circulars and guidelines issued thereunder, the Net Asset Value ("NAV") of NHAI InvIT as of 31st March, 2023 as computed by the management based on the Valuation Report issued by Valuer is Rs.118.13 per unit. However, factoring in the approved distribution of Rs.116.47 Crores the NAV as computed by the management, based on the Valuation Report issued by the Valuer would be Rs.116.52 per unit.

Further the discussions on raising of funds and related matters were deferred to a subsequent meeting to be held on a date to be decided by the Board.

The Board Meeting commenced at 11.00 a.m. and concluded at 6.30 p.m.

You are requested to take the same on your record.

Sincerely,

For **National Highways Infra Trust**

By Order of the Board
National Highways Infra Investment Managers Private Limited

GUNJAN Digitally signed by GUNJAN Date: 2023.05.22 18:30:51 +05'30'

Gunjan Singh
Company Secretary and Compliance Officer

A.R. & CO.
Chartered Accountants

Delhi Office:
A-403, Gayatri Apartment Airlines
Group Housing Society, Plot No 27,
Sector -10, Dwarka, New Delhi -110075
Cell No.-9810195084, 9810444051
E-mail: ar_co1981@yahoo.co.in
pawankgoel1@gmail.com

Corporate and Correspondence Office:
C-1, II Floor, RDC, Raj Nagar,
Ghaziabad-201001 Delhi-NCR National
Capital region Of Delhi

INDEPENDENT AUDITOR'S REPORT ON THE HALF YEARLY AND YEAR TO DATE STANDALONE FINANCIAL RESULTS OF THE TRUST PURSUANT TO REGULATION 23 OF THE SEBI (INFRASTRUCTURE INVESTMENT TRUSTS) REGULATIONS, 2014, AS AMENDED

To,
The Board of Directors
National Highways Infra Investment Managers Private Limited
(Investment Manager of National Highways Infra Trust)
G-5 & 6, Sector-10,
Dwarka, Delhi - 110075

Report on the audit of the Standalone Financial Results

Opinion

We have audited the accompanying Statement of standalone financial results of National Highways Infra Trust (hereinafter referred to as "the Trust or NHIT"), consisting of the Statement of Profit and Loss including Other Comprehensive Income, explanatory notes thereto and the additional disclosures as required in paragraph 6 of Annexure A to the SEBI Circular No. CIR/IMD/DF/127/2016 dated November 29, 2016 ("SEBI Circular") for the half year and the year ended March 31, 2023 (the standalone statement of Profit & Loss including other comprehensive income, other comprehensive income, explanatory notes and additional disclosures together referred to as "the Statement"), attached herewith, being submitted by the National Highways Infra Investment Managers Private Limited ("Investment Manager") pursuant to the requirements of Regulation 23 of the SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time read with SEBI Circular.

A.R. & CO.
FRN 002744 C
CHARTERED ACCOUNTANTS

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

a. Is presented in accordance with the requirements of Regulation 23 of SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time, read with SEBI Circular No. CIR/IMD/DF/127/2016 dated November 29, 2016, and any other relevant circulars in this regard; and

b. Gives a true and fair view in conformity with the Indian Accounting Standards, and other accounting principles generally accepted in India, to the extent not inconsistent with SEBI InvIT Regulations, of the net profit and other comprehensive income and other financial information of the Trust for the half year and the year ended March 31, 2023.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs), issued by 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 Results' section of our report. We are independent of the Trust 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 results under the provisions of the SEBI InvIT Regulations and we have fulfilled our other ethical responsibilities in accordance 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 results.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS OF INVESTMENT MANAGER FOR THE STANDALONE FINANCIAL RESULTS

The Statement has been prepared on the basis of the standalone annual financial statements. The Board of Directors of the Investment Manager is responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income and other financial information of the Trust in accordance with the requirements of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 as amended from time to time ("SEBI InvIT Regulations"); Indian Accounting Standards as defined in Rule 2(1)(a) of the

A.R. & CO.
FRN 002744 C
CHARTERED ACCOUNTANTS

Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other accounting principles generally accepted in India, to the extent not inconsistent with SEBI InvIT Regulations. This responsibility includes the design, implementation and maintenance of adequate internal financial controls for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors of Investment Manager is also responsible for overseeing the financial reporting process of the Trust.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE STANDALONE FINANCIAL RESULTS

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 the Statement.

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 Statement, 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

A.R. & CO.
FRN 002744 C
CHARTERED ACCOUNTANTS

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 an opinion on the effectiveness of the Trust's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Board of Directors of Investment Manager.

- Conclude on the appropriateness of the Board of Directors of Investment Manager 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 Trust's ability 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 Statement 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 Trust to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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.

OTHER MATTERS

1. The Statement includes the standalone financial results for the half year

A.R. & CO.
FRN 002744 C
CHARTERED ACCOUNTANTS

ended March 31, 2023 being the balancing figures between the audited figures in respect of full financial year ended March 31, 2023 and the published unaudited year-to-date figures up to September 30, 2022, being the date of the end of the first half of the current financial year, which were subject to limited review as required under Regulation 23 of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 as amended from time to time read with SEBI Circular No. CIR/IMD/DF/127/2016 dated November 29, 2016.

Our opinion on the Statement is not modified in respect of the above matter.

For A. R. & Co.
Chartered Accountants
FRN. 002744C

FRN 002744 C
CHARTERED ACCOUNTANTS

CA Kailash Chand Gupta
Partner
Membership No: 085003
UDIN: 23085003BGWVFG8727

Place: New Delhi
Date: 22.05.2023

NATIONAL HIGHWAYS INFRA TRUST

Audited Standalone Financial Results for the half year and year ended 31 March 2023

Statement of Profit and Loss

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	Half year ended March 31, 2023	Half year ended March 31, 2022	Half year ended September 30, 2022	Year ended March 31, 2023	Year ended March 31, 2022
	(Audited)	*(Audited)*	*(Unaudited)*	*(Audited)*	*(Audited)*
INCOME					
Revenue from Operations	55,267.29	22,843.13	39,431.01	94,698.30	22,843.13
Interest Income	268.21	5.86	84.07	352.28	5.86
Profit on sale of investments	387.96	669.21	34.24	422.20	669.21
Other Income	280.18	318.67	36.41	316.59	318.67
Total Income	**56,203.64**	**23,836.87**	**39,585.73**	**95,789.37**	**23,836.87**
EXPENSES					
Investment Manager Fees	657.05	1,931.71	606.66	1,263.70	1,931.71
Trustee Fees	4.79	3.73	4.81	9.60	3.73
Valuation Expenses	4.00	-	-	4.00	-
Annual listing fees	9.97	-	10.03	20.00	-
Rating Fees	-	0.57	0.20	0.20	0.57
Audit Fees					
- Statutory audit fees	2.02	2.50	0.88	2.90	2.50
- Other audit services (including certification)	0.08	-	0.80	0.88	-
Custodian Fees	0.42	-	0.42	0.84	-
Finance Charges	11,168.52	3,154.43	5,421.65	16,590.17	3,154.43
Other Expenses	151.32	112.18	38.84	190.16	112.18
Total Expenses	**11,998.16**	**5,205.13**	**6,084.29**	**18,082.45**	**5,205.13**
Profit/(Loss) before Exceptional Items and Tax	**44,205.48**	**18,631.74**	**33,501.44**	**77,706.92**	**18,631.74**
Exceptional Items (net)	-			0	
Profit / (Loss) before Tax	**44,205.48**	**18,631.74**	**33,501.44**	**77,706.92**	**18,631.74**
Tax Expenses					
Current Tax	405.03	436.36	68.86	473.89	436.36
Current tax - earlier years	0.01	-	-	0.01	-
Deferred Tax expense/(credit)	(0.43)	3.16	(2.73)	(3.16)	3.16
Total Tax	**404.61**	**439.52**	**66.13**	**470.74**	**439.52**
Profit/ (loss) for the period	**43,800.86**	**18,192.23**	**33,435.31**	**77,236.17**	**18,192.23**
Other Comprehensive Income					
Items that will not be reclassified to Profit and Loss	-	-	-	-	-
Items that will be reclassified to Profit and Loss	-	-	-	-	-
Total Comprehensive Income for the period	**43,800.86**	**18,192.23**	**33,435.31**	**77,236.17**	**18,192.23**
Earnings per Unit					
Basic	6.10	3.06	5.62	11.76	3.06
Diluted	6.10	3.06	5.62	11.76	3.06
Debt- Equity Ratio:	0.37	0.24	0.23	0.37	0.24
Debt Service coverage ratio	4.71	2.58	4.43	4.60	2.58
Interest Service coverage ratio ;	4.96	6.91	7.18	5.68	6.91
Asset Cover ratio	3.21	-	-	3.21	-
Outstanding redeemable preference shares (quantity and value) :	-	-	-	-	-
Capital redemption reserve/debenture redemption reserve :	-	-	-	-	-
Networth :	8,02,037.05	6,17,567.24	6,26,267.62	8,02,037.05	6,17,567.24
Net Profit after tax :	43,800.86	18,192.23	33,435.31	77,236.17	18,192.23
Earnings per Unit :	6.10	3.06	5.62	11.76	3.06
Current Ratio:	8.22	25.73	6.30	8.22	25.73
Long term debt to working capital:	5.37	9.86	2.11	5.37	9.86
Bad debts to Accounts receiveable ratio:	N.A	N.A	N.A	N.A	N.A
Current liability ratio:	0.03	0.01	0.01	0.03	0.01
Total debts to total assets:	0.27	0.19	0.19	0.27	0.19
Debtors turnover:	N.A	N.A	N.A	N.A	N.A
Inventory turnover:	N.A	N.A	N.A	N.A	N.A
Operating margin %	100.19%	91.02%	98.32%	99.58%	91.02%
Net profit margin %	79.25%	79.64%	84.79%	80.00%	79.64%

National Highways Infra Trust
New Delhi

A.R. & CO.
FRN 002744C
CHARTERED ACCOUNTANTS

NATIONAL HIGHWAYS INFRA TRUST

Disclosures pursuant to SEBI circulars (SEBI Master Circular No. CIRSEBI/HO/DDHS_Div3/P/CIR/2021/1673 dated 29th November, 2021 issued under the InvIT regulations)

a. Statement of Net Distributable Cash Flows

(All amounts in ₹ lakh unless otherwise stated)

S. No.	Particulars	Half year ended March 31, 2023	Half year ended September 30, 2022	Half year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
		(Unaudited)	*(Unaudited)*	*(Unaudited)*	*(Audited)*	*(Audited)*
1	**Profit after tax as per Statement of profit and loss/income and expenditure (standalone) (A)**	**43,800.87**	**33,435.31**	**18,192.23**	77,236.17	**18,192.23**
2	**Add: Income recognised in previous year and received in this year**	10,651.13	-	-	**10,651.13**	
3	**Add:** Depreciation and amortization as per statement of profit and loss account. Incase of Impairment reversal, same needs to be deducted from profit and loss.	-	-	-	-	-
4	**Add/Less:** Loss/gain on sale of infrastructure assets	-	-	-	-	-
5	**Add:** Proceeds from sale of infrastructure assets adjusted for the following: 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)(a) of the InvIT regulations	-	-	-	-	-
6	**Add:** Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit/ (loss) recognised in profit and loss account.	-	-	-	-	-
7	**Add/ Less:** Any other item of non- cash expense/ non cash income (net of actual cash flows for these items), if deemed necessary by the Investment Manager. For example, any decrease/ increase in carrying amount of an asset or a liability recognised in profit and loss /income and expenditure on measurement of the asset or the liability at fair value; Interest cost as per effective interest rate method, deferred tax lease rents recognised on a straight line basis, etc.	(29,804.61)	(12,765.54)	(8,233.88)	**(42,570.15)**	**(8,233.88)**
8	**Less:** Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	(510.31)	(500.67)	(5,204.50)	**(1,010.98)**	**(5,204.50)**
9	**Total Adjustment (B)**	(19,663.80)	(13,266.21)	(13,438.39)	(32,930.01)	(13,438.39)
10	**Net Distributable Cash Flows (C) = (A+B)**	**24,137.07**	**20,169.10**	**4,753.84**	**44,306.16**	**4,753.84**

National Highways Infra Trust New Delhi

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

NATIONAL HIGHWAYS INFRA TRUST

Disclosures pursuant to SEBI circulars (SEBI Master Circular No. CIRSEBI/HO/DDHS_Div3/P/CIR/2021/1673 dated 29th November, 2021 issued under the InvIT regulations)

b. Investment manager fees

i) The Investment Manager's fee as per agreement dated 21st October 2020 will initially be Rs. 1,100 Lakh (Rupees Eleven Hundred Lakhs) per annum.

ii) The management fee set out in paragraph (i) above shall be subject to escalation on an annual basis at the rate of 10% of the management fee for the previous year.

iii) Any applicable taxes, cess or charges, as the case may be, shall be in addition to the management fee and shall be payable by National Highways Infra Trust (NHIT) to the Investment Manager (NHIIMPL).

Payment of frequency: Payment of management fee shall be made by National Highways Infra Trust (NHIT) to the Investment Manager (NHIIMPL) in advance on a quarterly basis.

c. Statement of earnings per unit ('EPU')

Basic EPU amounts are calculated by dividing the profit for the period/ year attributable to Unit holders by the weighted average number of units outstanding during the period/ year. Diluted EPU amounts are calculated by dividing the profit/(loss) attributable to unit holders by the weighted average number of units outstanding during the period/ year plus the weighted average number of units that would be issued on conversion of all the dilutive potential units into unit capital.

(All amounts in ₹ lakh unless otherwise stated)

Particulars	Half year ended March 31, 2023	Half year ended September 30, 2022	Half year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)	(Audited)
Profit for the period / year (₹ lakhs)	43,800.86	33,435.31	18,192.23	77,236.17	18,192.23
Weighted average number of units outstanding for computation of basic and diluted earning per unit.	71,85,18,549	59,52,00,000	59,52,00,000	65,66,68,737.53	59,52,00,000.00
Earning per unit (basic and diluted) (₹)	**6.10**	**5.62**	**3.06**	**11.76**	**3.06**

d. Contingent Liabilities

Corporate Gurantee issued to senior lenders	2,00,000.00	2,00,000.00	2,00,000.00	2,00,000.00	2,00,000.00
Corporate Gurantee issued to Debenture Trustee on behalf of Non Convertible Debnture Holders	1,50,000.00			1,50,000.00	-

e.) Other funding commitments

Commitment for loan to Subsidiary Company (Project SPV- NHIPPL)	1,40,494.00	52,000.00	52,000.00	1,40,494.00	52,000.00

National Highways Infra Trust New Delhi

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

NATIONAL HIGHWAYS INFRA TRUST

Additional disclosure as required by paragraph 6 of Annexure A to the SEBI Circular No. CIR/IMD/DF/127/2016

Statement of Related Parties

A. List of Related Parties as per requirement of IND AS 24 – "Related Party Disclosures"

Enterprises where Control / significant influence exists	**National Highways Infra Projects Private Limited (Subsidiary Company)**

B. List of additional related parties as per Regulation 2(1)(zv) of the SEBI InvIT Regulations

Parties to the Trust

National Highways Infra Investment Managers Private Limited (NHIIMPL) - Investment Manager (IM) of the Trust
IDBI Trusteeship Services Limited (ITSL) - Trustee of the Trust
National Highways Authority of India (NHAI)- Sponsor
National Highways InvIT Project Managers Private Limited (NHIPMPL)- Project Manager

Promoters of the Parties to the Trust specified above

Government of India ((acting through Ministry of Road, Transport & Highways (MORTH)) - Promoter of NHIIMPL
IDBI Bank Limited (IDBI Bank) - Promoter of ITSL
Government of India ((acting through Ministry of Road, Transport & Highways (MORTH)) - Promoter of NHAI
National Highways Authority of India (NHAI)- Promoter of NHIPMPL

Directors of the parties to the Trust specified above

Directors of NHIIMPL

Mr. Suresh Krishan Goyal
Mr. Shailendra Narain Roy
Mr. Balasubramanyam Sriram (Ceased to be Director w.e.f. 31.03.2023)
Mr. Mahavir Prasad Sharma
Mr. Pradeep Singh Kharola
Mr. Amit Kumar Ghosh
Mrs. Kavita Saha (Ceased to be Director w.e.f. 29.11.2022, however reappointed on 06.01.2023)
Mr. Bruce Ross Crane (Ceased to be Director w.e.f. 29.11.2022, however reappointed on 06.01.2023)
Mr. N.R.V.V.M.K. Rajendra Kumar
Mr. Vivek Rae (Ceased to be Director w.e.f 12.07.2022)
Mr. Sumit Bose (Appointed w.e.f. 11.01.2023)

Directors of ITSL

Mr. J. Samuel Joseph
Mr. Pradeep Kumar Jain
Ms. Jayashree Ranade
Ms. Madhuri Jayant Kulkarni (Ceased to be Director w.e.f. 06.12.2022)
Ms. Padma Vinod Betai (Ceased to be Director w.e.f. 31.12.2022)
Mr. Pradeep Kumar Malhotra (Appointed w.e.f. 14.12.22)
Ms. Baljinder Kaur Mandal (Appointed w.e.f. 17.01.2023)

Directors of NHIPMPL

Mr. Ashish Asati (Ceased to be Director w.e.f. 28.10.2022)
Mr. Akhil Khare (Appointed w.e.f. 28.10.2022)
Mr. Muralidhara Rao Bugatha (Ceased to be Director w.e.f 17.01.2023)
Mr. Ashish Kumar Singh (Appointed w.e.f. 17.01.2023)

National Highways Infra Trust New Delhi

A.R. & CO. FRN 002744 C

NATIONAL HIGHWAYS INFRA TRUST

Additional disclosure as required by paragraph 6 of Annexure A to the SEBI Circular No. CIR/IMD/DF/127/2016

C. Transactions with Related Parties during the period

(All amounts in ₹ lakh unless otherwise stated)

Particulars	Half year ended March 31, 2023	Half year ended September 30, 2022	Half year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
	(Audited)	*(Unaudited)*	*(Audited)*	*(Audited)*	*(Audited)*
National Highways Infra Projects Private Limited (NHIPPL)					
Transaction during the period/year					
Purchase of equity shares of NHIPPL	-	-	1,29,410.00	-	1,29,410.00
Advancement of Long Term Loan to NHIPPL	2,84,966.66	-	6,05,640.00	2,84,966.66	6,05,640.00
Receipt of interest on Long Term Loan given to NHIPPL	67,998.30	26,700.00	22,843.13	94,698.30	22,843.13
Reimbursement of ROC Fee paid by NHIT on behalf of NHIPPL	432.66	-	274.98	432.66	274.98
National Highways Infra Investment Managers Private Limited (NHIIMPL)					
Transaction during the period/year					
Investment Manager Fee	775.31	715.86	1,931.71	1,491.17	1,931.71
Advance Investment Manager Fees	86.06			86.06	-
Reimbursement of Expenses paid by NHIT on behalf of NHIPPL	39.79	-	214.80	39.79	214.80
National Highways Authority of India (NHAI)					
Transaction during the period/year					
Reimbursement of Pre-Issue expenses of NHIT by NHAI	-	-	578.02	-	578.02
Purchase of equity shares of Project SPV (NHIPPL) by the Trust from NHAI	-	-	10,153.52	-	10,153.52
Issue of units of Trust to NHAI	21,366.83	-	96,556.00	21,366.83	96,556.00
Interest distribution	1,621.94	3,967.40	-	5,589.34	-
IDBI Trusteeship Services Limited (ITSL)					
Transaction during the period/year					
Payment of Trustee Fee	7.92	4.81	12.15	12.73	12.15
Other fees related to Round 1&2 Assets	3.54	-	-	3.54	-

D. Closing Balance with Related Parties

Particulars	Half year ended March 31, 2023	Half year ended September 30, 2022	Half year ended March 31, 2022	Year ended March 31, 2023	Year ended March 31, 2022
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
National Highways Infra Projects Private Limited (NHIPPL)					
Balance outstanding at the end of the period/year					
Investment in equity shares of NHIPPL	1,29,410.00	1,29,410.00	1,29,410.00	1,29,410.00	1,29,410.00
Long Term Loan to NHIPPL	8,90,606.66	6,05,640.00	6,05,640.00	8,90,606.66	6,05,640.00
Interest receivable on Long Term Loan given to NHIPPL	46,688.43	23,382.13	10,651.13	46,688.43	10,651.13
National Highways Authority of India (NHAI)					
Balance outstanding at the end of the period/year					
Issue of units of Trust to NHAI (9,56,00,000 units)	1,17,922.83	96,556.00	96,556.00	1,17,922.83	96,556.00
National Highways Infra Investment Managers Private Limited (NHIIMPL)					
Balance outstanding at the end of the period/year					
IM Fees Payable	1.89			1.89	
IDBI Trusteeship Services Limited					
Balance outstanding at the end of the period/year					
Initial Settlement Amount	-	0.10	0.10	-	0.10
Trustee Fee Payable	1.73	5.49	2.77	1.73	2.77

National Highways Infra Trust New Delhi

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

NATIONAL HIGHWAYS INFRA TRUST

Notes to the Audited Standalone Financial Results for the half year and year ended 31 March 2023

1 The investor can view the result of the National Highway Infra Trust (Trust) on the Trust's website (https://www.nhaiinvit.in/) or on the websites of BSE (www.bseindia.com) or NSE (www.nseindia.com).

2 The audited Standalone Financial results of National Highways Infra Trust ('Trust') for the half year and year ended 31st March, 2023 have been reviewed by the Audit Committee of National Highways Infra Investment Managers Private Limited ('Investment Manager' of Trust) on 22nd May, 2023 and thereafter approved by the Board of Directors of the Investment Manager on 22nd May, 2023.

3 The Statutory Auditors of the Trust have audited Standalone Financial Results for the half year and year ended 31st March, 2023 and have issued an unmodified review report .

4 The audited Standalone Financial results comprise the Standalone Statement of Profit and Loss and explanatory notes thereto of the National Highways InfraTrust ('the Trust') for the period ended 31st March, 2023 ('the Statement'). The Statement has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (Ind AS) and/or any addendum thereto as defined in Rule 2 (1) (a) of the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India. The Statement has been prepared solely for submissions to be made by the Investment Manager with the Stock Exchanges (both BSE and NSE) and as additional information for stakeholders of the Trust and therefore it may not be suitable for another purpose.

5 National Highway Infra Trust ("Trust" or "InvIT") is registered as an Irrevocable Trust registered under the provisions of the Indian Trusts Act, 1882 on 19th October, 2020. It was registered under the Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014 on 28th October, 2020 having registration number IN/InvIT/20-21/0014.

6 The Board of Directors of the Investment Manager has declared distribution for Quarter 4 FY 22-23 of Rs. 1.6035 per unit which comprised of Rs. 1.5778 per unit as return on capital and Rs 0.0257 per unit as other income on surplus funds at Trust level in their meeting held on 22nd May 2023. In Quarter 3 FY 22-23 distribution of Rs. 1.4079 per unit was made which comprised of Rs. 1.383 per unit as interest pass through income and Rs 0.0249 per unit as other income on surplus funds at Trust level in their meeting held on 14th February 2023. The Board of Investment Manager had earlier approved distribution for Quarter 2 FY 22-23 for the period 1st July 2022 to 26th September, 2022 of Rs. 1.61 per unit as interest pass through income in their meeting held on 27th September 2022. The same was distributed to unit holders on 7th October, 2022. For Quarter 1 FY 22-23 distribution of Rs. 1.75 per unit was made which comprised of Rs. 1.74 per unit as interest pass through income, Rs. 0.01 per unit as other income on surplus funds at Trust level in their meeting held on 12th August 2022, the same was distributed to unit holders on 23rd August, 2022.

7 The Trust has acquired the entire equity share capital of the National Highways Infra Projects Private Limited (Project SPV's) on 3rd November, 2021 on an equity consideration of Rs. 1,39,553.53 lakh.

8 As per Ind AS 36 'Impairment of assets', based on management review on expected future cash flows and economic conditions of the assets of the Trust, no indicators of impairment of assets exist as on the reporting date. Hence no provision for impairment has been recognized in the books on the reporting date

9 As per Ind AS 109, Financial Assets that are measured at amortized cost are required to compute the Expected Credit Loss (ECL). As at the reporting period, the Investment Manager of the Trust assessed the credit risk of the financial assets and concluded that no provision for ECL is required.

10 All values are rounded to nearest lakh, unless otherwise indicated. Certain amounts that are required to be disclosed and do not appear due to rounding off are expressed as 0.00.

11 Previous period/year figures have been reclassified/regrouped wherever necessary to confirm to current period classification.

12 The National Highway Infra Trust ("Trust" or "InvIT") has raised additional unit capital in FY 2022-23 through Institutional Placement of units i.e issue of 11,16,02,600 units @ Rs 109 per unit (amounting to Rs 1,21,646.83 lakh) and also issued 1,96,02,600 units (amounting to Rs 21,366.83 lakh) issued @ 109 per unit to its Sponsor National Highways Authority of India by way of Preferential Issue of Units.

13 The National Highway Infra Trust ("Trust" or "InvIT") had raised debt through Public Issue of Secured, Rated, listed, Redeemable 1,50,00,000 Non Convertible Debentures amounting to Rs 1,50,000 lakh redeemable from FY 2030-31 onwards. The rate of interest on these debentures is 7.90% p.a and payable semi- annually.

National Highways ... New De...

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

NATIONAL HIGHWAYS INFRA TRUST

Notes to the Audited Standalone Financial Results for the half year and year ended 31 March 2023

14 The National Highway Infra Trust ("Trust" or "InvIT") has received sanction from Bank of Maharashtra of Rs 85,700 lakh for Term Loan for onlending to SPV for initial improvement works and Rs 20,000 lakh for Bank Guarantees and LCs.

15 The Trust has also signed Facility agreements on 10th October 2022 for lending to its SPV NHIPPL Rs 3,73,400 lacs for the three new road assets.

16 The National Highways Infra Projects Private Limited ("NHIPPL) has entered into three new concession agreements with National Highways Authority of India for acquision of three new road assets on 26th September 2022. The concession fees for these projects has been paid on 28th October 2022 to NHAI as detailed below:

Project Name	Concession Amount (Rs in Lakhs)
Agra Bypass	1,02,991.00
Shivpuri to Jhansi	45,393.65
Borkhedi -Wadner- Deodhari- Kelapur	1,36,582.00
Total	**2,84,966.65**

17 The NHIPPL has not created deferred tax assets on major maintainance obligation, as carried forward business losses will not be available for utilisation within the time limit allowable as per the Income Tax Act based on the future projections of the profitability of the entity.

For and on behalf of the National Highways Infra Investment Managers Private Limited
(Investment Manager of National Highways Infra Trust)

Gunjan Singh
Compliance Officer

Mathew George
Chief Financial Officer

Suresh Krishan Goyal
Director
DIN: 02721580

Place: New Delhi
Date: 22.05.2023

A.R. & CO.
FRN 002744 C
CHARTERED ACCOUNTANTS

National Highways Infra Trust
New Delhi

A.R. & CO.
Chartered Accountants

Delhi Office:
A-403, Gayatri Apartment Airlines
Group Housing Society, Plot No 27,
Sector -10, Dwarka, New Delhi -110075
Cell No.-9810195084, 9810444051
E-mail: ar_co1981@yahoo.co.in
pawankgoel1@gmail.com

Corporate and Correspondence Office:
C-1, II Floor, RDC, Raj Nagar,
Ghaziabad-201001 Delhi-NCR National
Capital region Of Delhi

INDEPENDENT AUDITOR'S REPORT ON THE HALF YEARLY AND YEAR TO DATE CONSOLIDATED FINANCIAL RESULTS OF THE TRUST PURSUANT TO REGULATION 23 OF THE SEBI (INFRASTRUCTURE INVESTMENT TRUSTS) REGULATIONS, 2014, AS AMENDED

To,
The Board of Directors
National Highways Infra Investment Managers Private Limited
(Investment Manager of National Highways Infra Trust)
G-5 & 6, Sector-10,
Dwarka, Delhi - 110075

Report on the audit of the Consolidated Financial Results

Opinion

We have audited the accompanying Statement of consolidated financial results of National Highways Infra Trust (hereinafter referred to as "the Trust or NHIT") comprising its one subsidiary (hereinafter referred to as "the National Highways Infra Projects Private Limited or NHIPPL") (the Trust and its subsidiary "NHIPPL" together referred to as "the Group"), consisting of the Consolidated Statement of Profit and Loss including Other Comprehensive Income, explanatory notes thereto and the additional disclosures as required in paragraph 6 of Annexure A to the SEBI Circular No. CIR/IMD/DF/127/2016 dated November 29, 2016 ("SEBI Circular") for the half year and year ended March 31, 2023 (the consolidated statement of Profit and Loss including other

A.R. & CO.
FRN 002744 C
CHARTERED ACCOUNTANTS

comprehensive income, explanatory notes and additional disclosures together referred to as "Statement"), attached herewith, being submitted by the National Highways Infra Investment Managers Private Limited ("Investment Manager") pursuant to the requirements of Regulation 23 of the SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time read with SEBI Circular.

In our opinion and to the best of our information and according to the explanations given to us, and the based on the consideration of our report on subsidiary's Standalone Financial Statements, the Statement:

a. Includes the results and other disclosures of the National Highways Infra Projects Private Limited;

b. Is presented in accordance with the requirements of Regulation 23 of SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended, read with SEBI Circular No. CIR/IMD/DF/127/2016 dated November 29, 2016, and any other relevant circulars in this regard; and

c. Gives a true and fair view in conformity with the Indian Accounting Standards, and other accounting principles generally accepted in India, to the extent not inconsistent with SEBI InvIT Regulations, of the consolidated net profit and other comprehensive income and other financial information of the Group for the half year and year ended March 31, 2023.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs), issued by 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 Results' 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 results under the provisions of the SEBI InvIT Regulations and we have fulfilled our other ethical responsibilities in accordance these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.

A.R. & CO.
FRN 002744 C
CHARTERED ACCOUNTANTS

RESPONSIBILITIES OF THE BOARD OF DIRECTORS OF INVESTMENT MANAGER FOR THE CONSOLIDATED FINANCIAL RESULTS

The Statement has been prepared on the basis of the consolidated annual financial statements. The Board of Directors' of the Investment Manager is responsible for the preparation and presentation of the Statement that gives a true and fair view of the consolidated net profit and other comprehensive income and other financial information of the Group in accordance with the requirements of the SEBI InvIT regulations as amended, 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, to the extent not inconsistent with SEBI InvIT Regulations. The Board of Directors of the subsidiary 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 judgments 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 Statement 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 Statement by the Board of Directors of the Investment Manager, as aforesaid.

In preparing the Statement, the Board of Directors of Investment Manager and the Board of Directors of the subsidiary 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 the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of Investment Manager and the subsidiary included in the Group are also responsible for overseeing the financial reporting process of the Group.

A.R. & CO.
FRN 002744 C
CHARTERED ACCOUNTANTS

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL RESULTS

Our objectives are to obtain reasonable assurance about whether the Statement as a whole is 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 the Statement.

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 Statement, 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 financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of Investment Manager.

- Conclude on the appropriateness of the Board of Directors of Investment Manager'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 Group's ability 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 Statement or, if such disclosures are inadequate, to modify our

A.R. & CO.
FRN 002744 C
CHARTERED ACCOUNTANTS

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 Statement, including the disclosures, and whether the Statement represent the underlying transactions and events in a manner that achieves fair presentation.

- Obtain sufficient appropriate audit evidence regarding the financial information of the Trust and subsidiary included in the Statement of which we are the independent auditors, to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial statements of the Trust and subsidiary included in the Statement of which we are the independent auditors. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Trust and the subsidiary included in the Statement of which we are the independent auditor 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.

OTHER MATTERS

1. The Statement includes the consolidated financial results for the half year ended March 31, 2023 being the balancing figures between the audited figures in respect of the full financial year ended March 31, 2023 and the published unaudited year-to-date figures up to 30 September 2022, being the date of the end of the first half of the current financial year, which were subject to limited review as required under Regulation 23 of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 as

FRN 002744 C
CHARTERED ACCOUNTANTS

amended from time to time read with SEBI Circular No. CIR/IMD/DF/127/2016 dated 29 November, 2016.

Our opinion on the Statement is not modified in respect of the above matters.

For A. R. & Co.
Chartered Accountants
FRN. 002744C

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

CA Kailash Chand Gupta
Partner
Membership No: 085003
UDIN: 23085003BGWVFH9462

Place: New Delhi
Date: 22.05.2023

NATIONAL HIGHWAYS INFRA TRUST

Audited Consolidated Financial Results for the half year and year ended March 31 2023

Statement of profit & Loss for the period

(All amounts in ₹ lakh unless otherwise stated)

Particulars	Half year ended March 31, 2023	Half year ended March 31, 2022	Half year ended September 30,	Year Ended March 31, 2023	Year Ended March 31, 2022
	(Audited)	(Audited)	(Unaudited)	(Audited)	(Audited)
INCOME					
Revenue from Operations	41,170.00	13,960.55	27,547.20	68,717.20	13,960.55
Interest Income	289.36	5.86	84.07	373.43	5.86
Profit on sale of investments	568.70	690.00	102.47	671.17	690.00
Other Income	290.70	318.67	35.41	326.11	318.67
Total Income	**42,318.76**	**14,975.08**	**27,769.15**	**70,087.91**	**14,975.08**
EXPENSES					
Investment Manager Fees	657.05	1,931.71	606.66	1,263.70	1,931.71
Trustee Fees	4.79	3.73	4.81	9.60	3.73
Valuation expenses	4.00	-	-	4.00	-
Annual listing fees	9.97	-	10.03	20.00	-
Rating fees	-	0.57	0.20	0.20	0.57
Insurance expenses	377.62	166.04	251.12	628.74	166.04
Audit Fees					
- Statutory audit fees	5.85	4.86	1.88	7.73	4.86
- Other audit services (including certification)	0.87	0.52	1.30	2.17	0.52
Custodian Fees	0.42	-	0.42	0.84	-
Project Management Fees	495.60	290.43	495.60	991.20	290.43
Operating Expenses	5,813.37	849.77	3,211.68	9,025.05	849.77
Employee Benefits Expenses	242.29	2.12	69.04	311.33	2.12
Finance Cost	11,189.23	3,154.43	5,432.08	16,621.32	3,154.43
Depreciation & Amortization Expense	10,881.40	1,055.65	6,679.23	17,560.63	1,055.65
Other Expenses	1,652.06	504.87	248.65	1,900.72	504.87
Total Expenses	**31,334.52**	**7,964.71**	**17,012.71**	**48,347.23**	**7,964.71**
Profit/(Loss) before Exceptional Items and Tax	10,984.24	7,010.37	10,756.44	21,740.68	7,010.37
Exceptional Items (net)	-	-	-		-
Profit / (Loss) before Tax	**10,984.24**	**7,010.37**	**10,756.44**	**21,740.68**	**7,010.37**
Tax Expenses					
Current Tax	405.03	436.36	68.86	473.89	436.36
Provision for Tax for Earlier Years	0.01	-	-	0.01	-
Deferred Tax expense/(credit)	(2,739.03)	(262.32)	(1,683.76)	(4,422.79)	(262.32)
Total Tax	**(2,333.99)**	**174.04**	**(1,614.90)**	**(3,948.89)**	**174.04**
Profit/ (loss) for the period/year	**13,318.23**	**6,836.33**	**12,371.35**	**25,689.57**	**6,836.33**
Other Comprehensive Income					
Items that will not be reclassified to Profit and Loss	-	-	-	-	-
Items that will be reclassified to Profit and Loss	-	-	-	-	-
Total Comprehensive Income for the period/year	**13,318.23**	**6,836.33**	**12,371.35**	**25,689.57**	**6,836.33**
Earnings per Unit					
Basic	3.91	1.15	2.08	3.91	1.15
Diluted	3.91	1.15	2.08	3.91	1.15
Debt- Equity Ratio:	0.40	0.24	0.25	0.40	0.24
Debt Service coverage ratio :	4.60	2.58	4.43	4.60	2.58
Interest Service coverage ratio :	1.98	3.22	1.51	2.31	3.22
Security Cover Ratios :	3.21	-	-	3.21	-
Asset Cover ratio:	-	-	-	-	-
Outstanding redeemable preference shares (quantity and value):	-	-	-	-	-
Capital redemption reserve/debenture redemption reserve :	-	-	-	-	-
Networth :	7,39,134.56	6,06,211.35	593847.77	7,39,134.56	6,06,211.35
Net Profit after tax :	13,318.23	6,836.33	12,371.35	25,689.57	6,836.33
Earnings per Unit :	2.03	1.15	2.08	3.91	1.15
Current Ratio:	2.00	2.69	0.85	2.00	2.69
Long term debt to working capital:	25.25	31.58	19.29	25.25	31.58
Bad debts to Accounts receiveable ratio	-	-	-	-	-
Total debts to total assets:	0.28	0.19	0.19	0.28	0.19
Current liability ratio:	0.04	0.02	0.09	0.04	0.02
Debtors turnover:	-	-	-	-	-
Inventory turnover	-	-	-	-	-
Operating margin %	0.77	0.73	0.82	0.79	0.73
Net profit margin %	0.32	0.49	0.45	0.37	0.49

National Highways Infra Trust New Delhi

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

NATIONAL HIGHWAYS INFRA TRUST

Disclosures pursuant to SEBI circulars (SEBI Master Circular No. CIRSEBI/HO/DDHS_Div3/P/CIR/2021/1673 dated 29th November, 2021 issued under the InvIT regula

a. Statement of Net Distributable Cash Flows

National Highways Infra Trust (Standalone)

(All amounts in ₹ lakh unless otherwise stated)

S. No.	Particulars	Half year ended March 31, 2023	Half year ended March 31, 2022	Half year ended September 30, 2022	Year Ended March 31, 2023	Year Ended March 31, 2022
1	**Profit after tax as per Statement of profit and loss/income and expenditure (standalone) (A)**	**43,800.86**	**18,192.23**	**33,435.31**	**77,236.17**	**18,192.23**
2	**Add:** Income recognized in previous year and received in ths year	**10,651.13**		-	**10,651.13**	-
3	**Add:** Depreciation and amortization as per statement of profit and loss account. Incase of Impairment reversal, same needs to be deducted from profit and loss.	-	-	-	-	-
4	**Add/Less:** Loss/gain on sale of infrastructure assets	-	-	-	-	-
5	**Add:** Proceeds from sale of infrastructure assets adjusted for the following: 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)(a) of the InvIT regulations	-	-	-	-	-
6	**Add:** Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit/ (loss) recognised in profit and loss account	-	-	-	-	-
7	**Add/ Less:** Any other item of non- cash expense/ non cash income (net of actual cash flows for these items), if deemed necessary by the Investment Manager. For example, any decrease/ increase in carrying amount of an asset or a liability recognised in profit and loss /income and expenditure on measurement of the asset or the liability at fair value; Interest cost as per effective interest rate method, deferred tax lease rents recognised on a straight line basis, etc.	**(29,804.61)**	(8,233.88)	(12,765.54)	(42,570.15)	(8,233.88)
8	**Less:** Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	**(510.31)**	(5,204.50)	(500.67)	(1,010.98)	(5,204.50)
9	**Total Adjustment (B)**	(19,663.79)	(13,438.39)	(13,266.21)	(32,930.00)	(13,438.39)
10	**Net Distributable Cash Flows (C) = (A+B)**	24,137.07	4,753.84	20,169.10	44,306.17	4,753.84

National Highways Infra Trust
New Delhi

A.R. & CO.
FRN 002744 C
CHARTERED ACCOUNTANTS

NATIONAL HIGHWAYS INFRA TRUST

Disclosures pursuant to SEBI circulars (SEBI Master Circular No. CIRSEBI/HO/DDHS_Div3/P/CIR/2021/1673 dated 29th November, 2021 issued under the InvIT regulations)

b. Statement of Net Distributable Cash Flows

National Highways Infra Projects Private Limited (Project SPV)

(All amounts in ₹ lakh unless otherwise stated)

S. No.	Particulars	Half year ended March 31, 2023	Half year ended March 31, 2022	Half year ended September 30, 2022	Year Ended March 31, 2023	Year Ended March 31, 2022
1	**Profit after tax as per Statement of profit and loss/income and expenditure (standalone) (A)**	**(30,482.65)**	**(11,355.90)**	**(21,063.96)**	**(51,546.61)**	**(11,355.90)**
2	**Add:** Depreciation and amortization as per statement of profit and loss account. Incase of Impairment reversal, same needs to be deducted from profit and loss.	10,881.40	1,055.65	6,679.23	17,560.63	1,055.65
3	**Add/Less:** Loss/gain on sale of infrastructure assets	-	-	-	-	-
4	**Add:** Proceeds from sale of infrastructure assets adjusted for the following: 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)(a) of the InvIT regulations	-	-	-	-	-
5	**Add:** Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit/ (loss) recognised in profit and loss account *	(134.38)	-	-	(134.38)	-
6	**Add/ Less:** Any other item of non- cash expense/ non cash income (net of actual cash flows for these items), if deemed necessary by the Investment Manager. For example, any decrease/ increase in carrying amount of an asset or a liability recognised in profit and loss /income and expenditure on measurement of the asset or the liability at fair value; Interest cost as per effective interest rate method, deferred tax lease rents recognised on a straight line basis, etc.	25,062.17	10,888.85	15,513.28	40,575.45	10,888.85
7	**Less:** Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements **	(4,004.00)	-	-	(4,004.00)	-
8	**Total Adjustment (B)**	31,805.19	11,944.50	22,192.51	53,997.70	11,944.50
9	**Net Distributable Cash Flows (C) = (A+B)**	**1,322.54**	**588.61**	**1,128.55**	**2,451.09**	**588.61**

* This includes amount utilized for purchase of Property, Plant and Equipment's and intangible assets

** This includes amount set aside for payment of current liabilities and other financial liabilities.

National Highways Infra Trust New Delhi

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

NATIONAL HIGHWAYS INFRA TRUST

Additional disclosure as required by Paragraph 6 of Annexure A to the SEBI Circular No. CIR/IMD/DF/127/2016

c. Project manager and Investment manager fees

Project Management Fees:

i) The Project Manager (NHIPMPL) for managing the initial portfolio of assets, is entitled to a Project Manager fee based on the Project Implementation and Management Agreement (PIMA) signed on 30th March, 2021.

ii) The project SPV (NHIPPL) has proposed a fees of Rs 70.00 Lakh (Rupees Seventy Lakh Only) per month, as project manager's fees against the services offered by the project manager, for a period of 18 months starting from the date of concession agreement. The Project Manager's fees for the period after the expiry of 18 months shall be a percentage of gross revenue earned by the project SPV (NHIPPL), which is mutually agreed between the parties in the PIMA.

d. Investment manager fees

i) The Investment Manager's fee as per agreement dated 21st October 2020 will initially be Rs. 1,100 Lakh (Rupees Eleven Hundred Lakhs) per annum.

ii) The management fee set out in paragraph (i) above is subject to escalation on an annual basis at the rate of 10% of the management fee for the previous year.

iii) Any applicable taxes, cess or charges, as the case may be, are in addition to the management fee and are payable by National Highways Infra Trust (NHIT) to the Investment Manager (NHIIMPL).

Payment of frequency: Payment of management fee is made by National Highways Infra Trust (NHIT) to the Investment Manager (NHIIMPL) in advance on a quarterly basis.

c. Statement of earnings per unit ('EPU')

Basic EPU amounts are calculated by dividing the profit for the period/ year attributable to Unit holders by the weighted average number of units outstanding during the period/ year. Diluted EPU amounts are calculated by dividing the profit/(loss) attributable to unit holders by the weighted average number of units outstanding during the period/ year plus the weighted average number of units that would be issued on conversion of all the dilutive potential units into unit capital.

Particulars	Half year ended March 31, 2023	Half year ended March 31, 2022	Half year ended September 30, 2022	Year Ended 31st March 2023	Year Ended 31st March 2022
	(Unaudited)	*(Unaudited)*	*(Unaudited)*	*(Audited)*	*(Audited)*
Profit for the period / year (₹ lakh)	13,318.23	6,836.33	12,371.35	25,689.57	6,836.33
Weighted average number of units outstanding for computation of basic and diluted earning per unit.	71,84,75,215	59,52,00,000	59,52,00,000	65,66,68,738	59,52,00,000
Earning per unit (basic and diluted) (₹)	**1.85**	**1.15**	**2.08**	**3.91**	**1.15**

d. Contingent Liabilities

Corporate Guarantee issued to senior lenders	2,00,000.00	2,00,000.00	2,00,000.00	2,00,000.00	2,00,000.00
Corporate Guarantee issued to Debenture Trustee on behalf of Non Convertible Debenture Holders	1,50,000.00	-	-	1,50,000.00	-

e. Commitments as

Particular	Half year ended March 31, 2023	Half year ended March 31, 2022	Half year ended September 30, 2022	Year Ended March 31, 2023	Year Ended March 31, 2022
Estimated valueof contracts in capital account remaining to be executed	Nil	Nil	Nil	Nil	Nil
Commitment for acquistion of toll equipment & machineries	Nil	Nil	Nil	Nil	Nil
Other Commitments	Nil	Nil	Nil	Nil	Nil
Total	-	-	-	-	-

National Highways Infra Trust New Delhi

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

NATIONAL HIGHWAYS INFRA TRUST

Additional disclosure as required by paragraph 6 of Annexure A to the SEBI Circular No. CIR/IMD/DF/127/2016

Statement of Related Parties

A. List of Related Parties as per requirement of IND AS 24 – "Related Party Disclosures"

Enterprises where Control / significant influence exists	**National Highways Infra Projects Private Limited (Subsidiary Company)**

B. List of additional related parties as per Regulation 2(1)(zv) of the SEBI InvIT Regulations

Parties to the Trust

National Highways Infra Investment Managers Private Limited (NHIIMPL) - Investment Manager (IM) of the Trust
IDBI Trusteeship Services Limited (ITSL) - Trustee of the Trust
National Highways Authority of India (NHAI)- Sponsor
National Highways InvIT Project Managers Private Limited (NHIPMPL)- Project Manager

Promoters of the Parties to the Trust specified above

Government of India ((acting through Ministry of Road, Transport & Highways (MORTH)) - Promoter of NHIIMPL
IDBI Bank Limited (IDBI Bank) - Promoter of ITSL
Government of India ((acting through Ministry of Road, Transport & Highways (MORTH)) - Promoter of NHAI
National Highways Authority of India (NHAI)- Promoter of NHIPMPL

Directors of the parties to the Trust specified above

Directors of NHIIMPL

Mr. Suresh Krishan Goyal
Mr. Shailendra Narain Roy
Mr. Balasubramanyam Sriram (Ceased to be Director w.e.f. 31.03.2023)
Mr. Mahavir Prasad Sharma
Mr. Pradeep Singh Kharola
Mr. Amit Kumar Ghosh
Mrs. Kavita Saha (Ceased to be Director w.e.f. 29.11.2022, however reappointed on 06.01.2023)
Mr. Bruce Ross Crane (Ceased to be Director w.e.f. 29.11.2022, however reappointed on 06.01.2023)
Mr. N.R.V.V.M.K. Rajendra Kumar
Mr. Vivek Rae (Ceased to be Director w.e.f 12.07.2022)
Mr. Sumit Bose (Appointed w.e.f. 11.01.2023)

Directors of ITSL

Mr. J. Samuel Joseph
Mr. Pradeep Kumar Jain
Ms. Jayashree Ranade
Ms. Madhuri Jayant Kulkarni (Ceased to be Director w.e.f. 06.12.2022)
Ms. Padma Vinod Betai (Ceased to be Director w.e.f. 31.12.2022)
Mr. Pradeep Kumar Malhotra (Appointed w.e.f. 14.12.22)
Ms. Baljinder Kaur Mandal (Appointed w.e.f. 17.01.2023)

Directors of NHIPMPL

Mr. Ashish Asati (Ceased to be Director w.e.f. 28.10.2022)
Mr. Akhil Khare (Appointed w.e.f. 28.10.2022)
Mr. Muralidhara Rao Bugatha (Ceased to be Director w.e.f 17.01.2023)
Mr. Ashish Kumar Singh (Appointed w.e.f. 17.01.2023)

A.R. & ... FRN 002744 C CHARTERED ACCO...

NATIONAL HIGHWAYS INFRA TRUST

Additional disclosure as required by paragraph 6 of Annexure A to the SEBI Circular No. CIR/IMD/DF/127/2016

C. Transactions with Related Parties during the period

Particulars	Half year ended March 31, 2023	Half year ended March 31, 2022	Half year ended September 30, 2022	Year Ended March 31, 2023	Year Ended March 31, 2022
	(Audited)	*(Audited)*	*(Unaudited)*	*(Audited)*	*(Audited)*
National Highways Infra Investment Managers Private Limited (NHIIMPL)					
Transaction during the period/year					
Investment Manager Fees	775.31	1,931.71	715.86	1,491.17	1,931.71
Advance Investment Manager Fees	86.06	-	-	86.06	-
Reimbursement of Expenses to NHIIMPL	39.79	214.80	-	39.79	214.80
National Highways Authority of India (NHAI)					
Transaction during the period/year					
Reimbursement of Pre-Issue expenses of NHIT by NHAI	-	578.02	-	-	578.02
Purchase of equity shares of Project SPV (NHIPPL) by the Trust from NHAI	-	10,153.52	-	-	10,153.52
Issue of units of Trust to NHAI	21,366.83	96,556.00	-	21,366.83	96,556.00
Interest and other income distribution	1,621.94	-	3,967.40	5,589.34	-
O & M Expenses	1,152.32	-	-	1,152.32	-
Payment for acquiring intangible assets	2,84,966.66	7,35,040.00	-	2,84,966.66	7,35,040.00
Double toll fees	679.17	-	-	679.17	-
Independent engineers fees	345.38	-	-	345.38	-
National Highways InvIT Project Managers Private Limited (NHIPMPL)					
Transaction during the period/year					
Project Manager fees	495.60	290.43	495.60	991.20	290.43
IDBI Trusteeship Services Limited (ITSL)					
Transaction during the period/year					
Trusteeship Fee	7.92	12.15	4.81	12.73	12.15
Other fees	3.54	-	-	3.54	-

D. Closing Balance with Related Parties

Particulars	Half year ended March 31, 2023	Half year ended March 31, 2022	Half year ended September 30, 2022	Year Ended March 31, 2023	Year Ended March 31, 2022
	(Unaudited)	*(Unaudited)*	*(Unaudited)*	*(Audited)*	*(Audited)*
National Highways Authority of India (NHAI)					
Balance outstanding at the end of the period/year					
Issue of units of Trust to NHAI	1,17,922.83	96,556.00	96,556.00	1,17,922.83	96,556.00
O & M Expenses payable	880.35	-		880.35	-
Double toll fees payable	148.21	-		148.21	-
Independent Engineers Fees payable	276.03	-		276.03	-
National Highways InvIT Project Managers Private Limited (NHIPMPL)					
Balance outstanding at the end of the period/year					
Project Manager fees Payable	762.50	290.43	329.43	762.50	290.43
National Highways Infra Investment Managers Private Limited (NHIIMPL)					
Balance outstanding at the end of the period/year					
IM Fees Payable	1.89	-	-	1.89	-
GST Amount payable	0.48	-	-	0.48	-
IDBI Trusteeship Services Limited					
Balance outstanding at the end of the period/year					
Initial Settlement Amount	-	0.10	0.10	-	0.10
Trustee Fee Payable	1.73	2.77	5.49	1.73	2.77

National Highways Infra Trust
New Delhi

A.R. & CO
FRN 002744 C
CHARTERED ACCOUNTANTS

NATIONAL HIGHWAYS INFRA TRUST

Additional disclosure as required by paragraph 6 of Annexure A to the SEBI Circular No. CIR/IMD/DF/127/2016

E. Summary of transactions with Key Managerial Personnel (KMP)

For the year ended March 31, 2023

(All amounts in ₹ lakh unless otherwise stated)

	Remuneration					
Details of Key Managerial Personnel	**Sitting Fees**	**Short term employment benefits**	**Post employement benefits**	**Other long term employment benefits**	**Termination benefits**	**Outstanding Loans/Advances /Receivables**
Mr. Suresh Krishan Goyal*	-	0.39	-	-	-	-
Mr. B.M. Rao	-	-	-	-		-
Mr. M P Sharma	6.40	-	-	-	-	-
Mr. Shailendra Narain Roy	6.40	-	-	-	-	-
Mr. N.R.V.V.M.K. Rajendra Kumar	-	-	-	-	-	-
Mrs. Ajanta Sen	-	1.84	-	-	-	-
Mrs. Bhanu Sharma (CS)	-	3.83	-	0.08	-	-

* This is reimbursement of expenses.

For the year ended March 31, 2022

	Remuneration					
Details of Key Managerial Personnel	**Sitting Fees**	**Short term employment benefits**	**Post employement benefits**	**Other long term employment benefits**	**Termination benefits**	**Outstanding Loans/Advances /Receivables**
Mr. Suresh Krishan Goyal	-	-	-	-	-	-
Mr. B.M. Rao	-	-	-	-		-
Mrs. Ajanta Sen	-	1.52	-	0.24	-	-

National Highways Infra Trust
New Delhi

A.R. & CO
FRN 002744 C
CHARTERED ACCOUNTANTS

NATIONAL HIGHWAYS INFRA TRUST

Notes to the Audited Consolidated Financial Results for the half year and year ended 31 March 2023

1 The investor can view the result of the National Highway Infra Trust (Trust) on the Trust's website (https://www.nhaiinvit.in/) or on the websites of BSE (www.bseindia.com) or NSE (www.nseindia.com).

2 The audited Consolidated Financial results of National Highways Infra Trust ('Trust') for the half year and year ended 31st March, 2023 have been reviewed by the Audit Committee of National Highways Infra Investment Managers Private Limited ('Investment Manager' of Trust) on 22nd May, 2023 and thereafter approved by the Board of Directors of the Investment Manager on 22nd May, 2023.

3 The Statutory Auditors of the Trust have audited Consolidated Financial Results for the half year and year ended 31st March, 2023 and have issued an unmodified review report .

4 The audited Consolidated Financial results comprise the Consolidated Statement of Profit and Loss (including other comprehensive income), and explanatory notes thereto of the National Highways InfraTrust ('the Trust') for the period ended 31st March, 2023 ('the Statement'). The Statement has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (Ind AS) and/or any addendum thereto as defined in Rule 2 (1) (a) of the Companies (Indian Accounting Standards) Rules. 2015 and other accounting principles generally accepted in India. The Statement has been prepared solely for submissions to be made by the Investment Manager with the Stock Exchanges (both BSE and NSE) and as additional information for stakeholders of the Trust and therefore it may not be suitable for another purpose.

5 National Highway Infra Trust ("Trust" or "InvIT") is registered as an Irrevocable Trust registered under the provisions of the Indian Trusts Act, 1882 on 19th October, 2020. It was registered under the Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014 on 28th October, 2020 having registration number IN/InvIT/20-21/0014.

6 The Board of Directors of the Investment Manager has declared distribution for Quarter 4 FY 22-23 of Rs. 1.6035 per unit which comprised of Rs. 1.5778 per unit as return on capital and Rs 0.0257 per unit as other income on surplus funds at Trust level in their meeting held on 22nd May 2023. In Quarter 3 FY 22-23 distribution of Rs. 1.4079 per unit was made which comprised of Rs. 1.383 per unit as interest pass through income and Rs 0.0249 per unit as other income on surplus funds at Trust level in their meeting held on 14th February 2023. The Board of Investment Manager had earlier approved distribution for Quarter 2 FY 22-23 for the period 1st July 2022 to 26th September, 2022 of Rs. 1.61 per unit as interest pass through income in their meeting held on 27th September 2022. The same was distributed to unit holders on 7th October, 2022. For Quarter 1 FY 22-23 distribution of Rs. 1.75 per unit was made which comprised of Rs. 1.74 per unit as interest pass through income, Rs. 0.01 per unit as other income on surplus funds at Trust level in their meeting held on 12th August 2022, the same was distributed to unit holders on 23rd August, 2022.

7 The Trust has acquired the entire equity share capital of the National Highways Infra Projects Private Limited (Project SPV's) on 3rd November, 2021 on an equity consideration of Rs. 1,39,553.53 lakh.

8 As per Ind AS 36 'Impairment of assets', based on management review on expected future cash flows and economic conditions of the assets of the Trust, no indicators of impairment of assets exist as on the reporting date. Hence no provision for impairment has been recognized in the books on the reporting date

9 As per Ind AS 109, Financial Assets that are measured at amortized cost are required to compute the Expected Credit Loss (ECL). As at the reporting period, the Investment Manager of the Trust assessed the credit risk of the financial assets and concluded that no provision for ECL is required.

10 All values are rounded to nearest lakh, unless otherwise indicated. Certain amounts that are required to be disclosed and do not appear due to rounding off are expressed as 0.00.

11 Previous period/year figures have been reclassified/regrouped wherever necessary to confirm to current period classification.

12 The National Highway Infra Trust ("Trust" or "InvIT") has raised additional unit capital in FY 2022-23 through Institutional Placement of units i.e issue of 11,16,02,600 units @ Rs 109 per unit (amounting to Rs 1,21,646.83 lakh) and also issued 1,96,02,600 units (amounting to Rs 21,366.83 lakh) issued @ 109 per unit to its Sponsor National Highways Authority of India by way of Preferential Issue of Units.

13 The National Highway Infra Trust ("Trust" or "InvIT") had raised debt through Public Issue of Secured, Rated, listed, Redeemable 1,50,00,000 Non Convertible Debentures amounting to Rs 1,50,000 lakh redeemable from FY 2030-31 onwards. The rate of interest on these debentures is 7.90% p.a and payable semi- annually.

National Highways New
A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

14 The National Highway Infra Trust ("Trust" or "InvIT") has received sanction from Bank of Maharashtra of Rs 85,700 lakh for Term Loan for onlending to SPV for initial improvement works and Rs 20,000 lakh for Bank Guarantees and LCs.

15 The Trust has also signed Facility agreements on 10th October 2022 for lending to its SPV NHIPPL Rs 3,73,400 lacs for the three new road assets.

16 The National Highways Infra Projects Private Limited ("NHIPPL) has entered into three new concession agreements with National Highways Authority of India for acquision of three new road assets on 26th September 2022. The concession fees for these projects has been paid on 28th October 2022 to NHAI as detailed below:

Project Name	**Concession Amount (Rs in Lakhs)**
Agra Bypass	1,02,991.00
Shivpuri to Jhansi	45,393.65
Borkhedi -Wadner- Deodhari- Kelapur	1,36,582.00
Total	**2,84,966.65**

17 The NHIPPL has not created deferred tax assets on major maintainance obligation, as carried forward business losses will not be available for utilisation within the time limit allowable as per the Income Tax Act based on the future projections of the profitability of the entity.

For and on behalf of the National Highways Infra Investment Managers Private Limited
(Investment Manager of National Highways Infra Trust)

National Highways Infra Trust New Delhi

Gunjan Singh
Compliance Officer

Mathew George
Chief Financial Officer

Suresh Krishan Goyal
Director
DIN: 02721580

Place: New Delhi
Date: 22.05.2023

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

National Highways Infra Trust New Delhi

A.R. & CO.
Chartered Accountants

Delhi Office:
A-403, Gayatri Apartment
Airlines Group Housing Society
Plot No 27, Sector-10,
Dwarka, New Delhi -110075
Cell No.9810195084, 9810444051
E-mail: ar_co1981@yahoo.co.in
pawankgoel1@gmail.com

Corporate and Correspondence Office: C-1, II Floor, RDC, Raj Nagar
Ghaziabad- 201001 Delhi-NCR
National Capital region Of Delhi

INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of National Highways Infra Trust

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying standalone financial statements of National Highways Infra Trust ("the InvIT" or "the Trust"), which comprise the Balance Sheet as at 31 March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Unitholder's Equity and the Statement of Cash Flows for the year then ended, the Statement of Net Assets at fair value as at 31 March 2023, the Statement of Total Returns at fair value and the Statement of Net Distributable Cash Flows ("NDCFs") for the year then ended and notes to the standalone financial statements including a summary of significant accounting policies and other explanatory information (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 any guidelines and circulars issued thereunder (together referred to as the "SEBI InvIT Regulations") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards as defined in rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, to the extent not inconsistent with SEBI InvIT Regulations, of the state of affairs of the Trust as at 31 March 2023, its profit including other comprehensive income, its cash flows, its statement of changes in Unitholder's equity for the year ended 31 March 2023, its net assets at fair value as at 31 March 2023, its total returns at fair value and the net distributable cash flows of the Trust for the year ended 31 March 2023.

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

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 Trust 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 SEBI 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 opinion on the standalone financial statements.

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 31 March 2023. 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	**Assessment of Impairment of Investment made in and Loans given to the subsidiary company, National Highways Infra Projects Private Limited ("NHIPPL")** As at March 31, 2023, the carrying amount of Equity Investment by the Trust in NHIPPL amounted to Rs. 139,553.52 Lakhs. Further, the Trust has granted loan to NHIPPL till date amounting to Rs. 890,606.66 Lakhs. In accordance with its accounting policy and requirements under Ind AS, the management has performed an impairment assessment by comparing the carrying value of these investments made/ loans given to NHIPPL to their recoverable amount. For impairment testing, value in use has been determined by forecasting and discounting future cash flows of subsidiary company. Further, the value in use is highly sensitive to changes in critical variable used for forecasting the future cash flows	Our Audit Procedures included the following :- • Assessed the appropriateness of the future cash flows estimated including value in use determined. In making this assessment, we also evaluated the objectivity, independence and competency of specialists involved in the process; • Assessed the assumptions around the key drivers of the revenue projections, future cash flow, discount rates / weighted average cost of capital that were used by the management. • As regards loan granted to

	including traffic projections for revenues and discounting rates. The recoverable amount is the higher of (a) fair value less cost to sell (b) value in use. The determination of the recoverable amount from subsidiary company involves management estimates and judgment which may affect the outcome. So, there is an inherent risk in the valuation of investment/ recoverability of loans, due to the use of estimates and judgements mentioned above. Accordingly, the assessment of impairment of investment/loans in subsidiary company has been determined as a key audit matter. Refer Note 2.6 for the accounting policy on Impairment of Investments & Note 31 relating to Disclosure pursuant to Ind AS 36 "Impairment of Assets" in Standalone Financials as at 31 March 2023. Also Refer Note 2.8 for the Accounting policy on Financial asset & Note 40 relating to Expected Credit Loss on Financial Assets for impairment of loan receivables in the Standalone Financials as at 31 March 2023.	NHIPPL, we have obtained and considered Management evaluations of recoverability of loans granted to NHIPPL. • Tested the arithmetical accuracy of Impairment Sheet. • Obtained Management Representation in this respect.
2.	**Computation and disclosures as prescribed in the SEBI InvIT regulations relating to Statement of Net Assets at Fair Value and Total Returns at Fair Value** As per SEBI InvIT regulations, the Trust is required to disclose statement of net assets at fair value and statement of total returns at fair value. The fair value is determined by forecasting and discounting future cash flows from the operations of the investee entities which involves management estimates and judgement. These estimates and judgements include discounting rates, Tax rates and inflation rates which are considered for computing the fair value. There is an inherent risk in the computation of fair value due to the use of estimates and judgements mentioned above. Therefore, computation and disclosures of statement of net assets at fair value and statement of total returns at fair value is considered as a Key Audit Matter. Refer Note-40 Significant Accounting	Our Audit Procedures included the following :- • Obtained the understanding of the requirements of SEBI InvIT regulations for disclosures relating to Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value. • Assessed the Valuation Report issued by the Independent Valuer engaged by the management. Also assessed the appropriateness of the Trust's valuation methodology applied in determining the fair values.

A.K. & Co. FRN 002744C CHARTERED ACCOUNTANTS

	Assumptions – Fair Valuation and Disclosures and Statement of net assets at fair value and Statement of total returns at fair value in the standalone financial statements.	• Obtained Management Representation in this respect. • Tested the arithmetical accuracy of computation in the statement of net assets and total returns at fair value. • Ensured that disclosures is in compliance with SEBI InvIT regulations relating to the statement of net assets at fair value and the statement of total returns at fair value.
3.	**Related Party Transactions and Disclosures** The Trust has undertaken transactions with its related parties in the normal course of business. These include making loans to Project SPV, earning interest on such loans, fees for services provided by related parties to Trust etc. as disclosed in Note 34 of the Standalone Financial Statements. Considering the importance of accuracy and completeness of related party transactions and its disclosures in the aforesaid standalone financial statements, we have considered this as a key audit matter.	Our Audit Procedures included the following :- • Obtained the understanding of policies, processes and procedures in respect of identifying related parties, necessary approvals, recording and disclosure of related party transactions, including compliance of transactions and disclosures in accordance with InVIT regulations. • Tested the related party transactions with the underlying contracts and other supporting documents for appropriate authorization and approval for such transactions. • Reviewed the minutes of governing body of Trust in connection with transactions to assess authorization by the Board and whether the transactions are in the ordinary course of

FRN CHARTERED ACCO

		business at arm's length and in accordance with the SEBI InvIT regulations. • Obtained Management Representation in this respect. • Ensured that the disclosures made in accordance with the requirements of Ind AS and SEBI InvIT regulations.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Board of Directors of Investment Manager is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis Report, Investment Manager's Report including annexures to Investment Manager's Report and other information as required to be given by SEBI InvIT Regulations, but does not include the standalone financial statements and our report thereon.

Our opinion on the standalone financial statements does not cover the other information 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 and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS OF INVESTMENT MANAGER FOR THE STANDALONE FINANCIAL STATEMENTS

The Board of Directors of Investment Manager is responsible for the preparation of these standalone financial statements that give a true and fair view of the financial position as at 31 March 2023, financial performance including other comprehensive income, cash flows and the movement of the Unitholder's equity for the year ended 31 March 2023, the net assets at fair value as at 31 March 2023, the total returns at fair value and the net distributable cash flows of the Trust for the year ended 31 March 2023, in accordance with the requirements of the SEBI InvIT Regulations, Indian Accounting Standards as defined in Rule 2(1)(a) of Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, to the extent not inconsistent with SEBI InvIT Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the SEBI InvIT Regulations for safeguarding of the assets of the Trust 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 design, implementation and maintenance of adequate internal financial controls for ensuring the accuracy and completeness of 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 and error.

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

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

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE STANDALONE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance 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 an opinion on the effectiveness of the Trust's internal controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Investment Manager.

- Conclude on the appropriateness of the Board of Directors of Investment Manager'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 Trust's ability 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 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 Trust 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.

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings 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 31 March, 2023 and are therefore the key audit matters. We describe these matters in our 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.

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Based on our audit and as required by SEBI 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 purposes of our audit;

b) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss including Other Comprehensive Income/(Loss), the Standalone Statement of Cash Flows, Statement of Changes in Unitholder's Equity, the Statement of Net Assets at fair value, the Statement of Total Returns at fair value and the Statement of Net Distributable Cash Flows dealt with by this Report are in agreement with the books of account of the Trust;

c) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards as defined in Rule 2(1)(a) of Companies (Indian Accounting Standards) Rules, 2015, as amended, to the extent not inconsistent with SEBI InvIT regulations.

For A. R. & Co.
Chartered Accountants
FRN. 002744C

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

Gupta

CA Kailash Chand Gupta
Partner
Membership No: 085003
UDIN: 23085003BGWVFI3625

Place: New Delhi
Date: 22.05.2023

NATIONAL HIGHWAYS INFRA TRUST

STANDALONE BALANCE SHEET AS AT MARCH 31, 2023

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
Assets			
1) Non - Current Assets			
(a) Financial Assets			
(i) Investment in subsidiary	3	1,39,553.52	1,39,553.52
(ii) Loans	4	8,90,606.66	6,05,640.00
(iii) Other Financial Assets	5	9,670.84	3,170.81
Total non current assets		**10,39,831.02**	**7,48,364.33**
2) Current Assets			
(a) Financial Assets			
(i) Cash and Cash Equivalents	6	14,080.38	5,793.33
(iii) Other Financial Assets	7	46,982.88	10,656.50
(b) Other Current Assets	8	828.75	12.46
Total current assets		**61,892.01**	**16,462.30**
Total Assets		**11,01,723.03**	**7,64,826.63**
Equity and Liabilities			
Equity			
1) Unit Capital	9	7,41,604.32	5,99,442.82
2) Initial Settlement Amount		0.10	0.10
3) Other Equity	10	60,432.64	18,124.32
Total Equity		**8,02,037.06**	**6,17,567.24**
Liabilities			
1) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	11	2,92,158.33	1,45,556.94
(b) Deferred Tax liabilities	12	-	3.16
Total non current liabilities		**2,92,158.33**	**1,45,560.10**
2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	2,000.00	980.86
(ii) Trade Payables	14		
(a) Total Outstanding, dues of micro and small enterprises		3.88	-
(b) Total outstanding, dues of creditors other than micro and small enterprises		342.69	456.85
(iii) Other Financial Liabilities	15	5,129.59	-
(b) Other Current Liabilities	16	42.50	99.80
(c) Current Tax Liabilities (Net)	17	8.98	161.77
Total current liabilities		**7,527.64**	**1,699.28**
Total Equity and Liabilities		**11,01,723.03**	**7,64,826.63**

Significant Accounting Policies 1-2

The accompanying notes form an integral part of these financial statements 3-50

This is the Balance Sheet referred to in our report of even date.

For A.R. & Co.

Chartered Accountants

Firm Registration no. 002744C

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

CA Kailash Chand Gupta
Partner
M.No.085003
Date : 22-05-2023
Place : New Delhi

For and on behalf Board of the National Highways Infra Investment Managers Private Limited (Investment Manager of National Highways Infra Trust)

Suresh Krishan Goyal
Director
DIN: 02721580

Mahavir Parsad Sharma
Director
DIN: 03158413

National Highways Infra Trust New Delhi

Mathew George
Chief Financial Officer

Gunjan Singh
Compliance Officer

NATIONAL HIGHWAYS INFRA TRUST

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Income			
Revenue from Operations	18	94,698.30	22,843.13
Interest Income	19	352.28	5.86
Profit on sale of investments	20	422.20	669.21
Other income	21	316.59	318.67
Total Income		**95,789.37**	**23,836.87**
Expenses			
Investment Manager Fees		1,263.70	1,931.71
Trustee Fees		9.60	3.73
Valuation expenses		4.00	-
Annual listing fees		20.00	-
Rating fees		0.20	0.57
Audit Fees			
- Statutory audit fees		2.90	2.50
- Other audit services (including certification)	22	0.88	-
Custodian Fees		0.84	-
Finance Cost	23	16,590.17	3,154.43
Other Expenses	24	190.16	112.18
Total Expenses		**18,082.45**	**5,205.13**
Profit / (Loss) before Tax		**77,706.92**	**18,631.74**
Tax Expenses	25		
Current Tax		473.89	436.36
Current tax - earlier years		0.01	-
Deferred Tax expense/(credit)		(3.16)	3.16
Total Tax		**470.74**	439.52
Profit for the year		77,236.17	**18,192.23**
Other Comprehensive Income			
A (i) Items that will not be reclassified to Profit and Loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to Profit and Loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
		-	-
Total Comprehensive Income for the year		**77,236.17**	**18,192.23**
Earnings per Unit			
Basic	26	11.76	3.06
Diluted	26	11.76	3.06

Significant Accounting Policies 1-2

The accompanying notes form an integral part of these financial statements. 3-50

This is the Statement of Profit and Loss referred to in our report of even date.

For A.R. & Co.
Chartered Accountants
Firm Registration no. 002744C

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

CA Kailash Chand Gupta
Partner
M.No.085003

Date : 22-05-2023
Place : New Delhi

For and on behalf Board of the National Highways Infra Investment Managers Private Limited (Investment Manager of National Highways Infra Trust)

Suresh Krishan Goyal
Director
DIN: 02721580

Mahavir Parsad Sharma
Director
DIN: 03158413

National Highways Infra Trust New Delhi

Mathew George
Chief Financial Officer

Gunjan Singh
Compliance Officer

NATIONAL HIGHWAYS INFRA TRUST

STANDALONE STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31,2023

(All amounts are in ₹ lakh unless otherwise stated)

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A.	**Cash flows from operating activities**		
	Net Profit/(Loss) Before Tax	77,706.92	18,631.74
	Adjustments to Reconcile Profit Before Tax to Net Cash Flows:		
	Finance Cost (net)	16,590.17	3,154.43
	Interest Income on Bank FDR	(352.28)	(5.86)
	Interest Income on Long Term Loan given to SPV	(94,698.30)	(22,843.13)
	Interest received on Long Term Loan given	58,661.00	12,192.00
	Profit on redemption of Mutual Funds	(422.20)	(661.83)
	Operating cash flows before Working Capital Changes	**57,485.31**	**10,467.36**
	Movements in Working Capital		
	Decrease / (Increase) in Other Non Current Financial Assets	(15.42)	-
	Decrease / (Increase) in Other Current Financial Assets	(290.62)	0.59
	Decrease / (Increase) in Other Current Assets	(834.96)	(12.46)
	Increase / (Decrease) in Trade & Other Payables	393.13	(146.87)
	Increase / (Decrease) in Other Financial Liabilities	(0.00)	75.72
	Increase / (Decrease) in Other Current Liabilities	(57.30)	97.66
	Increase / (Decrease) in Current Tax Liabilities	-	(0.59)
	Cash used in operating activities	**56,680.14**	10,481.40
	Income Tax paid	(626.67)	(274.00)
	Net Cash Flows used in operating activities -A	**56,053.47**	**10,207.40**
B.	**Cash flows from investing activities**		
	Long Term Loans given	(2,84,966.66)	(6,05,640.00)
	Purchase of Non Current Investments	-	(1,29,401.52)
	Investment in FDR	(6,299.18)	(3,170.81)
	Profit on redemption of Mutual Funds	422.20	661.83
	Interest Received from Bank	168.40	-
	Net Cash Flows used in investing activities - B	**(2,90,675.25)**	**(7,37,550.50)**
C.	**Cash flows from financing activities**		
	Proceeds from Issue of unit capital	1,43,013.67	5,91,000.00
	Expense incurred towards initial public debt offering	(1,689.00)	-
	Expense incurred towards institutional unit allotment	(1,099.13)	(1,364.94)
	Proceeds from Long Term Borrowings (net of processing fees)	-	1,47,646.00
	Financing charges paid	(197.00)	-
	Proceeds from Long Term Borrowings -NCD	1,50,000.00	-
	Distribution paid to unit holders	(34,927.86)	-
	Repayment of Long Term Borrowings	(1,010.98)	(1,001.59)
	Finance Costs Paid	(11,180.86)	(3,143.04)
	Net Cash Flows from financing activities -C	**2,42,908.84**	**7,33,136.43**
	Net Increase/Decrease in Cash and Cash equivalents (A+B+C)	8,287.06	5,793.33
	Cash and Cash Equivalents at the Beginning of the Year	5,793.33	-
	Cash and Cash Equivalents at the end of the year	**14,080.38**	**5,793.33**

Refer Note No. 43 for reconciliation of financing activities.

Note:

(i) The above Statement of Cash Flows has been prepared under the indirect method as set out in "Ind AS 7 Statement of Cash Flows".

(ii) Amounts in bracket represent outflows.

This is the Cash Flow Statement referred to in our report of even date.

For A.R. & Co.
Chartered Accountants
Firm Registration no. 002744C

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

CA Kailash Chand Gupta
Partner
M.No.085003
Date : 22-05-2023
Place : New Delhi

For and on behalf Board of the National Highways Infra Investment Managers Private Limited (Investment Manager of National Highways Infra Trust)

Suresh Krishan Goyal
Director
DIN: 02721580

Mahavir Parsad Sharma
Director
DIN: 03158413

Mathew George
Chief Financial Officer

Gunjan Singh
Compliance Officer

National Highways Infra Trust New Delhi

NATIONAL HIGHWAYS INFRA TRUST

Notes to the Standalone Financial Statements for the Financial year ended March 31,2023

STANDALONE STATEMENT OF CHANGES IN UNIT HOLDERS EQUITY FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ lakh unless otherwise stated)

A. Initial Settlement Amount

Particulars	Amount
Balance as at April 1, 2021	0.10
Changes in unit capital	-
Balance as at March 31, 2022	0.10
Changes in unit capital	-
Balance as at March 31, 2023	0.10

B. Unit Capital*

Particulars	Number of unit	Amount
Balance as at April 1, 2021	-	-
Changes in unit capital	59,52,00,000	6,01,152.00
One time issue expenses		(1,709.18)
Balance as at March 31, 2022	**59,52,00,000**	**5,99,442.82**
Changes in unit capital	13,12,05,200	1,43,013.67
One time issue expenses		(852.17)
Balance as at March 31, 2023	**72,64,05,200**	**7,41,604.32**

C. Other Equity**

Particulars	Reserves and Surplus	Items of Other Comprehensive Income	Total
		Items that will not be reclassified to profit or loss	
	Retained Earnings	Remeasurement of Defined Benefit Obligation/ Plan	
Balance as at April 1, 2021	(67.90)	-	(67.90)
Profit/ (Loss) for the year	18,192.23	-	18,192.23
Balance as at March 31, 2022	18,124.33	-	18,124.33
Profit/ (Loss) for the year	77,236.17		77,236.17
Less:			
Distribution to unit holders^			
Interest	34,183.66		34,183.66
Other Income	744.20		744.20
Balance as at March 31, 2023	60,432.64		60,432.64

^The distribution relates to the distributions during the financial year along with the distribution related to the last quarter of FY 2021-22 and does not include the distribution relating to the period January 01, 2023 to March 31, 2023 which will be paid after March 31, 2023. The distributions by the Trust to its unit holders are based on the Net Distributable Cash Flows of the Trust under the SEBI InvIT Regulations.

* Refer Note No. 9

** Refer Note No. 10

For A.R. & Co.
Chartered Accountants
Firm Registration no. 002744C

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

CA Kailash Chand Gupta
Partner
M.No.085003
Date : 22-05-2023
Place : New Delhi

National Highways Infra Trust New Delhi

For and on behalf Board of the National Highways Infra Investment Managers Private Limited (Investment Manager of National Highways Infra Trust)

Suresh Krishan Goyal
Director
DIN: 02721580

Mahavir Parsad Sharma
Director
DIN: 03158413

Mathew George
Chief Financial Officer

Gunjan Singh
Compliance Officer

NATIONAL HIGHWAYS INFRA TRUST

STATEMENT OF NET DISTRIBUTABLE CASH FLOWS (NDCF) FOR THE YEAR ENDED MARCH 31, 2023

(All amounts are in ₹ lakh unless otherwise stated)

S.No.	Particulars	March 31, 2023	March 31, 2022
1	**Profit after tax as per Statement of profit and loss/income and expenditure (Standalone) (A)**	**77,236.17**	**18,192.23**
2	Add: Income recognised in previous year and received in this year	10,651.13	-
3	**Add:** Depreciation and amortization as per statement of profit and loss account. Incase of Impairment reversal, same needs to be deducted from profit and loss.	-	-
4	**Add/Less:** Loss/gain on sale of infrastructure assets	-	-
5	**Add:** Proceeds from sale of infrastructure assets adjusted for the following: 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)(a) of the InvIT regulations	-	-
6	**Add:** Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit/ (loss) recognised in profit and loss account	-	-
7	**Add/ Less:** Any other item of non- cash expense/ non cash income (net of actual cash flows for these items), if deemed necessary by the Investment Manager. For example, any decrease/ increase in carrying amount of an asset or a liability recognised in profit and loss /income and expenditure on measurement of the asset or the liability at fair value; Interest cost as per effective interest rate method, deferred tax lease rents recognised on a straight line basis, etc.	(42,570.16)	(8,233.88)
8	**Less:** Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements.	(1,010.98)	(5,204.50)
9	**Total Adjustment (B)**	(32,930.02)	(13,438.39)
10	**Net Distributable Cash Flows (C) = (A+B)**	**44,306.16**	**4,753.84**
11	**Less: NDCF already distributed to Unitholders in Q1,Q2 and Q3**	**30,225.78**	-
12	**Balance Net Distributable Cash Flows**	**14,080.38**	**4,753.84**
13	**Less: Amounts setaside for payment of financial liabilites and other liabilities**	**(2,431.84)**	-
14	**Balance Net Distributable Cash Flows for Q4**	**11,648.54**	**4,753.84**

National Highways Infra Trust
New Delhi

A.R. & CO.
FRN 002744 C
CHARTERED ACCOUNTANTS

NATIONAL HIGHWAYS INFRA TRUST

Notes to the Standalone Financial Statements for the Financial year ended March 31,2023

Disclosures pursuant to SEBI circulars (SEBI Master Circular No. CIRSEBI/HO/DDHS_Div3/P/CIR/2021/1673 dated 29 November 2021 issued under the InvIT regulations)

Standalone Statement of Net Assets at Fair Value

(All amounts are in ₹ lakh unless otherwise stated)

	As at March 31, 2023		As at March 31, 2022	
Particulars	**Book value**	**Fair value^**	**Book value**	**Fair value^**
A. Assets	11,01,723	11,57,787	7,64,827	7,64,827
B. Liabilities (at book value)	2,99,686	2,99,686	1,47,259	1,47,259
C. Net assets (A-B)	**8,02,037**	**8,58,101**	**6,17,567**	**6,17,567**
D. No of units	72,64,05,200	72,64,05,200	59,52,00,000	59,52,00,000
E. NAV (C/D)	**110.41**	**118.13**	**103.76**	**103.76**

^Fair values of total assets relating to the Trust as at March 31, 2023 as disclosed above are based on the independent valuer report.

Standalone Statement of Total Return at Fair Value:

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Total comprehensive income for the year (As per the Standalone Statement of Profit and Loss)	77,236.17	18,192.23
Add: Other changes in fair value for the year *	56,063.48	-
Total return	**1,33,299.66**	**18,192.23**

* In the above statement, other changes in fair value for the year ended 31st March, 2023 have been computed based on best estimates of the management.

The accompanying notes form an integral part of the Standalone Financial Statements.

This is the Standalone Statement of Net Assets at Fair Value and Standalone Statement of Total Return at Fair Value referred to in our report of even date.

National Highways Infra Trust
New Delhi

A.R. & CO.
FRN 002744 C
CHARTERED ACCOUNTANTS

NATIONAL HIGHWAYS INFRA TRUST

NOTES FORMING PART OF STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2023.

1. TRUST INFORMATION AND NATURE OF OPERATIONS

National Highways Infra Trust ("Trust" or "InvIT") is an irrevocable trust registered under the provisions of the Indian Trusts Act, 1882 on October 19, 2020. It is registered under the Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014 on October 28, 2020 having registration number IN/InvIT/20-21/0014.

The Trust was setup by National Highways Authority of India ("NHAI" or the "Sponsor"). The Trustee to the Trust is IDBI Trusteeship Services Limited (the "Trustee") and Investment Manager for the Trust is National Highways Infra Investment Managers Private Limited ("Investment Manager").

The Trust has been formed to invest in infrastructure assets primarily being in the road sector in India. The Trust's road projects are implemented and held through special purpose vehicles ("Project SPVs"/ "Subsidiaries"). The units of the Trust were listed in Bombay Stock Exchange and National Stock Exchange on November 10, 2021.

During the year ended March 31, 2022, the Trust acquired 100% equity control in National Highway Infra Projects Private Limited (the "Project SPV") from the Sponsor with effect from November 03, 2021. During the year ended 31.03.2021, the project SPV entered into five Concession Agreements for 30 years with the Sponsor (National Highways Authority of India – NHAI) on Toll, Operate and Transfer ('TOT') basis and in in year ended 31.03.23 further signed three new Concession Agreements for 20 years with National Highways Authority of India for Toll, Operate and Transfer ('TOT') basis.

The registered office of the Investment Manager is G-5 & 6, Sctor-10, Dwarka, Delhi - 110075.

The financial statements were authorised for issue in accordance with resolution passed by the board of directors of the Investment Manager on May 22, 2023.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The standalone financial statements of the Trust have been prepared in accordance with Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015, as amended, prescribed under Section 133 of the Companies Act, 2013 ("Ind AS") read with Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014, as amended and the circulars issued thereunder ("SEBI InvIT Regulations") and other accounting principles generally accepted in India.

Accordingly, the Trust has prepared these Standalone Financial Statements comprising of the Balance Sheet as on March 31, 2023, Statement of Profit and Loss (Including other comprehensive income), Statement of Cash Flows, Statement of Changes of Equity, Net Assets at Fair Value and Statement of Total Return at Fair Value for the year ended March 31, 2023 and Notes to Accounts, significant accounting policies (together hereinafter referred to as "Standalone Financial Statements").

These Financial Statements have been prepared on accrual basis and under the historical cost convention, except certain financial assets and liabilities which have been measured at Fair Value. Accounting policies have been consistently applied, except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy hitherto in use. Further, these standalone financial statements have been prepared on a going concern basis.

The financial statements are presented in Indian Rupees (INR) which is the Trust's functional and presentation currency and all amounts are rounded to the nearest Lakh ('00,000) and two decimals thereof, except as otherwise stated.

National Highways Infra Trust New Delhi

A.R. & CO FRN 002744 C CHARTERED ACCOUNTANTS

2.2 Use of Judgement and Estimates

The preparation of financial statements is in conformity with the generally accepted accounting principles in India, and requires the Investment Manager to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon Investment Manager's best knowledge of current events and actions, actual results could differ from these estimates.

Current versus non-current classification

The Trust presents Assets and Liabilities in the Balance Sheet based on the Current or Non–Current classification.
An asset has been classified as Current if,
(a) it is expected to be realized in, or is intended for sale or consumption in, the Trust's normal operating cycle; or
(b) it is held primarily for the purpose of being traded; or
(c) it is expected to be realized within twelve months after the reporting date; or
(d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.
All other assets have been classified as Non–Current.

A liability has been classified as Current when,
(a) it is expected to be settled in the Trust's normal operating cycle; or
(b) it is held primarily for the purpose of being traded; or
(c) it is due to be settled within twelve months after the reporting date; or
(d) the Trust does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.
All other liabilities have been classified as Non–Current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The Trust has identified twelve months as its operating cycle.

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

2.3 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Trust and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.
The specific recognition criteria described below must also be met before revenue is recognised:
Interest income - Interest is recognised on time proportion basis taking into account the amount outstanding and the rates applicable. For all Debt instruments measured either at Amortized Cost or Fair Value through Other Comprehensive Income, interest income is recorded using EIR method that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.
Dividends - Dividend income is recognised when the Trust's right to receive the payment is established, which is generally when shareholders approve the dividend.
Fair value gains on current investments carried at fair value are included in other income.
Claims with National Highways Authority of India ('NHAI') and other government authorities are accounted as and when the money is received from the respective authorities, in cases of monetary compensations.
Other items - Other items of income are recognised as and when the right to receive the income arises.

2.4 Financial Instruments

Financial assets and/or financial liabilities are recognised when the Trust becomes party to a contract embodying the related financial instruments. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. A financial asset and a financial liability are offset and presented on net basis in the balance sheet when there is a current legally enforceable right to set-off the recognised amounts and it is intended to either settle on net basis or to realise the asset and settle the liability simultaneously.

National Highways Infra Trust New Delhi

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Trust commits to purchase or sell the asset. Trade receivables and trade payables that do not contain a significant financing component are initially measured at their transaction price.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories;

- at amortised cost
- at fair value through profit or loss (FVTPL)
- at fair value through other comprehensive income (FVOCI)

Financial Assets at amortised cost

A financial asset is classified and subsequently measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Trust. All the Loans and other receivables under financial assets (except Investments) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. 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. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Investments in equity instruments of Subsidiaries are recognised at original cost in accordance with Ind AS 27. Impairment testing of Investment in subsidiary that are accounted for at cost as per Ind AS 27 are within scope of Ind AS 36 Impairment of Assets. Any impairment in value of investment in equity investments in Subsidiaries is recognised in the Statement of Profit and Loss.

Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)

A financial asset is classified and subsequently measured at FVTOCI if both of the following criteria are met:

a) The asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI).

Investment in Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Trust recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Statement of Profit and Loss.

Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Financial Assets at Fair Value through Profit and Loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss. Financial assets included within the FVTPL category are measured at fair value with all changes recognized in

National Highways Infra Trust New Delhi

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

the statement of profit and loss. The Trust measures its investments which are classified as equity instruments (other than investment in shares of Subsidiaries, Joint Ventures and Associates) at fair value through profit and loss account.

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Trust may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Trust has not designated any debt instrument as at FVTPL.

The Trust has investment in debt oriented mutual funds which are held for trading, and the same are classified as at FVTPL. The Trust makes such election on an instrument-by-instrument basis. The classification is made on initial recognition and is irrevocable. The gain/ loss on sale of investments is recognised in the Statement of Profit and Loss.

Reclassification of Financial Assets

The Trust determines classification of financial assets on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments 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. Changes to the business model are expected to be infrequent. The Investment Manager of the Trust determines change in the business model as a result of external or internal changes which are significant to the Trust's operations. Such changes are evident to external parties. A change in the business model occurs when the Trust either begins or ceases to perform an activity that is significant to its operations.

If the Trust reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Trust does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

Original Classification	Revised Classification	Accounting Treatment
Amortized Cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in statement of profit and loss.
FTVPL	Amortized Cost	Fair value at reclassification date becomes its new gross carrying amount.
Amortized Cost	FVOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in other comprehensive income. No Change in EIR due to reclassification.
FVOCI	Amortized Cost	Fair value at reclassification date becomes its new gross carrying amount. However cumulative gain or loss in other comprehensive income is adjusted against Fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FTVPL	FVOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVOCI	FTVPL	Assets continue to be measured fair value. Cumulative gain or loss previously recognized in other comprehensive income is reclassified to statement of profit and loss at the reclassification date.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of Trust's similar financial assets) is primarily derecognised (i.e. removed from the balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The trust 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 either (a) the trust has transferred substantially all the risks and rewards of the asset, or (b) the trust has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

National Highways Infra Trust New Delhi

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

When the Trust has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the trust continues to recognise the transferred asset to the extent of the trust's continuing involvement. In that case, the trust also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the trust has retained.
Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the trust could be required to repay.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.
All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.
The Trust's financial liabilities include trade and other payables, loans and borrowings etc.

Subsequent measurement

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/losses are not subsequently transferred to statement of profit and loss. However, the Trust may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit and loss. The Trust has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings

This is the category most relevant to the Trust. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit or Loss when the liabilities are derecognised as well as 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. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to borrowings and security deposits received.

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 or loss.

Offsetting financial instrument

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle financial asset and liability on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

National Highways Infra Trust New Delhi

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

2.5 Fair Value measurement

The Trust measures financial instruments at fair value at each financial statement date.
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 measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
i) In the principal market for the asset or liability, or
ii) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Trust.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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 Trust 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 financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted prices (unadjusted) in active markets for identical assets or liabilities
Level 2 — Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
Level 3 — Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognised in the financial statements on a recurring basis, the Trust 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.

The Trust determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

At each reporting date, the Trust analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Trust's accounting policies. For this analysis, the Trust verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Trust also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

On an annual basis, the Board of Directors of the Investment Manager presents the valuation results to the Audit Committee and the Trust's independent auditors. This includes a discussion of the major assumptions used in the valuations. For the purpose of fair value disclosures, the Trust 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. This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

National Highways Infra Trust
New Delhi

A.R. & CO.
FRN 002744 C
CHARTERED ACCOUNTANTS

2.6 Investment in subsidiaries

Investments (equity instruments) in subsidiaries are carried at cost less accumulated impairment losses, if any, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for as Non-current assets held for sale and discontinued operations. Where an indication of impairment exists, 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.

2.7 Cash and Cash Equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.
For the purpose of the 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 Trust's cash management.

2.8 Impairment of Assets

Impairment of Financial Assets

All financial assets except for those designated at FVTPL are subject to review for impairment at least each reporting date to identify whether there is any objective evidence that a financial asset or group of financial assets is impaired. In accordance with Ind AS 109, the trust applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets carried at amortized cost.

For recognition of impairment loss on other financial assets and risk exposure, the trust determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.
Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.
ECL is the difference between all contractual cash flows that are due to the trust in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/ expense in the Statement of Profit and Loss (P&L). This amount is reflected under the head 'other expenses' in the P&L.

Impairment of Non- Financial Assets

The Trust assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Trust estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or Trust's assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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 net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses of continuing

National Highways Infra Trust New Delhi

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

operations are recognized in the statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve up to the amount of any previous revaluation. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the trust estimates the asset's CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the assets recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been recognized for the asset in prior years. Such reversal is recognized in the statement of profit and Loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

2.9 Borrowing Costs

Borrowing Cost consist of interest and other ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset.

All other borrowing costs are charged to the Statement of Profit and Loss in the period they occur. In case of significant Long term loans, other costs incurred in connection with the borrowing of funds are amortized over the period of respective Loan. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.10 Foreign currency transactions

The Trust's financial statements are presented in INR, which is Trust's functional currency.
Foreign currency transactions are recorded at the exchange rate prevailing on the date of the respective transactions between the functional currency and the foreign currency.

Monetary foreign currency assets and liabilities remaining unsettled at the Financial Statement date are translated at the rates of exchange prevailing on that date.

Gains / losses arising on account of realisation / settlement of foreign currency transactions and on translation of foreign currency assets and liabilities are recognized in the Statement of Profit and Loss.

Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

Non - Monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and Non - Monetary items which are carried at fair value or other similar valuation denominated in a foreign currency, are reported using the exchange rates that existed when the values were determined.

The gain or loss arising on translation of Non-Monetary items measured at fair value is treated in line with the recognition of gain or loss on change in fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit and loss are also recognised in OCI or Profit and Loss respectively).

National Highways Infra Trust New Delhi

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

2.11 Taxes on income

Tax expense comprises of Current and Deferred tax.
Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.12 Provisions, Contingent Liabilities, Contingent Assets and Capital Commitments

Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Trust or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Contingent Liabilities are reviewed at each reporting date. The Trust does not recognize a contingent liability in the books of accounts, however discloses its existence in the financial statements in the notes to accounts.

Contingent Assets

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity.
Contingent assets are recognized when the realisation of income is virtually certain, in which case the related asset is not a contingent asset and its recognition is appropriate.
Contingent assets are reviewed at each reporting date. A contingent asset is disclosed where an inflow of economic benefits is probable.

National Highways Infra Trust New Delhi

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

Provisions

Provisions are recognised when the Trust has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Trust expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.
If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Commitments

Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:

- estimated amount of contracts remaining to be executed on capital account and not provided for;
- funding related commitment to subsidiary companies; and
- other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to services to be rendered / procurements made in the normal course of business are not disclosed to avoid excessive details.

2.13 Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities. Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

- changes during the period in operating receivables and payables, transactions of a non-cash nature;
- non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses;
- all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Statement of Cash Flows exclude items which are not available for general use as at the date of Balance Sheet.

2.14 Assets held for sale

Non-current assets or disposal trusts comprising of assets and liabilities are classified as 'held for sale' when all of the following criteria's are met: (i) decision has been made to sell, (ii) the assets are available for immediate sale in its present condition, (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.
Subsequently, such non-current assets and disposal trusts classified as held for sale are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

2.15 Unit Capital

Units are classified as equity. Incremental costs attributable to the issue of units are directly reduced from equity as per requirements of Ind AS 32.

2.16 Distribution to unit holders

The Trust 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 SEBI InvIT Regulations, a distribution is authorised when it is approved by the Board of Directors of the Investment Manager. A corresponding amount is recognised directly in other equity.

National Highways Infra Trust New Delhi

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

2.17 Earnings per Unit (EPU)

Basic EPU amounts are calculated by dividing the profit for the period attributable to unitholders by the weighted average number of units outstanding during the period.

Diluted EPU amounts are calculated by dividing the profit/(loss) attributable to unitholders by the weighted average number of units outstanding during the period plus the weighted average number of units that would be issued on conversion of all the dilutive potential units into unit capital.

2.18 Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and the impact of the amendment is insignificant in the Group's financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and there is no impact on its consolidated financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and there is no impact on its consolidated financial statement.

National Highways Infra Trust
New Delhi

A.R. & CO.
FRN 002744 C
CHARTERED ACCOUNTANTS

NATIONAL HIGHWAYS INFRA TRUST

Notes to Standalone Financial Statements for the year ended March 31,2023

3 Investments: Non Current

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Investment in Equity Instruments (unquoted)		
Subsidiary company		
Investment in Equity Shares of Project SPV (NHIPPL)	1,39,553.52	1,39,553.52
(1,29,41,00,000 nos of fully paid up equity shares of Face Value Rs. 10 each)		
Total	**1,39,553.52**	**1,39,553.52**

Note :

a) Details of shares pledged with lenders who have extended the loan facility to the Trust are as follows:

	No. of shares pledged	
Name of the Company :	**As at March 31, 2023**	**As at March 31, 2022**
National Highways Infra Projects Private Limited	1,29,41,00,000	1,29,41,00,000

4 Loans: Non Current

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured		
Loan to related party - Project SPV (NHIPPL)	8,90,606.66	6,05,640.00
(Maximum amount outstanding during the year: Rs. 8,90,606.66 lakh; PY: Rs. 6,05,640.00 lakh)		
	8,90,606.66	**6,05,640.00**
Total	**8,90,606.66**	**6,05,640.00**

* Based on the assessment of funds availability at SPV level it is estimated that principal repayments are not expected during the next financial year and therefore entire portion loans has been classified as non current financial asset.

Loans are non-derivative financial assets which are repayable by subsidiaries as per the repayment schedule mentioned in the facility agreement. Further, the subsidiaries are entitled to prepay all or any portion of the outstanding principal with a prior notice. The loans to subsidiaries carry interest @ 12.70% p.a.

Note: Details of Loans / Advances in the nature of loan granted to Promoters, Directors, Key Managerial Personnels (KMPs) and related parties

Type of Borrowers	As at March 31, 2023	As at March 31, 2022
(i) Promoters	-	-
(ii) Directors	-	-
(iii) KMPs	-	-
(iv) Related parties	8,90,606.66	6,05,640.00

Details of loans and advances in the nature of loans to subsidiaries/associates (including interest receivable):

In previous year Trust has granted long term loan amounting to INR 6,056.40 Crore at the rate of 12.70% p.a. to subsidiary company (NHIPPL) via Facility Agreement dated 29.09.2021 for financial assistance to be utilized for the purposes and terms and conditions as mentioned in the Concession Agreement between NHAI and NHIPPL. The loan was disbursed on 14.12.2021 and is repayable on quarterly basis over 102 quarterly instalments of Principal and Interest up to 31st March 2047 or earlier in accordance with premature repayment, only if (A) on the relevant principal repayment dates(s) sufficient amount are available with the borrower (Which are available and permitted to be utilised towards repayment of such principal amounts, without such utilising being in or resulting in breach of financial documents) to make such payments in full or part or (B) the senior lender has sent a letter to the borrower requesting it to make payments on the relevant repayment date. However no principal amount under InvIT senior facility will be due and payable by the borrower unless the borrower has the project cash flows as aforesaid to make such payment in full or part in accordance with the repayment schedule or the senior lender has sent a letter to the borrower requesting it to make the payment on the relevant repayment date.

National Highways Infra Trust New Delhi

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

In current year Trust has granted long term loan amounting to INR 2,849.66 Crore at the rate of 12.70% p.a. to subsidiary company (NHIPPL) via Facility Agreement dated 10.10.2022 for financial assistance to be utilized for the purposes and terms and conditions as mentioned in the Concession Agreement between NHAI and NHIPPL. The loan was disbursed on 28.10.2022 and is repayable annually over 7 annual instalments of Principal up to 31st March 2043 or earlier in accordance with premature repayment only if (A) on the relevant principal repayment dates(s).sufficient amount are available with the borrower (Which are available and permitted to be utilised towards repayment of such principal amounts, without such utilising being in or resulting in breach of financial documents) to make such payments in full or part or (B) the senior lender has sent a letter to the borrower requesting it to make payments on the relevant repayment date. However no principal amount under InvIT senior facility will be due and payable by the borrower unless the borrower has the project cash flows as aforesaid to make such payment in full or part in accordance with the repayment schedule or the senior lender has sent a letter to the borrower requesting it to make the payment on the relevant repayment date.

5 Other Financial Assets: Non Current

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Fixed Deposits with banks*	9,469.99	3,170.81
Deposit - Debenture recovery expense fund for NCD's	15.00	-
Interest receivable on Debenture recovery expense fund	0.42	-
Interest receivable on fixed deposits	185.43	-
Total	**9,670.84**	**3,170.81**

* The Fixed Deposits are kept in Debt Servicing Reserve Account (DSRA) as per borrowing agreements with lenders and as per terms of the debenture trust deed, to be utilized at the end of tenure of long term borrowings from Senior Lenders and to maintain DSRA balance for Debenture holders, hence classified as Other Financial Assets- Non Current irrespective of date of maturity.

6 Cash and Cash Equivalents

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Cash & Cash Equivalents		
Balances with Banks*		
In Current Accounts	0.01	416.08
In Escrow Account	338.04	35.09
Fixed Deposits		
(having original maturity of less than 3 months)	10,000.00	4,350.00
Mutual Funds	3,742.33	992.16
	14,080.38	**5,793.33**

* These balances with banks are hypothecated against secured borrowings.

7 Other Financial Assets: Current

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Interest receivable on long term loans	46,688.43	10,651.13
Interest receivable on Fixed Deposits	3.73	5.28
Others receivables*	290.72	0.10
Total	**46,982.88**	**10,656.50**

* These receivables to be recovered from new SPV (NHIT Eastern Projects Private Limited) for expenses incurred on its behalf.

8 Other Current Assets

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Prepaid Expenses	82.38	12.46
GST Input credit carryforward	642.12	-
Processing fees paid for undrawn loan	103.49	-
Advance to Vendors	0.76	-
Total	**828.75**	**12.46**

National Highways Infra Trust New Delhi

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

NATIONAL HIGHWAYS INFRA TRUST

Notes to Standalone Financial Statements for the year ended March 31,2023

9 Unit Capital

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No of Units	Amount	No of Units	Amount
Unit Capital*				
Opening balance	59,52,00,000	5,99,442.82	-	-
Add: Units issued during the year	13,12,05,200	1,43,013.67	59,52,00,000	6,01,152.00
Less: Issue expenses (refer note below)	-	(852.17)	-	(1,709.18)
Balance	**72,64,05,200**	**7,41,604.32**	**59,52,00,000**	**5,99,442.82**

* 13,12,05,200 unit issued at Rs 109 per unit and 59,52,00,000 unit issued at Rs 101 per unit

The Trust offered an issue of 13,12,05,200 units of National Highways Infra Trust ("NHIT") during the current financial year and such units, the "units"), for cash at a price of 109.00 per unit (the "issue price"), aggregating to Rs 1,43,013.67 lacs through Institutional and preferential placement in accordance with the Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014 including the rules, circulars and guidelines issued thereunder. The issue opened on September 30, 2022 and closed on October 03, 2022. The Board of Directors of National Highways Infra Investment Managers Private Limited considered and approved allotment of 13,12,05,200 units to the eligible unitholders of Trust on October 12, 2022.

Issue expenses of Rs 852.17 lakhs (previous year Rs 1,709.18 lakhs) incurred in connection with issue of units have been reduced from the Unitholders capital in accordance with Ind AS 32 Financial Instruments: Presentation

Rights/ preferences and restrictions attached to Unit Capital

Subject to the provisions of the InvIT Regulations, the indenture of funds, and applicable rules, regulations and guidelines, the rights of the unit holders include:

a) The beneficial interest of each unitholder shall be equal and limited to the proportion of the number of the units held by that unitholder to the total number of units.

b) Right to receive income or distributions with respect to the units held.

c) Right to attend the annual general meeting and other meetings of unit holders of the Trust.

d) Right to vote upon any matters/resolutions proposed in relation to the Trust.

e) Right to receive periodic information having a bearing on the operation or performance of the Trust in accordance with the InvIT Regulations

f) Right to apply to the Trust to take up certain issues at meetings for unit holders approval.

g) Right to receive additional information, if any, in accordance with InvIT documents filed with Placement Memorandum.

h) The non-sponsor unit holders ("Eligible Persons") of the Trust are entitled to representation on the Board of Directors of the Investment Manager through appointment of up to two (2) directors ("Non-Sponsor Directors"), provided that no Eligible Person shall have the right to nominate more than one Director at a time for appointment on the Board of Directors.

In accordance with the InvIT Regulations, no unit holders shall enjoy superior voting or any other rights over any other unit holders, and there shall not be multiple classes of units. There shall be only one denomination of units. Not withstanding the above, subordinate units may be issued only to the Sponsor and its Associates, where such subordinate units shall carry only inferior voting or any other rights compare to the other units.

Under the provisions of the InvIT Regulations, not less than ninety percent of the net distributable cash flows of the Trust is required to be distributed to the unitholders, and in accordance with such statutory obligation the Trust has formulated a distribution policy to declare and distribute the distributable cash flows to its unitholders atleast once every financial year as approved by the Board of Directors of the Investment Manager. The distributions made by Trust to its unitholders are based on the Net Distributable Cash Flows (NDCF) of the Trust under the InvIT Regulations and represent repayment of proportionate capital and share of profit. The distribution in proportion to the number of units held by the unitholders. The Trust declares and pays its distributions in indian rupees.

Limitation to the Liability of the unit holders

The liability of each unit holders towards the payment of any amount (that may arise in relation to the Trust including any taxes, duties, fines, levies, liabilities, costs or expenses) shall be limited only to the extent of the capital contribution of such unit holders and after such capital contribution shall have been paid in full by the unit holders, the unit holders shall not be obligated to make any further payments.

The unit holders shall not have any personal liability or obligation with respect to the Trust.

Details Of Unitholders Holding More Than 5% Units In The Trust

Name Of Unitholders	As at March 31, 2023		As at March 31, 2022	
	No of Units	%	No of Units	%
Ontario Limited	18,16,01,300	25.00%	14,88,00,000	25.00%
CPP Investment Board Private Holdings Inc.	18,16,01,300	25.00%	14,88,00,000	25.00%
SBI Balanced Advantage Trust	6,31,60,260	8.69%	5,68,06,000	9.54%
National Highways Authority of India (NHAI)	11,52,02,600	15.86%	9,56,00,000	16.06%

As per records of the Trust, including its register of unitholders and other declaration received from unitholders regarding beneficial interest, the above unitholding represent both legal and beneficial ownership of units.

The Trust has not allotted any fully paid-up units by way of bonus units nor has it bought back any class of units from the date of incorporation till the balance sheet date. Further the Trust has not issued any units for consideration other than cash during the year.

Reconciliation Of Number Of Units Outstanding Is Set Out Below:

Particulars	As at March 31, 2023		As at March 31, 2022	
	No of Units	Amount (amounts in ₹ lakh) *	No of Units	Amount (amounts in ₹
Number of Units at the beginning of the year	59,52,00,000	6,01,152.00	-	-
Units issued during the year	13,12,05,200	1,43,013.67	59,52,00,000	6,01,152.00
Number of Units at the end of the year	72,64,05,200	7,44,165.67	59,52,00,000	6,01,152.00

* Amount related to issue expenses are not deducted in the reconciliation of number of unit capital outstanding.

National Highways Infra Trust New Delhi

A.K. & Co. FRN 002744 C Chartered Accountants

NATIONAL HIGHWAYS INFRA TRUST

Notes to Standalone Financial Statements for the year ended March 31,2023

(All amounts are in ₹ lakh unless otherwise stated)

10. Other Equity

Particulars	**As at March 31, 2023**	**As at March 31, 2022**
Balance at the beginning of the year	18,124.32	(67.90)
Total comprehensive income for the year	77,236.17	18,192.23
Less:		
Distribution to unit holders^		-
Interest	34,183.66	-
Other Income	744.20	-
Balance as at 31st March, 2023	**60,432.64**	**18,124.32**

^The distribution relates to the distributions during the financial year along with the distribution related to the last quarter of FY 2021-22 and does not include the distribution relating to the period January 01, 2023 to March 31, 2023 which will be paid after March 31, 2023. The distributions by the Trust to its unit holders are based on the Net Distributable Cash Flows of the Trust under the SEBI InvIT Regulations.

National Highways Infra Trust New Delhi

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

NATIONAL HIGHWAYS INFRA TRUST

Notes to Standalone Financial Statements for the year ended March 31,2023

11 Borrowings: Non Current

(All amounts are in ₹ lakh unless otherwise stated)

Particulars		As At March 31, 2023	As At March 31, 2022
Secured			
Non-Convertible Debentures		1,50,000.00	-
Less: Unamortised Borrowing Cost*		1,411.80	-
Total		**1,48,588.20**	-
Note:- Other terms and conditions of NCD			
i) Interest rate	7.90% p.a payable semi annually.		
ii) Terms of repayment	Redemption of respective STRPP shall be made in equal instalments. i) STRPP A - starting from eighth anniversary of deemed date of allotment till thirteenth anniversary. ii) STRPP-B- starting from thirteenth anniversary of deemed date of allotment till eighteenth anniversary. iii) STRPP-C- starting from eighteenth anniversary of deemed date of allotment till twentyfifth anniversary.		
Term Loan			
From Banks		1,45,987.43	1,46,998.41
From other parties		-	-
		1,45,987.43	**1,46,998.41**
Less: Current Maturities of Long Term Borrowings (Refer Note 13)		2,000.00	980.86
Less: Unamortised Borrowing Cost*		417.30	460.61
Total		**1,43,570.13**	**1,45,556.94**
Grand Total		**2,92,158.33**	**1,45,556.94**
Note:- Other terms and conditions of Term Loans			
i) Interest rate	Marginal Cost of fund based lending rate (MCLR) plus spread applicable on each reset date i.e.		
ii) Terms of repayment	Repayable in unstructured quarterly instalments with last repayment date upto March 31, 2041.		

Security for Term Loans :

The loan is secured by,

- first pari passu charge on all immovable assets (if any), movable assets and receivables of the Trust including but not limited to,
(i) the interest and principal repayments on the loans advanced by the Trust to Project SPV
(ii) dividends to be paid by Project SPV to the Trust
- first pari passu Security Interest on Trust Escrow account and all sub-accounts thereunder, including DSRA.
- pledge of 100% equity shares of Project SPV (NHIPPL) in dematerialized form held by the Trust
- assignment of loans advanced by the Trust to Project SPV (NHIPPL) and securities created by the Trust including the assignment of rights of submission, termination and invocation of provision of Escrow agreement in case of default.
- negative lien on immovable assets (including current assets and cash flows) of the Project SPV (NHIPPL) subject to sale of obsolete items or cars/ ambulances, old toll equipment etc., under normal business practice, subject to maximum cumulative value of INR 5 Crore in any financial year.

The senior lenders of the Trust have also been provided with a corporate guarantee from Project SPV (NHIPPL) to guarantee upto the secured obligations of the Trust. The funds have been raised at Trust level from unitholders and domestic lenders, and the same have been lent to Project SPV (NHIPPL) for payment of concession fee by NHIPPL to NHAI. The cashflows viz., toll collections are lying in NHIPPL. Accordingly, corporate guarantee amounting upto the secured obligations of the Trust via Corporate Guarantee Deed dated 14.03.2022, valid across the tenure of the loan of the Trust i.e. up to 31.03.2041, has been provided by the Project SPV (NHIPPL) to the senior lenders of the Trust.

National Highways Infra Trust New Delhi

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

NATIONAL HIGHWAYS INFRA TRUST

Notes to Standalone Financial Statements for the year ended March 31,2023

Nature of Security for Non Convertible debentures:

The debenture holders are secured by :

a) a first ranking pari passu Security Interest over the company's immovable assets (if any), both present and future. The company does not own any immoveable property at the present time. In the event, the company acquires any immovable property in future, the company shall mortgage said property within 180 (one hundred eighty) days from the date of acquisition of such immovable assets. The Debenture Trustee shall be authorised to do all acts, deeds, and enter into necessary documents, agreement, amendments and/or modifications, as may be required to give effect the same, including carrying out the due diligence as may be required by Debenture Trustee;

b) a first ranking pari passu Security Interest over the Hypothecated Assets (including Receivables), both present and future: and

c) Negative Lien Undertaking;

d) corporate guarantee executed by the Project SPV (NHIPPL) in favour of the Debenture Trustee for guaranteeing the due repayment of the secured obligations in accordance with the terms of the Debenture Trust Deed.

The non convertible debenture holders of the Trust acting through debenture trustee have also been provided with a corporate guarantee from Project SPV (NHIPPL) to guarantee the repayment of amount raised from non convertible debenture holders by the Trust. The funds have been raised at Trust level from debentureholders, have been lent to Project SPV (NHIPPL) for payment of concession fee by NHIPPL to NHAI. Accordingly, corporate guarantee amounting upto the secured obligations via Corporate Guarantee Deed dated 21.10.2022 is valid till all outstanding principal and accrued interest payable by the Trust are satisfied to the non convertible debenture holders of the Trust.

There have been no breaches in financial covenants with respect to the borrowings from either senior lenders or debenture holders.

12 Deferred Tax Liabilities

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As At March 31, 2023	As At March 31, 2022
Deferred Tax Liabilities arising on		
Net Gain on fair valuation of	-	3.16
Deferred Tax Liabilities/(Assets)	**-**	**3.16**

Reconciliation of deferred tax Assets/ (Liabilities)

Particulars	As At March 31, 2023	As At March 31, 2022
Opening Balance - Deferred Tax Liabilities	3.16	-
Deferred tax (income)/ expense during the year recognised in statement of profit & loss	(3.16)	3.16
Deferred tax (income)/ expense during the year recognised in Other Comprehensive Income	-	-
Closing Balance - Deferred Tax Liabilities	**-**	**3.16**

13 Borrowings: Current

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As At March 31, 2023	As At March 31, 2022
Secured		
Current Maturities of Long Term borrowings (Refer Note 11)	2,000.00	980.86
Total	**2,000.00**	**980.86**

National Highways Infra Trust New Delhi

FRN 002744 C CHARTERED ACCOUNTANTS

NATIONAL HIGHWAYS INFRA TRUST

Notes to Standalone Financial Statements for the year ended March 31,2023

14 Trade Payables: Current

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As At March 31, 2023	As At March 31, 2022
Total outstanding dues of micro and small enterprises	3.88	-
Total outstanding dues of trade payables other than micro and small enterprises (Outstanding for less than 12 months from the due date of payment)	342.69	456.85
Total	**346.57**	**456.85**

Note:-

Details of dues to micro and small enterprises as per MSMED Act, 2006.

The Company has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows:

	As At March 31, 2023	As At March 31, 2022
a) The principal amount remaining unpaid to any supplier at the end of the year**	3.88	-
b) Interest accrued and due thereon to suppliers under MSMED Act on the above amount remaining unpaid to any supplier at the end of year.		
c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year		
d) 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 MSMED Act, 2006		
e) The amount of interest accrued and remaining unpaid at the end of each accounting year		
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006		

Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company.

Trade Payable aging schedule as on 31.03.2023

Particulars	Not due*	Outstanding for following period from due date of payment.				
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
i) MSME	-	3.88	-	-	-	3.88
ii) Others	90.34	252.35	-	-	-	342.69
iii) Disputed dues - MSME	-	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-	-

* Represent unbilled payables amounting to Rs 90.34 Lakh (Previous year: Rs.143.56 Lakh)

Trade Payable aging schedule as on 31.03.2022

Particulars	Not due*	Outstanding for following period from due date of payment.				
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
i) MSME	-	-	-	-	-	-
ii) Others	143.56	313.29	-	-	-	456.85
iii) Disputed dues - MSME	-	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-	-

* Represent unbilled payables amounting to Rs 143.56 Lakh (Previous year: Rs.Nil Lakh)

** The total outstanding of MSME vendors include Rs 1.51 lacs outstandings which are due for more than 45 days and payments have not been released against these due to queries raised to vendors in respect of those have not been resolved by these vendors.

National Highways Infra Trust New Delhi

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

NATIONAL HIGHWAYS INFRA TRUST

Notes to Standalone Financial Statements for the year ended March 31,2023

15 Other financial liabilities

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	**As At March 31, 2023**	**As At March 31, 2022**
Others		
Inerest accrued but not due on NCD (Refer note no 33)	5,129.59	-
Total	**5,129.59**	**-**

16 Other current liabilities

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	**As At March 31, 2023**	**As At March 31, 2022**
Statutory liabilities (GST and TDS payable)	42.50	99.80
Total	**42.50**	**99.80**

17 Current tax liabilities

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	**As At March 31, 2023**	**As At March 31, 2022**
Provision for Income Tax	8.98	161.77
Total	**8.98**	**161.77**

Reconciliation of Current Tax Liabilities

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	**As At March 31, 2023**	**As At March 31, 2022**
Opening Balance	161.77	-
Add: Income Tax Payable for the year	473.89	436.36
Less: Income taxes paid during the year	626.68	274.59
Closing Balance	**8.98**	**161.77**

National Highways Infra Trust New Delhi

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

NATIONAL HIGHWAYS INFRA TRUST

Notes to Standalone Financial Statements for the year ended March 31,2023

18 Revenue from operations

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Operating revenue		
Interest on Long Term Loan given	94,698.30	22,843.13
Total	**94,698.30**	**22,843.13**

19 Interest income

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
On fixed deposits with banks	352.28	5.86
Total	**352.28**	**5.86**

20 Profit on sale of investments

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit on redemption of Mutual Funds	422.20	661.83
Net Gain on fair valuation of investments designated at FVTPL	-	7.38
Total	**422.20**	**669.21**

21 Other Income

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Other non operating income		
Other Income	316.59	318.67
Total	**316.59**	**318.67**

22 Audit fees

Statutory audit expenses

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Statutory auditors' remuneration:		
Audit fees	1.70	2.50
Limited Review	1.20	-
Total	**2.90**	**2.50**
Other audit services (including certification)		
Certification Charges	0.88	-
Total	**0.88**	**-**

Further an amount of Rs 6 lakh paid to auditor as certification charges has been booked as part of one time expenses in the Unit Capital. (Refer note no 9)

23 Finance cost

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on Term Loan Borrowings	11,244.91	3,149.19
Interest on Debentures	5,129.59	-
Other Financial Charges	215.67	5.24
Total	**16,590.17**	**3,154.43**

National Highways Infra Trust New Delhi

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

NATIONAL HIGHWAYS INFRA TRUST

Notes to Standalone Financial Statements for the year ended March 31,2023

24 Other expenses

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Legal and Professional fees	170.06	111.37
Fee, Subscription & Taxes	0.24	0.05
Bank charges	0.08	0.01
Miscellaneous expenses	19.78	0.76
Total	**190.16**	**112.18**

25 Tax Expense

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current Tax	473.89	436.36
Provision for Taxation-Earlier years	0.01	-
	473.90	436.36
Deferred tax expense/(credit)	(3.16)	3.16
	470.74	**439.52**

Effective tax Reconciliation:

Numerical reconciliation of tax expense applicable to (profit)/ loss before tax at the latest statutory enacted tax rate in India to income tax expense reported is as follows:

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Accounting Profit before Income Taxes	77,706.92	18,631.74
Tax at India's statutory income tax rate - Maximum Marginal Rate (42.744%)	33,215.04	7,963.95
Impact of exemption u/s 10(23FC) of the Indian Income Tax Act, 1961 available to the Trust	(32,741.15)	(7,542.34)
Impact of deferred tax on reversible allowance/ disallowance of business expense and income, as per Indian Income Tax Act,	(3.16)	3.16
Provision for interest on delayed deposit of income tax	-	14.75
Income tax expense reported in the statement of profit and loss	470.74	**439.52**

26 Earnings per unit

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Basic and diluted EPU		
Net Profit/ loss available for unitholders (in ₹ lakh)	77,236.17	18,192.23
Weighted average number of units for EPU computation	65,66,68,738	59,52,00,000
EPU- Basic and diluted	**11.76**	**3.06**

27 Capital and Other Commitments

(to the extent not provided for & certified by the management)

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Commitments:		
Commitment for loan to Subsidiary Company (Project SPV-NHIPPL)	1,40,494.00	52,000.00
	1,40,494.00	**52,000.00**

National Highways Infra Trust New Delhi

A.R. & CO. FRN 002744 C CHARTERED ACC

29 Capital Management

For the purpose of the Trust's capital management, capital includes issued unit capital and all other reserves attributable to the unit holders of the Trust.

The primary objective of the Trust's capital management is to ensure that it maintains a strong credit rating and healthy capital ratios in order to support its business and maximise unit holder value.

The Trust manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Trust may adjust the dividend payment / income distribution to unit holders (subject to the provisions of SEBI InvIT Regulations which require distribution of at least 90% of the net distributable cash flows of the Trust to unit holders), return capital to unit holders or issue new units. The Trust monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Trust's policy is to keep the gearing ratio optimum.

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Net Debt Components:		
Long Term Borrowings (Non-Current portion) (secured)	2,92,158.33	1,45,556.94
Current Maturities of Long-Term Borrowings (secured)	2,000.00	980.86
Trade payables	346.57	456.85
Other financial liabilities	5,129.59	-
Less: Cash and Cash Equivalents	(14,080.38)	(5,793.33)
Less: Bank Balances other than cash and cash equivalents	(9,670.84)	(3,170.81)
Net Debt (i)	**2,75,883.27**	**1,38,030.51**
Capital Components:		
Unit Capital	7,41,604.32	5,99,442.82
Initial Settlement Amount	0.10	0.10
Other Equity	60,432.64	18,124.32
Total Capital (ii)	**8,02,037.06**	**6,17,567.24**
Capital and Net Debt [(iii) = (i) + (ii)]	**10,77,920.33**	**7,55,597.76**
Gearing Ratio (i)/(iii)	**25.59%**	**18.27%**

In order to achieve this overall objective, the Board of Directors of Investment Manager, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the lenders to call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.

National Highways Infra Trust New Delhi

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

30 Financial Risk Management

The Trust's risk management policies are established to identify and analyse the risks faced by the Trust, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Trust's activities.

The Board of Directors of Investment Manager has overall responsibility for the establishment and oversight of the Trust's risk management framework.

In performing its operating, investing and financing activities, the Trust is exposed to the Credit risk, Liquidity risk and Market risk.

Market Risk
Market risk is the risk that the fair value of future cash flows of a 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. Financial instruments affected by market risk include loans and borrowings, Receivable and Payables and Investments measured at FVTPL.
The sensitivity analyses in the following sections relate to the position as at March 31, 2023 and March 31, 2022.
The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt are all constant.
The following assumptions have been made in calculating the sensitivity analyses:
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 March 31, 2023 & March 31, 2022.

Foreign Currency Risk
Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Trust transacts business primarily in Indian Rupees only, and hence, the sensitivity of profit and loss of the Trust to a possible change in foreign exchange rates is non-existent as on 31st March, 2023 & 31st March, 2022.

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. Exposure to risk of changes in market interest rates generally relates primarily to long-term debt obligations with floating interest rates.

The Trust's exposure to interest rate risk due to variable interest rate borrowings is as follows:

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Floating Rate Borrowings	1,45,570.13	1,46,537.80
Total	**1,45,570.13**	**1,46,537.80**

Sensitivity analysis based on average outstanding Debt:

Interest rate risk analysis	Impact on profit / (loss) before tax	
	As at March 31, 2023	As at March 31, 2022
Increase or decrease in interest rate by 25 basis points	363.93	388.94

Note: Profit will increase in case of decrease in interest rate and vice versa

Price Risk
Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).
The Trust is not exposed to price risk due to investments of surplus funds in overnight mutual funds.

National Highways Infra Trust New Delhi

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

NATIONAL HIGHWAYS INFRA TRUST

Notes to the Standalone Financial Statements for the year ended March 31,2023

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets.

The Trust is exposed to liquidity risk due to bank borrowings and trade and other payables.

The Trust measures risk by forecasting cash flows.

The Trust's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking damage to the Trust's reputation. The Trust ensures that it has sufficient funds to meet expected operational expenses, servicing of financial obligations.

In addition, processes and policies related to such risk are overseen by senior management. Management monitors the Trust's net liquidity position through rolling forecast on the basis of expected cash flows.

(All amounts are in ₹ lakh unless otherwise stated)

As at March 31, 2023	Carrying Amount	<1 Yr.	1-3 Yrs.	>3 Yrs.
Term Loan	1,45,570.13	2,000.00	6,000.00	1,37,570.13
Non-Convertible Debentures	1,48,588.20	-	-	1,48,588.20
Trade Payables	346.57	346.57	-	-
Other Financial Liabilities	5,129.59	5,129.59	-	-
Total	**2,99,634.49**	**7,476.16**	**6,000.00**	**2,86,158.33**

As at March 31, 2022	Carrying Amount	<1 Yr.	1-3 Yrs.	>3 Yrs.
Borrowings	1,46,537.80	1,000.00	8,000.00	1,37,537.80
Trade Payables	456.85	456.85	-	-
Other Financial Liabilities	-	-	-	-
Total	**1,46,994.65**	**1,456.85**	**8,000.00**	**1,37,537.80**

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. To manage this, the Trust periodically assess the reliability of the receivables, taking into account the financials conditions, current economic trends, analysis of historical bad debts and aging of receivables. With respect to credit risk arising from other financial assets of the Trust, which comprise Balances with banks, Trade Receivables, Loans and Advances and Investments, the Trust's exposure to credit risk arises from default of the counterparty, with maximum exposure equal to the carrying amount of these instruments.

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was Rs. 11,00,894.28 Lakh and Rs. 7,64,814.16 Lakh as at March 31, 2023 and March 31, 2022 respectively, being the total carrying value of Loans to Subsidiary, Trade receivables, Investments, Balances with bank, bank deposits and other financial assets.

31 Disclosure pursuant to IND AS 36 "Impairment of Assets"

Based on impairment testing done which involves review of the future discounted cash flows of the subsidiary, the recoverable amount is higher than the carrying amount of the investment made in the subsidiary and accordingly, no provision for impairment is required to be recognised in the books as on the reporting date.

32 Financial Information of Investment Manager

The summary financials of Investment Manager are not disclosed alongwith these financials as its networth is not materially eroded.

33 Withholding Tax liability for interest accrued but not due on non convertible debentures

The Trust has issued publicly listed non convertible debentures ("NCDs") with interest payable on semi-annual basis. Interest on these NCDs was due for payment on 25 April 2023 and for the purpose of payment of interest, record date was 10 April 2023 and debenture-holders existing as on 10 April 2023 are entitled to the coupon interest. Trust has recorded liability of interest accrued till 31st March 2023 and there is no credit in favour of any payee at the time of creating such provision as entitled payee will be identifiable as on record date i.e., on 10 April 2023.

As on the year end March 2023, there is uncertainty with respect to the ultimate recipient of interest income, and such uncertainty would only become clear on the record date i.e., 10 April 2023 when the obligation of payment of interest by NHIT arises and therefore Trust has not withheld any taxes at the time of creating these provisions.

National Highways Infra Trust New Delhi

A.R. & CO FRN 002744 C CHARTERED ACCOUNTANTS

NATIONAL HIGHWAYS INFRA TRUST

Notes to the Standalone Financial Statements for the year ended March 31,2023

Additional disclosure as required by paragraph 6 of Annexure A to the SEBI Circular No. CIR/IMD/DF/127/2016

(All amounts are in ₹ lakh unless otherwise stated)

34 Statement of Related Parties

A. List of Related Parties as per requirement of IND AS 24 – "Related Party Disclosures"

Enterprises where Control / significant influence exists	**National Highways Infra Projects Private Limited (Subsidiary Company)**

B. List of additional related parties as per Regulation 2(1)(zv) of the SEBI InvIT Regulations

Parties to the Trust

National Highways Infra Investment Managers Private Limited (NHIIMPL) - Investment Manager (IM) of the Trust
IDBI Trusteeship Services Limited (ITSL) - Trustee of the Trust
National Highways Authority of India (NHAI)- Sponsor
National Highways InvIT Project Managers Private Limited (NHIPMPL)- Project Manager

Promoters of the Parties to the Trust specified above

Government of India ((acting through Ministry of Road, Transport & Highways (MORTH)) - Promoter of NHIIMPL
IDBI Bank Limited (IDBI Bank) - Promoter of ITSL
Government of India ((acting through Ministry of Road, Transport & Highways (MORTH)) - Promoter of NHAI
National Highways Authority of India (NHAI)- Promoter of NHIPMPL

Directors of the parties to the Trust specified above

Directors of NHIIMPL

Mr. Suresh Krishan Goyal
Mr. Shailendra Narain Roy
Mr. Balasubramanyam Sriram (Ceased to be Director w.e.f. 31.03.2023)
Mr. Mahavir Prasad Sharma
Mr. Pradeep Singh Kharola
Mr. Amit Kumar Ghosh
Mrs. Kavita Saha (Ceased to be Director w.e.f. 29.11.2022, however reappointed on 06.01.2023)
Mr. Bruce Ross Crane (Ceased to be Director w.e.f. 29.11.2022, however reappointed on 06.01.2023)
Mr. N.R.V.V.M.K. Rajendra Kumar
Mr. Vivek Rae (Ceased to be Director w.e.f 12.07.2022)
Mr. Sumit Bose (Appointed w.e.f. 11.01.2023)

Directors of ITSL

Mr. J. Samuel Joseph
Mr. Pradeep Kumar Jain
Ms. Jayashree Ranade
Ms. Madhuri Jayant Kulkarni (Ceased to be Director w.e.f. 06.12.2022)
Ms. Padma Vinod Betai (Ceased to be Director w.e.f. 31.12.2022)
Mr. Pradeep Kumar Malhotra (Appointed w.e.f. 14.12.22)
Ms. Baljinder Kaur Mandal (Appointed w.e.f. 17.01.2023)

Directors of NHIPMPL

Mr. Ashish Asati (Ceased to be Director w.e.f. 28.10.2022)
Mr. Akhil Khare (Appointed w.e.f. 28.10.2022)
Mr. Muralidhara Rao Bugatha (Ceased to be Director w.e.f 17.01.2023)
Mr. Ashish Kumar Singh (Appointed w.e.f. 17.01.2023)

National Highways Infra Trust New Delhi

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

NATIONAL HIGHWAYS INFRA TRUST

Additional disclosure as required by paragraph 6 of Annexure A to the SEBI Circular No. CIR/IMD/DF/127/2016

C. Transactions with Related Parties during the year

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
National Highways Infra Projects Private Limited (NHIPPL)		
Transaction during the year		
Purchase of equity shares of NHIPPL	-	1,29,410.00
Long Term Loan to given to NHIPPL	2,84,966.66	6,05,640.00
Interest Income on Long Term Loan given to NHIPPL	94,698.30	22,843.13
Reimbursement of Expense paid by NHIT on behalf of NHIPPL	432.66	274.98
National Highways Infra Investment Managers Private Limited (NHIIMPL)		
Transaction during the year		
Investment Manager Fees	1,491.17	1,931.71
Advance Investment Manager Fees	86.06	-
Reimbursement of Expenses to NHIIMPL	39.79	214.80
National Highways Authority of India (NHAI)		
Transaction during the year		
Reimbursement of Pre-Issue expenses of NHIT by NHAI	-	578.02
Purchase of equity shares of Project SPV (NHIPPL) by the Trust from NHAI	-	10,153.52
Issue of units of Trust to NHAI	21,366.83	96,556.00
Interest and other income distribution	5,589.34	-
IDBI Trusteeship Services Limited (ITSL)		
Transaction during the year		
Payment of Trustee Fee	12.73	12.15
Other fees related to Round 1&2 Assets	3.54	-

D. Closing Balance with Related Parties

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As at 31st March 2023	As at 31st March 2022
National Highways Infra Projects Private Limited (NHIPPL)		
Balance outstanding at the end of the year		
Investment in equity shares of NHIPPL	1,29,410.00	1,29,410.00
Long Term Loan to NHIPPL	8,90,606.66	6,05,640.00
Interest receivable on Long Term Loan given to NHIPPL	46,688.43	10,651.13
		-
National Highways Authority of India (NHAI)		
Balance outstanding at the end of the year		
Issue of units of Trust to NHAI	1,17,922.83	96,556.00
National Highways Infra Investment Managers Private Limited (NHIIMPL)		
Balance outstanding at the end of the year		
IM Fees Payable	1.89	-
IDBI Trusteeship Services Limited		
Balance outstanding at the end of the year		
Initial Settlement Amount	-	0.10
Trustee Fee Payable	1.73	2.77

National Highways Infra Trust New Delhi

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

NATIONAL HIGHWAYS INFRA TRUST

35 Financial Instruments

(All amounts are in ₹ lakh unless otherwise stated)

Disclosure of Financial Instruments by Category

Particulars	As at March 31, 2023			As at March 31, 2022		
	Amortized Cost	FTVPL		Amortized Cost	FTVPL	
		At Cost	At Fair Value		At Cost	At Fair Value
Assets:						
Cash and Cash Equivalents	14,080.38	-	-	5,793.33	-	-
Investment in Project SPV	1,39,553.52			1,39,553.52		
Other Financial Assets	56,653.72	-	-	13,827.31	-	-
Loans Advanced	8,90,606.66	-	-	6,05,640.00	-	-
Total	**11,00,894.28**	-		**7,64,814.16**	-	-
Liabilities:						
Borrowings including current maturity	2,94,158.33	-	-	1,46,537.80	-	-
Trade Payables	346.57	-	-	456.85	-	-
Other Financial Liabilities	5,129.59	-	-	-	-	-
Total	**2,99,634.49**	-	-	**1,46,994.65**	-	-

Defaults and Breaches

There are no defaults during the year with respect to repayment of principal and payment of interest and no breaches of the terms and conditions of the borrowings.

There are no breaches during the year which permitted lender to demand accelerated payment.

36 Fair Values of Assets and Liabilities

The carrying amount of all financial assets and liabilities appearing in the financial statements is reasonable approximation of fair values. Fair value of the financial assets and liabilities is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

37 Fair Value Hierarchy

The Trust uses the following hierarchy for fair value measurement of the Trust's financial assets and liabilities.

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Class wise composition and comparison of carrying amounts and fair values of financial assets and liabilities that are recognised in the financial statements along with Fair Value Hierarchy details are given below:

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	Fair Value Hierarchy Level	Carrying Value		Fair Value	
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Financial Assets at Amortized Cost:					
Cash and Cash Equivalents	Level 3	14,080.38	5,793.33	14,080.38	4,801.17
Investment in Project SPV	Level 3	1,39,553.52	1,39,553.52	1,39,553.52	1,39,553.52
Other Financial Assets	Level 3	56,653.72	13,827.31	56,653.72	13,827.31
Loans Advanced	Level 3	8,90,606.66	6,05,640.00	8,90,606.66	6,05,640.00
Financial Assets at FVTPL:					
Total		**11,00,894.28**	**7,64,814.16**	**11,00,894.28**	**7,63,822.00**
Financial Liabilities at Amortized Cost:					
Borrowings	Level 3	2,94,158.33	1,46,537.80	2,94,158.33	1,46,537.80
Trade Payables	Level 3	346.57	456.85	346.57	456.85
Other Financial Liabilities	Level 3	5,129.59	-	5,129.59	-
Total		**2,99,634.48**	**1,46,994.65**	**2,99,634.48**	**1,46,994.65**

There is one transfer during the year from Level 1 to Level 3 for Investment in Mutual Funds as these have been been grouped into cash and cash equivalents

The policy of the Trust is to recognise transfers into and transfer out of fair values hierarchy levels as at the end of the reporting period.

Valuation technique and inputs used to determine fair value

Financial assets and liabilities	Valuation method	Inputs
Financial assets:		
Investments in equity shares of subsidiaries	Income	Cash Flow
Loans	Income	Effective Rate of Interest
Financial liabilities:		
Term loans from Bank	Income	Effective Rate of Borrowings
Non-Convertible Debentures	Income	Effective Rate of Borrowings

National Highways Infra Trust New Delhi

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

NATIONAL HIGHWAYS INFRA TRUST

Notes to Standalone Financial Statements for the year ended March 31,2023

(All amounts are in ₹ lakh unless otherwise stated)

38 Disclosure of segment information pursuant to IND AS 108 "Operating Segments"

The activities of the Trust mainly include investing in infrastructure assets primarily in the SPVs operating in the road sector to generate cash flows for distribution to unit holders. Based on the guiding principles given in Ind AS - 108 "Operating Segments", this activity falls within a single operating segment. Further, the entire operations of the Trust are only in India and hence, disclosure of secondary / geographical segment information does not arise. Accordingly, requirement of providing disclosures under Ind AS 108 does not arise.

39 Disclosure pursuant to IND 23 "Borrowing Costs"

Borrowing cost capitalised during the year Rs. Nil [March 31, 2022: Rs. Nil]

40 Significant accounting judgements, estimates and assumptions

The preparation of the Trust's financial statements requires management 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.

Judgements

In the process of applying the Trust's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements

Classification of unit holders Funds

Under the provisions of the SEBI InvIT Regulations, the Trust is required to distribute to its Unit holders not less than ninety percent of the net distributable cash flows of the Trust for each financial year. Accordingly, a portion of the unit holders' funds contain a contractual obligation of the Trust to pay to its Unit holders cash distributions.

The Unit holder's funds could therefore have been classified as compound financial instrument which contain both equity and debt components in accordance with Ind AS 32 'Financial Instruments: Presentation'. However, in accordance with SEBI Circulars (Circular no. CIR/IMD/DF/114/2016 dated October 20, 2016 and No. CIR/IMD/ DF/127/2016 dated November 29, 2016) issued under the SEBI InvIT Regulations, the unit holders' funds have been classified as equity in order to comply with the mandatory requirements of Section H of Annexure A to the SEBI Circular dated October 20, 2016 dealing with the minimum disclosures for key financial statements. In line with the above, the income distribution payable to unit holders is recognized as liability when the same is approved by Board of Directors of the Investment Manager.

Fair valuation and disclosures

SEBI Circulars issued under the SEBI InvIT Regulations requires 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 Trust engages independent qualified external Registered Valuers to perform the valuation. The Investment Manager works closely with the valuers to give all the required inputs to the model. The valuation report and findings are discussed at the meeting of the Board of Directors on yearly basis to understand the changes in the fair value of the subsidiaries. The inputs to the valuation models are taken from Independently conducted Technical and Traffic studies and 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 weighted average cost of capital, tax rates, inflation rates, etc. Changes in assumptions about these factors could affect the fair value.

Taxes

In accordance with section 10 (23FC) of the Income Tax Act, 1961, the income of business trusts in the form of interest received or receivable from subsidiaries is exempt from tax. Accordingly, the Trust is not required to provide any current tax liability.Further, deferred tax asset on carry forward losses is not created since there is no reasonable certainty of reversal of the same in the near future.

Impairment of investments

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 recoverable amounts for the investments in subsidiaries are based on value in use of the underlying projects. The value in use calculation is based on a DCF model. The cash flows are derived from budgets / forecasts over the life of the projects.

Expected Credit Loss on financial assets and loans in subsidiaries

As per Ind AS 109, Financial Assets that are measured at amortised cost are required to compute the Expected Credit Loss (ECL). As at the reporting period, Investment manager of the Trust assessed the credit risk of the financial assets and concluded that no provision for ECL is required.

National Highways Infra Trust New Delhi

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

NATIONAL HIGHWAYS INFRA TRUST

Notes to Standalone Financial Statements for the year ended March 31,2023

(All amounts are in ₹ lakh unless otherwise stated)

41 Subsequent Events

The Board of Directors of the Investment Manager has declared distribution for Quarter 4 FY 22-23 of Rs. 1.6035 per unit was made which comprised of Rs. 1.5778 per unit as interest and Rs 0.0257 per unit as other income on surplus funds at Trust level in their meeting held on 22nd May 2023 to be paid on or before 15 days from the date of declaration.

42 Contingent liabilities

There are no contingent liabilities as at March 31, 2023 (March 31, 2022: Rs. Nil)

43 Distribution made

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	FY 2022-23	FY 2021-22
Interest	29,985.38	4,198.27
Return of capital	-	-
Dividend	-	-
Other income of the Trust	240.39	503.81
Total	**30,225.77**	**4,702.08**

44 Reconciliation of Financing Activities in Cash Flow Statement

Net Debt Recognition (All amounts are in ₹ lakh unless otherwise stated)

Particulars	As on March 31, 2023 (Long Term Borrowing)	As on March 31, 2022 (Long Term Borrowing)
Carrying amount of debt at the beginning of the year/period	1,46,537.80	-
Additional borrowings during the year/period	1,50,000.00	1,48,000.00
Repayments during the year/period	(1,010.98)	(1,001.59)
Other adjustments/settlements during the year/period	-	-
- Impact in equity	-	-
- Transaction Costs	(1,432.55)	(472.00)
- Unwinding of interest	64.06	11.39
Carrying amount of debt at the end of the year/period	**2,94,158.33**	**1,46,537.80**

45 Additional Regulatory Information

Financial Ratios

S.No.	Particulars	As on March 31, 2023	As on March 31, 2022
1	Current Asset ratio (Current Assets /Current	8.22	25.73
2	Debt- Equity ratio (Debt/ Equity)	0.37	0.24
3	Debt service coverage ratio (Operating Cash flow/ External Debt Obligation)	4.60	2.58
4	Interest service coverage ratio (EBIT/ Finance cost)	5.68	6.91
5	Asset Cover ratio (value of assets having pari-passu charges/outstanding value of corresponding debt +interest accrued)	3.21	-
6	Networth	8,02,037.06	6,17,567.24
7	Net profit after tax	77,236.17	18,192.23
8	Outstanding redeemable preference shares (quantity and value) :	-	-
9	Capital redemption reserve/debenture redemption reserve :	-	-
10	Long term debt to working capital	5.37	9.86
11	Earning per unit	11.76	3.06
12	Bad debt to account receivable ratio	-	-
13	Current liability ratio	0.03	0.01
14	Total debt to total assets	0.27	0.19
15	ROE ratio(Net Profit/ Equity)	9.63%	2.95%
16	Inventory turnover ratio	NA	NA
17	Trade receivable turnover ratio	NA	NA
18	Trade payable turnover ratio	NA	NA
19	Net Capital turnover ratio (Total Income / Net	1.76	0.57
20	Net profit ratio (Net profit / Total Income)	80.63%	76.32%
21	Return on capital employed ratio ((Net Profit plus Finance Cost)/ (Equity + Debt))	8.56%	2.85%
22	Return on investment (Income on Investment / Average Cost of Investment)	6.07%	15.69%

National Highways Infra Trust New Delhi

A.R. & Co. FRN 002744 C Chartered Accountants

NATIONAL HIGHWAYS INFRA TRUST

Notes to Standalone Financial Statements for the year ended March 31,2023

46 Disclosure pursuant to IND AS 33 "Earnings per Unit"

Basic and Diluted Earnings per Unit (EPU) computed in accordance with Ind AS 33 "Earnings per Unit":

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Basic and Diluted		
Profit attributable to unit holders of the Trust (In Lakh) (A)	77,236.17	18,192.23
Weighted average number of units (In numbers) (B)	65,66,68,738	59,52,00,000
Earnings Per Unit (In Rs.) (A/B)	**11.76**	**3.06**

47 Investment Management Fees

i) The investment manager's fee as initially agreed to be Rs. 1,100 Lakh (Rupees Eleven Hundred Lakh) per annum, exclusive of applicable taxes as per agreement dated 21st October, 2020 for FY 2020-21.

ii) The investment manager's fee set out in above shall be subject to escalation on an annual basis at the rate of 10% of the management fee for the previous year.

iii) Any applicable taxes, cess or charges shall be in addition to the investment manager's fee and shall be payable by National Highways Infra Trust (NHIT) to the Investment Manager (NHIIMPL).

iv) The payment of investment manager's fee shall be made by National Highways Infra Trust (NHIT) to the investment manager (NHIIMPL) in advance on a quarterly basis.

48 Key sources of estimation

The preparation of financial statements in conformity with Ind AS requires the Trust makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates include allowance for doubtful loans /other receivables, fair value measurement etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

49 Other Statutory Information

i) The Trust have not traded or Invested in Crypto currency or Virtual Currency during the financial year.

ii) The Trust does not hold benami property and no proceedings under Benami transaction (Prohibition Act 1988 have been initiated against the trust.

iii) The Trust do not have any transactions with companies struck off.

iv) The Trust have not any such 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 surveyor any other relevant provisions of the Income Tax Act, 1961.

v) The Trust have not received any fund from any person(s) or entity{ies), including foreign entities (Funding Party) with shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

vi) The Trust have not advance or loaned or invested (either from borrowed fund or share premium or any other source or including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Trust shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries

vii) The Trust did not have any long term contracts including derivative contract for which there were any material

viii) The Trust has not declared a wilful defaulter by any bank/ financial institution or any other lender during the year.

50 Previous Year Figures

Previous year's numbers have been regrouped / reclassified, wherever necessary to conform to current year's classification.

For A.R. & Co.
Chartered Accountants
Firm Registration no. 002744C

A.R. & CO.
FRN 002744 C
CHARTERED ACCOUNTANTS

CA Kailash Chand Gupta
Partner
M.No.085003
Date : 22-05-2023
Place : New Delhi

For and on behalf Board of the National Highways Infra Investment Managers Private Limited (Investment Manager of National Highways Infra Trust)

Suresh Krishan Goyal
Director
DIN: 02721580

Mahavir Parsad Sharma
Director
DIN: 03158413

Mathew George
Chief Financial Officer

Gunjan Singh
Compliance Officer

A.R. & CO.
Chartered Accountants

Delhi Office:
A-403, Gayatri Apartment
Airlines Group Housing
SocietyPlot No 27, Sector 10,
Dwarka, New Delhi -110075
Cell No.9810195084, 9810444051
E-mail: ar_co1981@yahoo.co.in
pawankgoel1@gmail.com

Corporate and Correspondence Office: C-1, II Floor, RDC, Raj Nagar
Ghaziabad- 201001 Delhi-NCR National
Capital region Of Delhi

INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of National Highways Infra Trust

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying consolidated financial statements of National Highways Infra Trust (hereinafter referred to as "the InvIT" or "the Trust") and its one subsidiary (hereinafter referred to as "National Highways Infra Projects Private Limited" or "NHIPPL") (the Trust and its subsidiary together referred to as "the Group"), which comprising of the consolidated Balance Sheet as at 31 March 2023, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Unitholder's Equity and the consolidated Statement of Cash Flows for the year then ended, the consolidated Statement of Net Assets at fair value as at 31 March 2023, the consolidated Statement of Total Returns at fair value, the Statement of Net Distributable Cash Flows of the Trust and its subsidiary for the year then ended and notes to the consolidated financial statements including a summary of significant accounting policies and other explanatory information (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 our report on financial statements of subsidiary and on the other financial information of the subsidiary, 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 any guidelines and circulars issued thereunder (together referred to as the "SEBI InvIT Regulations") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, to the extent not inconsistent with SEBI InvIT Regulations, of the consolidated state of affairs of the Group as at 31 March 2023, its consolidated profit including other comprehensive income, its consolidated cash flows, its consolidated statement of changes in Unitholders' equity for the year ended 31 March 2023, its consolidated net assets at fair value as at 31 March 2023, its consolidated total returns at fair value of the Group and

A.R. & CO.
FRN 002744 C
CHARTERED ACCOUNTANTS

the net distributable cash flows of the Trust and its subsidiary for the year ended 31 March 2023.

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 SEBI 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 opinion on the consolidated financial statements.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended 31 March 2023. 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	**Assessment of Impairment of Intangible Assets in form of Toll Collection Rights** The Group operates toll assets which is constructed on Toll, Operate and Transfer (TOT) basis. The carrying value of the toll collection rights as at March 31, 2023 is Rs. 10,01,398.18 Lakhs. In accordance with its accounting policy and requirements under Ind AS 36 "Impairment of Assets", the Management has performed an impairment assessment by comparing the carrying value of the toll collection rights to their recoverable amount. For impairment testing, value in use has been determined by forecasting and discounting future cash flows. Further, the value in use is highly sensitive to changes in critical variable used for forecasting the	Our Audit Procedures included the following :- • Verified the appropriateness of the Group's accounting policy on impairment of Intangible Assets and Valuation Methodology applied in determining the recoverable amount. • Checked the Impairment Sheet provided by the Management. • Obtained the Management Representation on the assumptions around the key drivers of the revenue

	future cash flows including traffic projections and discounting rates. The determination of the recoverable amount of the toll collection right involves significant estimates and judgments and accordingly, the evaluation of impairment of toll collection rights has been determined as a key audit matter. (Refer Note No. 2.7 for accounting policy relating to Intangible Assets and Note No. 42 and 49 of Consolidated Financial Statements for the year ended 31.03.2023)	projections, future cash flow, discount rates / weighted average cost of capital that were used by them. • Tested the arithmetical accuracy of the Impairment sheet.
2.	**Assessment of Impairment of Goodwill on Consolidation** Goodwill on consolidation is tested for impairment as per Ind AS 36 on an annual basis by the Group using enterprise value of respective subsidiary company to which the goodwill relates to. Enterprise value calculation involves use of future cashflow projections, discounted to present value, terminal value and other variables. These use of management projections and estimates results in inherent risk of error with respect to the valuation of Goodwill and accuracy of impairment loss, if any. Goodwill amounting to Rs. 10,144.46 Lakhs as on March 31, 2023 (March 31, 2022: 10,144.46 Lakhs) arising out of business combination as per Ind AS 103 has been tested for impairment by the management. (Refer Note No. 2.3 for accounting policy relating to Goodwill on Consolidation, Note No. 42 and 49 of Consolidated Financial Statements for the year ended 31.03.2023) Therefore, Impairment of Goodwill has been considered as a Key Audit Matter.	Our Audit Procedures included the following :- • Verified the appropriateness of the Group's accounting policy on impairment of Goodwill and Valuation Methodology applied in determining the enterprise value. • Checked the Impairment Sheet provided by the Management. • Obtained the Management Representation on the assumptions around the key drivers of the revenue projections, future cash flow, discount rates / weighted average cost of capital that were used by them. • Tested the arithmetical accuracy of the Impairment sheet.
3.	**Provisioning of Major Maintenance/Periodic Maintenance/resurfacing expenses (Refer Note No. 16 and 61 of the Consolidated Financial Statements)** As per Concession Agreement, the Group is obligated to perform regular maintenance	Our Audit Procedures included the following :- • Understood the Group's Process associated with the estimation of resurfacing obligation.

	along with periodic maintenance of road assets during the entire concession period. The Periodic maintenance includes resurface of pavements, repairs of structures and other equipment and maintenance of service roads. The Group has estimated the provision required towards major maintenance in accordance with Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets". The Provision made by the Group over the Concession involves detailed Calculation and Judgement and accordingly, the major maintenance expense is considered to be the Key audit Matter.	• Verified the requirement under Concession agreement and Group's accounting policy. • Tested the assumption used in determining the major maintenance provision. • Tested the arithmetical accuracy and also verified the disclosure in the Consolidated Financial Statements.
4.	**Computation and disclosures as prescribed in the SEBI InvIT regulations relating to Consolidated Statement of Net Assets at Fair Value and Consolidated Total Returns at Fair Value** As per SEBI InvIT regulations, the Trust is required to disclose statement of net assets at fair value and statement of total returns at fair value. The fair value is determined by forecasting and discounting future cash flows from the operations of the investee entities which involves management estimates and judgements. These estimates and judgements include discounting rates, Tax rates and inflation rates which are considered for computing the fair value. There is an inherent risk in the computation of fair value due to the use of estimates and judgements mentioned above. Therefore, computation and disclosures of Consolidated statement of net assets at fair value and Consolidated statement of total returns at fair value is considered as a Key Audit Matter. Refer Note-49 Significant Accounting Assumptions – Fair Value and Disclosures and Statement of net assets at fair value and Statement of total returns at fair value in the Consolidated financial statements.	Our Audit Procedures included the following :- • Obtained the understanding of the requirements of SEBI InvIT regulations for disclosures relating to Consolidated Statement of Net Assets at Fair Value and Consolidated Statement of Total Returns at Fair Value. • Assessed the Valuation Report issued by the Independent Valuer engaged by the management. Also assessed the appropriateness of the Trust's valuation methodology applied in determining the fair values. • Obtained Management representation in this respect. • Tested the arithmetical accuracy of computation in the statement of net assets and total returns at fair value.

A.R. & CO.
FRN 002744 C
CHARTERED ACCOUNTANTS

		• Ensured that disclosures is in compliance with SEBI InvIT regulations relating to the statement of net assets at fair value and the statement of total returns at fair value.

INFORMATION OTHER THAN THE CONSOLIDATED FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Board of Directors of the Investment Manager is responsible for the other information. The other information comprises the information included in the Management Discussion and Analysis, Report of Investment Manager including annexures to Investment Manager's Report and other information as required to be given by SEBI InvIT Regulations, but does not include the consolidated financial statements and our report thereon.

Our opinion on the consolidated financial statements does not cover the other information 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 and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF THE BOARD OF DIRECTORS OF INVESTMENT MANAGER FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The Board of Directors of Investment Manager is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated Balance Sheet as at 31 March 2023, consolidated statement of Profit & Loss including other comprehensive income, consolidated cash flows and consolidated statement of changes in Unitholder's equity for the year ended 31 March 2023, the consolidated net assets at fair value as at 31 March 2023, the consolidated total returns at fair value of the Group and the net distributable cash flows of the Trust and its subsidiary for the year ended 31 March 2023 in accordance with the requirements of the SEBI InvIT Regulations, Indian Accounting Standards as defined in Rule 2(1) (a) of Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, to the extent not inconsistent with SEBI InvIT Regulations. The respective Board of Directors of the subsidiary company 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;

A.R. & CO
FRN 002744 C
CHARTERED ACCOUNTANTS

making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls for ensuring the accuracy and completeness of 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 and error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of Investment Manager, as aforesaid.

In preparing the consolidated financial statements, the Board of Directors of Investment Manager and respective Board of Directors of the company 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 the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The Board of Directors of the Investment Manager and the respective Board of Directors of the subsidiary company included in the Group are also responsible for overseeing the financial reporting process of the Group.

AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance 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 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 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, 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 an opinion on the effectiveness of the Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Investment Manager.

A.R. & CO.
FRN 002744 C
CHARTERED ACCOUNTANTS

- Conclude on the appropriateness of the Board of Directors of Investment Manager 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 Group's ability 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 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 financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance 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 of the current period 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.

A.R. & CO.
FRN 002744 C
CHARTERED ACCOUNTANTS

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Based on our audit and as required by SEBI 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 purposes of our audit of the aforesaid consolidated financial statements.

b) the consolidated Balance Sheet, the consolidated Statement of Profit and Loss, the consolidated Statement of Cash Flows, the consolidated Statement of Changes in Unitholders' Equity, the consolidated Statement of Net Assets at fair value, the consolidated Statement of Total Returns at fair value and the Statement of Net Distributable Cash Flows of the Trust and its subsidiary dealt with by this Report are in agreement with the books of account.

c) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards as defined in Rule 2(1)(a) of Companies (Indian Accounting Standards) Rules, 2015, as amended, to the extent not inconsistent with SEBI InvIT regulations.

For A. R. & Co.
Chartered Accountants
FRN. 002744C

A.R. & CO. * FRN 002744 C * CHARTERED ACCOUNTANTS

CA Kailash Chand Gupta
Partner
Membership No: 085003
UDIN: 23085003BGWVFJ8283

Place: New Delhi
Date: 22.05.2023

NATIONAL HIGHWAYS INFRA TRUST

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2023

(All amounts in ₹ lakh unless otherwise stated)

Particulars	Note No.	As At March 31, 2023	As At March 31, 2022
ASSETS			
1) Non - Current Assets			
(a) Property, Plant and Equipment	3	125.17	0.46
(b) Goodwill	4	10,144.46	10,144.46
(c) Intangible assets	5	10,01,400.09	7,33,984.39
(d) Financial Assets			
(i) Other Financial Assets	6	9,672.44	3,170.81
(e) Deferred Tax Assets (net)	7	4,685.32	262.53
(f) Non -Current Tax Assets (Net)	8	12.06	-
Total non-current assets		**10,26,039.54**	**7,47,562.64**
2) Current Assets			
(a) Financial Assets			
(i) Trade receivables	9	350.87	600.47
(ii) Cash and Cash Equivalents	10	21,124.08	6,381.94
(iii) Other financial assets	11	297.36	5.38
(b) Other current assets	12	1,343.35	347.29
Total current assets		**23,115.66**	**7,335.07**
TOTAL ASSETS		**10,49,155.20**	**7,54,897.72**
EQUITY AND LIABILITIES			
EQUITY			
1) Unit Capital	13	7,41,604.32	5,99,442.82
2) Initial settlement amount		0.10	0.10
3) Other Equity	14	(2,469.86)	6,768.43
Total Equity		**7,39,134.56**	**6,06,211.35**
LIABILITIES			
1) Non-Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	2,92,158.33	1,45,556.94
(b) Provisions	16	6,318.81	403.37
Total non-current liabilities		**2,98,477.14**	**1,45,960.32**
2) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	17	2,000.00	980.86
(ii) Trade Payables	18		
(a) Total Outstanding, dues of micro and small enterprises		137.23	-
(b) Total outstanding, dues of creditors other than micro and small enterprises		3,871.17	1,244.79
(iii) Other financial liabilities	19	5,284.95	97.85
(b) Other current liabilities	20	240.61	240.75
(c) Provisions	21	0.56	0.03
(d) Current Tax Liabilities (Net)	22	8.98	161.77
Total current liabilities		**11,543.50**	**2,726.06**
TOTAL EQUITY & LIABILITIES		**10,49,155.20**	**7,54,897.72**
Significant Accounting Policies	1 - 2		
The accompanying notes form an integral part of these consolidated financial statements	3 - 64		

This is the Consolidated Balance Sheet referred to in our report of even date.

For A.R. & Co.
Chartered Accountants
Firm Registration no. 002744C

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

CA Kailash Chand Gupta
Partner
M.No.085003

Date : 22.05.2023
Place : New Delhi

National Highways Infra Trust New Delhi

For and on behalf Board of the National Highways Infra Investment Managers Private Limited (Investment Manager of National Highways Infra Trust)

Suresh Krishan Goyal
Director
DIN: 02721580

Mahavir Parsad Sharma
Director
DIN: 03158413

Mathew George
Chief Financial Officer

Gunjan Singh
Compliance Officer

NATIONAL HIGHWAYS INFRA TRUST

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ lakh unless otherwise stated)

Particulars	Note No.	For the year ended March 31 2023	For the year ended March 31 2022
INCOME			
Revenue from Operations	23	68,717.20	13,960.55
Interest Income	24	373.43	5.86
Profit on sale of investments	25	671.17	690.00
Other Income	26	326.11	318.67
TOTAL INCOME		**70,087.91**	**14,975.08**
EXPENSES			
Investment Manger Fee		1,263.70	1,931.71
Trusteeship Fee		9.60	3.73
Valuation expenses		4.00	-
Annual listing fees		20.00	-
Rating fees		0.20	0.57
Insurance expenses		628.74	166.04
Custodian Fees		0.84	-
Project Management Fees		991.20	290.43
Operating Expenses	27	9,025.05	849.77
Employee Benefits Expenses	28	311.33	2.12
Finance Cost	29	16,621.32	3,154.43
Depreciation & Amortization Expense	30	17,560.63	1,055.65
Other Expenses	31	1,901.95	504.87
Audit Fees	32		
- Statutory audit fees		7.73	4.86
- Other audit services (including certification)		0.93	0.52
TOTAL EXPENSES		**48,347.23**	**7,964.71**
Profit / (Loss) before Tax		**21,740.68**	**7,010.37**
Tax Expenses	33		
Current Tax		473.89	436.36
Current tax - earlier years		0.01	
Deferred Tax expense/(credit)		(4,422.79)	(262.32)
Total Tax	-	(3,948.89)	174.04
Profit/ (loss) for the year	-	**25,689.57**	**6,836.33**
Other Comprehensive Income			
Items that will not be reclassified to Profit and Loss		-	-
Items that will be reclassified to Profit and Loss		-	-
		-	-
Total Comprehensive Income for the year	-	**25,689.57**	**6,836.33**
Earnings per Unit			
Basic	34	3.91	1.15
Diluted	34	3.91	1.15

Significant Accounting Policies 1 - 2

The accompanying notes form an integral part of these consolidated financial statements. 3 - 64

This is the Statement of Profit and Loss referred to in our report of even date.

For A.R. & Co.
Chartered Accountants
Firm Registration no. 002744C

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

CA Kailash Chand Gupta
Partner
M.No.085003
Date : 22.05.2023
Place : New Delhi

National Highways Infra Trust New Delhi

For and on behalf Board of the National Highways Infra Investment Managers Private Limited (Investment Manager of National Highways Infra Trust)

Suresh Krishan Goyal
Director
DIN: 02721580

Mahavir Parsad Sharma
Director
DIN: 03158413

Mathew George
Chief Financial Officer

Gunjan Singh
Compliance Officer

NATIONAL HIGHWAYS INFRA TRUST

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

(All amounts in ₹ lakh unless otherwise stated)

	Particulars	For the year ended March 31 2023	For the year ended March 31 2022
A.	**OPERATING ACTIVITIES**		
	Net Profit/(Loss) Before Tax	21,740.68	7,010.37
	Adjustments for :		
	Depreciation and Amortization	17,560.63	1,055.65
	Profit on redemption of mutual funds	(671.17)	(682.62)
	Interest income from FDR	(373.43)	(5.86)
	Finance Cost (net)	16,590.17	3,154.43
	Provision for major maintenance expenses	5,879.20	403.29
	Unwinding interest on major maintenance provision	24.95	-
	Provision for Laeave encashment and Gratuity	11.93	0.11
	Provision for expected credit loss	59.60	-
	Bad debts written off	9.90	-
	Operating Profit/(Loss) before Working Capital Changes	**60,832.46**	**10,935.37**
	Working Capital Adjustments:		
	Decrease / (Increase) in Trade & Other Receivables	180.10	(600.47)
	Decrease / (Increase) in Other Non Current Financial Assets	(208.85)	(0.00)
	Decrease / (Increase) in Other Non Current/Current Assets	(834.96)	(347.29)
	Decrease / (Increase) in Other Current Financial Assets	(293.53)	0.59
	Increase / (Decrease) in Trade & Other Payables	3,267.01	651.07
	Increase / (Decrease) in Other Financial Liabilities	57.50	(7,34,867.55)
	Increase / (Decrease) in Provisions	(0.11)	0.00
	Increase / (Decrease) in Other Current Liabilities	(0.14)	238.59
	Increase / (Decrease) in Current Tax Liabilities	-	(0.59)
		2,167.02	**(7,34,925.66)**
	Income Tax paid	(626.67)	(274.00)
	Net Cash Flows from/(used in) Operating Activities	**62,372.81**	**(7,24,264.28)**
B.	**INVESTING ACTIVITIES**		
	Purchase of Property, Plant & Equipment, including CWIP, capital	(2,85,101.04)	(0.50)
	Purchase of Non Current Investments	-	(1.52)
	Investment in FDR	(6,299.19)	(3,170.81)
	Interest received on maturity of FDR	189.55	-
	Profit on redemption of mutual funds	671.17	682.62
	Net cash flows from (used in) Investing activities	**(2,90,539.51)**	**(2,490.21)**
C.	**FINANCING ACTIVITIES**		
	Proceeds from Issue of Unit Capital	1,43,013.67	5,91,000.00
	Expense incurred towards initial public debt offering	(1,689.00)	-
	Expense incurred towards institutional unit allotment	(1,099.13)	(1,364.94)
	Distribution to Unit Holders	(34,927.86)	-
	Proceeds from Long Term Borrowings (net of processing fees)	1,50,000.00	1,47,646.00
	Financing charges paid	(197.00)	-
	Repayment of Long Term Borrowings	(1,010.98)	(1,001.59)
	Finance Costs Paid	(11,180.86)	(3,143.04)
	Net cash flows from (used in) Financing activities	**2,42,908.84**	**7,33,136.43**
	Net Increase/Decrease in Cash and Cash equivalents (A+B+C)	**14,742.14**	**6,381.94**
	Cash and cash equivalents at the beginning of the year	6,381.94	-
	Cash and cash equivalents at the end of the year	**21,124.08**	**6,381.94**

This is the Consolidated Cash Flow Statement referred to in our report of even date.

For A.R. & Co.
Chartered Accountants
Firm Registration no. 002744C

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

CA Kailash Chand Gupta
Partner
M.No.085003
Date : 22.05.2023
Place : New Delhi

National Highways Infra Trust New Delhi

For and on behalf of the National Highways Infra Investment Managers Private Limited (Investment Manager of National Highways Infra Trust)

Suresh Krishan Goyal
Director
DIN: 02721580

Mahavir Parsad Sharma
Director
DIN: 03158413

Mathew George
Chief Financial Officer

Gunjan Singh
Compliance Officer

NATIONAL HIGHWAYS INFRA TRUST

CONSOLIDATED STATEMENT OF CHANGES IN UNIT HOLDER'S EQUITY FOR THE YEAR ENDED MARCH 31, 2023

A. INITIAL SETTLEMENT AMOUNT

(All amounts in ₹ lakh unless otherwise stated)

Particulars	Amount
Balance as at April 1, 2021	0.10
Changes in unit capital	-
Balance as at March 31 2022	0.10
Changes in unit capital	-
Balance as at March 31 2023	0.10

B. UNIT CAPITAL *

Particulars	Number of unit	Amount
Balance as at April 1, 2021	-	-
Changes in unit capital	59,52,00,000	6,01,152.00
One time issue expenses		(1,709.18)
Balance as at 31 March 2022	**59,52,00,000**	**5,99,442.82**
Changes in unit capital	13,12,05,200	1,43,013.67
One time issue expenses		(852.17)
Balance as at March 31 2023	**72,64,05,200**	**7,41,604.32**

C. OTHER EQUITY **

Particulars	Reserves and Surplus	Items of Other Comprehensive Income	Total
		Items that will not be reclassified to profit or loss	
	Retained Earnings	Remeasurement of Defined Benefit Obligation/ Plan	
Balance as at April 1, 2021	(67.90)	-	(67.90)
Profit/ (Loss) for the year	6,836.33	-	6,836.33
Balance as at 31 March 2022	6,768.43	-	6,768.43
Profit/ (Loss) for the year	25,689.57	-	25,689.57
Less:			
Distribution to unit holders^			
Interest	34,183.66	-	34,183.66
Other Income	744.20	-	744.20
Balance as at March 31 2023	(2,469.86)	-	(2,469.86)

^The distribution relates to the distributions during the financial year along with the distribution related to the last quarter of FY 2021-22 and does not include the distribution relating to the period January 01, 2023 to March 31, 2023 which will be paid after March 31, 2023. The distributions by the Trust to its unit holders are based on the Net Distributable Cash Flows of the Trust under the SEBI InvIT Regulations.

* Refer Note No. 13
** Refer Note No. 14

For A.R. & Co.
Chartered Accountants
Firm Registration no. 002744C

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

CA Kailash Chand Gupta
Partner
M.No.085003

Date : 22.05.2023
Place: New Delhi

For and on behalf of the National Highways Infra Investment Managers Private Limited (Investment Manager of National Highways Infra Trust)

Suresh Krishan Goyal
Director
DIN: 02721580

Mahavir Parsad Sharma
Director
DIN: 03158413

Mathew George
Chief Financial Officer

Gunjan Singh
Compliance Officer

National Highways Infra Trust New Delhi

NATIONAL HIGHWAYS INFRA TRUST

Disclosures pursuant to SEBI circulars (SEBI Master Circular No. CIRSEBI/HO/DDHS_Div3/P/CIR/2021/1673 dated 29 November 2021 issued under the InvIT regulations)

Consolidated Statement of Net Assets at Fair Value (All amounts in ₹ lakh unless otherwise stated)

Particulars	March 31, 2023		March 31, 2022	
	Book value	Fair value^	Book value	Fair value^
A. Assets	10,49,155.20	11,68,122.00	7,54,897.72	7,54,897.72
B. Liabilities	3,10,020.64	3,10,020.64	1,48,686.37	1,48,686.37
C. Net assets (A-B)	**7,39,134.56**	**8,58,101.36**	**6,06,211.35**	**6,06,211.35**
D. No of units	72,64,05,200	72,64,05,200	59,52,00,000	59,52,00,000
E. NAV (C/D)	**101.75**	**118.13**	**101.85**	**101.85**

^Fair values of total assets relating to the Trust as at March 31, 2023 as disclosed above are based on the independent valuer report.

Note: The trust has only one SPV i.e. NHIPPL, hence SPV wise break up of fair value of assets are not required

Consolidated Statement of Total Return at Fair Value: (All amounts in ₹ lakh unless otherwise stated)

Particulars	March 31, 2023	March 31, 2022
Total comprehensive income for the year/period (As per the Consolidated Statement of Profit and Loss)	25,689.57	6,836.33
Add: Other changes in fair value for the year *	1,18,966.80	-
Total return	**1,44,656.37**	**6,836.33**

* In the above statement, other changes in fair value for the year ended 31 March, 2023 have been computed based independent valuers report.

The accompanying notes form an integral part of the Consolidated Financial Statements.

This is the Consolidated Statement of Net Assets at Fair Value and Consolidated Statement of Total Return at Fair Value referred to in our report of even date.

For A.R. & Co.
Chartered Accountants
Firm Registration no. 002744C

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

CA Kailash Chand Gupta
Partner
M.No.085003

Date : 22.05.2023
Place : New Delhi

For and on behalf Board of the National Highways Infra Investment Managers Private Limited (Investment Manager of National Highways Infra Trust)

Suresh Krishan Goyal
Director
DIN: 02721580

Mahavir Parsad Sharma
Director
DIN: 03158413

Mathew George
Chief Financial Officer

Gunjan Singh
Compliance Officer

National Highways Infra Trust New Delhi

NATIONAL HIGHWAYS INFRA TRUST

Disclosures pursuant to SEBI circulars (SEBI Master Circular No. CIRSEBI/HO/DDHS_Div3/P/CIR/2021/1673 dated 29 November 2021 issued under the InvIT

Consolidated Statement of Net Distributable Cash Flows (All amounts in ₹ lakh unless otherwise stated)

S. No.	Particulars	March 31, 2023	March 31, 2022
1	**Profit after tax as per Statement of profit and loss/income and expenditure (Standalone) (A)**	**77,236.17**	**18,192.23**
2	Add: Income recognised in previous year and received in this year	10,651.13	-
3	**Add:** Depreciation and amortization as per statement of profit and loss account. Incase of Impairment reversal, same needs to be deducted from profit and loss.	-	-
4	**Add/Less:** Loss/gain on sale of infrastructure assets	-	-
5	**Add:** Proceeds from sale of infrastructure assets adjusted for the following: - 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)(a) of the InvIT regulations	-	-
6	**Add:** Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit/ (loss) recognised in profit and loss account	-	-
7	**Add/ Less:** Any other item of non- cash expense/ non cash income (net of actual cash flows for these items), if deemed necessary by the Investment Manager. For example, any decrease/ increase in carrying amount of an asset or a liability recognised in profit and loss /income and expenditure on measurement of the asset or the liability at fair value: Interest cost as per effective interest rate method, deferred tax lease rents recognised on a straight line basis, etc.	(42,570.15)	(8,233.88)
8	**Less:** Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	(1,010.98)	(5,204.50)
9	**Total Adjustment (B)**	(32,930.01)	(13,438.39)
10	**Net Distributable Cash Flows (C) = (A+B)**	**44,306.16**	**4,753.84**
11	**Less: NDCF already distributed to Unitholders in Q1,Q2 and Q3**	30,225.78	-
12	**Balance Net Distributable Cash Flows**	**14,080.39**	**4,753.84**
13	**Less: Amounts setaside for payment of financial liabilites and other liabilities**	(2,431.84)	-
14	**Balance Net Distributable Cash Flows for Q4**	**11,648.55**	**4,753.84**

National Highways Infra Trust
New Delhi

A.R. & CO
FRN 002744 C
CHARTERED ACCOUNTANTS

NATIONAL HIGHWAYS INFRA TRUST

Disclosures pursuant to SEBI circulars (SEBI Master Circular No. CIRSEBI/HO/DDHS_Div3/P/CIR/2021/1673 dated 29 November 2021 issued under the InvIT

Statement of Net Distributable Cash Flows

National Highways Infra Projects Private Limited (Project SPV)

(All amounts in ₹ lakh unless otherwise stated)

S. No.	Particulars	March 31, 2023	March 31, 2022
1	**Profit after tax as per Statement of profit and loss/income and expenditure (standalone) (A)**	**(51,546.61)**	**(11,355.90)**
2	**Add:** Depreciation and amortization as per statement of profit and loss account. Incase of Impairment reversal, same needs to be deducted from profit and loss.	17,560.63	1,055.65
3	**Add/Less:** Loss/gain on sale of infrastructure assets	-	-
4	**Add:** Proceeds from sale of infrastructure assets adjusted for the following: 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)(a) of the InvIT regulations	-	-
5	**Add:** Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit/(loss) recognised in profit and loss account	(134.38)	-
6	**Add/ Less:** Any other item of non- cash expense/ non cash income (net of actual cash flows for these items), if deemed necessary by the Investment Manager. For example, any decrease/ increase in carrying amount of an asset or a liability recognised in profit and loss /income and expenditure on measurement of the asset or the liability at fair value; Interest cost as per effective interest rate method, deferred tax lease rents recognised on a straight line basis, etc.	40,575.45	10,888.85
7	**Less:** Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements	(4,004.00)	-
8	**Total Adjustment (B)**	53,997.70	11,944.50
9	**Net Distributable Cash Flows (C) = (A+B)**	**2,451.09**	**588.61**

National Highways Infra Trust
New Delhi

A.R. & CO.
FRN 002744 C
CHARTERED ACCOUNTANTS

NATIONAL HIGHWAYS INFRA TRUST

SIGNIFICANT ACCOUNTING POLICIES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2023

1. GROUP INFORMATION AND NATURE OF OPERATIONS

The consolidated financial statements comprise financial statements of National Highways Infra Trust ("the Trust" or "InvIT") and its subsidiary (Project SPV – National Highways Infra Projects Private Limited (NHIPPL)) (collectively, the Group).

The Trust is an irrevocable trust registered under the provisions of the Indian Trusts Act, 1882 on October 19, 2020. It is registered under the Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014 on October 28, 2020 having registration number IN/InvIT/20-21/0014.

The Trust was setup by National Highways Authority of India ("NHAI" or the "Sponsor"), an Infrastructure Development Trust in India. The Trustee to the Trust is IDBI Trusteeship Services Limited (the "Trustee") and Investment Manager for the Trust is National Highways Infra Investment Managers Private Limited ("Investment Manager").

The Trust has been formed to invest in infrastructure assets primarily being in the road sector in India. The Trust's road projects are implemented and held through special purpose vehicles ("Project SPVs"/ "Subsidiaries"). The units of the Trust were listed in Bombay Stock Exchange and National Stock Exchange on November 10, 2021.

During the year ended March 31, 2022, the Trust acquired 100% equity control in National Highway Infra Projects Private Limited (the "Project SPV") from the Sponsor with effect from November 03, 2021. During the year ended 31.03.2021, the project SPV entered into five Concession Agreements for 30 years with the Sponsor (National Highways Authority of India – NHAI) on Toll, Operate and Transfer ('TOT') basis and in year ended 31.03.23 further signed three new Concession Agreements for 20 years with National Highways Authority of India on Toll, Operate and Transfer ('TOT') basis.

The registered office of the Investment Manager is G-5 & 6, Sector-10, Dwarka, Delhi - 110075.

The consolidated financial statements were authorised for issue in accordance with resolution passed by the board of directors of the Investment Manager on May 22, 2023.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

The Consolidated financial statements of the Group have been prepared in accordance with Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015, as amended, prescribed under Section 133 of the Companies Act, 2013 ("Ind AS") read with Securities and Exchange Board of India (Infrastructure Investment Group) Regulations, 2014, as amended and the circulars issued thereunder ("SEBI InvIT Regulations") and other accounting principles generally accepted in India.

National Highways Infra Trust New Delhi

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

Accordingly, the Group has prepared these Consolidated Financial Statements comprising of the Balance Sheet as on March 31, 2023, the Statement of Profit and Loss for the year ended on March 31, 2023, the Statement of Cash Flows for the year ended on March 31, 2023, the Statement of Changes of Equity for the year ended on March 31, 2023 and Notes to Accounts (together hereinafter referred to as "Consolidated Financial Statements").

These Financial Statements have been prepared on accrual basis under the historical cost convention, except certain financial assets and liabilities which have been measured at Fair Value. Accounting policies have been consistently applied, except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy hitherto in use. Further, these consolidated financial statements have been prepared on a going concern basis.

The financial statements are presented in Indian Rupees (INR) which is the Group's functional and presentation currency and all amounts are rounded to the nearest Lakh ('00,000) and two decimals thereof, except as otherwise stated.

2.2 Basis of Consolidation

The consolidated financial statements incorporate the financial statements of the Trust and it's subsidiary (Project SPV- NHIPPL) from date of acquisition i.e. November 3, 2021.

For the purpose of consolidation, an entity which is, directly or indirectly, controlled by the Group is treated as subsidiary. Control exists when the Group, directly or indirectly, has power over the investee, is exposed to variable returns from its involvement with the investee and has the ability to use its power to affect its returns.

Consolidation of a subsidiary begins when the Group, directly or indirectly, obtains control over the subsidiary and ceases when the Group, directly or indirectly, loses control of the subsidiary. Income and expenses of a subsidiary acquired or disposed of during the period are included in the consolidated statement of profit and loss from the date the Group, directly or indirectly, gains control until the date when the Group, directly or indirectly, ceases to control the subsidiary.

Consolidation procedure:

- Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiary. For this purpose, income and expenses of the Subsidiaries are based on the amounts of the assets and liabilities recognised in the Consolidated financial statements at the acquisition date.

- 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 related goodwill.

- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements.

National Highways Infra Trust New Delhi

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

- The carrying amount of the Group's investment in each subsidiary and the Group's portion of equity of each subsidiary are offset with each other in the consolidated financial statements.

Ind AS 12 - Income Taxes applies to temporary differences that arise from the elimination of profits from intragroup transactions.

The accounting policies of subsidiaries have been harmonised to ensure the consistency with the policies adopted by the Group. The consolidated financial statements have been presented to the extent possible, in the same manner as Group's standalone financial statements.

2.3 Business Combination/ Goodwill on Acquisition

Business combinations are accounted 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. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition related costs are recognised in the statement of profit and loss as incurred.
The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date.

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

Goodwill is initially measured at cost, being the excess of the aggregate of the consideration transferred and the amount recognised for non-controlling interests, and any previous interest held, over the net identifiable assets acquired and liabilities assumed. If the fair value of the net assets acquired is in excess of the aggregate consideration transferred, the Group re-assesses whether it has correctly identified all of the assets acquired and all of the liabilities assumed and reviews the procedures used to measure the amounts to be recognised at the acquisition date. If the reassessment still results in an excess of the fair value of net assets acquired over the aggregate consideration transferred, then the gain is recognised in other comprehensive income and accumulated in equity as capital reserve. However, if there is no clear evidence of gain on bargain purchase, the entity recognises the gain directly in equity as capital reserve, without routing the same through other comprehensive income.

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 unimpaired goodwill is written off fully. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units. A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than it's carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit.

National Highways Infra Trust New Delhi

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

Any impairment loss for goodwill is recognised in the consolidated statement of profit or loss. An impairment loss recognised for goodwill is not reversed in subsequent periods. Where goodwill has been allocated to a cash generating unit and part of the operation within that unit is disposed of, the goodwill associated with the disposed operation is included in the carrying amount of the operation when determining the gain or loss on disposal.

Goodwill disposed in these circumstances is measured based on the relative values of the disposed operation and the portion of the cash-generating unit retained.

2.4 Use of Judgement and Estimates

The preparation of financial statements is in conformity with the generally accepted accounting principles in India, and requires the Investment Manager to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon Investment Manager's best knowledge of current events and actions, actual results could differ from these estimates.

Current versus non-current classification

Assets and Liabilities in the Consolidated Balance Sheet have been classified as either Current or Non–Current based upon the requirements of Schedule III notified under the Companies Act, 2013.

An asset has been classified as Current if,

(a) it is expected to be realized in, or is intended for sale or consumption in, the Group's normal operating cycle; or

(b) it is held primarily for the purpose of being traded; or

(c) it is expected to be realized within twelve months after the reporting date; or

(d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets have been classified as Non–Current.

A liability has been classified as Current when,

(a) it is expected to be settled in the Group's normal operating cycle; or

(b) it is held primarily for the purpose of being traded; or

(c) it is due to be settled within twelve months after the reporting date; or

(d) the Group does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other liabilities have been classified as Non–Current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash and cash equivalents. The group has identified twelve months as its operating cycle.

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

National Highways Infra Trust New Delhi

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

2.5 Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Group and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The specific recognition criteria described below must also be met before revenue is recognised:

Toll Revenue - Toll Revenue from users of toll roads held by subsidiary company is recognised in respect of toll revenue accrued for respective toll road projects. Revenue from electronic toll collection is recognised on accrual basis.

Interest income - Interest is recognised on time proportion basis taking into account the amount outstanding and the rates applicable. For all Debt instruments measured either at Amortized Cost or Fair Value through Other Comprehensive Income, interest income is recorded using EIR method that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.

Dividends - Dividend income is recognised when the Group's right to receive the payment is established, which is generally when shareholders approve the dividend.

Fair value gains on current investments carried at fair value are included in other income.

Claims with National Highways Authority of India ('NHAI') and other government authorities are accounted as and when the money is received from the respective authorities, in cases of monetary compensations.

Other items - Other items of income are recognised as and when the right to receive the income arises.

2.6 Property, plant and equipment

Property, Plant and Equipment (PPE) is recognised when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably.

PPE are stated at acquisition cost less accumulated depreciation and cumulative impairment. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met.

Recognition:

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if:

(a) it is probable that future economic benefits associated with the item will flow to the entity; and

(b) the cost of the item can be measured reliably.

When significant parts of plant and equipment are required to be replaced at intervals, Group depreciates them separately based on their specific useful lives.

Gains or losses arising from de - recognition of Property, plant and equipment are measured as the difference between the net disposable proceeds and the carrying amount of the asset and are recognized in the Consolidated Statement of Profit and Loss when the asset is derecognized.

The Group has estimated following useful lives for its tangible fixed assets

National Highways Infra Trust New Delhi

A.R. & CO FRN 002744 C CHARTERED ACCOUNTANTS

Asset Class	Useful Life
Office Equipments	5 Years
Computers	3 Years
Furniture & Fixtures	10 Years

Depreciation on Property, plant and equipment

Depreciation on Property, plant and equipment ("PPE") is provided on straight line method, up to the cost of the asset (net of residual value), in accordance with the useful lives prescribed under Schedule II to the Companies Act, 2013.

Depreciation on additions is being provided on a pro-rata basis from the date of such additions. Similarly, depreciation on assets sold/disposed off during the year is being provided up to the dates on which such assets are sold/disposed off. Modification or extension to an existing asset, which is of capital nature and which becomes an integral part thereof is depreciated prospectively over the remaining useful life of that asset.

The estimated residual value of the PPE has been taken as 5% in line with the provisions of Schedule II to the Companies Act, 2013.

Fixed assets amounting up to INR 5,000 are recognised in Consolidated Statement of Profit and Loss in entirety in the first year of purchase.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

Depreciation charge for impaired assets is adjusted in future periods in such a manner that the revised carrying amount of the asset is allocated over its remaining useful life.

2.7 Intangible assets

In accordance with Ind AS 38 "Intangible Assets", Intangible assets are recognised when it is probable that the future economic benefits that are attributable to the asset will flow to the Group and the cost of the asset can be measured reliably.

Pre-operative expenses including administrative and other general overhead expenses that are specifically attributable to the development or acquisition of intangible assets are allocated and capitalised as a part of the cost of the intangible assets.

Intangible assets not ready for the intended use on the date of the Consolidated Balance Sheet are disclosed as "intangible assets under development". Intangible assets are derecognised when no future economic benefits are expected from use or disposal.

The cost of intangible assets acquired in an amalgamation in the nature of purchase is their fair value as at the date of amalgamation. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

The useful lives of intangible assets are assessed as either finite or indefinite.

National Highways Infra Trust New Delhi

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

Rights under Service Concession Arrangements – Toll Collection Rights
The Group has acquired rights for Tolling, Operation, Maintenance and Transfer of five toll road projects for a period of 30 years basis Toll Concession agreements with NHAI, group further acquired rights during the current financial year for Tolling, Operation, Maintenance and Transfer of three additional toll road projects for a period of 20 years basis Toll Concession agreements with NHAI, and the same have been recognised as Other Intangible Assets in the financial statements.

Extension of concession period by the Authority in compensation for claims made by the Group are capitalised as part of Toll Collection Rights on acceptance of the claim. Where the Group has a contractual right to an extension in the concession period as per the concession agreement, the same is capitalized when the right to extension in the concession period is established at the estimated amount of eligible claims.

Amortisation of Intangible Assets
Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with finite lives is recognised in the Consolidated Statement of Profit and Loss unless such expenditure forms part of carrying value of another asset.

In accordance with Ind AS 38 "Intangible Assets", Intangible assets should be amortized by a method which reflects the pattern in which the asset's future economic benefits are expected to be consumed by the entity.

Toll Collection Rights shall be amortized basis a Consumption based model (using Passenger Car Unit (PCU) projections) over the tenure of the Concession Agreement.

Other intangible assets - Software purchased is amortized over a period of three to six years on straight line basis from the month in which the addition is made.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognised in the statement of profit or loss when the asset is derecognised.

Amortisation on impaired assets is provided by adjusting the amortisation charge in the remaining periods so as to allocate the assets' revised carrying amount over its remaining useful life.

National Highways Infra Trust
New Delhi

A.R. & CO.
FRN 002744 C
CHARTERED ACCOUNTANTS

2.8 Employee benefits

Employee benefits include provident fund, gratuity, compensated absences, long service awards and medical benefits.

i. Short term employee benefits

Employee benefits such as salaries, short term compensated absences, expected cost of bonus, ex-gratia and performance linked rewards falling due wholly within twelve months of rendering the service are classified as short-term employee benefits and are expensed in the period in which the employee renders the related service.

ii. Post-Employment Benefits

Defined contribution plan: A defined contribution plan is a post-employment plan under which an entity pays fixed contributions and will have no legal or constructive obligations to pay further amounts. The Group contributes to provident fund and employees deposit linked insurance scheme, and have no further obligations beyond making its contributions. The Group's contribution to the above funds are charged to the Consolidated Statement of Profit and Loss.

Defined benefit plan: The Group has an un-funded benefit plan for post-employment benefits in the form of Gratuity. The value of obligation under the plan is determined by the group based on best estimate of the present value of the estimated future cash flows towards the gratuity obligation. Defined benefit costs comprising current service cost, past service cost and gains or losses on settlements are recognised in the Consolidated Statement of Profit and Loss as employee benefits expense. Gains or losses on the curtailment or settlement of any defined benefit plan are recognised when the curtailment or settlement occurs.

iii. Termination benefits

Termination benefits such as compensation under employee separation schemes (wherever applicable) are recognised as expense in the Consolidated Statement of Profit and Loss. Liability for the same is recognised at the earlier of when the group can no longer withdraw the offer of the termination benefit.

iv. Other long-term employee benefits

The present value of the obligation under long term employee benefit plans such as compensated absences is determined and is recognised in a similar manner as in the case of defined benefit plans.

Long term employee benefit costs comprising current service cost and gains or losses on curtailments and settlements, re-measurements are recognised in the Consolidated Statement of Profit and Loss as employee benefit expenses. Interest cost implicit in long term employee benefit cost is recognised in the Consolidated Statement of Profit and Loss under finance cost.

2.9 Leases

(i) The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement at the inception of the lease.

i.i) Property, plant, and equipment acquired under leases with lease term more than 12 months is long term lease. The lease liability is recognised for the obligation to make the lease

National Highways Infra Trust New Delhi

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

payments and a right of use of asset for the underlying property, plant and equipment for the lease term. The lease liability is measured at the present value of the lease payments to be made over the lease term. The right of use property, plant and equipment are initially measured at the amount of the lease liability, adjusted for lease prepayments, lease incentives received and the initial direct costs such as commissions and an estimate cost of restoration, removal and dismantling of property, plant and equipment. Lease liabilities are increased to reflect the interest cost and are reduced with lease payments.

i.ii) Property, plant, and equipment having lease term 12 months or less than 12 months are recognised on a straight-line basis.

(ii) Property, plant and equipment leased out under operating leases are continued to be capitalised by the Group. Rental income is recognised on a straight-line basis over the term of the relevant lease.

2.10 Borrowing costs

Borrowing Cost consist of interest and other ancillary costs incurred in connection with the arrangement of borrowings. Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset.

All other borrowing costs are charged to the Consolidated Statement of Profit and Loss in the period they occur. In case of significant Long term loans, other costs incurred in connection with the borrowing of funds are amortized over the period of respective Loan. Borrowing cost also includes exchange differences to the extent regarded as an adjustment to the borrowing costs.

2.11 Financial Instruments

Financial assets and/or financial liabilities are recognised when the Group becomes party to a contract embodying the related financial instruments. A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. A financial asset and a financial liability are offset and presented on net basis in the Consolidated Balance Sheet when there is a current legally enforceable right to set-off the recognised amounts and it is intended to either settle on net basis or to realise the asset and settle the liability simultaneously.

Financial assets

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Group commits to purchase or sell the asset. Trade receivables and trade payables that do not contain a significant financing component are initially measured at their transaction price.

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories;

- at amortised cost
- at fair value through profit or loss (FVTPL)
- at fair value through other comprehensive income (FVOCI)

National Highways Infra Trust New Delhi

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

Financial Assets at amortised cost

A financial asset is classified and subsequently measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

This category is the most relevant to the Group. All the Loans and other receivables under financial assets (except Investments) are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. 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. The losses arising from impairment are recognised in the Consolidated Statement of Profit and Loss.

Investments in equity instruments of Subsidiaries are recognised at original cost in accordance with Ind AS 27. Impairment testing of Investment in subsidiary that are accounted for at cost as per Ind AS 27 are within scope of Ind AS 36 Impairment of Assets. Any impairment in value of investment in equity investments in Subsidiaries is recognised in the Consolidated Statement of Profit and Loss.

Financial Assets at Fair Value through Other Comprehensive Income (FVOCI)

A financial asset is classified and subsequently measured at FVTOCI if both of the following criteria are met:

a) The asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI).

Investment in Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Group recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the Consolidated Statement of Profit and Loss.

Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

Financial Assets at Fair Value through Profit and Loss (FVTPL)

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss. Financial assets included within the FVTPL category are measured at fair value with all changes recognized in the Consolidated statement of profit and loss. The Group measures its investments which are classified as equity instruments (other than investment in shares of Subsidiaries, Joint Ventures and Associates) at fair value through profit and loss account.

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL. In addition, the Group may elect to designate a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition

National Highways Infra Trust
New Delhi

A.R. & CO
FRN 002744 C
CHARTERED ACCOUNTANTS

inconsistency (referred to as 'accounting mismatch'). The Group has not designated any debt instrument as at FVTPL.

The Group has investment in debt oriented mutual funds which are held for trading, and the same are classified as at FVTPL. The Group makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable. The gain/ loss on sale of investments are recognised in the Consolidated Statement of Profit and Loss.

Reclassification of Financial Assets
The Group determines classification of financial assets on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments 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. Changes to the business model are expected to be infrequent. The Investment Manager of the Group determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations. If the Group reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of the immediately next reporting period following the change in business model. The Group does not restate any previously recognised gains, losses (including impairment gains or losses) or interest.

The following table shows various reclassification and how they are accounted for:

Original Classification	**Revised Classification**	**Accounting Treatment**
Amortized Cost	FVTPL	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in Consolidated statement of profit and loss.
FTVPL	Amortized Cost	Fair value at reclassification date becomes its new gross carrying amount.
Amortized Cost	FVOCI	Fair value is measured at reclassification date. Difference between previous amortised cost and fair value is recognised in other comprehensive income. No Change in EIR due to reclassification.
FVOCI	Amortized Cost	Fair value at reclassification date becomes its new gross carrying amount. However cumulative gain or loss in other comprehensive income is adjusted against Fair value. Consequently, the asset is measured as if it had always been measured at amortised cost.
FTVPL	FVOCI	Fair value at reclassification date becomes its new carrying amount. No other adjustment is required.
FVOCI	FTVPL	Assets continue to be measured fair value. Cumulative gain or loss previously recognized in other comprehensive income is

New Delhi

FRN 002744 C

		reclassified to Consolidated statement of profit and loss at the reclassification date.

Derecognition
A financial asset (or, where applicable, a part of a financial asset or part of Group's similar financial assets) is primarily derecognised (i.e. removed from the Consolidated Balance Sheet) when:

- The rights to receive cash flows from the asset have 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 either (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.

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the group continues to recognise the transferred asset to the extent of the group's continuing involvement. In that case, the group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the group has retained.
Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.
All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.
The Group's financial liabilities include trade and other payables, loans and borrowings etc.

Subsequent measurement
Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses attributable to changes in own credit risk are recognized in OCI. These gains/losses are not subsequently transferred to Consolidated statement of profit and loss. However, the Group may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the Consolidated statement of profit and loss. The Group has not designated any financial liability as at fair value through profit and loss.

Loans and borrowings
This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and

National Highways Infra Trust New Delhi

FRN 002744 C CHARTERED ACCOUNTANTS

losses are recognised in Statement of Profit or Loss when the liabilities are derecognised as well as 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. The EIR amortisation is included as finance costs in the Consolidated Statement of Profit and Loss.
This category generally applies to borrowings and security deposits received.

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 or loss.

Offsetting financial instrument

Financial assets and liabilities are offset and the net amount is reported in the Consolidated Balance Sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle financial asset and liability on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.12 Fair Value measurement
The Group measures financial instruments at fair value at each financial statement date.
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 measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
i) In the principal market for the asset or liability, or
ii) In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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 financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:
Level 1 — Quoted prices (unadjusted) in active markets for identical assets or liabilities

National Highways Infra Trust New Delhi

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

Level 2 — Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices)
Level 3 — Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

For assets and liabilities that are recognised in the 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.

The Group determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

At each reporting date, the Group analyses the movements in the values of assets and liabilities which are required to be remeasured or re-assessed as per the Group's accounting policies. For this analysis, the Group verifies the major inputs applied in the latest valuation by agreeing the information in the valuation computation to contracts and other relevant documents.

The Group also compares the change in the fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.
On an annual basis, the Board of Directors of the Investment Manager presents the valuation results to the Audit Committee and the Group's independent auditors. This includes a discussion of the major assumptions used in the valuations. 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. This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

2.13 Cash and Cash Equivalents

Cash and cash equivalents in the Consolidated Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the Consolidated 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.

2.14 Impairment of Assets

Impairment of Financial Assets

All financial assets except for those designated at FVTPL are subject to review for impairment at least each reporting date to identify whether there is any objective evidence that a financial asset or group of financial assets is impaired. In accordance with Ind AS 109, the group applies expected credit loss (ECL) model for measurement and recognition of impairment loss for financial assets carried at amortized cost.

For recognition of impairment loss on other financial assets and risk exposure, the group determines that whether there has been a significant increase in the credit risk since initial

National Highways Infra Trust New Delhi

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12-month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.
ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/ expense in the Consolidated Statement of Profit and Loss (P&L). This amount is reflected under the head 'other expenses' in the P&L.

Impairment of Non- Financial Assets
The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or Group's assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. 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 net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses of continuing operations are recognized in the Consolidated statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve up to the amount of any previous revaluation. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the group estimates the asset's CGU's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the assets recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss been

National Highways Infra Trust New Delhi

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

recognized for the asset in prior years. Such reversal is recognized in the Consolidated statement of profit and Loss unless the asset is carried at a revalued amount, in which case the reversal is treated as a revaluation increase.

2.15 Foreign currency transactions

The Group's financial statements are presented in INR, which is group's functional currency. Foreign currency transactions are recorded at the exchange rate prevailing on the date of the respective transactions between the functional currency and the foreign currency.

Monetary foreign currency assets and liabilities remaining unsettled at the Financial Statement date are translated at the rates of exchange prevailing on that date.

Gains / losses arising on account of realisation / settlement of foreign currency transactions and on translation of foreign currency assets and liabilities are recognized in the Consolidated Statement of Profit and Loss.

Exchange differences arising on the settlement of monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

Non - Monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and Non - Monetary items which are carried at fair value or other similar valuation denominated in a foreign currency, are reported using the exchange rates that existed when the values were determined.

The gain or loss arising on translation of Non-Monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in Fair value of the item (i.e., translation differences on items whose fair value gain or loss is recognised in OCI or profit or loss are also recognised in OCI or profit or loss, respectively).

2.16 Taxes on income

Tax expense comprises of Current and Deferred tax.

Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act, 1961.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Investment Manager periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

National Highways Infra Trust
New Delhi

A.R. & CO.
FRN 002744 C
CHARTERED ACCOUNTANTS

Deferred tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date.

Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred tax assets are recognised to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax asset to be utilised.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

2.17 Provisions, Contingent Liabilities, Contingent Assets and Capital Commitments

Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non–occurrence of one or more uncertain future events beyond the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. Contingent Liabilities are reviewed at each reporting date. The Group does not recognize a contingent liability but discloses its existence in the financial statements, however discloses its existence in the financial statements in the notes to accounts.

Contingent Assets

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity.

Contingent assets are recognized when the realisation of income is virtually certain, in which case the related asset is not a contingent asset and its recognition is appropriate.

Contingent assets are reviewed at each reporting date. A contingent asset is disclosed where an inflow of economic benefits is probable.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when

National Highways Infra Trust New Delhi

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

the reimbursement is virtually certain. The expense relating to a provision is presented in the Consolidated statement of profit and loss net of any reimbursement.
If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Commitments
Commitments are future liabilities for contractual expenditure, classified and disclosed as follows:
- estimated amount of contracts remaining to be executed on capital account and not provided for;
- funding related commitment to subsidiary companies; and
- other non-cancellable commitments, if any, to the extent they are considered material and relevant in the opinion of management.

Other commitments related to services to be rendered / procurements made in the normal course of business are not disclosed to avoid excessive details.

2.18 Consolidated Statement of Cash Flows

Consolidated Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities.
Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:
- changes during the period in operating receivables and payables, transactions of a non-cash nature;
- non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses;
- all other items for which the cash effects are investing or financing cash flows.

Cash and cash equivalents (including bank balances) shown in the Consolidated Statement of Cash Flows exclude items which are not available for general use as at the date of Consolidated Balance Sheet.

2.19 Assets held for sale

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all of the following criteria's are met: (i) decision has been made to sell, (ii) the assets are available for immediate sale in its present condition, (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Consolidated Balance Sheet date.
Subsequently, such non-current assets and disposal groups classified as held for sale are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

2.20 Unit Capital

Units are classified as equity. Incremental costs attributable to the issue of units are directly reduced from equity as per requirements of Ind AS 32.

Highways Infra Trust New Delhi

A.R. & Co. FRN 002744 C Chartered Accountants

2.21 Distribution to unit holders

The Group 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 SEBI InvIT Regulations, a distribution is authorised when it is approved by the Board of Directors of the Investment Manager. A corresponding amount is recognised directly in other equity.

2.22 Earnings per Unit (EPU)

Basic EPU amounts are calculated by dividing the profit for the period attributable to unitholders by the weighted average number of units outstanding during the period.

Diluted EPU amounts are calculated by dividing the profit/(loss) attributable to unitholders by the weighted average number of units outstanding during the period plus the weighted average number of units that would be issued on conversion of all the dilutive potential units into unit capital.

2.23 Recent Pronouncements

Ministry of Corporate Affairs ("MCA") notifies new standards or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Amendment Rules, 2023, as below:

Ind AS 1 - Presentation of Financial Statements - This amendment requires the entities to disclose their material accounting policies rather than their significant accounting policies. The effective date for adoption of this amendment is annual periods beginning on or after April I, 2023. The Group has evaluated the amendment and the impact of the amendment is insignificant in the Group's financial statements.

Ind AS 8 - Accounting Policies, Changes in Accounting Estimates and Errors_ - This amendment has introduced a definition of 'accounting estimates' and included amendments to Ind AS 8 to help entities distinguish changes in accounting policies from changes in accounting estimates. The effective date for adoption of this amendment is annual periods beginning on or after April I, 2023. The Group has evaluated the amendment and there is no impact on its consolidated financial statements.

Ind AS 12 - Income Taxes - This amendment has narrowed the scope of the initial recognition exemption so that it does not apply to transactions that give rise to differences. The effective date for adoption of this amendment is annual periods beginning on or after April 1, 2023. The Group has evaluated the amendment and there is no impact on its consolidated financial statement.

National Highways Infra Trust
New Delhi

A.R. & CO.
FRN 002744 C
CHARTERED ACCOUNTANTS

NATIONAL HIGHWAYS INFRA TRUST

Notes to Consolidated Financial Statements for the year ended March 31, 2023

3 Property, Plant and Equipment

(All amounts in ₹ lakh unless otherwise stated)

Particulars	Temporary Structure	Computer	Office Equipments	Furniture & Fixtures	Total
Gross Carrying Amount:					
Balance as at April 1, 2021	-	-	-	-	-
Additions	-	0.50	-	-	0.50
Less: Disposals	-	-	-		-
Balance as at March 31, 2022	-	0.50	-	-	0.50
Additions	25.59	44.94	17.42	44.27	132.22
Less: Disposals	-	-	-	-	-
Balance as at March 31, 2023	25.59	45.44	17.42	44.27	132.72
Accumulated Depreciation:					-
Balance as at April 1, 2021	-	-	-	-	-
Additions	-	0.04	-	-	0.04
Less: Disposals	-	-	-	-	-
Balance as at March 31, 2022	-	0.04	-	-	0.04
Additions	1.49	4.32	0.82	0.88	7.51
Less: Disposals	-	-	-	-	-
Balance as at March 31, 2023	1.49	4.36	0.82	0.88	7.55
Net Carrying Amount:					
Balance as at March 31, 2022	-	0.46	-	-	0.46
Balance as at March 31, 2023	24.10	41.08	16.60	43.39	125.17

National Highways Infra Trust
New Delhi

A.R. & CO.
FRN 002744 C
CHARTERED ACCOUNTANTS

NATIONAL HIGHWAYS INFRA TRUST

Notes to Consolidated Financial Statements for the year ended March 31, 2023

4. Goodwill arising on Consolidation

(All amounts in ₹ lakh unless otherwise stated)

PARTICULARS	As At March 31, 2023	As At March 31, 2022
Gross Carrying Amount		
Balance at the beginning of the year	10,144.46	-
Additions*	-	10,144.46
Less: Disposals	-	-
Less: Impairment	-	-
Balance at the closing of the year	10,144.46	10,144.46

The carrying amount relates to goodwill arising on acquisition of Project SPV (NHIPPL) by the Trust and has been tested for impairment against the respective cash generating unit (CGU). The calculation uses cash flow forecast based on financial models which cover remaining future periods of respective concession periods of toll assets.

Based on a review of the future discounted cash flows of the intangible assets (Toll Collection Rights) held by the subsidiary (NHIPPL), the recoverable amount is higher than the carrying amount of the assets, and accordingly no impairment loss has been recognised in the statement of profit and loss for the year ended March 31, 2023.

*Refer Note 37

National Highways Infra Trust
New Delhi

A.R. & CO.
FRN 002744 C
CHARTERED ACCOUNTANTS

NATIONAL HIGHWAYS INFRA TRUST

Notes to Consolidated Financial Statements for the year ended March 31, 2023

5: Intangible Assets

(All amounts in ₹ lakh unless otherwise stated)

Particulars	Software	Toll collection rights	Total
Gross Carrying Amount:			
Balance as at April 1, 2021		**7,35,040.00**	**7,35,040.00**
Additions	-	-	-
Less: Disposals		-	-
Balance as at March 31, 2022	-	**7,35,040.00**	**7,35,040.00**
Additions	2.16	2,84,966.66	2,84,968.82
Less: Disposals	-		-
Balance as at March 31, 2023	**2.16**	**10,20,006.66**	**10,20,008.82**
Accumulated Amortization:			
Balance as at April 1, 2021	-		-
Additions		**1,055.61**	**1,055.61**
Less: Disposals			-
Balance as at March 31, 2022	-	**1,055.61**	**1,055.61**
Additions	0.25	17,552.87	**17,553.12**
Less: Disposals	-	-	-
Balance as at March 31, 2023	**0.25**	**18,608.48**	**18,608.73**
Net Carrying Amount			
Balance as at March 31, 2022	-	7,33,984.39	7,33,984.39
Balance as at March 31, 2023	**1.91**	**10,01,398.18**	**10,01,400.09**

Note:-

1. The project SPV (NHIPPL) has acquired rights for Tolling, Operation, Maintenance and Transfer of five toll road projects for a period of 30 years basis Toll Concession agreements with NHAI, for a consideration of INR 7,350.40 Crore and the same have been recognised as Other Intangible Assets in financial statements. The project SPV (NHIPPL) further acquired rights during the current financial year for Tolling, Operation, Maintenance and Transfer of three additional toll road projects for a period of 20 years basis Toll Concession agreements with NHAI, for a consideration of INR 2,849.66 Crore and the same have been addition in the Other Intangible Assets in financial statements.

2. Toll Collection Rights shall be amortized on the basis of Consumption based model (using Passenger Car Unit (PCU) projections) over the tenure of the Concession Agreement i.e. 30 years and 20 years basis respective concession agreements for those toll road projects.

National Highways Infra Trust New Delhi

A.R. & CO. FRN 002744 C Chartered Accountants

6 Other Financial Assets: Non Current

(All amounts in ₹ lakh unless otherwise stated)

Particulars	As At March 31, 2023	As At March 31, 2022
Investment in Fixed Deposits		
Fixed Deposits with banks*	9,469.99	3,170.81
Security Deposits	1.60	-
Interest receivable on REF	0.42	
Interest receivable on fixed deposits	185.43	-
Deposit - Debenture Recovery Expense Fund for NCD's	15.00	-
Total	**9,672.44**	**3,170.81**

* The Fixed Deposits are kept in Debt Servicing Reserve Account (DSRA) as per borrowing agreements with lenders and as per terms of the debenture trust deed, to be utilized at the end of tenure of long term borrowings from Senior Lenders and to maintain DSRA balance for Debenture holders, hence classified as Other Financial Assets- Non Current irrespective of date of maturity.

7 Deferred Tax Assets (Net)

(All amounts in ₹ lakh unless otherwise stated)

Particulars	As At March 31, 2023	As At March 31, 2022
Deferred Tax Assets arising on account of:		
- Expense disallowed as per Income Tax Act, 1961, allowable in future years	0.00	0.03
- Unabsorbed depreciation	72,562.41	23,124.38
Total (A)	72,562.41	**23,124.41**
Deferred Tax Liabilities arising on account of:		
- Difference between book & tax base related to Intangible assets	67,877.09	22,858.70
- Difference between book & tax base related to Investments	-	3.16
- Expense disallowed earlier as per Income Tax Act, 1961, allowed now	-	0.03
Total (B)	67,877.09	**22,861.88**
Net Asset (A) - (B)	**4,685.32**	**262.53**

Reconciliation of Deferred Tax Asset/ (Liabilities)

(All amounts in ₹ lakh unless otherwise stated)

Particulars	As At March 31, 2023	As At March 31, 2022
Opening Balance - Deferred Tax Asset	262.53	-
Deferred tax income/ (expense) during the period recognised in profit & loss	4,422.79	262.53
Deferred tax income/ (expense) during the period recognised in Other Comprehensive Income	-	-
Closing Balance - Deferred Tax Asset	**4,685.32**	**262.53**

8 Non Current Tax Assets (Net)

(All amounts in ₹ lakh unless otherwise stated)

Particulars	As At March 31, 2023	As At March 31, 2022
Income tax refundable (net of provision)	12.06	-
Total	**12.06**	-

National Highways Infra Trust New Delhi

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

NATIONAL HIGHWAYS INFRA TRUST

Notes to Consolidated Financial Statements for the year ended March 31, 2023

9 Trade Receivables: Current

(All amounts in ₹ lakh unless otherwise stated)

Particulars	As At March 31, 2023	As At March 31, 2022
Considered good-unsecured	350.87	600.47
Trade Receivables - Credit Impaired (unsecured)	59.60	-
	410.47	**600.47**
Less:- Allowances for expected credit loss	(59.60)	-
Total	**350.87**	**600.47**

The receivables are hypothecated by way of first ranking exclusive charge to secure senior lenders and non convertible debenture holders in Trust.

Trade Receivables ageing schedule as on March 31, 2023

Particulars	Outstanding for following period from due date of payment.					
	0-6 Months	6 Month -1 Year	1-2 Years	2-3 Years	More than 3 years	Total
i) Undisputed Trade Receivables - considered good	350.87	-	-	-	-	350.87
ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
iii) Undisputed Trade Receivables - credit impaired	-	59.60	-	-	-	59.60

Trade Receivables ageing schedule as on March 31, 2022

Particulars	Outstanding for following period from due date of payment.					
	0-6 Months	6 Month - 1 Year	1-2 Years	2-3 Years	More than 3 years	Total
i) Undisputed Trade Receivables - considered good	600.47	-	-	-	-	600.47
ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-

10 Cash and Cash Equivalents

(All amounts in ₹ lakh unless otherwise stated)

Particulars	As At March 31, 2023	As At March 31, 2022
Balances with Banks		
In Current Accounts	735.06	1,004.69
In Escrow Accounts	338.04	35.09
Draft in Hand	8.14	-
Cash in Hand	7.93	-
Fixed Deposits (having original maturity of less than 3 months)	10,000.00	4,350.00
SBI Overnight mutual fund	10,034.91	992.16
	21,124.08	**6,381.94**

11 Other Financial Assets: Current

(All amounts in ₹ lakh unless otherwise stated)

Particulars	As At March 31, 2023	As At March 31, 2022
Security deposits	2.92	-
Interest receivable on Fixed Deposits	3.73	5.28
Others receivables*	290.71	0.10
Total	**297.36**	**5.38**

* These receivables to be recovered from new SPV (NHIT Eastern Projects Private Limited) for expenses incurred on its behalf.

12 Other Current Assets

(All amounts in ₹ lakh unless otherwise stated)

Particulars	As At March 31, 2023	As At March 31, 2022
Prepaid expenses	592.15	347.29
GST Input	642.12	-
Processing fees paid for undrawn loan	103.49	-
Advance to suppliers	5.59	-
Total	**1,343.35**	**347.29**

National Highways Infra Trust New Delhi

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

NATIONAL HIGHWAYS INFRA TRUST

Notes to Consolidated Financial Statements for the year ended March 31, 2023

13 Unit Capital

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No of Units	Amount	No of Units	Amount
Unit Capital*				
Opening balance	59,52,00,000	5,99,442.82	-	-
Add: Units issued during the year	13,12,05,200	1,43,013.67	59,52,00,000	6,01,152.00
Less: Issue expenses (refer note below)	-	(852.17)	-	(1,709.18)
Balance	**72,64,05,200**	**7,41,604.32**	**59,52,00,000**	**5,99,442.82**

* 13,12,05,200 unit issued at Rs 109 per unit and 59,52,00,000 unit issued at Rs 101 per unit.

The Trust offered an issue of 13,12,05,200 units of National Highways Infra Trust ("NHIT") during the current financial year and such units, the "units"), for cash at a price of 109.00 per unit (the "issue price"), aggregating to ' Rs 1,43,013.67 lacs through Institutional and preferential placement in accordance with the Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014 including the rules, circulars and guidelines issued thereunder. The issue opened on September 30, 2022 and closed on October 03, 2022. The Board of Directors of National Highways Infra Investment Managers Private Limited considered and approved allotment of 13,12,05,200 units to the eligible unitholders of Trust on October 12, 2022.

Issue expenses of Rs 852.17 lakhs (previous year Rs 1,709.18) incurred in connection with issue of units have been reduced from the Unit holders capital in accordance with Ind AS 32 Financial Instruments: Presentation

Rights/ preferences and restrictions attached to Unit Capital

Subject to the provisions of the InvIT Regulations, the indenture of funds, and applicable rules, regulations and guidelines, the rights of the unit holders include:

a) The beneficial interest of each unitholder shall be equal and limited to the proportion of the number of the units held by that unitholder to the total number of units.

b) Right to receive income or distributions with respect to the units held.

c) Right to attend the annual general meeting and other meetings of unit holders of the Trust.

d) Right to vote upon any matters/resolutions proposed in relation to the Trust.

e) Right to receive periodic information having a bearing on the operation or performance of the Trust in accordance with the InvIT

f) Right to apply to the Trust to take up certain issues at meetings for unit holders approval.

g) Right to receive additional information, if any, in accordance with InvIT documents filed with Placement Memorandum

h) The non-sponsor unit holders ("Eligible Persons") of the Trust are entitled to representation on the Board of Directors of the Investment Manager through appointment of up to two (2) directors ("Non-Sponsor Directors"), provided that no Eligible Person shall have the right to nominate more than one Director at a time for appointment on the Board of Directors.

In accordance with the InvIT Regulations, no unit holders shall enjoy superior voting or any other rights over any other unit holders, and there shall not be multiple classes of units. There shall be only one denomination of units. Not withstanding the above, subordinate units may be issued only to the Sponsor and its Associates, where such subordinate units shall carry only inferior voting or any other rights compare to the other units.

Under the provisions of the InvIT Regulations, not less than ninety percent of the net distributable cash flows of the Trust is required to be distributed to the unitholders, and in accordance with such statutory obligation the Trust has formulated a distribution policy to declare and distribute the distributable cash flows to its unitholders atleast once every financial year as approved by the Board of Directors of the Investment Manager. The distributions made by Trust to its unitholders are based on the Net Distributable Cash Flows (NDCF) of the Trust under the InvIT Regulations and represent repayment of proportionate capital and share of profit. The distribution in proportion to the number of units held by the unitholders. The Trust declares and pays distributions in INR.

Limitation to the Liability of the unit holders

The liability of each unit holders towards the payment of any amount (that may arise in relation to the Trust including any taxes, duties, fines, levies, liabilities, costs or expenses) shall be limited only to the extent of the capital contribution of such unit holders and after such capital contribution shall have been paid in full by the unit holders, the unit holders shall not be obligated to make any further payments.

The unit holders shall not have any personal liability or obligation with respect to the Trust.

Details of Unitholders Holding More Than 5% Units In The Trust

Name of Unitholders	As at March 31, 2023		As at March 31, 2022	
	No of Units	%	No of Units	%
Ontario Limited	18,16,01,300	25.00%	14,88,00,000	25.00%
CPP Investment Board Private Holdings Inc	18,16,01,300	25.00%	14,88,00,000	25.00%
SBI Balanced Advantage Trust	6,31,60,260	8.69%	5,68,00,000	9.54%
National Highways Authority of India (NHAI)	11,52,02,600	15.86%	9,56,00,000	16.06%

As per records of the Trust, including its register of unitholders and other declaration received from unitholders regarding beneficial interest, the above unitholding represent both legal and beneficial ownership of units.

The Trust has not allotted any fully paid-up units by way of bonus units nor has it bought back any class of units from the date of incorporation till the balance sheet date. Further the Trust has not issued any units for consideration other than cash during the year.

Reconciliation of number of units outstanding is set out below:

Particulars	As at March 31, 2023		As at March 31, 2022	
	No of Units	Amount (amounts in ₹ lakh)*	No of Units	Amount (amounts in ₹ lakh)*
Number of Units at the beginning of the year	59,52,00,000	6,01,152.00	-	-
Units issued during the year	13,12,05,200	1,43,013.67	59,52,00,000	6,01,152.00
Number of Units at the end of the year	72,64,05,200	7,44,165.67	59,52,00,000	6,01,152.00

* Amount related to issue expenses are not deducted in the reconciliation of number of unit capital outstanding.

National Highways Infra Trust New Delhi

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

NATIONAL HIGHWAYS INFRA TRUST

Notes to Consolidated Financial Statements for the year ended March 31, 2023

14 Other equity

All amounts in ₹ lakh unless otherwise stated)

Reserves and Surplus	As At March 31, 2023	As At March 31, 2022
Retained Earnings		
Balance at the beginning of the year	6,768.43	(67.90)
Total comprehensive income for the year	25,689.57	6,836.33
Less:		
Distribution to unit holders^		
Interest	34,183.66	-
Other Income	744.20	-
Balance at the closing of the year	(2,469.86)	6,768.43

^The distribution relates to the distributions during the financial year along with the distribution related to the last quarter of FY 2021-22 and does not include the distribution relating to the period January 01, 2023 to March 31, 2023 which will be paid after March 31, 2023. The distributions by the Trust to its unit holders are based on the Net Distributable Cash Flows of the Trust under the SEBI InvIT Regulations.

National Highways Infra Trust New Delhi

A.R. & CO
FRN 002744 C
CHARTERED ACCOUNTANTS

NATIONAL HIGHWAYS INFRA TRUST

Notes to Consolidated Financial Statements for the year ended March 31, 2023

14 Other equity

(All amounts in ₹ lakh unless otherwise stated)

Reserves and Surplus	As At March 31, 2023	As At March 31, 2022
Retained Earnings		
Balance at the beginning of the year	**6,768.43**	**(67.90)**
Total comprehensive income for the year	25,689.57	6,836.33
Less:		
Distribution to unit holders^		
Interest	34,183.66	-
Other Income	744.20	-
Balance at the closing of the year	**(2,469.86)**	**6,768.43**

^The distribution relates to the distributions during the financial year along with the distribution related to the last quarter of FY 2021-22 and does not include the distribution relating to the period January 01, 2023 to March 31, 2023 which will be paid after March 31, 2023. The distributions by the Trust to its unit holders are based on the Net Distributable Cash Flows of the Trust under the SEBI InvIT Regulations.

National Highways Infra Trust
New Delhi

FRN 002744 C
CHARTERED ACCOUNTANTS

15 Borrowings: Non Current

(All amounts in ₹ lakh unless otherwise stated)

Particulars	As At March 31, 2023	As At March 31, 2022
Secured		
Non-Convertible Debenture	1,50,000.00	-
Less: Unamortized Borrowing Cost	1,411.80	-
Total (A)	**1,48,588.20**	

Note:- Other terms and conditions of NCD

i) Interest rate	7.90% p.a payable semi annually.
ii) Terms of repayment	Redemption of respective STRPP shall be made in equal instalments i) STRPP A - starting from eigth anniversary of deemed date of allotment till thirteenth anniversary. ii) STRPP-B- starting from thirteenth anniversary of deemed date of allotment till eighteenth anniversary. iii) STRPP-C- starting from eighteenth anniversary of deemed date of allotment till twentyfifth anniversary.

Particulars	As At March 31, 2023	As At March 31, 2022
Term Loan:		
From Banks	1,45,987.43	1,46,998.41
	1,45,987.43	1,46,998.41
Less: Current	2,000.00	980.86
Less: Unamortised Borrowing Cost	417.30	460.61
Total (B)	**1,43,570.13**	**1,45,556.94**
Grand Total C = (A+B)	**2,92,158.33**	**1,45,556.94**

Note:- Other terms and conditions of Term Loans

i) Interest rate	Marginal Cost of fund based lending rate (MCLR) plus spread applicable on each reset date.
ii) Terms of repayment	Repayable in unstructured quarterly instalments with last repayment date upto March 31, 2041.

Security for Term Loans :
The loan is secured by,
- first pari passu charge on all immovable assets (if any), movable assets and receivables of the Trust including but not limited to,
(i) the interest and principal repayments on the loans advanced by the Trust to Project SPV
(ii) dividends to be paid by Project SPV to the Trust
- first pari passu Security Interest on Trust Escrow account and all sub-accounts thereunder, including DSRA.
- pledge of 100% equity shares of Project SPV (NHIPPL) in dematerialized form held by the Trust
- assignment of loans advanced by the Trust to Project SPV (NHIPPL) and securities created by the Trust including the assignment of rights of submission, termination and invocation of provision of Escrow agreement in case of default.
- negative lien on immovable assets (including current assets and cash flows) of the Project SPV (NHIPPL) subject to sale of obsolete items or cars/ ambulances, old toll equipment etc., under normal business practice, subject to maximum cumulative value of INR 5 Crore in any financial year.

The senior lenders of the Trust have also been provided with a corporate guarantee from Project SPV (NHIPPL) to guarantee upto the secured obligations of the Trust. The funds have been raised at Trust level from unitholders and domestic lenders, and the same have been lent to Project SPV (NHIPPL) for payment of concession fee by NHIPPL to NHAI. The cashflows viz., toll collections are lying in NHIPPL. Accordingly, corporate guarantee amounting upto the secured obligations of the Trust via Corporate Guarantee Deed dated 14.03.2022, valid across the tenure of the loan of the Trust i.e. up to 31.03.2041, has been provided by the Project SPV (NHIPPL) to the senior lenders of the Trust.

National Highways Infra Trust New Delhi

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

NATIONAL HIGHWAYS INFRA TRUST

Notes to Consolidated Financial Statements for the year ended March 31, 2023

Nature of Security for Non Convertible debentures:

The debenture holders are secured by :

a) a first ranking pari passu Security Interest over the immovable assets (if any) both present and future. There are no immovable properties at the present time. In the event, the group acquires any immovable property in future, the group shall mortgage said property within 180 (one hundred eighty) days from the date of acquisition of such immovable assets. The Debenture Trustee shall be authorised to do all acts, deeds, and enter into necessary documents, agreement, amendments and/or modifications, as may be required to give effect the same, including carrying out the due diligence as may be required by Debenture Trustee;

b) a first ranking pari passu Security Interest over the Hypothecated Assets (including Receivables), both present and future; and

c) Negative Lien Undertaking;

d) corporate guarantee executed by the Project SPV in favour of the Debenture Trustee for guaranteeing the due repayment of the secured obligations in accordance with the terms in the Debenture Trust Deed.

The non convertible debenture holders of the Trust acting through debenture trustee have also been provided with a corporate guarantee from Project SPV (NHIPPL) to guarantee the repayment of amount raised from non convertible debenture holders by the Trust. The funds have been raised at Trust level from debentureholders, have been lent to Project SPV (NHIPPL) for payment of concession fee by NHIPPL to NHAI. Accordingly, corporate guarantee amounting upto the secured obligations via Corporate Guarantee Deed dated 21.10.2022 is valid till all outstanding principal and accrured interest payable by the Trust are satisfied to the non convertible debenture holders of the Trust.

There have been no breaches in financial covenants with respect to the borrowings from Senior lenders.

16 Provisions: Non Current

(All amounts in ₹ lakh unless otherwise stated)

Particulars	As At March 31, 2023	As At March 31, 2022
Provision for employees benefits		
Gratuity (unfunded)	4.41	0.05
Leave Encashment (unfunded)	6.96	0.03
Provision for major maintenance*	6,307.44	403.29
Total	**6,318.81**	**403.37**

Provision for Major Maintenance*

The group is required to operate and maintain the project tollway during the entire concession period and hand over the project back to NHAI as per the maintenance standards prescribed in concession agreements. For this purpose, a regular maintenance along with periodic maintenance is required to be performed. Normally, periodic maintenance includes resurface of pavements, repairs of structures and other equipment and maintenance of service roads. As per industry practice, the periodic maintenance is expected to occur once in five to seven years. The provisions for MMR has been made based on the first cycle of of overlay expected to occur in five to seven years and not based on the total MMR cost over entire concession period as per industry practice. The discounting rate used for arriving at the present value for MMR provisions is government bond rate of 30 years for projects acquired in first phase and 20 years for projects acquired in second phase. The maintenance cost / bituminous overlay may vary based on the actual usage during maintenance period. Accordingly, on the grounds of matching cost concept and based on technical estimates, a provision for major maintenance expense is reviewed and is provided for in the financial statements in each reporting period. Considering that the expense to be incurred is depended on various factors including the usage, wear and tear of the toll road, bituminous overlay, etc., it is not possible to estimate the exact timing and the quantum of the cashflow.

Details of movement in Provisions

(All amounts in ₹ lakh unless otherwise stated)

Particulars	As At March 31, 2023	As At March 31, 2022
Opening Balance	403.29	-
Add: Accretion during the year	-	403.29
Provision for Major Maintenance Obligation	5,879.20	-
Unwinding finance cost on major maintenance provision	24.95	-
Less: Utilized during the year	-	-
Closing Balance	**6,307.44**	**403.29**

17 Borrowings: Current

(All amounts in ₹ lakh unless otherwise stated)

Particulars	As At March 31, 2023	As At March 31, 2022
Current Maturities of Long Term borrowings (Refer Note No. 15)	2,000.00	980.86
Total	**2,000.00**	**980.86**

National Highways Infra Trust New Delhi

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

NATIONAL HIGHWAYS INFRA TRUST

18 Trade Payables: Current

(All amounts in ₹ lakh unless otherwise stated)

Particulars	As At March 31, 2023	As At March 31, 2022
Total outstanding, dues of micro and small enterprises	137.23	-
Total outstanding, dues of creditors other than micro and small enterprises (Outstanding for less than 12 months from the due date of payment)	3,871.18	1,244.79
Total	**4,008.41**	**1,244.79**

Note:-

Details of dues to micro and small enterprises as per MSMED Act, 2006.

The group has certain dues to suppliers registered under Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED Act'). The disclosures pursuant to the said MSMED Act are as follows.

	As At March 31, 2023	As At March 31, 2022
a) The principal amount remaining unpaid to any supplier at the end of the year	137.23	-
b) Interest accrued and due thereon to suppliers under MSMED Act on the above amount remaining unpaid to any supplier at the end of year.	-	-
c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
d) 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 MSMED Act, 2006	-	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006	-	-
Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the group regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the group.	-	-

Trade Payable ageing schedule as at March 31, 2023

(All amounts in ₹ lakh unless otherwise stated)

Particulars	Not due*	Outstanding for following period from due date of payment.				
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
i) MSME	-	137.24	-	-	-	137.24
ii) Others	2,468.10	1,403.08	-	-	-	3,871.18
iii) Disputed dues - MSME	-	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-	-

* Trade Payables include unbilled payables amounting to Rs.2,468.10 Lakh (Previous year: Rs.920.00 Lakh)

Trade Payable ageing schedule as at March 31, 2022

Particulars	Not due*	Outstanding for following period from due date of payment.				
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
i) MSME	-	-	-	-	-	-
ii) Others	920.00	324.79	-	-	-	1,244.79
iii) Disputed dues - MSME	-	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-	-

* Trade Payables include unbilled payables amounting to Rs 920.00 Lakh (Previous year: Rs.Nil Lakh)

** The total outstanding of MSME vendors include Rs 24.72 lacs outstandings which are due for more than 45 days and payments have not been released against these due to queries raised to vendors in respect of these have not been resolved by these vendors.

New Delhi

A.R. & CO.
FRN 002744 C
CHARTERED ACCOUNTANTS

NATIONAL HIGHWAYS INFRA TRUST

Notes to Consolidated Financial Statements for the year ended March 31, 2023

19 Other Financial Liabilities: Current

(All amounts in ₹ lakh unless otherwise stated)

Particulars	As At March 31, 2023	As At March 31, 2022
Interest accrued but not due on NCD	5,129.59	-
Double toll Fee payable to NHAI	151.17	97.85
Security Deposit	4.19	-
Total	**5,284.95**	**97.85**

20 Other Current Liabilities

(All amounts in ₹ lakh unless otherwise stated)

Particulars	As At March 31, 2023	As At March 31, 2022
Statutory dues payable	226.85	240.75
Unearned Revenue	2.12	-
- Advance received	5.00	-
- Employees payable	6.64	-
Total	**240.61**	**240.75**

21 Provisions: Current

(All amounts in ₹ lakh unless otherwise stated)

Particulars	As At March 31, 2023	As At March 31, 2022
Provision for Employee Benefits (refer note no 39A)		
Leave Encashment (unfunded)	0.55	0.03
Gratuity (unfunded)	0.01	
Total	**0.56**	**0.03**

22 Current Tax Liabilities (Net)

(All amounts in ₹ lakh unless otherwise stated)

Particulars	As At March 31, 2023	As At March 31, 2022
Provision for Income Tax	8.98	161.77
Total	**8.98**	**161.77**

Reconciliation of Current Tax Liabilities

Particulars	As At March 31, 2023	As At March 31, 2022
Opening Balance	161.77	-
Add: Income Tax Payable for the year	473.89	436.36
Less: Taxes Paid	626.68	274.59
Closing Balance	**8.98**	**161.77**

National Highways Infra Trust New Delhi

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

NATIONAL HIGHWAYS INFRA TRUST

Notes to Consolidated Financial Statements for the year ended March 31, 2023

23 Revenue from operations

(All amounts in ₹ lakh unless otherwise stated)

Particulars	As At March 31, 2023	As At March 31, 2022
Sale of Services		
Revenue from Toll Collection	68,708.93	13,941.94
Other Operative Revenue		
Interest on delay in Toll Remittance	8.27	18.61
Total	**68,717.20**	**13,960.55**

24 Interest income

(All amounts in ₹ lakh unless otherwise stated)

Particulars	As At March 31, 2023	As At March 31, 2022
On fixed deposits with banks	373.43	5.86
Total	**373.43**	**5.86**

25 Profit on sale of investments

(All amounts in ₹ lakh unless otherwise stated)

Particulars	As At March 31, 2023	As At March 31, 2022
Profit on redemption of Mutual Funds	671.17	682.62
Net Gain on fair valuation of investments designated at FVTPL	-	7.38
Total	**671.17**	**690.00**

26 Other Income

(All amounts in ₹ lakh unless otherwise stated)

Particulars	As At March 31, 2023	As At March 31, 2022
Other non operating income		
Other Income	326.11	318.67
Total	**326.11**	**318.67**

27 Operating Expenses

(All amounts in ₹ lakh unless otherwise stated)

Particulars	As At March 31, 2023	As At March 31, 2022
Operation and Maintenance Expenses	3,145.85	446.48
Major Maintenance Obligation	5,879.20	403.29
Total	**9,025.05**	**849.77**

28 Employee Benefit Expenses

(All amounts in ₹ lakh unless otherwise stated)

Particulars	As At March 31, 2023	As At March 31, 2022
Salaries and wages	222.98	1.75
Contribution to provident and other funds (Refer Note 39 (i))	15.27	0.13
Gratuity Expenses (Refer Note 39A)	4.42	0.05
Leave Encashment Expense (Refer Note 39B)	7.51	0.06
Staff Welfare Expenses	46.05	0.13
Director's sitting fees	15.10	
Total	**311.33**	**2.12**

National Highways Infra Trust New Delhi

A.K & CO FRN 002744 C CHARTERED ACCOUNTANTS

NATIONAL HIGHWAYS INFRA TRUST

Notes to Consolidated Financial Statements for the year ended March 31, 2023

29 Finance Cost

(All amounts in ₹ lakh unless otherwise stated)

Particulars	As At March 31, 2023	As At March 31, 2022
Interest on Long term borrowings	11,244.91	3,149.19
Interest on Debentures	5,129.59	-
Finance Charges	221.87	5.24
Unwinding finance cost on major maintenance provision	24.95	-
	-	
Total	**16,621.32**	**3,154.43**

30 Depreciation and Amortization Expenses

(All amounts in ₹ lakh unless otherwise stated)

Particulars	As At March 31, 2023	As At March 31, 2022
Depreciation on Property, Plant and Equipment	7.51	0.04
Amortization on Intangible Assets	17,553.12	1,055.61
Total	**17,560.63**	**1,055.65**

31 Other Expenses

(All amounts in ₹ lakh unless otherwise stated)

Particulars	As At March 31, 2023	As At March 31, 2022
Advertisement expenses	35.75	8.47
Legal and Professional fees	1,542.22	202.56
Travelling and conveyance	19.80	-
Telephone and internet charges	6.58	-
Power and fuel	58.78	-
Environment, health and safety expenses	13.06	-
Fee, subscription & taxes	43.42	291.63
Bank charges	1.53	0.04
Data Management Expenses	3.00	1.31
Provision for expected credit loss	59.60	-
Vehicle hire charges	63.58	-
Repair and maintenance expenses	14.71	-
Miscellaneous expenses	30.03	0.87
Bad Debts Written Off	9.90	
Total	**1,901.95**	**504.87**

32 Audit Fees		-
Statutory audit fees	4.53	4.57
Limited review fees	2.26	-
Tax audit fees	0.94	0.30
Total	**7.73**	**4.86**
Certification and other charges	0.93	0.52
Total	**0.93**	**0.52**

Further an amount of Rs 6 lakh paid to auditor as certification charges has been booked as part of one time expenses in the Unit Capital. (Refer note no 13)

33 Tax Expense

(All amounts in ₹ lakh unless otherwise stated)

Particulars	As At March 31, 2023	As At March 31, 2022
Current Tax	473.89	436.36
Provision for Taxation-Earlier years	0.01	-
	473.90	**436.36**
Deferred tax expense/(credit)	(4,422.79)	(262.32)
	(3,948.89)	**174.04**

National Highways Infra Trust New Delhi

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

Effective tax Reconciliation:

Numerical reconciliation of tax expense applicable to (profit)/ loss before tax at the latest statutory enacted tax rate in India to income tax expense reported is as follows:

(All amounts in ₹ lakh unless otherwise stated)

PARTICULARS	As At March 31, 2023	As At March 31, 2022
Accounting Profit before Income Taxes	21,740.68	7,015.74
Tax at India's statutory income tax rate for Companies (25.17%)	(14,086.70)	(2,925.10)
Tax at India's statutory income tax rate for Business Trusts - Maximum Marginal Rate (42.744%)	33,215.05	7,963.95
Increase/ (reduction) in taxes on account of:		
Impact of deferred tax on reversible allowance/ disallowance of business expense and income, as per Indian Income Tax Act, 1961	9,663.91	2,662.78
Impact of exemption u/s 10(23FC) of the Indian Income Tax Act, 1961 available to the Trust	(32,741.15)	(7,542.34)
Provision for interest on delayed deposit of income tax	-	14.75
Income tax expense reported in the statement of profit and loss	**(3,948.89)**	**174.04**

34 Earning per Unit

(All amounts in ₹ lakh unless otherwise stated)

Particulars	As At March 31, 2023	As At March 31, 2022
Basic and diluted EPU		
Net Profit/ loss available for unitholders (in ₹ lakh)	25,689.57	6,836.33
Weighted average number of units for EPU computation	65,66,68,737.53	59,52,00,000
EPU - Basic and diluted	**3.91**	**1.15**

35 Contingent Liabilities

(All amounts in ₹ lakh unless otherwise stated)

Particulars	As At March 31, 2023	As At March 31, 2022
Contingent Liabilities:		
Corporate Guarantee issued by the Project SPV (NHIPPL) to the lenders of NHIT	2,00,000.00	2,00,000.00
Corporate Guarantee issued by the Project SPV (NHIPPL) to debenture trustee for debenture holders of NHIT	1,50,000.00	
Total	**3,50,000.00**	**2,00,000.00**

The SPV (NHIPPL) has issued a Corporate Guarantee amounting to INR 2,000 Crore on 14.03.2022 in favour of Security Trustee for the lenders of NHIT as part of debt covenants of the loan received from NHIT, to secure the term loan of INR 2,000 Crore availed by NHIT from external lenders. The Corporate Guarantee is valid across the tenure of the loan till March 31, 2041 till the external loans to the Trust are satisfied.

The SPV(NHIPPL) has issued a Corporate Guarantee amounting to INR 1,500 Crore on October 21, 2022 in favour of debenture trustee for the benefit of debenture holders of NHIT, to secure the Non Convertible debenture borrowings of INR 1,500 Crore availed by NHIT from debenture holders. The Corporate Guarantee is valid across the tenure of the loan till all outstanding principal and accrued interest thereon by the Trust are satisfied.

In previous year, the SPV (NHIPPL) had provided a corporate guarantee for an amount not exceeding INR 2000 crore, to Security Trustee for the lenders of NHIT in respect of the long-term borrowing obtained by the Holding entity. During the year, the Project SPV (NHIPPL) had carried out a fair valuation of said corporate guarantee from an independent external valuer. Basis such valuation report, fair value of corporate guarantee is estimated to Nil.

During the year, the SPV (NHIPPL) have provided a corporate guarantee for an amount not exceeding INR 1500 crores, to Debenture Trustee (for the benefit of the lenders to National Highways Infra Trust ('NHIT'), the Holding entity) in respect of non-convertible debentures obtained by the Holding entity. The Project SPV (NHIPPL) have carried out a fair valuation of said corporate guarantee from an independent external valuer. Basis such valuation report, fair value of corporate guarantee was estimated to Nil.

National Highways Infra Trust New Delhi

A.R. & CO. FRN 002744 C Chartered Accountants

NATIONAL HIGHWAYS INFRA TRUST

Notes to Consolidated Financial Statements for the year ended March 31, 2023

36 Disclosure as per Ind AS 115, "Revenue from contracts with customers"

(All amounts in ₹ lakh unless otherwise stated)

1 Disaggregation of revenue

Revenue recognised mainly comprises of revenue from toll collections, claims with NHAI, contract revenue etc. Set out below is the disaggregation of the Trust's revenue from contracts with customers:

Description	As At March 31, 2023	As At March 31, 2022
Operating revenue		
(a) Toll income from Expressway	68,708.93	13,941.94
(b) Interest on delay in Toll Remittance	8.27	18.61
Total revenue	**68,717.20**	**13,960.55**

The table below presents disaggregated revenues from contracts with customers based on nature, amount and timing for the year ended 31 March 2023 and 31 March 2022:

S.No.	Types of Products by Nature	Types of Services by timing	As At March 31, 2023	As At March 31, 2022
1	Toll Income	Over the period of time	68,717.20	13,960.55

2 Assets and liabilities related to contracts with customers

The following table provides information about receivables, contract assets and contract liabilities from contract with customers:

Description	As At March 31, 2023	As At March 31, 2022
	Current	Current
Contract assets		
Trade receivables:		
Receivables under service concession arrangements	350.87	600.47
Total	**350.87**	600.47
Contract liabilities		
Trade Payables	4,008.41	1,244.79
Other Payables	5,284.95	97.85
Total	**9,293.36**	1,342.64

3 Performance obligation

Income from toll collection

The performance obligation in service of toll collection is recorded as per rates notified by NHAI and approved by management and payment is generally due at the time of providing service.

Contract revenue

The performance obligation under service concession agreements ('SCA') is due on completion of work as per terms of SCA.

4 Disclosure under Appendix - C & D to Ind AS 115 - " Service Concession Arrangements"

All the below service concession arrangement have been accounted under intangible asset model

Name of Concessionaire	Start of Concession period under concession agreement (Appointed Date)	End of Concession period under concession agreement	Period of Concession since the appointed date till March 31, 2023 (in days)
National Highways Infra Projects Private Limited	16.12.2021 (Five Projects)	15.12.2051	471
National Highways Infra Projects Private Limited	29.10.2022 (Three Projects)	28.10.2042	154

i) The above TOT projects shall have following rights / obligations in accordance with the Concession Agreement entered into with the respective Government Authorities

a. Right to use the Specified Assets

b. Obligations to provide or rights to except provision of services

c. Obligations to deliver or rights to receive at the end of concession

National Highways Infra Trust New Delhi

A.R. & Co. FRN 002744 C CHARTERED ACCOUNTANTS

NATIONAL HIGHWAYS INFRA TRUST

Notes to Consolidated Financial Statements for the year ended March 31, 2023

37 DISCLOSURES PURSUANT TO IND AS 103 "BUSINESS COMBINATIONS"

(All amounts in ₹ lakh unless otherwise stated)

a) Acquisition of subsidiaries

i) Pursuant to the Share Purchase Agreement dated September 30, 2021, the Trust acquired the entire equity share capital of the the Project SPV (NHIPPL) on December 14, 2021 for an equity consideration of Rs. 1,39,553.52 Lakhs. Accordingly, the financial statements of the subsidiary NHIPPL for the period from December 14, 2021 to March 31.2022 have been considered in the consolidated financial statements of the Trust. Funding for the said acquisition was raised through preferential issue of units of the Trust. The Group has carried out a fair valuation of the net assets of the Project SPV at the time of acquisition and accordingly the goodwill has been recorded in the consolidated financial statements.

ii) Details of the purchase consideration:

Particulars	Amount
Cash Consideration	1,29,400.00
Unit capital issued	10,153.52
Total purchase consideration	**1,39,553.52**

The fair value of Rs 139,553.52 lakhs paid for acquisition of the above mentioned project SPVs includes consideration in cash amounting to Rs. 1,294 Crore and consideration in form of issuance of 10.05 Lakh units of Trust at the rate of Rs. 101 per unit. Issue costs of Rs 1.52 Lakh directly attributable to the issue of the units have been added to the purchase consideration.

ii) Assets acquired and liabilities recognised on the date of acquisition are as follows:

Particulars	Amount
Non - Current Assets:	
Intangible assets	7,35,040.00
Deferred Tax Assets (net)	0.21
Current Assets:	
Financial Assets	
Cash and Cash Equivalents	10.00
Total Assets	**7,35,050.20**
Current Liabilities:	
Financial liabilities	
Other financial liabilities	7,35,041.12
Other current liabilities	0.02
Total Liabilities	**7,35,041.14**
Net assets acquired	**9.06**

iii) Calculation of Goodwill / (Capital Reserve)

Particulars	Amount
Purchase Consideration	1,39,553.52
Less: Fair Value of Net Assets acquired	9.06
Less: Acquisition of fresh issue of shares of NHIPPL by the Trust	1,29,400.00
Goodwill	**10,144.46**

iv) Goodwill on acquisiion has been accounted for under Non Current Assets in the Balance Sheet.

v) Entity wise Revenue and Profit after tax from the date of acquisition till March 31, 2022:

Particulars	Amount
Revenue	13,960.55
Profit after Tax	**6,836.33**

vi) Entity wise Revenue and Profit after tax for the financial year 2020-21

Particulars	Amount
Revenue	-
Profit after Tax	**(67.90)**

FRN 002744 C

NATIONAL HIGHWAYS INFRA TRUST

Additional disclosure as required by paragraph 6 of Annexure A to the SEBI Circular No. CIR/IMD/DF/127/2016

38 Statement of Related Parties

A. List of Related Parties as per requirement of IND AS 24 – "Related Party Disclosures"

Enterprises where Control / significant influence exists	**National Highways Infra Projects Private Limited (Subsidiary Company)**

B. List of additional related parties as per Regulation 2(1)(zv) of the SEBI InvIT Regulations

Parties to the Trust

National Highways Infra Investment Managers Private Limited (NHIIMPL) - Investment Manager (IM) of the Trust
IDBI Trusteeship Services Limited (ITSL) - Trustee of the Trust
National Highways Authority of India (NHAI)- Sponsor
National Highways InvIT Project Managers Private Limited (NHIPMPL)- Project Manager

Promoters of the Parties to the Trust specified above

Government of India ((acting through Ministry of Road, Transport & Highways (MORTH)) - Promoter of NHIIMPL
IDBI Bank Limited (IDBI Bank) - Promoter of ITSL
Government of India ((acting through Ministry of Road, Transport & Highways (MORTH)) - Promoter of NHAI
National Highways Authority of India (NHAI)- Promoter of NHIPMPL

Directors of the parties to the Trust specified above

Directors of NHIIMPL

Mr. Suresh Krishan Goyal
Mr. Shailendra Narain Roy
Mr. Balasubramanyam Sriram (Ceased to be Director w.e.f. 31.03.2023)
Mr. Mahavir Prasad Sharma
Mr. Pradeep Singh Kharola
Mr. Amit Kumar Ghosh
Mrs. Kavita Saha (Ceased to be Director w.e.f. 29.11.2022, however reappointed on 06.01.2023)
Mr. Bruce Ross Crane (Ceased to be Director w.e.f. 29.11.2022, however reappointed on 06.01.2023)
Mr. N.R.V.V.M.K. Rajendra Kumar
Mr. Vivek Rae (Ceased to be Director w.e.f 12.07.2022)
Mr. Sumit Bose (Appointed w.e.f. 11.01.2023)

Directors of ITSL

Mr. J. Samuel Joseph
Mr. Pradeep Kumar Jain
Ms. Jayashree Ranade
Ms. Madhuri Jayant Kulkarni (Ceased to be Director w.e.f. 06.12.2022)
Ms. Padma Vinod Betai (Ceased to be Director w.e.f. 31.12.2022)
Mr. Pradeep Kumar Malhotra (Appointed w.e.f. 14.12.22)
Ms. Baljinder Kaur Mandal (Appointed w.e.f. 17.01.2023)

Directors of NHIPMPL

Mr. Ashish Asati (Ceased to be Director w.e.f. 28.10.2022)
Mr. Akhil Khare (Appointed w.e.f. 28.10.2022)
Mr. Muralidhara Rao Bugatha (Ceased to be Director w.e.f 17.01.2023)
Mr. Ashish Kumar Singh (Appointed w.e.f. 17.01.2023)

National Highways Infra Trust
New Delhi

FRN 002744 C
CHARTERED ACCOUNTANTS

NATIONAL HIGHWAYS INFRA TRUST

Additional disclosure as required by paragraph 6 of Annexure A to the SEBI Circular No. CIR/IMD/DF/127/2016

C. Transactions with Related Parties during the year

(All amounts in ₹ lakh unless otherwise stated)

Particulars	As At March 31, 2023	As At March 31, 2022
National Highways Infra Investment Managers Private Limited (NHIIMPL)		
Transaction during the year		
Investment Manager Fees	1,491.17	1,931.71
Advance Investment Manager Fees	86.06	-
Reimbursement of Expenses to NHIIMPL	39.79	214.80
National Highways Authority of India (NHAI)		
Transaction during the year		
Reimbursement of Pre-Issue expenses of NHIT by NHAI	-	578.02
Purchase of equity shares of Project SPV (NHIPPL) by the Trust from NHAI	-	10,153.52
Issue of units of Trust to NHAI	21,366.83	96,556.00
Interest and other income distribution	5,589.34	-
O & M Expenses	1,152.32	-
Payment for acquiring intangible assets (Toll)	2,84,966.66	7,35,040.00
Double toll fees	679.17	-
Independent engineers fees	345.38	-
National Highways InvIT Project Managers Private Limited (NHIPMPL)		
Transaction during the year		
Project Manager fees	991.20	290.43
IDBI Trusteeship Services Limited (ITSL)		
Transaction during the year		
Trusteeship Fee	12.73	12.15
Other fees	3.54	-

D. Closing Balance with Related Parties

Particulars	As At March 31, 2023	As At March 31, 2022
National Highways Authority of India (NHAI)		
Balance outstanding at the end of the year		
Issue of units of Trust to NHAI	1,17,922.83	96,556.00
O & M Expenses payable	880.35	-
Double toll fees payable	148.21	-
Independent Engineers Fees payable	276.03	-
National Highways Infra Investment Managers Private Limited (NHIIMPL)		
Balance outstanding at the end of the year		
IM Fees Payable	1.89	-
GST Amount payable	0.48	
National Highways InvIT Project Managers Private Limited (NHIPMPL)		
Balance outstanding at the end of the year		
Project Manager fees Payable	762.50	290.43
IDBI Trusteeship Services Limited		
Balance outstanding at the end of the year		
Initial Settlement Amount	-	0.10
Trusteeship Fee Payable	1.73	2.77

New Delhi

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

NATIONAL HIGHWAYS INFRA TRUST

Additional disclosure as required by paragraph 6 of Annexure A to the SEBI Circular No. CIR/IMD/DF/127/2016

E. Summary of transactions with Key Managerial Personnel (KMP)

For the year ended March 31, 2023

(All amounts in ₹ lakh unless otherwise stated)

	Remuneration					
Details of Key Managerial Personnel	**Sitting Fees**	**Short term employment benefits**	**Post employement benefits**	**Other long term employment benefits**	**Termination benefits**	**Outstanding Loans/Advances /Receivables**
Mr. Suresh Krishan Goyal*	-	0.39	-	-	-	-
Mr. M P Sharma	6.40	-	-	-	-	-
Mr. Shailendra Narain Roy	6.40	-	-	-	-	-
Mr. N.R.V.V.M.K. Rajendra Kumar	-	-	-	-	-	-
Mrs. Ajanta Sen	-	1.84	-	-	-	-
Mrs. Bhanu Sharma (CS)	-	3.83	-	0.08	-	-

* This is reimbursement of expenses.

For the year ended March 31, 2022

	Remuneration					
Details of Key Managerial Personnel	**Sitting Fees**	**Short term employment benefits**	**Post employement benefits**	**Other long term employment benefits**	**Termination benefits**	**Outstanding Loans/Advances /Receivables**
Mr. Suresh Krishan Goyal	-	-	-	-	-	-
Mr. B.M. Rao	-	-	-	-		-
Mrs. Ajanta Sen	-	1.52	-	0.24	-	-

National Highways Infra Trust
New Delhi

A.R. & CO.
FRN 002744 C
CHARTERED ACCOUNTANTS

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

40 Capital Management

For the purpose of the Group's capital management, capital includes issued unit capital and all other reserves attributable to the unit holders 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 ratios in order to support its business and maximise unit holder value.

The Group manages its capital structure and makes adjustments to it in 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 dividend payment / income distribution to unit holders (subject to the provisions of SEBI InvIT Regulations which require distribution of at least 90% of the net distributable cash flows of the Group to unit holders), return capital to unit holders or issue new units. The Group monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The Group's policy is to keep the gearing ratio optimum.

(All amounts in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Net Debt Components:		
Long Term Borrowings (Non-Current portion)	2,92,158.33	1,45,556.94
Current Maturities of Long-Term Borrowings	2,000.00	980.86
Trade Payables	4,008.41	1,244.79
Other financial liabilities	5,284.95	97.85
Less: Cash and Cash Equivalents	(21,124.08)	(6,381.94)
Less: Bank Balances other than cash and cash equivalents	(4,685.32)	(3,170.81)
Net Debt (i)	**2,77,642.28**	**1,38,327.70**
Capital Components:		
Unit Capital	7,41,604.32	5,99,442.82
Initial Settlement Amount	0.10	0.10
Other Equity	(2,469.86)	6,768.43
Total Capital (ii)	**7,39,134.56**	**6,06,211.35**
Capital and Debt [(iii) = (i) + (ii)]	**10,16,776.84**	**7,44,539.04**
Gearing Ratio (i)/(iii)	**27.31%**	**18.58%**

In order to achieve this overall objective, the Board of Directors of Investment Manager, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the lenders to call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current year. No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2023 and March 31, 2022.

41 Financial Risk Management Objectives and Policies

The Group is in the process of formulation of its risk management policies with an objective of identification and analysis of risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies shall be reviewed regularly to reflect changes in market conditions and the Group's activities.

The Board of Directors of Investment Manager has overall responsibility for the establishment and oversight of the Group's risk management framework.

In performing its operating, investing and financing activities, the Group is exposed to the Credit risk, Liquidity risk and Market risk.

Market Risk

Market risk is the risk that the fair value of future cash flows of a 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. Financial instruments affected by market risk include loans and borrowings, Receivable and Payables and Investments measured at FVTPL.

The sensitivity analyses in the following sections relate to the position as at March 31, 2023 and March 31, 2022.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt are all constant.

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

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 March 31, 2023 & March 31, 2022.

National Highways Infra Trust New Delhi

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

NATIONAL HIGHWAYS INFRA TRUST

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Group transacts business primarily in Indian Rupees only, and hence, the sensitivity of profit and loss of the Group to a possible change in foreign exchange rates is non-existent as on 31st March, 2023 and 31st March, 2022.

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. Exposure to risk of changes in market interest rates generally relates primarily to long-term debt obligations with floating interest rates.

The following table provides a break-up of the group fixed and floating rate borrowings:

(All amounts in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Floating Rate Borrowings	1,43,570.13	1,46,537.80

The Group's exposure to interest rate risk due to variable interest rate borrowings is as follows:

Sensitivity analysis based on average outstanding Debt: (All amounts in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Increase or decrease in interest rate by 25 basis points	358.93	388.94

Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. With respect to credit risk arising from other financial assets of the Group, which comprise Balances with banks, Trade Receivables, Loans and Advances and Investments. The Group's exposure to credit risk arises from default of the counterparty, with maximum exposure equal to the carrying amount of these instrument.

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was Rs. 31,444.75 Lakh and Rs. 10,158.59 Lakh as at March 31, 2022 respectively, being the total carrying value of Loans and Advances, Trade receivables, Investments, Balances with bank, bank deposits and other financial assets.

Liquidity Risk

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities that are settled by delivering cash or another financial assets.

The Group is exposed to liquidity risk due to bank borrowings and trade and other payables.

The Group measures risk by forecasting cash flows.

The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking damage to the Group's reputation. The Group ensures that it has sufficient funds to meet expected operational expenses, servicing of financial obligations.

In addition, processes and policies related to such risk are overseen by senior management. Management monitors the Group's net liquidity position through rolling forecast on the basis of expected cash flows.

The table below summarises the maturity profile of the group's financial liabilities based on contractual undiscounted payments.

(All amounts in ₹ lakh unless otherwise stated)

As at 31-03-2023	Carrying Am	<1 Yr.	1-3 Yrs.	>3 Yrs.
Borrowings	2,94,158.33	2,000.00	6,000.00	2,86,158.33
Trade Payables	4,008.41	4,008.41	-	-
Other Financial Liabilities	5,284.95	5,284.95	-	-
Total	**3,03,451.68**	**11,293.36**	**6,000.00**	**2,86,158.33**

As at 31-03-2022	Carrying	<1 Yr.	1-3 Yrs.	>3 Yrs.
Borrowings	1,46,537.80	1,000.00	8,000.00	1,37,537.80
Trade Payables	1,244.79	1,244.79	-	-
Other Financial Liabilities	97.85	97.85	-	-
Total	**1,47,880.44**	**2,342.64**	**8,000.00**	**1,37,537.80**

National Highways Infra Trust New Delhi

FRN 002744 C CHARTERED ACCOUNTANTS

NATIONAL HIGHWAYS INFRA TRUST

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

42 Disclosure pursuant to IND AS 36 "Impairment of Assets"

Based on impairment testing done which involves review of the future discounted cash flows of the subsidiary, the recoverable amount is higher than the carrying amount of the investment made in the subsidiary and accordingly, no provision for impairment is required to be recognised in the books as on the reporting date. In case of goodwill based on impairment testing recoverable amount is higher then the carrying value as on the reporting date, hence no provision for impairment is required to be recognised in the books as on reporting date.

43 Disclosure of Financial Instruments by Category

(All amounts in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Amortized Cost	FTVPL		Amortized Cost	FTVPL	
		At Cost	At Fair Value		At Cost	At Fair Value
Assets:						
Cash and Cash Equivalents	21,124.08	-	-	6,381.94	-	-
Trade Receivables	350.87	-	-	600.47	-	-
Other Financial Assets	9,969.80	-	-	3,176.18	-	-
Total	**31,444.75**	-	-	**10,158.59**	-	-
Liabilities:						
Borrowings	2,94,158.33	-	-	1,46,537.80	-	-
Trade Payables	4,008.41	-	-	1,244.79	-	-
Other Financial Liabilities	5,284.95	-	-	97.85	-	-
Total	**3,03,451.68**	-	-	**1,47,880.44**	-	-

Defaults and Breaches

There are no defaults during the year with respect to repayment of principal and payment of interest and no breaches of the terms and conditions of the borrowings.

There are no breaches during the year which permitted lender to demand accelerated payment

44 Fair Values of Assets and Liabilities

The carrying amount of all financial assets and liabilities appearing in the financial statements is reasonable approximation of fair values. Fair value of the financial assets and liabilities is the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

The Group is required to present the Statement of total assets at fair value and Statement of total returns at fair value as per SEBI Circular No. CIR/IMD/DF/114/2016 dated October 20, 2016 as a part of these financial statements - Refer Statement of Net assets at fair value and Statement of Total Returns at fair value.

45 Fair Value Hierarchy

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

Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Highways Infra Trust New Delhi

A.R. & Co. FRN 002744 C CHARTERED ACCOUNTANTS

NATIONAL HIGHWAYS INFRA TRUST

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

Class wise composition and comparison of carrying amounts and fair values of financial assets and liabilities that are recognised in the financial statements along with Fair Value Hierarchy details are given below:

(All amounts in ₹ lakh unless otherwise stated)

Particulars	Fair Value Hierarchy Level	Carrying Value		Fair Value	
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Financial Assets at Amortized Cost:					
Cash and Cash Equivalents	Level 3	21,124.08	6,381.94	21,124.08	6,381.94
Trade Receivables	Level 3	350.87	600.47	350.87	600.47
Other Financial Assets	Level 3	9,969.80	3,176.18	9,969.80	3,176.18
Total		**31,444.75**	**10,158.59**	**31,444.75**	**10,158.59**
Financial Liabilities at Amortized Cost:					
Borrowings	Level 3	2,94,158.33	1,46,537.80	2,94,158.33	1,46,537.80
Trade Payables	Level 3	4,008.41	1,244.79	4,008.41	1,244.79
Other Financial Liabilities	Level 3	5,284.95	97.85	5,284.95	97.85
Total		**3,03,451.68**	**1,47,880.44**	**3,03,451.68**	**1,47,880.44**

There is one transfer during the year from Level 1 to Level 3 for Investment in Mutual Funds as these have been been grouped into cash and cash equivalents

The policy of the Group is to recognise transfers into and transfer out of fair values hierarchy levels as at the end of the reporting period.

Valuation technique and inputs used to determine fair value

Financial assets and liabilities	Valuation method	Inputs
Financial assets		
Investments in equity shares of subsidiaries	Income	Cash Flow
Loans	Income	Effective Rate of Interest
Financial liabilities		
Term loans from Bank	Income	Effective Rate of Borrowings
Non-Convertible Debentures	Income	Effective Rate of Borrowings

46 Disclosure of segment information pursuant to IND AS 108 "Operating Segments"

The activities of the Group mainly include investing in infrastructure assets primarily in the SPVs operating in the road sector to generate cash flows for distribution to unit holders. Based on the guiding principles given in Ind AS - 108 "Operating Segments", this activity falls within a single operating segment. Further, the entire operations of the Group are only in India and hence, disclosure of secondary / geographical segment information does not arise. Accordingly, requirement of providing disclosures under Ind AS 108 does not arise.

47 Disclosure pursuant to IND AS 23 "Borrowing Costs"

Borrowing cost capitalised during the year Rs. Nil [March 31, 2022: Rs. Nil]

Highways Infra Trust New Delhi

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

48 Details of Project Management Fees and Investment Management Fees

Details of fees paid to project manager and investment manager as required pursuant to SEBI Circular No. CIR/MD/DF/127/2016, dated November 29, 2016 are as under:

Project Management Fees

The project manager National Highways InVIT Project Managers Private Limited ('NHIPMPL') for initial portolio of assets and assets acquired in current financial year is entitled to fixed fees of Rs 991.20 lakh per annum (Previous year Rs 290.43 lakh) inclusive of taxes.The same is based on the Project Implementation and Management Agreement (PIMA) signed by both the parties dated 30th March, 2021.

Investment Management Fees

i) The investment manager's fee will initially be Rs. 1,100 Lakh (Rupees Eleven Hundred Lakh) per annum, exclusive of applicable taxes as per agreement dated 21st October, 2020.

ii) The investment manager's fee set out in above shall be subject to escalation on an annual basis at the rate of 10% of the management fee for the previous year.

iii) Any applicable taxes, cess or charges shall be in addition to the investment manager's fee and shall be payable by National Highways Infra Trust (NHIT) to the Investment Manager (NHIIMPL).

iv) The payment of investment manager's fee shall be made by National Highways Infra Trust (NHIT) to the investment manager (NHIIMPL) in advance on a quarterly basis.

49 Significant accounting judgements, estimates and assumptions

The preparation of the Group's financial statements requires management 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.

Judgements

In the process of applying the Group's accounting policies, management has made the following judgments, apart from those involving estimations, which have the most significant effect on the amounts recognised in the financial statements:

Classification of unit holders Funds

Under the provisions of the SEBI InvIT Regulations, the Trust is required to distribute to its Unit holders not less than ninety percent of the net distributable cash flows of the Trust for each financial year. Accordingly, a portion of the unit holders' funds contain a contractual obligation of the Trust to pay to its Unit holders cash distributions.

The Unit holder's funds could therefore have been classified as compound financial instrument which contain both equity and debt components in accordance with Ind AS 32 'Financial Instruments: Presentation'. However, in accordance with SEBI Circulars (Circular no. CIR/IMD/DF/114/2016 dated October 20, 2016 and No. CIR/IMD/ DF/127/2016 dated November 29, 2016) issued under the SEBI InvIT Regulations, the unit holders' funds have been classified as equity in order to comply with the mandatory requirements of Section H of Annexure A to the SEBI Circular dated October 20, 2016 dealing with the minimum disclosures for key financial statements. In line with the above, the income distribution payable to unit holders is recognized as liability when the same is approved by Board of Directors of the Investment Manager.

National Highways Infra Trust New Delhi

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

Fair valuation and disclosures

SEBI Circulars issued under the SEBI InvIT Regulations requires 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 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 valuation report and findings are discussed at the meeting of the Board of Directors on yearly basis to understand the changes in the fair value of the subsidiaries. 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 weighted average cost of capital, tax rates, inflation rates etc. Changes in assumptions about these factors could affect the fair value.

Taxes

In accordance with section 10 (23FC) of the Income Tax Act, 1961, the income of business groups in the form of interest received or receivable from subsidiaries is exempt from tax. Accordingly, the Group is not required to provide any current tax liability. Further, deferred tax asset on carry forward losses is not created since there is no reasonable certainty of reversal of the same in the near future.

Defined benefit plans (gratuity benefits)

A liability in respect of defined benefit plans is recognised in the balance sheet and is measured as the present value of the defined benefit obligation at the reporting date. The present value of the defined benefit obligation is based on expected future payments at the reporting date, calculated annually by independent actuaries. Consideration is given to expected future salary levels, experience of employee departures and periods of service.

Impairment of intangible assets

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 recoverable amounts for the intangible assets are based on value in use of the underlying projects. The value in use calculation is based on a DCF model. The cash flows are derived from budgets/ forecasts over the life of the projects.

Major Maintenance Expenses / Resurfacing Expenses

As per industry practice, the Project SPV (NHIPPL) is required to carry out resurfacing of the roads under the Concession. For this purpose, a regular maintenance along with periodic maintenances is required to be performed. Normally, periodic maintenance includes resurface of pavements, repairs of structures and other equipment and maintenance of service roads. The maintenance cost / bituminous overlay may vary based on the actual usage during maintenance period. Accordingly, on the grounds of matching cost concept and based on technical estimates, a provision for major maintenance expenses is reviewed and is provided for in the accounts annually.

The provisions for MMR as per industry practice has been made based on the first cycle of of overlay expected to occur in five to seven years and not based on the total MMR cost over entire concession period. The discounting rate used for arriving at the present value for MMR provisions is government bond rate of 30 years for projects acquired in first phase and 20 years for projects acquired in second phase.

Expected Credit Loss on financial assets

As per Ind AS 109, Financial Assets that are measured at amortised cost are required to compute the Expected Credit Loss (ECL). As at the reporting period, Investment manager of the Group assessed the credit risk of the financial assets and concluded that no provision for ECL is required.

50 Other Statutory information

i) The Group have not traded or invested in Crypto currency or Virtual Currency during the financial year.

ii) The Group does not hold benami property and no proceedings under benami transaction (Prohibition) Act 1988 have been initiated against the Group.

iii) The Group do not have any transactions with companies struck off.

iv) The Group have not any such 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 surveyor any other relevant provisions of the Income Tax Act, 1961).

v) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

vi) The Group have not advance or loaned or invested (either from borrowed fund or share premium or any other source or kind of fund) by the company to or in any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

vii) The Group did not have any long-term contracts including derivative contract for which there were any material foreseeable losses.

viii) The Group has not declared a wilful defaulter by any bank financial institution or any other lender during the year.

51 Subsequent Events

The Board of Directors of the Investment Manager has declared distribution for Quarter 4 FY 22-23 of Rs. 1.6035 per unit was made which comprised of Rs. 1.5778 per unit as interest and Rs 0.0257 per unit as other income on surplus funds at Trust level in their meeting held on 22nd May 2023 to be paid on or before 15 days from the date of declaration.

National Highways Infra Trust New Delhi

FRN 002744 C CHARTERED ACCOUNTANTS

NATIONAL HIGHWAYS INFRA TRUST

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

52 Capital and Other Commitments

There are no capital and other commitments as at March 31, 2023 (March 31, 2022: Rs. Nil)

53 Distributions Made

(All amounts in ₹ lakh unless otherwise stated)

Particulars	FY 2022-23	FY 2021-22
Interest (Return on capital)	29,985.39	4,198.27
Return of capital	-	-
Dividend	-	-
Other income on surplus fund at Group	240.39	503.81
Total	**30,225.78**	**4,702.08**

54 Reconciliation of Financing Activities in Cash Flow Statement

Net Debt Recognition

(All amounts in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023 (Long Term Borrowing)	As at March 31, 2022 (Long Term Borrowing)
a) Carrying amount of debt at the beginning of the year/period	1,46,537.80	-
b) Additional borrowings during the year/period	1,50,000.00	1,48,000.00
c) Repayments during the year/period	(1,010.98)	(1,001.59)
d) Other adjustments/settlements during the year/period	-	-
- Impact in equity	-	
- Transaction Costs	(1,432.55)	(472.00)
- Unwinding of interest	64.06	11.39
Carrying amount of debt at the end of the year/period	**2,94,158.33**	**1,46,537.80**

55 Additional Regulatory Information

Financial Ratios as on March 31, 2023 and March 31, 2022

S. No.	Particulars	As at March 31, 2023	As at March 31, 2022
1	Current Asset ratio (Current Assets /Current Liability)	2.00	2.69
2	Debt- Equity ratio (Debt/ Equity)	0.40	0.24
3	Debt service coverage ratio (Net Operating Cash flow/ Debt Service Obligation)	4.60	2.58
4	Interest service coverage ratio (EBIT/Finance Cost)	2.31	3.22
5	Networth (Unit Capital + Other Equity)	7,39,134.56	6,06,211.35
6	Asset Cover Ratio	3.21	-
7	Return on Equity (ROE ratio) (Net Profit/ Equity)	3.48%	1.13%
8	Total Debt to total assets	0.28	0.19
9	Net profit after tax	25,689.57	6,836.33
10	Outstanding redeemable preference shares (quantity and value) :	-	-
11	Capital redemption reserve/debenture redemption reserve :	-	-
12	Long term debt to working capital	25.25	31.58
13	Earning per unit	3.91	1.15
14	Inventory turnover ratio	-	-
15	Trade receivable turnover ratio	36.12	46.50
16	Trade payable turnover ratio	0.86	1.37
17	Bed debt to account receivable ratio	-	-
18	Net Capital turnover ratio (Total Income / Net Working Capital)	6.06	3.25
19	Operating margin %	79.39%	73.11%
20	Net profit after tax ratio (Net profit / Total Income)	36.65%	45.65%
21	Return on capital employed ratio ((Net Profit plus Finance Cost)/ (Equity + Debt))	4.09%	1.35%
22	Return on investment (Income on Investment / Average Cost of Investment)	6.07%	15.69%

National Highways Infra Trust New Delhi

A.R. & Co. FRN 002744 C Chartered Acountants

56 Disclosure pursuant to IND AS 33 "Earnings per Unit"

Basic and Diluted Earnings per Unit (EPU) computed in accordance with Ind AS 33 "Earnings per Share":

(All amounts in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Basic and Diluted		
Profit attributable to unit holders of the Fund (A)	25,689.57	6,836.33
Weighted average number of units (B)	6,566.69	5,952.00
Earnings Per Unit (In Rs.) (A/B)	**3.91**	**1.15**

1312.052 lakh units issued at Rs 109 per unit and 5952 lakh unit capital issued at Rs 101

57 The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

58 Financial Information of Investment Manager

The summary financials of Investment Manager are not disclosed alongwith these financials as its networth is not materially eroded.

59 Withholding Tax liability for interest accrued but not due on non convertible debentures

The Trust has issued publicly listed non convertible debentures ("NCDs") with interest payable on semi-annual basis. Interest on these NCDs was due for payment on 25 April 2023 and for the purpose of payment of interest, record date was 10 April 2023 and debenture-holders existing as on 10 April 2023 are entitled to the coupon interest. Trust has recorded liability of interest accrued till 31st March 2023 and there is no credit in favour of any payee at the time of creating such provision as entitled payee will be identifiable as on record date i.e., on 10 April 2023.

As on the year end March 2023, there is uncertainty with respect to the ultimate recipient of interest income, and such uncertainty would only become clear on the record date i.e., 10 April 2023 when the obligation of payment of interest by NHIT arises and therefore Trust has not withheld any taxes at the time of creating these provisions.

60 Salient aspects of the Tolling Concession Arrangement

The Project SPV (NHIPPL) has entered into five concession agreements with National Highway Authority of India ("NHAI") on March 30, 2021 for Tolling, Management, Maintenance and Transfer of five toll road projects for a period of 30 years from the Appointed Date. The Appointed Date has commenced on 16.12.2021. The toll roads covered under the concession agreement as follows:

- Palanpur/ Khemana – Abu Road Project on NH-27 with total length of 45 kms, connecting the states of Gujrat and Rajasthan
- Abu Road- Swaroopganj Project on NH-27 with total length of 31 kms, in the state of Rajasthan
- Maharashtra Karnataka Border (Kagal) – Belgaum Project on NH-48 with a length of 77.7 Kms, connecting the states of Karnataka and Maharashtra
- Chitorgarh- Kota & Chittorgarh Project on NH-27 with total length of 160.5 Kms, in the state of Rajasthan
- Kothakota Bypass- Kurnool Highway Project on NH-44 with total length of 74.6 Kms, connecting the states of Telangana and Andhra Pradesh

The project SPV (NHIPPL) acquired rights for Tolling, Management and Maintenance of the five toll roads under the concession agreement for consideration of INR 7,350.40 Crore, and the rights have been recognized in the financial statements as Intangible Assets.

In current financial year, the project SPV (NHIPPL) entered into three new concession agreements with National Highway Authority of India ("NHAI") on September 26, 2022 for Tolling, Management, Maintenance and Transfer of three toll road projects for a period of 20 years from the Appointed Date. The Appointed Date has commenced on 29.10.2022. The toll roads covered under the concession agreement as follows:

- Agra bypass Section (from km 0.000 to km 32.800) of NH-19 in the state of Uttar Pradesh
- Borkhedi-Wadner-Deodhari-Kelapur Section (from km 36.600 to km 175.000) of NH-44 in the state of Maharashtra
- Shivpuri – Jhansi Section (from km 1305.087 to km 1380.387) of NH-27 in the states of Madhya Pradesh and Uttar Pradesh.

The project SPV (NHIPPL) has acquired rights for Tolling, Management and Maintenance of these three toll roads at a consideration of INR 2,849.66 Crore, and the rights have been recognized in the financial statements as Intangible Assets.

The project SPV (NHIPPL) is required to operate and maintain the Project/ Project Facilities in accordance with the provision of the Agreement, Applicable Laws and Applicable permits.

National Highways Infra Trust New Delhi

A.R. & CO FRN 002744 C CHARTERED ACCOUNTANTS

NATIONAL HIGHWAYS INFRA TRUST

Notes to the Consolidated Financial Statements for the year ended March 31, 2023

61 Disclosures as per Ind AS 37 "Provisions, Contingent Liabilities and Contingent assets"

a) Nature of provisions

The project SPV (NHIPPL)is required to operate and maintain the project tollway during the entire concession period and hand over the project back to NHAI as per the maintenance standards prescribed in concession agreements. For this purpose, a regular maintenance along with periodic maintenance is required to be performed. Normally, periodic maintenance includes resurface of pavements, repairs of structures and other equipment and maintenance of service roads. As per industry practice, the periodic maintenance is expected to occur once in five to seven years. The provisions for MMR as per industry practice has been made based on the first cycle of of overlay expected to occur in five to seven years and not based on the total MMR cost over entire concession period. The discounting rate used for arriving at the present value for MMR provisions is government bond rate of 30 years for projects acquired in first phase and 20 years for projects acquired in second phase. The maintenance cost / bituminous overlay may vary based on the actual usage during maintenance period. Accordingly, on the grounds of matching cost concept and based on technical estimates, a provision for major maintenance expense is reviewed and is provided for in the financial statements in each reporting period. Considering that the expense to be incurred is depended on various factors including the usage, wear and tear of the toll road, bituminous overlay, etc., it is not possible to estimate the exact timing and the quantum of the cashflow.

62 Assets pledged as security

Under security provisions for external lenders, the shares of project SPV i.e. NHIPPL held by NHIT (Trust) are pledged to external lenders to Trust. Whereas the loans provided by Trust to NHIPPL is assigned to the external lenders. Also it may be noted that the shares are not pledged to debenture holders. The carrying amounts of assets pledged as security for current and non current borrowings are :

(All amounts in ₹ lakh unless otherwise stated)

Particulars	As At March 31, 2023	As At March 31, 2022
Current		
Financial assets		
First Charge		
Trade receivables	350.87	600.47
Cash and cash equivalents	21,124.08	6,381.94
Other financial assets	297.36	5.38
Non Financial assets	-	-
First Charge	-	-
Other current assets	1,343.35	347.29
Total current assets pledged as	**23,115.65**	**7,335.07**
Non Current		
Other financial assets	9,672.44	3,170.81
Non -current tax assets (Net)	12.06	-
Total non current assets	9,684.50	3,170.81
Total assets pledged as security	**32,800.16**	**10,505.88**

63 Key sources of estimation

The preparation of financial statements in conformity with Ind AS requires the Group makes estimates and assumptions that affect the reported amounts of income and expenses of the period, the reported balances of assets and liabilities and the disclosures relating to contingent liabilities as of the date of the financial statements. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates include allowance for doubtful loans /other receivables, fair value measurement etc. Difference, if any, between the actual results and estimates is recognised in the period in which the results are known.

64 Previous Year Figures

Previous year's numbers have been regrouped / reclassified, wherever necessary to conform to current year's classification.

For A.R. & Co.
Chartered Accountants
Firm Registration no. 002744C

A.R. & CO. FRN 002744 C CHARTERED ACCOUNTANTS

CA Kailash Chand Gupta
Partner
M.No.085003
Date : 22.05.2023
Place: New Delhi

National Highways Infra Trust New Delhi

For and on behalf Board of the National Highways Infra Investment Managers Private Limited (Investment Manager of National Highways Infra Trust)

Suresh Krishan Goyal
Director
DIN: 02721580

Mahavir Parsad Sharma
Director
DIN: 03158413

Mathew George
Chief Financial Officer

Gunjan Singh
Compliance Officer