GR HIGHWAYS INVESTMENT MANAGER PRIVATE LIMITED

28th May 2024

To

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai – 400001
Scrip Code: 544137

National Stock Exchange of India Limited
Exchange Plaza, C-1, Block G
Bandra-Kurla Complex, Bandra(E)
Mumbai -400051
Symbol: BHINVIT

Subject: Outcome of Board Meeting of GR Highways Investment Manager Private Limited, the Investment Manager of Bharat Highways InvIT

Dear Ma'am / Sir,

In compliance with the provisions of the SEBI (Infrastructure Investment Trusts) Regulations, 2014 read with circulars and guidelines issued thereunder from time to time ("**SEBI InvIT Regulations**"), the Board of Directors of GR Highways Investment Manager Private Limited, acting in its capacity as the Investment Manager to the Bharat Highways InvIT ("InvIT"), in its meeting held today i.e. on Tuesday, 28th May 2024, have inter-alia, considered and approved the following matters: -

1. Audited Consolidated and Standalone Financial Results of InvIT along with the Auditors' Report for the Financial Year ended 31st March 2024.

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

2. Declared Distribution of INR 3.00/- per unit to all Unitholders of Bharat Highways InvIT as per details provided below:

Distribution Per Unit	Amount in INR
Distribution as Interest	0.50/-
Distribution as Dividend	2.50/-
Total Distribution per unit	**3.00/-**

Please note that Friday, 31st May 2024, has been fixed as the Record Date for the purpose of distribution to the Unitholders which will be paid on or before Wednesday, 12th June 2024.

3. The meeting of the Board of Director of the Investment Manager commenced at 7:30 PM and concluded at 10:30 PM.

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

You are requested to take the same on your record.

Thanking you,

Yours sincerely,

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

Mohnish Dutta
Digitally signed by Mohnish Dutta
Date: 2024.05.28 22:42:55 +05'30'

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

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

S R B C & CO LLP
Chartered Accountants

21st Floor, B Wing, Privilon
Ambli BRT Road, Behind Iskcon Temple
Off SG Highway, Ahmedabad - 380 059, India
Tel : +91 79 6608 3900

Independent Auditor's Report on the Half year and Year to Date Audited Standalone Financial Information of the InvIT Pursuant to the Regulation 23 of the SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended

To
The Board of Directors of
GR Highways Investment Managers Private Limited
(As an Investment Manager of Bharat Highways InvIT)

Report on the audit of the Standalone Financial Information

Opinion

We have audited the accompanying statement of half year and year to date standalone financial information of Bharat Highways InvIT (the "InvIT") consisting of the Standalone Statement of Profit and Loss including other comprehensive income, explanatory notes thereto and additional disclosure as required in accordance with Chapter 4 of the SEBI Master Circulars No. SEBI/HO/DDHS-PoD-2/P/CIR/2023/115 dated July 6, 2023 as amended including any guidelines and circular issued thereunder (hereinafter collectively referred to as "SEBI Circulars") for the half year ended March 31, 2024 and for the year ended March 31, 2024 ("Statement"), attached herewith, being submitted by the InvIT pursuant to the requirement of Regulation 23 of the SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time including circulars, notifications, clarifications and guidelines issued thereunder (the "InvIT Regulations").

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

i. is presented in accordance with the requirements of the InvIT Regulations read with SEBI circular in this regard; and
ii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the net profit and other comprehensive income and other financial information of the InvIT for the half-ended March 31, 2024 and for the year ended March 31, 2024.

Basis for Opinion

We conducted our audit 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 Information" section of our report. We are independent of the InvIT in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the InvIT Regulations and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 4 which describes the presentation / classification of "Unit Capital" as "Equity" instead of the applicable requirements of Ind AS 32 - Financial Instruments: Presentation, in order to comply with the relevant InvIT regulations. Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Standalone Financial Information

The Statement has been prepared on the basis of the standalone annual financial statements. The Board of Directors of the Investment Manager are responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income of the InvIT and other financial information in accordance with the requirements of the InvIT Regulations; the Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended), and other accounting principles generally accepted in India. This responsibility also includes the design, implementation and maintenance of adequate internal financial 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.

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

S R B C & CO LLP, a Limited Liability Partnership with LLP Identity No. AAB-4318
Regd. Office : 22, Camac Street, Block 'B', 3rd Floor, Kolkata-700 016

In preparing the Statement, the Board of Directors of Investment Manager are responsible for assessing the InvIT'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 InvIT 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 InvIT's financial reporting process.

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

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 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 entity'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 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 InvIT'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 information or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the InvIT to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents 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 Matter

a.) The Statement includes the standalone financial information for the half year ended 31 March 2024 being the balancing figures between the audited figures in respect of the full financial year ended 31 March 2024 and the unaudited year-to-date figures up to 30 September 2023, being the date of the end of the first half of the current financial year, which have been prepared solely based on the information as compiled by the management and approved by the Board of Directors of Investment Manager and has not been subjected to review or audit.

S R B C & CO LLP CHARTERED ACCOUNTANTS

b.) The Statement includes standalone financial information for the half year ended 31 March 2023 and period from June 16, 2022 to March 31, 2023 included as comparative financial information in accompanying standalone financial information have been prepared solely based on the information as compiled by the management and approved by the Board of Directors of Investment Manager and has not been subjected to review or audit.

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

per **Sukrut Mehta**
Partner
Membership Number: 101974
UDIN: 24101974BKERTL6792

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

Place of Signature: Ahmedabad
Date: May 28, 2024

Bharat Highways InvIT

Registered office: Novus Tower, Second Floor, Plot No. 18, Sector 18, Gurugram, Haryana 122 015, India
E-mail: cs@bharatinvit.com; Website: www.bharatinvit.com, Tel: +91 85888 55586
SEBI Registration Number: IN/InvIT/22-23/0023

STATEMENT OF AUDITED STANDALONE FINANCIAL INFORMATION FOR THE HALF YEAR AND YEAR ENDED MARCH 31, 2024

(₹ in million except per unit data)

Sl. No.	Particulars	Half year ended			Year ended	For the period
		31 Mar 2024	30 Sep 2023	31 Mar 2023	31 Mar 2024	16 Jun 2022 to 31 Mar 2023
		(Audited) (refer note 9)	(Unaudited) (refer note 9)	(Unaudited) (refer note 8)	(Audited) (refer note 9)	(Unaudited) (refer note 8)
I	**Incomes and gains:**					
	(a) Interest income on loan given to subsidiaries	295.13	-	-	295.13	-
	(b) Interest income on deposit with banks	1.31	-	-	1.31	-
	Total income and gain	296.44	-	-	296.44	-
II	**Expenses and losses:**					
	(a) Valuation expenses	1.30	-	-	1.30	-
	(b) Audit Fees	2.06	2.07	-	4.13	-
	(c) Investment management fees (refer note 7 B)	4.89	-	-	4.89	-
	(d) Trustee fee	0.29	0.30	-	0.59	-
	(e) Finance costs	20.28	1.22	-	21.50	-
	(f) Other expenses (refer note 10)	27.31	-	-	27.31	-
	Total expenses	56.13	3.59	-	59.72	-
III	**Profit/(Loss) before tax (I-II)**	240.31	(3.59)	-	236.72	-
IV	**Tax expense:**					
	(a) Current tax	0.56	-	-	0.56	-
	(b) Deferred tax charge	-	-	-	-	-
	Total tax expenses	0.56	-	-	0.56	-
V	**Net profit/(loss) for the year/period (III-IV)**	239.75	(3.59)	-	236.16	-
VI	**Other comprehensive income ("OCI")**					
	(a) Items that will not be reclassified to profit or loss in subsequent years /period (net of tax)	-	-	-	-	-
	(b) Items that will be reclassified to profit or loss in subsequent years /period (net of tax)	-	-	-	-	-
	Other comprehensive income (net of tax)	-	-	-	-	-
VII	**Total Comprehensive Income, net of tax (V+VI)**	239.75	(3.59)	-	236.16	-
VIII	**Earnings per unit (₹ per unit) (not annualised for half year) (refer note 7D)**					
	Basic	7.42	-	-	7.42	-
	Diluted	7.42	-	-	7.42	-

Notes:-

1 Bharat Highways InvIT ('the InvIT') was set up as an irrevocable trust under the Indian Trust Act, 1882 pursuant to trust deed dated 16 June 2022 which was subsequently amended on December 8, 2022 and October 31, 2023. The InvIT has been registered as an Infrastructure Investment Trust with Securities Exchange Board of India ('SEBI') under the Securities Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014 vide Certificate of Registration (IN/InvIT/22-23/0023) dated 3 August 2022. The Trustee to the InvIT is IDBI Trusteeship Services Limited (the "Trustee"), Sponsor and project manager of the InvIT is Aadharshila Infratech Private Limited (the "Sponsor" or "Project Manager") and Investment manager for the InvIT is GR Highways Investment Manager Private Limited (the "Investment Manager").

2 The audited Standalone financial information comprises the Standalone Statement of Profit and Loss, explanatory notes thereto and the additional disclosures as required in paragraph 6 of Chapter 4 to the Securities Exchange Board of India (SEBI) master circular no. SEBI/HO/DDHS-PoD-2/P/CIR/2023/115 Dated July 06, 2023 and SEBI/HO/DDHS-PoD/CIR/2023/184 dated December 06, 2023 as amended including any guideline and circulars issued thereunder ("SEBI Circulars") for the half year and year ended March 31, 2024 of the InvIT ("Standalone Financial Information"). The standalone financial information are being submitted by the InvIT pursuant to the requirements of Regulation 23 of the SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time including circulars, notifications, clarifications and guidelines issued thereunder read with SEBI Circulars ("InvIT Regulations"). The above audited Standalone financial information for the half year and year ended March 31, 2024 has been reviewed by the Audit Committee and subsequently approved by the Board of Directors of Investment Manager at their respective meetings held on May 28, 2024.

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

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

Bharat Highways InvIT
Registered office: Novus Tower, Second Floor, Plot No. 18, Sector 18, Gurugram, Haryana 122 015, India
E-mail: cs@bharatinvit.com; Website: www.bharatinvit.com, Tel: +91 85888 55586
SEBI Registration Number: IN/InvIT/22-23/0023

STATEMENT OF AUDITED STANDALONE FINANCIAL INFORMATION FOR THE HALF YEAR AND YEAR ENDED MARCH 31, 2024

Notes (continued):-

5 During the year, the InvIT has entered into share purchase agreement dated February 20, 2024 with GR Infraprojects Limited (GRIL) for acquisition of 100% equity stake in its seven subsidiaries namely Varanasi Sangam Expressway Private Limited ("VSEPL"), Porbandar Dwarka Expressway Private Limited ("PDEPL"), GR Phagwara Expressway Limited ("GRPEL"), GR Gundugolanu Devarapalli Highway Private Limited ("GRGDHPL"), GR Akkalkot Solapur Highway Private Limited ("GRASHPL"), GR Sangli Solapur Highway Private Limited ("GRSSHPL") and GR Dwarka Devariya Highway Private Limited ("GRDDHPL") against the same, the InvIT has issued its 13,75,30,405 units with issue price of ₹ 100 per unit as consideration against above sale of shares and 5,54,08,300 units with issue price of ₹ 100 per unit towards assignment of loan receivable from above subsidiaries, which has resulted in the GRIL's holding 43.56% in the InvIT. The equity shares of seven subsidiaries were transferred to the InvIT on 1 March 2024 thereby the InvIT obtained control over these subsidiaries.
The InvIT has carried out Fair valuation of assets acquired, and liability assumed by independent valuer using inputs generally used by market participants in similar transactions resulting in fair valuation, on the date of acquisition, which was ₹ 19,409.30 million. Accordingly, InvIT has recognised the investments in these SPVs at fair value in the standalone financial information and recognised capital reserve amounting to ₹ 5,656.26 million which is the resultant difference between the fair value and consideration paid by the Invit arising due to additional contribution by significant unitholder. The amount of capital reserve is mainly on account of (a) differences in valuation parameters particularly Weighed Average Cost of Capital on account of different cost of equity (including debt-equity ratio)for determining transaction price, (b) InvIT Issue expenses, and (c) Net present value of InvIT related expenses (including fees payable to investment manager) considered by InvIT amounting to ₹ 3,017.52 million, ₹ 589.93 million and ₹ 2,048.81 million respectively.

6 During the year, the InvIT has completed its initial public offer ("IPO") of 249,999,900 units with issue price of ₹ 100 each unit. The InvIT had received an amount of ₹ 24,999.99 million from the sponsor and eligible unitholders (as defined in Final Offer Documents (FOD)). Expenses incurred on the IPO is amounting to ₹ 532.34 million (including taxes) (provisional IPO expenses of ₹ 620.80 million (including taxes) as per final offer documents). The funds from savings in IPO expenses as compared to provisional IPO expenses shall be transferred to General Corporate purpose after necessary approvals. The units of the InvIT were listed on National Stock Exchange of India Limited (NSE) and BSE Limited (BSE) on March 12, 2024.
The expenses incurred for IPO have been reduced from the Unitholders' capital in accordance with Ind AS 32 Financial Instruments: Presentation.

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

(₹ in million)

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

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

SIGNED FOR IDENTIFICATION PURPOSES ONLY
SRBC & CO LLP

Bharat Highways InvIT

Bharat Highways InvIT
Registered office: Novus Tower, Second Floor, Plot No. 18, Sector 18, Gurugram, Haryana 122 015, India
E-mail: cs@bharatinvit.com; Website: www.bharatinvit.com, Tel: +91 85888 55586
SEBI Registration Number: IN/InvIT/22-23/0023

STATEMENT OF AUDITED STANDALONE FINANCIAL INFORMATION FOR THE HALF YEAR AND YEAR ENDED MARCH 31, 2024

7 ADDITIONAL DISCLOSURES AS REQUIRED BY PARAGRAPH 6 OF CHAPTER 4 TO THE SEBI CIRCULARS AND SEBI/HO/DDHS-PoD/CIR/2023/184 dated 06 DECEMBER 2023

(₹ in million)

(A) Statement of Net Distributable Cash Flows (NDCFs) of InvIT

Particulars	Half year ended 31 Mar 2024 (Audited) (refer note 9)	Half year ended 30 Sep 2023 (Unaudited) (refer note 9)	Half year ended 31 Mar 2023 (Unaudited) (refer note 8)	Year ended 31 Mar 2024 (Audited) (refer note 9)	For the period 16 Jun 2022 to 31 Mar 2023 (Unaudited) (refer note 8)
Cashflows from operating activities of the InvIT	(18.71)	-	-	(18.71)	-
Add: Cash flows received from SPV's which represent distributions of NDCF computed as per relevant framework *	1,656.06	-	-	1,656.06	-
Add: Treasury income / income from investing activities of the InvIT (interest income received from FD, any investment entities as defined in Regulation 18(5) of the SEBI InvIT Regulations, tax refund, any other income in the nature of interest, profit on sale of mutual funds, investments, assets etc., dividend income etc., excluding any Ind AS adjustments which will be considered on a cash receipt basis	0.12	-	-	0.12	-
Add: Proceeds from sale of infrastructure investments, infrastructure assets or shares of SPVs or investment entity adjusted for the following	-	-	-	-	-
• Applicable capital gains and other taxes	-	-	-	-	-
• Related debts settled or due to be settled from sale proceeds	-	-	-	-	-
• Directly attributable transaction costs	-	-	-	-	-
• Proceeds reinvested or planned to be reinvested as per Regulation 18(7) of the SEBI InvIT Regulations or any other relevant provisions of the InvIT Regulations	-	-	-	-	-
Add: Proceeds from sale of infrastructure investments, infrastructure assets or sale of shares of SPVs or investment entity not distributed pursuant to an earlier plan to re-invest as per Regulation 18(7) of the SEBI InvIT Regulations or any other relevant provisions of the SEBI InvIT Regulations, if such proceeds are not intended to be invested subsequently	-	-	-	-	-
Total cash inflow at InvIT level (A)	**1,637.47**	-	-	1,637.47	-
Less: Finance cost on borrowings, excluding amortisation of any transaction costs as per profit and loss account of the InvIT	(20.28)	(1.22)	-	(21.50)	-
Less: Debt repayment at InvIT level (to include principal repayments as per scheduled EMI's except if refinanced through new debt including overdraft facilities and to exclude any debt repayments / debt refinanced through new debt in any form or funds raised through issuance of units)	(60.92)	-	-	(60.92)	-
Less: any reserve required to be created under the terms of, or pursuant to the obligations arising in accordance with, any:	-	-	-	-	-
(i) loan agreement entered with financial institution; or	(196.50)	-	-	(196.50)	-
(ii) terms and conditions, covenants or any other stipulations applicable to debt securities issued by the InvIT or any of its SPVs; or	-	-	-	-	-
(iii) terms and conditions, covenants or any other stipulations applicable to external commercial borrowings availed by the InvIT or any of its SPVs; or	-	-	-	-	-
(iv) agreement pursuant to which the InvIT operates or owns the infrastructure asset, or generates revenue or cashflows from such asset (such as, concession agreement, transmission services agreement, power purchase agreement, lease agreement, and any other agreement of a like nature, by whatever name called); or	-	-	-	-	-
(v) statutory, judicial, regulatory, or governmental stipulations	-	-	-	-	-
Less: any capital expenditure on existing assets owned / leased by the InvIT, to the extent not funded by debt / equity or from contractual reserves created in the earlier years	-	-	-	-	-
Total cash outflow /retention at InvIT level (B)	(277.70)	(1.22)	-	(278.92)	-
Net Distributable Cash Flows (C) = (A+B)	1,359.77	(1.22)	-	1,358.55	-

* Includes dividend received from SPVs subsequent to year end amounting to ₹ 1,380.00 million considered as per note 1 of circular SEBI/HO/DDHS/DDHS-PoD/P/CIR/2023/184 dated December 6, 2023.

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

(C) **Changes in Accounting policies**
There is no change in the Accounting policy of the InvIT for the half year and year ended 31 March 2024.

SIGNED FOR IDENTIFICATION PURPOSES ONLY
SRBC & CO LLP

Bharat Highways InvIT

STATEMENT OF AUDITED STANDALONE FINANCIAL INFORMATION FOR THE HALF YEAR AND YEAR ENDED MARCH 31, 2024

7 ADDITIONAL DISCLOSURES AS REQUIRED BY PARAGRAPH 6 OF CHAPTER 4 TO THE SEBI CIRCULARS AND SEBI/HO/DDHS-PoD/CIR/2023/184 dated 06 DECEMBER 2023

(D) Statement of Earnings per unit:

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

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

(₹ in million)

Particulars	Half year ended			Year ended	For the period
	31 Mar 2024	30 Sep 2023	31 Mar 2023	31 Mar 2024	16 Jun 2022 to 31 Mar 2023
	(Audited) (refer note 9)	(Unaudited) (refer note 9)	(Unaudited) (refer note 8)	(Audited) (refer note 9)	(Unaudited) (refer note 8)
Profit / (Loss) attributable to unitholders (₹ in million) (A)	239.75	(3.59)	-	236.16	-
Number of units outstanding at the end of the year / period (in absolute number)*	44,29,38,605	-	-	44,29,38,605	-
Weighted average number of units for the year / period (in absolute number)* (B)	3,18,36,834	-	-	3,18,36,834	-
Basic and diluted earning per unit (in ₹)** (not annualised for half year) (A/B)	7.42	-	-	7.42	-
Issue price per unit (in ₹)	100.00	-	-	100.00	-

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

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

(E) Statement of Contingent Liabilities

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

(F) Statement of Commitments

The InvIT has no outstanding commitment as at March 31, 2024 (March 31, 2023 : Nil)

(G) Statement of Related Party Transactions:

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

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

I Subsidiary Companies

a) Varanasi Sangam Expressway Private Limited (w.e.f March 1, 2024)
b) GR Phagwara Expressway Limited (w.e.f March 1, 2024)
c) GR Gundugolanu Devarapalli Highway Private Limited (w.e.f March 1, 2024)
d) GR Akkalkot Solapur Highway Private Limited (w.e.f March 1, 2024)
e) GR Sangli Solapur Highway Private Limited (w.e.f March 1, 2024)
f) Porbandar Dwarka Expressway Private Limited (w.e.f March 1, 2024)
g) GR Dwarka Devariya Highway Private Limited (w.e.f March 1, 2024)

II Entity with significant influence over the InvIT

a) G R Infraprojects Limited (w.e.f. March 1, 2024)

III Parties of Trust

a) Aadharshila Infratech Private Limited - Sponsor and Project Manager (w.e.f. 31.10.2023)
b) GR Highways Investment Manager Private Limited - Investment Manager (w.e.f. 21.07.2022)
c) IDBI Trusteeship Services Limited - Trustee (w.e.f. 21.07.2022)

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

Particulars	Sponsor and Project Manager	Investment Manager	Trustee
a) Promotors	Riya Agarwal Rahul Agarwal Mehul Agarwal	Lokesh Builders Private Limited (w.e.f 12.12.2022) G R Infraprojects Limited (upto 12.12.2022)	IDBI Bank Limited Life Insurance Corporation of India General Insurance Corporation of India
b) Directors	Rahul Agarwal Ramesh Chandra Mehta Kishan Kantibai Vachhani	Ajendra Kumar Agarwal Siba Narayan Nayak Deepak Maheshwari Raghav Chandra Swati Kulkarni (w.e.f. 13 June 2023) Ramesh Chandra Jain (w.e.f. 13 June 2023)	Pradeep Kumar Jain (w.e.f. 24.03.2022) Samuel Joseph Jebaraj (resigned w.e.f. 18.04.2023) Madhuri J. Kulkarni (resigned w.e.f. 06.12.2022) Baljinder Kaur Mandal (w.e.f. 17.01.2023) Pradeep Kumar Malhotra (w.e.f. 14.12.2022) Jayakumar S. Pillai (w.e.f. 18.07.2023)
c) Partners	Not applicable	Not applicable	Not applicable

V Key Managerial Personnel

a) Amit Kumar Singh - Chief Executive Officer of Investment manager
b) Harshael Sawant - Chief Financial Officer of Investment manager
c) Mohnish Dutta - Company Secretary of Investment manager

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

(₹ in million)

Particulars	Half year ended			Year ended	For the period
	31 Mar 2024	30 Sep 2023	31 Mar 2023	31 Mar 2024	16 Jun 2022 to 31 Mar 2023
	(Audited) (refer note 9)	(Unaudited) (refer note 9)	(Unaudited) (refer note 8)	(Audited) (refer note 9)	(Unaudited) (refer note 8)
a) Issue of unit capital					
Aadharshila Infratech Private Limited	6,645.00	-	-	6,645.00	-
G R Infraprojects Limited	19,293.87	-	-	19,293.87	

SIGNED FOR IDENTIFICATION PURPOSES ONLY
SRBC & CO LLP

Bharat Highways InvIT

Bharat Highways InvIT
Registered office: Novus Tower, Second Floor, Plot No. 18, Sector 18, Gurugram, Haryana 122 015, India
E-mail: cs@bharatinvit.com; Website: www.bharatinvit.com, Tel: +91 85888 55586
SEBI Registration Number: IN/InvIT/22-23/0023

STATEMENT OF AUDITED STANDALONE FINANCIAL INFORMATION FOR THE HALF YEAR AND YEAR ENDED MARCH 31, 2024

7 ADDITIONAL DISCLOSURES AS REQUIRED BY PARAGRAPH 6 OF CHAPTER 4 TO THE SEBI CIRCULARS AND SEBI/HO/DDHS-PoD/CIR/2023/184 dated 06 DECEMBER 2023

(G) Statement of Related Party Transactions:

(₹ in million)

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

Particulars	Half year ended			-	-
	31 Mar 2024	30 Sep 2023	31 Mar 2023	31 Mar 2024	16 Jun 2022 to 31 Mar 2023
	(Audited) (refer note 9)	(Unaudited) (refer note 9)	(Unaudited) (refer note 8)	(Audited) (refer note 9)	(Unaudited) (refer note 8)
b) Loan given					
Varanasi Sangam Expressway Private Limited	4,044.94	-	-	4,044.94	-
GR Phagwara Expressway Limited	3,063.10	-	-	3,063.10	-
GR Gundugolanu Devarapalli Highway Private Limited	6,745.93	-	-	6,745.93	-
GR Akkalkot Solapur Highway Private Limited	2,877.65	-	-	2,877.65	-
GR Sangli Solapur Highway Private Limited	3,364.03	-	-	3,364.03	-
Porbandar Dwarka Expressway Private Limited	4,790.93	-	-	4,790.93	-
GR Dwarka Devariya Highway Private Limited	3,986.42	-	-	3,986.42	-
c) Investment acquired					
G R Infraprojects Limited (Refer note 5)	13,753.04	-	-	13,753.04	-
d) Loan to subsidiaries assigned					
G R Infraprojects Limited (Refer note 5)	5,540.83	-	-	5,540.83	-
e) Borrowings taken					
GR Highways Investment Manager Private Limited	59.10	6.58	25.45	65.68	25.45
f) Borrowings paid					
GR Highways Investment Manager Private Limited	60.21	-	-	60.21	-
g) Interest income on loans					
Varanasi Sangam Expressway Private Limited	30.32	-	-	30.32	-
GR Phagwara Expressway Limited	32.45	-	-	32.45	-
GR Gundugolanu Devarapalli Highway Private Limited	67.94	-	-	67.94	-
GR Akkalkot Solapur Highway Private Limited	25.53	-	-	25.53	-
GR Sangli Solapur Highway Private Limited	36.34	-	-	36.34	-
Porbandar Dwarka Expressway Private Limited	54.47	-	-	54.47	-
GR Dwarka Devariya Highway Private Limited	48.09	-	-	48.09	-
h) Interest expense on borrowings					
GR Highways Investment Manager Private Limited	1.99	1.22	-	3.21	-
i) Investment management fees					
GR Highways Investment Manager Private Limited	4.89	-	-	4.89	-
j) Trustee fees					
IDBI Trusteeship Services Limited	0.29	0.30	-	0.59	-
k) Guarantees given on behalf of InvIT					
GR Highways Investment Manager Private Limited	25.00	-	-	25.00	-
l) Reimbursement of expenses (including issue related expenses)					
GR Highways Investment Manager Private Limited	240.31	-	49.87	240.31	49.87
G R Infraprojects Limited	3.62	-	-	3.62	-
m) Issue expenses					
IDBI Trusteeship Services Limited	-	-	-	-	0.48

(₹ in million)

3 Outstanding amount - payable / receivable as at the end of the year / period :

Particulars	Half year ended			Year ended	For the period
	31 Mar 2024	30 Sep 2023	31-Mar-23	31 Mar 2024	16 Jun 2022 to 31 Mar 2023
	(Audited) (refer note 9)	(Unaudited) (refer note 9)	(Unaudited) (refer note 8)	(Audited) (refer note 9)	(Unaudited) (refer note 8)
a) Other payable					
GR Highways Investment Manager Private Limited	177.33	45.65	45.65	177.33	45.65
G R Infraprojects Limited	3.31	-	-	3.31	-
b) Trade payable					
GR Highways Investment Manager Private Limited	4.47	-	-	4.47	-
c) Outstanding loans (including interest accrued)					
Varanasi Sangam Expressway Private Limited	4,088.99	-	-	4,088.99	-
GR Phagwara Expressway Limited	3,654.12	-	-	3,654.12	-
GR Gundugolanu Devarapalli Highway Private Limited	7,875.67	-	-	7,875.67	-
GR Akkalkot Solapur Highway Private Limited	3,434.76	-	-	3,434.76	-
GR Sangli Solapur Highway Private Limited	4,059.45	-	-	4,059.45	-
Porbandar Dwarka Expressway Private Limited	6,079.55	-	-	6,079.55	-
GR Dwarka Devariya Highway Private Limited	5,240.37	-	-	5,240.37	-
d) Outstanding borrowing (including interest accrued)					
GR Highways Investment Manager Private Limited	33.81	33.25	25.45	33.81	25.45
e) Outstanding guarantees given on behalf of InvIT					
GR Highways Investment Manager Private Limited	25.00	-	-	25.00	

SIGNED FOR IDENTIFICATION PURPOSES ONLY

SRBC & CO LLP

Bharat Highways InvIT

Bharat Highways InvIT
Registered office: Novus Tower, Second Floor, Plot No. 18, Sector 18, Gurugram, Haryana 122 015, India
E-mail: cs@bharatinvit.com; Website: www.bharatinvit.com, Tel: +91 85888 55586
SEBI Registration Number: IN/InvIT/22-23/0023

STATEMENT OF AUDITED STANDALONE FINANCIAL INFORMATION FOR THE HALF YEAR AND YEAR ENDED MARCH 31, 2024

7 ADDITIONAL DISCLOSURES AS REQUIRED BY PARAGRAPH 6 OF CHAPTER 4 TO THE SEBI CIRCULARS AND SEBI/HO/DDHS-PoD/CIR/2023/184 dated 06 DECEMBER 2023

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

Particulars	Half year ended			Year ended	For the period
	31 Mar 2024	30 Sep 2023	31 Mar 2024	31 Mar 2024	16 Jun 2022 to 31 Mar 2023
Acquisition of InvIT assets (refer note 5)	Refer below note (a to d)	No Acquisition	No Acquisition	Refer below note (a to d)	No Acquisition
Disposal of an InvIT asset	No Disposal	No Disposal	No Disposal	No Disposal	No Disposal

(₹ in million)

Note:

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

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

b) **Material conditions or obligations in relation to the transactions:**
There are no open material conditions / obligations related to above transaction, other than regulatory approvals obtained by the InvIT.

c) **Rate of interest, if external financing has been obtained for the transaction/acquisition;**
No external financing obtained for the acquisition by the InvIT.

d) **Any fees or commissions received or to be received by any associate of the related party in relation to the transaction**
There is no fees or commission recovered from any associate of the related party in relation to above transaction

8 The InvIT was set up on 16 June 2022 as an irrevocable trust under the Indian Trust Act, 1882. However, there were no transactions for the purpose of standalone financial information for the period 16 June 2022 to March 31, 2023 and hence, no figures have been disclosed in the comparative half year ended March 31, 2023 and for the period from June 16, 2022 to March 31, 2023, which are as compiled by management and approved by Board of Directors of Investment Manager but have not been subjected to audit or review.

9 The InvIT has acquired SPVs by issuing units on March 1, 2024 and concluded its initial public offer process on March 12, 2024. Hence, the figures for the half year and year ended March 31, 2024 are not comparable with corresponding half year ended March 31, 2023 and period from June 16, 2022 to March 31, 2023. Further, the standalone financial information for the half year ended March 31, 2024 being the balancing figures between the audited figures in respect of the full financial year ended March 31, 2024 and the unaudited year to date figures up to September 30, 2023, being the date of the end of the half year of the current financial year, which have been prepared solely based on the information as compiled by the management and approved by Board of Investment Manager and have not been subjected to audit or review.

10 Other expenses mainly include legal and professional fees, listing expenses and other miscellaneous expenses.

11 Investor can view the audited standalone financial information of the InvIT for the half year and year ended March 31, 2024 on the InvIT's website www.bharatinvit.com or on the website of the stock exchange www.bseindia.com and www.nseindia.com.

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

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

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

Bharat Highways InvIT

SIGNED FOR IDENTIFICATION PURPOSES ONLY
SRBC & CO LLP

21st Floor, B Wing, Privilon
Ambli BRT Road, Behind Iskcon Temple
Off SG Highway, Ahmedabad - 380 059, India
Tel : +91 79 6608 3900

INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of Bharat Highways InvIT

Report on the Audit of the Standalone Financial Statements

Opinion

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

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

Basis for Opinion

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

Emphasis of Matter

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

Key Audit Matters

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

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

Key audit matters	How our audit addressed the key audit matter
Acquisition of subsidiaries ***(as described in note 3(c) and 9 of the standalone financial statements)***	
During the year, the InvIT has acquired 100% stake in seven subsidiaries from GR Infraprojects Limited (GRIL) against the same, the InvIT has issued its units of 13,75,30,405 with issue price of INR 100 per unit. Further, the InvIT has entered into assignment agreement dated February 20, 2024 with for assignment of its unsecured loan receivable from above subsidiaries of INR 5,540.83 million in exchange of 5,54,08,300 units with issue price of INR 100 per unit which resulting in GRIL holding 43.56% stake in the InvIT. The Investment manager has made evaluation of the transaction both from legal compliance and accounting perspective. Key matters for accounting evaluation include (a) whether the acquisitions is to be considered as common control transaction which in turn involves evaluation of control and relationship between InvIT's Sponsor and GRIL, (b) assessment of fair value of investment on the date of acquisition, and (c) accounting for difference, if any, arising between fair value of investment acquired and consideration paid. Based on the above evaluation, the Investment manager has accessed and concluded that the acquisition should be accounted as fair valuation and difference recorded as capital reserve amounting to INR 5,656.26 million. The above transaction involves significant assumptions and judgement and accordingly the same has been considered as key audit matter.	Our audit procedures included the following: • Read and assessed the InvIT's accounting policies with respect to acquisition accounting. • Obtained and read through legal opinion obtained to evaluate its relationship between Sponsor and GRIL. • Read and evaluated the key terms of the underlying agreements applicable to the acquisitions along with the necessary approvals, as applicable, for the acquisition. • Obtained management's evaluation relating to assessment of whether the acquisition is considered at fair value instead of transaction value and record difference in capital reserve. • Obtained and read the fair valuation reports issued by the independent valuer engaged by the management for measuring, the assets acquired, and liabilities assumed, at fair value. Enquired valuer regarding specific reasons for difference between fair value of net assets acquired and consideration paid and also assessed the independent valuer's objectivity and independence. • Involved valuation specialists to review the significant assumptions used by the independent valuer engaged by the management in arriving at the fair value of assets and liabilities acquired. • Assessed the related disclosures and compliance in the standalone financial statements regarding the acquisition.
Impairment Assessment of InvIT's Interest in subsidiaries ***(as described in note 2.2 (h) and 3 of the standalone financial statements)***	
As at March 31, 2024, the InvIT had investment in operational HAM assets aggregating to INR 19,409.30 million which are operated under concession agreement. As per requirement of Ind AS 36 "Impairment of assets", the management reviews at each reporting period existence of any indicators of impairment of the investments in	Our audit procedures included but were not limited to: • Assessed the InvIT's accounting policies with respect to impairment in accordance with Ind AS 36 "Impairment of assets". • We obtained understanding the InvIT's valuation

Key audit matters	How our audit addressed the key audit matter
subsidiaries and where impairment indicators exist, the investment manager estimates the recoverable amounts of the investments, being higher of fair value less costs of disposal and value in use. The value in use of the underlying businesses is determined based on the discounted cash flow projections. Significant judgements are required to determine the key assumptions used in the discounted cash flow models, such as annuity, Interest rate, discount rate, future operating income and cost as well as finance cost based on investment manager's view of future business prospects. Accordingly, the impairment of investment in operational HAM asset operated under concession arrangement was determined to be a key audit matter in our audit of the standalone financial statements.	methodology applied by the investment manager in determining the recoverable amount of its investment and obtained management assessment of the recoverable amount of the investments. • Obtained the financial model and understood the key assumptions around the cash flow forecasts like annuity, interest rate, discount rate, future operating income and cost as well as finance costs. • In performing the above procedures, we used our valuation specialists to perform an independent review of methodology and key assumptions used in the valuation. • Performed testing and sensitivity analysis of key assumptions. • Tested the arithmetical accuracy of the model. • Read and assessed the adequacy of the disclosures made in the standalone financial statements.
Computation and disclosures relating to Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value under InvIT Regulations	
The InvIT is required to disclose Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value pursuant to paragraph 5.2 of Chapter 4 to the Securities Exchange Board of India (SEBI) master circular no. SEBI/HO/DDHS-PoD-2/P/CIR/2023/115 Dated July 06, 2023 as amended including any Guideline and Circulars issued thereunder ("SEBI Circulars") which requires fair valuation of the assets. Such fair valuation has been carried out by the independent valuer appointed by the InvIT. For the purpose of the above, fair value is determined by forecasting and discounting future cash flows. The processes and methodologies for assessing and determining the fair value is based on complex assumptions, that by their nature imply the use of the management's judgment, in particular with reference to assumptions used in the discounted cash flow models, such as annuity, interest rate, discount rate and future operating cost based on management's view of future business prospects. Considering the judgment involved in determination of fair values due to inherent uncertainty and complexity of the assumptions used, accordingly, this is considered as a key audit matter.	Our audit procedures included but were not limited to: • Read the requirements of InvIT regulations for disclosures relating to Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value. • Obtained understanding of the InvIT's policy on the assessment and valuation methodology applied in determining the fair valuation including preparation of statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value as per SEBI Circulars. • We obtained and read the valuation report by the InvIT's independent valuation expert, and assessed the expert's competence, capability and objectivity. • Obtained the fair valuation model and understood the key assumptions around the cash flow forecasts like annuity, interest rate, discount rate and future operating costs. • We tested on sample basis that the annuity receivable including interest thereon and

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

Key audit matters	How our audit addressed the key audit matter
	operating cost over period of concession agreement considered in the respective fair valuation models are in agreement with Concession agreement and as certified by independent engineers appointed by Authority and other relevant supporting documents. • In performing the above procedures, we used our valuation specialists to perform an independent review of methodology and key assumptions used in the valuation. • Tested the arithmetical accuracy of the fair valuation model. • Read and assessed the adequacy of the disclosures made in the standalone financial statements.

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

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

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

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

Responsibilities of Management for the Standalone Financial Statements

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

In preparing the standalone financial statements, the Board of Directors of the Investment Manager is responsible for assessing the ability of the InvIT to continue as a going concern, disclosing, as applicable, matters related to going

S R B C & CO LLP ★ CHARTERED ACCOUNTANTS concern and using the going concern basis of accounting unless management either intends to liquidate the InvIT or to cease operations, or has no realistic alternative but to do so.

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

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

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

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

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

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

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

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

S R B C & CO LLP ★ CHARTERED ACCOUNTANTS ★

Other Matter

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

Report on Other Legal and Regulatory Requirements

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

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

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

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

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

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

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

Place of Signature: Ahmedabad
Date: May 28, 2024

Bharat Highways InvIT

Standalone Balance Sheet as at March 31, 2024

All amounts in Rupees million unless otherwise stated

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

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

As per our report of even date

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

per Sukrut Mehta
Partner
Membership No: 101974

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

Place : Ahmedabad
Date : May 28, 2024

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

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

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

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

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

Bharat Highways InvIT *

Bharat Highways InvIT

Standalone Statement of Profit and Loss for the year ended March 31, 2024

All amounts in Rupees million unless otherwise stated

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

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

As per our report of even date

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

per Sukrut Mehta
Partner
Membership No: 101974

Place : Ahmedabad
Date : May 28, 2024

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

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

Amit Kumar Singh
Chief Executive Officer

Place : Gurugram
Date : May 28, 2024

Harshael Sawant
Chief Financial Officer

Place : Gurugram
Date : May 28, 2024

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

Bharat Highways InvIT

Standalone Statement of Changes in Unit Holders' Equity for the year ended March 31, 2024

All amounts in Rupees million unless otherwise stated

A Unit Capital (Units of ₹ 100 each)	Number of units	Amount
As at 16 June 2022 (refer note 32)	-	-
Add: Unit issued during the period (refer note 8)	-	-
As at 31 March 2023	-	-
As at 1 April 2023		
Add: Unit issued during the year (refer note 8)	44,29,38,605	44,293.86
Less Issue expenses (refer note 8)	-	(532.34)
As at 31 March 2024	44,29,38,605	43,761.52

B Other equity	Reserves and surplus		Total
	Retained Earnings (refer note 9)	Capital Reserve (refer note 9)	
As at 16 June 2022 (refer note 32)	-	-	-
Add: Profit for the period	-	-	-
Total comprehensive income for the period	-	-	-
Less: Distributed during the period*	-	-	-
As at 31 March 2023	-	-	-
As at 1 April 2023	-	-	-
Add: Profit for the year	236.16		236.16
Total comprehensive income for the year	236.16	-	236.16
Add : On account of acquisition (refer note 9(i))	-	5,656.26	5,656.26
Less: Distributed during the year (refer note below)	-	-	-
As at 31 March 2024	236.16	5,656.26	5,892.42

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

Note:

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

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

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

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm's Registration No :324982E/E300003

per Sukrut Mehta
Partner
Membership No: 101974
Place : Ahmedabad
Date : May 28, 2024

S R B C & CO LLP ★ CHARTERED ACCOUNTANTS ★

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

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

Amit Kumar Singh
Chief Executive Officer

Place : Gurugram
Date : May 28, 2024

Harshael Sawant
Chief Financial Officer

Place : Gurugram
Date : May 28, 2024

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

Bharat Highways InvIT ★

Bharat Highways InvIT
Standalone Statement of Cash Flows for the year ended March 31, 2024
All amounts in Rupees million unless otherwise stated

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

Notes:

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

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

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

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

	As at 1 April 2023	Net cash flow	Others*	As at 31 March 2024
Non-current borrowings (including current maturities and interest)	-	4,794.15	18.61	4,812.76
Current borrowings	25.45	5.47	2.89	33.81
Total	25.45	4,799.62	21.50	4,846.57

	As at 1 April 2022	Net cash flow	Others*	As at 31 March 2023
Non-current borrowings (including current maturities and interest)	-	-	-	-
Current borrowings	-	25.45	-	25.45
Total	-	25.45	-	25.45

* Others consist of interest accrual during the year/period

S R B C & CO LLP CHARTERED ACCOUNTANTS

Bharat Highways InvIT

BHARAT HIGHWAYS INVIT

Notes (continued):

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

5 Figures in brackets represent outflows.

Refer note 2.2 of summary of material accounting policies.

As per our report of even date

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

per Sukrut Mehta
Partner
Membership No: 101974

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

Place : Ahmedabad
Date : May 28, 2024

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

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

Amit Kumar Singh
Chief Executive Officer

Place : Gurugram
Date : May 28, 2024

Harshael Sawant
Chief Financial Officer

Place : Gurugram
Date : May 28, 2024

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

Bharat Highways InvIT

Bharat Highways InvIT

Disclosures pursuant to SEBI Circulars as at and for the year ended March 31, 2024

All amounts in Rupees million unless otherwise stated

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

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

	Particulars	Year ended 31 March 2024	For the period from 16 June 2022 to 31 March 2023 (Refer Note 32)
	Cashflows from operating activities of the InvIT	(18.71)	-
Add:	Add: Cash flows received from SPV's which represent distributions of NDCF computed as per relevant framework *	1,656.06	-
Add:	Treasury income / income from investing activities of the InvIT (interest income received from FD, any investment entities as defined in Regulation 18(5) of the SEBI InvIT Regulations, tax refund, any other income in the nature of interest, profit on sale of mutual funds, investments, assets etc., dividend income etc., excluding any Ind AS adjustments which will be considered on a cash receipt basis	0.12	-
Add:	Proceeds from sale of infrastructure investments, infrastructure assets or shares of SPVs or investment entity adjusted for the following		
	• Applicable capital gains and other taxes	-	-
	• Related debts settled or due to be settled from sale proceeds	-	-
	• Directly attributable transaction costs	-	-
	• Proceeds reinvested or planned to be reinvested as per Regulation 18(7) of the SEBI InvIT Regulations or any other relevant provisions of the InvIT Regulations	-	-
Add:	Proceeds from sale of infrastructure investments, infrastructure assets or sale of shares of SPVs or investment entity not distributed pursuant to an earlier plan to re-invest as per Regulation 18(7) of the SEBI InvIT Regulations or any other relevant provisions of the SEBI InvIT Regulations, if such proceeds are not intended to be invested subsequently	-	-
	Total Cash inflow at the InvIT level (A)	1,637.47	-
Less:	Finance cost on borrowings, excluding amortisation of any transaction costs as per profit and loss account of the InvIT	(21.50)	-
Less:	Debt repayment at InvIT level (to include principal repayments as per scheduled EMI's except if refinanced through new debt including overdraft facilities and to exclude any debt repayments / debt refinanced through new debt in any form or funds raised through issuance of units)	(60.92)	-
Less:	any reserve required to be created under the terms of, or pursuant to the obligations arising in accordance with, any:		
	(i) loan agreement entered with financial institution; or	(196.50)	-
	(ii) terms and conditions, covenants or any other stipulations applicable to debt securities issued by the InvIT or any of its SPVs; or	-	-
	(iii) terms and conditions, covenants or any other stipulations applicable to external commercial borrowings availed by the InvIT or any of its SPVs; or	-	-
	(iv) agreement pursuant to which the InvIT operates or owns the infrastructure asset, or generates revenue or cashflows from such asset (such as, concession agreement, transmission services agreement, power purchase agreement, lease agreement, and any other agreement of a like nature, by whatever name called); or	-	-
	(v) statutory, judicial, regulatory, or governmental stipulations	-	-
Less:	Any capital expenditure on existing assets owned / leased by the InvIT, to the extent not funded by debt / equity or from contractual reserves created in the earlier years	-	-
	Total cash outflows /retention at the InvIT level (B)	(278.92)	-
	Net Distributable Cash Flows (C)=(A)+(B)	1,358.55	-

* Includes dividend received from SPVs subsequent to year end amounting to ₹ 1,380.00 million considered as per note 1 of circular SEBI/HO/DDHS/DDHS-PoD/P/CIR/2023/184 dated December 6, 2023.

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

Bharat Highways InvIT

All amounts in Rupees million unless otherwise stated

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

B Statement of Net Assets at Fair Value

Particulars	As at 31 March 2024		As at 31 March 2023 (Refer Note 32)	
	Book value	Fair value	Book value	Fair value
I Assets	54,908.95	55,802.78	78.06	78.06
II Liabilities (at book value)	5,255.00	5,255.00	78.05	78.05
III Net Assets (I-II)	49,653.95	50,547.78	0.01	0.01
IV No. of units (in absolute numbers) (Refer Note (i) below and 8)	44,29,38,605	44,29,38,605	-	-
V NAV (III/IV) (Refer note (i) below)	112.10	114.12	-	-

Notes:

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

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

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

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

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

Notes :

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

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

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

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

As per our report of even date

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

per Sukrut Mehta
Partner
Membership No: 101974
Place : Ahmedabad
Date : May 28, 2024

S R B C & CO LLP ★ CHARTERED ACCOUNTANTS ★

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

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

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

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

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

Bharat Highways InvIT ★

Bharat Highways InvIT
Notes to Standalone Financial Statements for the year ended March 31, 2024

1. **InvIT Information**

Bharat Highways InvIT ('the InvIT') was set up as an irrevocable trust under the Indian Trust Act, 1882 pursuant to Trust Deed dated 16 June 2022 which was subsequently amended by First Amended and Restated Indenture of Trust dated December 8, 2022 and further amended on October 31, 2023. The InvIT has been settled for an initial sum of ₹ 10,000. The InvIT has been registered as an Infrastructure Investment Trust with Securities Exchange Board of India ('SEBI') under the Securities Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014 vide Certificate of Registration (IN/InvIT/22-23/0023) dated 3 August 2022.

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

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

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

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

*Acquired during the financial year 2023-24.

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

2. **Material Accounting Policies**

2.1 **Basis of preparation**

These Standalone financial statements are the separate financial statements of the InvIT comprise of the Standalone Balance Sheet as at March 31, 2024, the Standalone Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Standalone Statement of Changes in Unit Holders' Equity and the Standalone Statement of Cash Flow for the year then ended, the Standalone Statement of Net Assets

S R B C & CO LLP * CHARTERED ACCOUNTANTS

Bharat Highways InvIT

at fair value as at March 31, 2024, the Standalone Statement of Total Returns at fair value and the Statement of Net Distributable Cash Flows ('NDCFs') of the InvIT for the year then ended and a summary of material accounting policies and other explanatory notes (collectively, the "Standalone Financial Statements") prepared in accordance with requirement of SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time including circulars, notifications, clarifications and guidelines issued thereunder ("InvIT Regulations") and SEBI Master Circular No. SEBI/HO/DDHS-PoD-2/P/CIR/2023/115 dated 06 July 2023 and SEBI Circular No. SEBI/HO/DDHS- PoD/CIR/2023/184 dated 06 December 2023 issued under the SEBI InvIT Regulations ("SEBI Circulars"); Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015(as amended) and other accounting principles generally accepted in India. The InvIT has prepared the financial statements on the basis that it will continue to operate as a going concern.

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

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

2.2 Summary of material accounting policies

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

a. Current versus non-current classification

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

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

All other assets are classified as non-current.

A liability is current when:

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

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

All other liabilities are classified as non-current.

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

S R B C & CO LLP
CHARTERED ACCOUNTANTS

Bharat Highways InvIT

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

b. Financial instruments
i Initial recognition

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

ii Financial Assets - Subsequent Measurement

The InvIT subsequently measures all financial assets at amortized cost (amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR) using effective interest method except for financial assets carried at fair value through Profit and Loss (FVTPL) or fair value through other comprehensive income (FVOCI) which are measured at fair value at the end of each reporting period with any gains or losses arising on remeasurement recognized in profit or loss or other comprehensive income respectively. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Debt instruments at amortised cost - Loan to subsidiaries:

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

iii Financial Assets - Derecognition

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

iv Financial Assets - Impairment

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

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

Bharat Highways InvIT *

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

v Financial liabilities – Classification

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

vi Financial liabilities - Subsequent Measurement

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

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

vii Financial liabilities - Derecognition

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

viii Reclassification

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

ix Offsetting

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

c. Fair values measurement

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

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

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

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

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

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

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

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

d. Investment in subsidiaries

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

e. Interest Income

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

f. Dividend income:

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

g. Taxes

<u>Current income tax</u>

Tax expense comprises current tax expense and deferred tax.

Current tax comprises of the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

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

<u>Deferred tax</u>

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

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

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

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

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

<u>Goods and service tax taxes paid on assets acquired or on expenses incurred</u>

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

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

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

Bharat Highways InvIT

h. Impairment of Non-Financial Assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

i. Borrowing cost

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

j. Provisions and contingencies

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

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

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

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

k. Unitholders' equity

Under the provisions of the InvIT Regulations, the InvIT is required to distribute to unitholders not less than 90% of the net distributable cash flows of the InvIT for each financial year. Accordingly, Unit capital contains a contractual obligation to pay cash to unitholders. Thus, In accordance with requirement of Ind AS 32 - Financial Instruments: Presentation. the Unit Capital contain a liability element which should be classified

S R B C & CO LLP CHARTERED ACCOUNTANTS

Bharat Highways InvIT

and treated accordingly. However, SEBI Circulars require the Unit Capital to be presented/classified as "Equity", which is at variance from the requirements of Ind-AS 32.

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

l. Distribution to unit holders

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

m. Earnings per unit

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

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

n. Operating segments

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

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

o. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, that are readily convertible to a known amount of cash and subject to an insignificant risk of changes in value.
For the purpose of the standalone statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of InvIT's cash management.

2.3 Significant accounting judgements, estimates and assumptions

The preparation of the standalone financial statements requires Investment manager to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these

S R B C & CO LLP ★ CHARTERED ACCOUNTANTS ★

Bharat Highways InvIT

assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

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

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

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

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

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

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

Acquisition of subsidiaries
The Sponsor of InvIT is holding 15% in the InvIT and GR Infraprojects Limited (GRIL) is holding 43.56% in the InvIT. The Investment manager has applied its judgement to evaluate relationship between the Sponsor and GRIL based on ownership structure, business relationship between both the entities along with legal evaluation, voting rights, financial position, , lending arrangement by sponsor and security arrangements. Accordingly, the Investment Manager has concluded that the sponsor is an independent entity with its own operations, etc. and is not an agent or a de-facto agent for GRIL under Ind AS 110. Accordingly, the above transaction for purchase of subsidiaries from GRIL is not considered as common control and the GRIL does not exercise control over InvIT in accordance with Ind AS 103. The investment manager has also applied judgment and determined that fair value of investments over consideration paid is arising because GRIL is a significant unitholder in the InvIT and, accordingly, accounted for the excess as capital reserve as detail disclosed in Note 9.

Impairment of Non-Financial Assets (including subsidiaries)
Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data for similar assets or observable market prices less

S R B C & CO LLP ★ CHARTERED ACCOUNTANTS ★

Bharat Highways InvIT ★

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

Impairment of financial assets

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

Taxes

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

2.4 Changes in accounting policies and disclosures

i. New and Interpretations and Amendments adopted by InvIT

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

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective for annual periods beginning on or after 1 April 2023. The InvIT applied for the first-time these amendments.

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

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

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

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

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

ii. Standards notified but not yet effective

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

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

Bharat Highways InvIT *

All amounts in Rupees million unless otherwise stated

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

Note:-

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

	Face value each shares	As at 31 March 2024			As at 31 March 2023 (Refer Note 32)		
		No. of Shares	Pledge shares (Refer note (b) below)	Amount	No. of Shares	Pledge shares	Amount
Varanasi Sangam Expressway Private Limited	₹ 10	3,88,90,000	1,98,33,900	5,684.00	-	-	-
GR Phagwara Expressway Limited	₹ 10	2,03,00,000	1,03,53,000	1,970.42	-	-	-
GR Gundugolanu Devarapalli Highway Private Limited (refer note a)	₹ 10	4,95,00,000	-	3,048.41	-	-	-
GR Akkalkot Solapur Highway Private Limited (refer note a)	₹ 10	1,26,00,000	-	1,687.27	-	-	-
GR Sangli Solapur Highway Private Limited (refer note a)	₹ 10	1,50,00,000	-	2,179.00	-	-	-
Porbandar Dwarka Expressway Private Limited (refer note a)	₹ 10	4,20,00,000	-	3,113.18	-	-	-
GR Dwarka Devariya Highway Private Limited (refer note a)	₹ 10	95,00,000	-	1,727.02	-	-	-
Total		18,77,90,000	3,01,86,900	19,409.30	-	-	-

Notes:

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

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

c) During the year, the InvIT has acquired 100% equity stake in its seven companies namely Varanasi Sangam Expressway Private Limited, Porbandar Dwarka Expressway Private Limited, GR Phagwara Expressway Limited, GR Gundugolanu Devarapalli Highway Private Limited, GR Akkalkot Solapur Highway Private Limited, GR Sangli Solapur Highway Private Limited and GR Dwarka Devariya Highway Private Limited. The InvIT has issued 13,75,30,405 units with issue price of ₹ 100 per unit as consideration as per share purchase agreement entered with G R Infraprojects Limited dated February 20, 2024. Further, the InvIT has entered into assignment agreement dated February 20, 2024 with G R Infraprojects Limited for assignment of its unsecured loan receivable from above subsidiaries of ₹ 5,540.83 million in exchange of 5,54,08,300 units with issue price of ₹ 100 per unit. The equity shares of these subsidiaries were transferred to the InvIT on 1 March 2024.
The InvIT has carried out Fair valuation of assets acquired, and liability assumed by independent valuer using inputs generally used by market participants in similar transactions resulting in fair valuation, on the date of acquisition, which was ₹ 19,409.30 million. Accordingly, InvIT has recognised the investments in these SPVs at fair value in the standalone financial information and recognised capital reserve amounting to ₹ 5,656.26 million which is the resultant difference between the fair value and consideration paid by the Invit arising due to additional contribution by significant unitholder. The amount of capital reserve is mainly on account of (a) differences in valuation parameters particularly Weighed Average Cost of Capital on account of different cost of equity (including debt-equity ratio)for determining transaction price, (b) InvIT Issue expenses, and (c) Net present value of InvIT related expenses (including fees payable to investment manager) considered by InvIT amounting to ₹ 3,017.52 million, ₹ 589.93 million and ₹ 2,048.81 million respectively.

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

Notes:-

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

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

c) The loan is repayable in 25 half yearly installments ranging from 0.30% to 10.35% of loan taken starting from March 31, 2024 to September 30, 2036

S R B C & CO LLP ★ CHARTERED ACCOUNTANTS ★

Bharat Highways InvIT ★

All amounts in Rupees million unless otherwise stated

5 Other financial assets (Unsecured, considered good)

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

Note:
i) Deposit with bank includes balance of Initial Public Offer proceeds of ₹ 370.00 million in bank which will be utilised as stated in the Final Offer Documents
ii) Deposit with bank includes earmarked deposit with bank of ₹ 196.50 million against Debt Services Reserve Account (DSRA) as per terms of borrowing agreement.
iii) The InvIT has given ₹ 25.00 million towards security deposit and the Investment manager has given ₹ 25.00 million as an irrecoverable and unconditional bank guarantee on behalf of the InvIT to National Stock Exchange for due performance and fulfillment by the InvIT of its engagement, commitments, operations obligation or liabilities as an issuer.

6 Cash and cash equivalents and other bank balance

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

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

7 Other assets (Unsecured, considered good)

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

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

S R B C & CO LLP ★ CHARTERED ACCOUNTANTS ★

Bharat Highways InvIT ★

All amounts in Rupees million unless otherwise stated

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

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

	As at 31 March 2024		As at 31 March 2023 (Refer Note 32)	
	Numbers	*Amount*	Numbers	*Amount*
At the beginning of the year / period	-	-	-	-
Add:- movement during the year / period	44,29,38,605	44,293.86	-	-
Less : Issue expenses (refer note (b) below)	-	(532.34)	-	-
Outstanding at the end of the year / period	44,29,38,605	43,761.52	-	-

Notes:-

a) The Bharat Highways InvIT (InvIT) has issued 249,999,900 units for cash at a price of ₹ 100 per unit (the 'issue price'), aggregating to ₹ 24,999.99 million to the sponsor and eligible unitholders (as defined in Final Offer Documents) by way of initial public offer, in accordance with Securities Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014 including the rules, circulars and guidelines issued thereunder.
Additionally, pursuant to to the share purchase agreement and assignment agreement entered with G R Infraprojects Limited dated February 20, 2024, InvIT has issued its 13,75,30,405 units in exchange of 100% equity stake in seven companies and 5,54,08,300 units toward assignment of outstanding unsecured loan given by G R Infraprojects Limited to its then Subsidiary companies.
The InvIT Offer Committee of GR Highways Investment Manager Private Limited (Investment Manager), considered and approved allotment of 442,938,605 units to the unitholders on March 6, 2024.

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

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

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

C. Details of unitholders holding more than 5% units

	As at 31 March 2024		As at 31 March 2023 (Refer Note 32)	
	Numbers	% of holding in class	Numbers	% of holding in class
Units of ₹ 100 each fully paid				
Aadharshila Infratech Private Limited	6,64,50,000	15.00%	-	-
G R Infraprojects Limited	19,29,38,705	43.56%	-	-

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

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

S R B C & CO LLP
CHARTERED ACCOUNTANTS

Bharat Highways InvIT

All amounts in Rupees million unless otherwise stated

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

Notes :-

i) Capital reserve

During the year, the InvIT has entered into share purchase agreement dated February 20, 2024 with GR Infraprojects Limited (GRIL) for acquisition of 100% equity stake in its seven subsidaries namely Varanasi Sangam Expressway Private Limited ("VSEPL"), Porbandar Dwarka Expressway Private Limited ("PDEPL"), GR Phagwara Expressway Limited ("GRPEL"), GR Gundugolanu Devarapalli Highway Private Limited ("GRGDHPL"), GR Akkalkot Solapur Highway Private Limited ("GRASHPL"), GR Sangli Solapur Highway Private Limited ("GRSSHPL") and GR Dwarka Devariya Highway Private Limited ("GRDDHPL") against the same, the InvIT has issued its 13,75,30,405 units with issue price of ₹ 100 per unit as consideration against above sale of shares and 5,54,08,300 units with issue price of ₹ 100 per unit towards assignment of loan receivable from above subsidiaries, which has resulted in the GRIL's holding 43.56% in the InvIT. The equity shares of seven subsidiaries were transferred to the InvIT on 1 March 2024 thereby the InvIT obtained control over these subsidiaries.

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

ii) Retained earnings

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

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

Bharat Highways InvIT *

All amounts in Rupees million unless otherwise stated

BHARAT HIGHWAYS INVIT

10 Borrowings

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

Notes

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

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

ii) Terms of repayment of Term loan from banks

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

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

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

11 Current Borrowings

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

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

S R B C & CO LLP ★ CHARTERED ACCOUNTANTS ★

Bharat Highways InvIT ★

All amounts in Rupees million unless otherwise stated

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

Trade payable ageing schedule

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

Notes:-

a) Trade payable are non interest bearing and generally have credit period of 30-90 days.
b) For terms and conditions relating to related party payables (refer note 23)
c) Details of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006

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

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

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

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

14 Other current liabilities	As at 31 March 2024	As at 31 March 2023 (Refer Note 32)
Statutory dues payable	37.45	5.15
Total	37.45	5.15

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

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

Bharat Highways InvIT

All amounts in Rupees million unless otherwise stated

16 Interest

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

17 Investment management fees

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

18 Finance costs

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

19 Other expenses

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

S R B C & CO LLP ★ CHARTERED ACCOUNTANTS ★

Bharat Highways InvIT ★

20 Tax expense

The major component of income tax expenses are as under:

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

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

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

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

Note:

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

21 Earnings per Unit

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

The following reflects in the profit and unit data used in the basic and diluted EPU computation	Year ended 31 March 2024	For the period from 16 June 2022 to 31 March 2023 (Refer Note 32) *
Profit / (Loss) attributable to unitholders (₹ in million) (A)	236.16	-
Number of units outstanding at the end of the year / period (in absolute number)	44,29,38,605	-
Weighted average number of units at the end of the year/ period (in absolute number) (B)	3,18,36,834	-
Basic and diluted earing per unit (₹ /unit)** (A/B)	7.42	-
Issue price per unit (in ₹)	100.00	-

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

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

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

Bharat Highways InvIT

All amounts in Rupees million unless otherwise stated

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

23 **Related party disclosure**
A **List of related parties as per the requirements of Ind AS 24 - Related Party Disclosures and Regulation 2(1) (zv) of the InvIT Regulations**
Following are the related parties and transactions entered with related parties given below:

I **Subsidiary Companies**
a) Varanasi Sangam Expressway Private Limited (w.e.f March 1, 2024)
b) GR Phagwara Expressway Limited (w.e.f March 1, 2024)
c) GR Gundugolanu Devarapalli Highway Private Limited (w.e.f March 1, 2024)
d) GR Akkalkot Solapur Highway Private Limited (w.e.f March 1, 2024)
e) GR Sangli Solapur Highway Private Limited (w.e.f March 1, 2024)
f) Porbandar Dwarka Expressway Private Limited (w.e.f March 1, 2024)
g) GR Dwarka Devariya Highway Private Limited (w.e.f March 1, 2024)

II **Entity with significant influence over the InvIT**
a) G R Infraprojects Limited (w.e.f. March 1, 2024)

III **Parties of Trust**
a) Aadharshila Infratech Private Limited - Sponsor and Project Manager (w.e.f. 31.10.2023)
b) GR Highways Investment Manager Private Limited - Investment Manager (w.e.f. 21.07.2022)
c) IDBI Trusteeship Services Limited - Trustee (w.e.f. 21.07.2022)

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

Particulars	Sponsor and Project Manager	Investment Manager	Trustee
a) Promotors	Riya Agarwal Rahul Agarwal Mehul Agarwal	Lokesh Builders Private Limited (w.e.f 12.12.2022) G R Infraprojects Limited (upto 12.12.2022)	IDBI Bank Limited Life Insurance Corporation of India General Insurance Corporation of India
b) Directors	Rahul Agarwal Ramesh Chandra Mehta Kishan Kantibai Vachhani	Ajendra Kumar Agarwal Siba Narayan Nayak Deepak Maheshwari Raghav Chandra Swati Kulkarni (w.e.f. 13 June 2023) Ramesh Chandra Jain (w.e.f. 13 June 2023)	Pradeep Kumar Jain (w.e.f. 24.03.2022) Samuel Joseph Jebaraj (resigned w.e.f. 18.04.2023) Madhuri J. Kulkarni (resigned w.e.f. 06.12.2022) Baljinder Kaur Mandal (w.e.f. 17.01.2023) Pradeep Kumar Malhotra (w.e.f. 14.12.2022) Jayakumar S. Pillai (w.e.f. 18.07.2023)
c) Partners	Not applicable	Not applicable	Not applicable

V **Key Managerial Personnel**
a) Amit Kumar Singh - Chief Executive Officer of Investment manager
b) Harshael Sawant - Chief Financial Officer of Investment manager
c) Mohnish Dutta - Company Secretary of Investment manager

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

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

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

Bharat Highways InvIT

All amounts in Rupees million unless otherwise stated

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

Particulars	Year ended 31 March 2024	For the period from 16 June 2022 to 31 March 2023 (Refer Note 32)
f) Borrowings repaid		
GR Highways Investment Manager Private Limited	60.21	-
g) Interest income on loans		
Varanasi Sangam Expressway Private Limited	30.32	-
GR Phagwara Expressway Limited	32.45	-
GR Gundugolanu Devarapalli Highway Private Limited	67.94	-
GR Akkalkot Solapur Highway Private Limited	25.53	-
GR Sangli Solapur Highway Private Limited	36.34	-
Porbandar Dwarka Expressway Private Limited	54.47	-
GR Dwarka Devariya Highway Private Limited	48.09	-
h) Interest expense on borrowings		
GR Highways Investment Manager Private Limited	3.21	-
i) Investment management fees		
GR Highways Investment Manager Private Limited	4.89	-
j) Trustee fees		
IDBI Trusteeship Services Limited	0.59	-
k) Guarantees given on behalf of the InvIT		
GR Highways Investment Manager Private Limited	25.00	-
l) Reimbursement of expenses (including issue related expenses)		
GR Highways Investment Manager Private Limited	240.31	49.87
G R Infraprojects Limited	3.62	-
m) Issue expenses		
IDBI Trusteeship Services Limited	-	0.48

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

	As at 31 March 2024	As at 31 March 2023 (Refer Note 32)
a) Other payable		
GR Highways Investment Manager Private Limited	177.33	45.65
G R Infraprojects Limited	3.31	-
b) Trade payable		
GR Highways Investment Manager Private Limited	4.47	-
c) Outstanding loans (including interest accrued)		
Varanasi Sangam Expressway Private Limited	4,088.99	-
GR Phagwara Expressway Limited	3,654.12	-
GR Gundugolanu Devarapalli Highway Private Limited	7,875.67	-
GR Akkalkot Solapur Highway Private Limited	3,434.76	-
GR Sangli Solapur Highway Private Limited	4,059.45	-
Porbandar Dwarka Expressway Private Limited	6,079.55	-
GR Dwarka Devariya Highway Private Limited	5,240.37	-
d) Outstanding borrowing (including interest accrued)		
GR Highways Investment Manager Private Limited	33.81	25.45
e) Outstanding guarantees given on behalf of InvIT (refer note 5(ii))		
GR Highways Investment Manager Private Limited	25.00	-

D Terms & Condition with Related Party

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

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

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

Bharat Highways InvIT

All amounts in Rupees million unless otherwise stated

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

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

Note:

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

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

b) **Material conditions or obligations in relation to the transactions:**
There are no open material conditions / obligations related to above transaction, other than regulatory approvals obtained by the InvIT.

c) **Rate of interest, if external financing has been obtained for the transaction/acquisition;**
No external financing has been obtained for the acquisition by the InvIT.

d) **Any fees or commissions received or to be received by any associate of the related party in relation to the transaction**
There is no fees or commission recovered from any associate of the related party in relation to above transaction

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

Bharat Highways InvIT *

All amounts in Rupees million unless otherwise stated

BHARAT HIGHWAYS INVIT

24 Disclosure of Financial Instruments by Category *

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

\# Investment in subsidiaries are accounted at cost in accordance with Ind AS 27
* Considering that there is no item of fair value through other comprehensive income and Fair value through profit and loss, the same are not disclosed.

25 Fair value disclosures for financial assets and financial liabilities

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

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

26 Fair value hierarchy

The following table provides the fair value measurement hierarchy of the InvIT's assets and liabilities :
Quantitative disclosures of fair value measurement hierarchy for financial instruments as at March 31 as under:-

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

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

There have been no transfers between level 1, level 2 and level 3 during the years.
Valuation technique used to determine fair value:
- Inputs included in Level 1 of Fair Value Hierarchy are based on prices quoted in stock exchange.
- Inputs included in Level 2 of Fair Value Hierarchy have been valued based on inputs from banks, other recognised institutions and NAV declared by fund.
- Inputs included in Level 3 of Fair Value Hierarchy have been valued using acceptable valuation techniques such as Net Asset Value and/or Discounted Cash Flow Method.

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

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

The InvIT is required to present the Statement of total assets at fair value and Statement of total returns at fair value as per Chapter 4 of Master Circular No. SEBI/HO/DDHS-PoD-2/P/CIR/2023/115 dated 06 July 2023 as a part of these standalone financial statements - Refer Statement of Net assets at fair value and Statement of Total Returns at fair value.
The inputs to the valuation models for computation of fair value of assets for the above mentioned statements are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as WACC, Tax rates, Inflation rates, etc.

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

Description of significant unobservable inputs to valuation:

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

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

S R B C & CO LLP ★ CHARTERED ACCOUNTANTS ★

Bharat Highways InvIT ★

All amounts in Rupees million unless otherwise stated

27 Financial risk management objectives and policies

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

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

A. Market risk

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

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

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

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

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

Interest rate risk

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

Exposure to interest rate risk

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

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

Interest rate sensitivity

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

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

Equity price risk

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

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

Foreign Currency Risk:-

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

B. Credit risk

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

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

Bharat Highways InvIT *

All amounts in Rupees million unless otherwise stated

27 Financial risk management objectives and policies (Continued)

C. Liquidity risk

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

Exposure to liquidity risk

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

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

Borrowings include interest accrued and future interest obligations.

28 Capital management

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

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

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

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

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

Bharat Highways InvIT

All amounts in Rupees million unless otherwise stated

29 Issue of units

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

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

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

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

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

30 Segment Reporting

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

31 Events occurring after reporting period

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

32 Comparative figures:

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

As per our report of even date

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

per Sukrut Mehta
Partner
Membership No: 101974

S R B C & CO LLP ★ CHARTERED ACCOUNTANTS ★

Place : Ahmedabad
Date : May 28, 2024

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

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

Amit Kumar Singh
Chief Executive Officer

Place : Gurugram
Date : May 28, 2024

Harshael Sawant
Chief Financial Officer

Place : Gurugram
Date : May 28, 2024

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

Bharat Highways InvIT ★

S R B C & CO LLP
Chartered Accountants

21st Floor, B Wing, Privilon
Ambli BRT Road, Behind Iskcon Temple
Off SG Highway, Ahmedabad - 380 059, India
Tel : +91 79 6608 3900

Independent Auditor's Report on the Half year and Year to Date Audited Consolidated Financial Information of the InvIT Pursuant to the Regulation 23 of the SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended

To
The Board of Directors of
GR Highways Investment Managers Private Limited
(As an Investment Manager of Bharat Highways InvIT)

Report on the audit of the Consolidated Financial Information

Opinion

We have audited the accompanying statement of half year and year to date consolidated financial information of Bharat Highways InvIT (the "InvIT") and its subsidiaries (together referred to as "the Group") consisting of the Consolidated Statement of Profit and Loss including other comprehensive income, explanatory notes thereto and additional disclosure as required in accordance with Chapter 4 of the SEBI Master Circulars No. SEBI/HO/DDHS-PoD-2/P/CIR/2023/115 dated July 6, 2023 as amended including any guidelines and circular issued thereunder (hereinafter collectively referred to as "SEBI Circulars") for the half year ended March 31, 2024 and for the year ended March 31, 2024 ("Statement"), attached herewith, being submitted by the InvIT pursuant to the requirement of Regulation 23 of the SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time including circulars, notifications, clarifications and guidelines issued thereunder (the "InvIT Regulations").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate audited financial statements/financial information of the subsidiaries, the Statement:

i. includes the information of the entities mentioned in the Annexure 1 of this report.
ii. are presented in accordance with the requirements of the InvIT Regulations read with SEBI circular in this regard; and
iii. gives a true and fair view in conformity with the applicable accounting standards and other accounting principles generally accepted in India, of the consolidated net profit and other comprehensive income and other financial information of the Group for the half-ended March 31, 2024 and for the year ended March 31, 2024.

Basis for Opinion

We conducted our audit 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 Information" section of our report. We are independent of the Group in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the InvIT Regulations, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to note 4 which describes the presentation / classification of "Unit Capital" as "Equity" instead of the applicable requirements of Ind AS 32 - Financial Instruments: Presentation in order to comply with the relevant InvIT regulations. Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Consolidated Financial Information

The Statement has been prepared on the basis of the consolidated annual financial statements. The Board of Directors of Investment Manager are responsible for the preparation and presentation of the Statement that give a true and fair view of the net profit and other comprehensive income and other financial information of the Group in accordance with the requirements of the InvIT Regulations; the Indian Accounting Standards as

S R B C & CO LLP * CHARTERED ACCOUNTANTS defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended), and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of their respective companies 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 internal financial 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 respective Board of Directors of the companies included in the Group are responsible for assessing the ability of their respective companies to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless 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 respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of their respective companies.

Auditor's Responsibilities for the Audit of the Consolidated Financial Information

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 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 entity'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' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the 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 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 results/financial information of the entities within the Group of which we are the independent auditors and whose financial information we have audited, to express an opinion on the Statement. We are responsible for the direction, supervision

S R B C & CO LLP ★ CHARTERED ACCOUNTANTS ★

and performance of the audit of the financial information of such entities included in the Statement of which we are the independent auditors. For the other entities included in the Statement, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the InvIT and such other entities included in the Statement of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matter

a) The accompanying Statement includes the audited financial statements and other financial information, in respect of seven subsidiaries, whose financial statements include total assets of INR 57,690.79 million as at March 31, 2024, total revenues of INR 1,257.58 million and INR 1,257.58 million, total net profit after tax of INR 2,835.00 million and INR 2,835.00 million, total comprehensive income of INR 2,835.00 million and INR 2,835.00 million, for the half year and the year ended on that date respectively and net cash inflows of INR 384.20 million for the year ended March 31, 2024, as considered in the Statement which have been audited by their respective independent auditors. The independent auditor's report on the financial statements / financial information of these entities have been furnished to us by the Management and our opinion on the Statement in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of such auditors and the procedures performed by us as stated in paragraph above.

   Our opinion on the Statement is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors.

b) The Statement includes the consolidated financial information for the half year ended 31 March 2024 being the balancing figures between the audited figures in respect of the full financial year ended 31 March 2024 and the unaudited year-to-date figures up to 30 September 2023, being the date of the end of the first half of the current financial year, which have been prepared solely based on the information as compiled by the management and approved by the Board of Directors of Investment Manager and has not been subjected to review or audit.

c) The Statement includes consolidated financial information for the half year ended 31 March 2023 and period from June 16, 2022 to March 31, 2023 included as comparative financial information in accompanying consolidated financial information have been prepared solely based on the information as compiled by the management and approved by the Board of Directors of Investment Manager and has not been subjected to review or audit.

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

per **Sukrut Mehta**
Partner
Membership Number: 101974
UDIN: 24101974BKERTN1496

S R B C & CO LLP ★ CHARTERED ACCOUNTANTS ★

Place of Signature: Ahmedabad
Date: May 28, 2024

Annexure 1 to the audit report on consolidated financial Information for the half year and year ended March 31, 2024.

Sr. No.	Name of entity	Relationship
1	Bharat Highways InvIT	Holding entity
2	GR Phagwara Expressway Limited	Wholly Owned Subsidiary (w.e.f. March 1, 2024)
3	Varanasi Sangam Expressway Private Limited	Wholly Owned Subsidiary (w.e.f. March 1, 2024)
4	Porbandar Dwarka Expressway Private Limited	Wholly Owned Subsidiary (w.e.f. March 1, 2024)
5	GR Gundugolanu Devarapalli Highway Private Limited	Wholly Owned Subsidiary (w.e.f. March 1, 2024)
6	GR Sangli Solapur Highways Private Limited	Wholly Owned Subsidiary (w.e.f. March 1, 2024)
7	GR Akkalkot Solapur Highways Private Limited	Wholly Owned Subsidiary (w.e.f. March 1, 2024)
8	GR Dwarka Devariya Highway Private Limited	Wholly Owned Subsidiary (w.e.f. March 1, 2024)

S R B C & CO LLP ★ CHARTERED ACCOUNTANTS ★

Bharat Highways InvIT

Registered office: Novus Tower, Second Floor, Plot No. 18, Sector 18, Gurugram, Haryana 122 015, India
E-mail: cs@bharatinvit.com; Website: www.bharatinvit.com, Tel: +91 85888 55586
SEBI Registration Number: IN/InvIT/22-23/0023

STATEMENT OF AUDITED CONSOLIDATED FINANCIAL INFORMATION FOR THE HALF YEAR AND YEAR ENDED MARCH 31, 2024

(₹ in million except per unit data)

Sl. No.	Particulars	Half year ended			Year ended	For the period
		31 Mar 2024	30 Sep 2023	31 Mar 2023	31 Mar 2024	16 Jun 2022 to 31 Mar 2023
		(Audited) (refer note 9)	(Unaudited) (refer note 9)	(Unaudited) (refer note 8)	(Audited) (refer note 9)	(Unaudited) (refer note 8)
I	**Incomes and gains:**					
	(a) Revenue from operations	1,206.93	-	-	1,206.93	-
	(b) Interest income on deposit with banks	38.64	-	-	38.64	-
	(c) Interest income from income tax refund	35.43	-	-	35.43	-
	(d) Fair value gain on financial assets measured at FVTPL	5.07	-	-	5.07	-
	(e) Other Income	0.15			0.15	
	Total income and gain	**1,286.22**	**-**	**-**	**1,286.22**	**-**
II	**Expenses and losses:**					
	(a) Sub-contractor charges	760.11	-	-	760.11	-
	(b) Valuation expenses	1.30	-	-	1.30	-
	(c) Audit fees	2.06	2.07	-	4.13	-
	(d) Insurance and security expenses	3.74	-	-	3.74	-
	(e) Employee benefits expense	0.51	-	-	0.51	-
	(f) Project management fees (refer note 7 B(ii))	0.18	-	-	0.18	-
	(g) Investment management fees (refer note 7 B(i))	4.89	-	-	4.89	-
	(h) Trustee fees	0.29	0.30	-	0.59	-
	(i) Finance costs	248.63	1.22	-	249.85	-
	(j) Other expenses (refer note 10)	63.74	-	-	63.74	-
	Total expenses	**1,085.45**	**3.59**	**-**	**1,089.04**	**-**
III	**Profit / (Loss) before tax (I-II)**	**200.77**	**(3.59)**	**-**	**197.18**	**-**
IV	**Tax expense:**					
	(a) Current tax	49.12	-	-	49.12	-
	(b) Deferred tax charge	-	-	-	-	-
	Total tax expenses	**49.12**	**-**	**-**	**49.12**	**-**
V	**Net profit / (loss) for the year / period (III-IV)**	**151.65**	**(3.59)**	**-**	**148.06**	**-**
VI	**Other comprehensive income ("OCI")**					
	(a) Items that will not be reclassified to profit or loss in subsequent years / period (net of tax)	-	-	-	-	-
	(b) Items that will be reclassified to profit or loss in subsequent years / period (net of tax)	-	-	-	-	-
	Other comprehensive income (net of tax)	**-**	**-**	**-**	**-**	**-**
VII	**Total Comprehensive Income / (Loss) for the year / period (V+VI)**	**151.65**	**(3.59)**	**-**	**148.06**	**-**
	Net profit / (loss) for the year / period attributable to:					
	- Unit holders	151.65	(3.59)	-	148.06	-
	- Non controlling interests	-	-	-	-	-
		151.65	**(3.59)**	**-**	**148.06**	**-**
	Other comprehensive income for the year / period attributable to:					
	- Unit holders	-	-	-	-	-
	- Non controlling interests	-	-	-	-	-
		-	**-**	**-**	**-**	**-**
	Total comprehensive income / (loss) for the year / period attributable to :					
	- Unit holders	151.65	(3.59)	-	148.06	-
	- Non controlling interests	-	-	-	-	-
		151.65	**(3.59)**	**-**	**148.06**	**-**
VIII	**Earnings per unit (face value of ₹ 100 each) (not annualised for half year) (refer note 7D)**					
	- Basic	4.65	-	-	4.65	-
	- Diluted	4.65	-	-	4.65	-

Notes:-

1 Bharat Highways InvIT ('the InvIT') was set up as an irrevocable trust under the Indian Trust Act, 1882 pursuant to trust deed dated 16 June 2022 which was subsequently amended on December 8, 2022 and October 31, 2023. The InvIT has been registered as an Infrastructure Investment Trust with Securities Exchange Board of India ('SEBI') under the Securities Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014 vide Certificate of Registration (IN/InvIT/22-23/0023) dated 3 August 2022. The Trustee to the InvIT is IDBI Trusteeship Services Limited (the "Trustee"), Sponsor and project manager of the InvIT is Aadharshila Infratech Private Limited (the "Sponsor" or "Project Manager") and Investment manager for the InvIT is GR Highways Investment Manager Private Limited (the "Investment Manager").

2 The audited consolidated financial information of the InvIT and its subsidiaries (collectively known as 'Group') comprises the Consolidated Statement of Profit and Loss, explanatory notes thereto and the additional disclosures as required in paragraph 6 of Chapter 4 to the Securities Exchange Board of India (SEBI) master circular no. SEBI/HO/DDHS-PoD-2/P/CIR/2023/115 Dated July 06, 2023 and SEBI/HO/DDHS-PoD/CIR/2023/184 dated December 06, 2023 as amended including any guideline and circulars issued thereunder ("SEBI Circulars") for the half year and year ended March 31, 2024 of the Group ("Consolidated Financial Information"). The consolidated financial information are being submitted by the Group pursuant to the requirements of Regulation 23 of the SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time including circulars, notifications, clarifications and guidelines issued thereunder read with SEBI Circulars ("InvIT Regulations"). The above audited consolidated financial information for the half year and year ended March 31, 2024 has been reviewed by the Audit Committee and subsequently approved by the Board of Directors of Investment Manager at their respective meetings held on May 28, 2024.

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

SIGNED FOR IDENTIFICATION PURPOSES ONLY

SRBC & CO LLP

Bharat Highways InvIT

STATEMENT OF AUDITED CONSOLIDATED FINANCIAL INFORMATION FOR THE HALF YEAR AND YEAR ENDED MARCH 31, 2024

Notes (continued):-

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

5 During the year, the InvIT has entered into share purchase agreement dated February 20, 2024 with GR Infraprojects Limited (GRIL) for acquisition of 100% equity stake in its seven subsidaries namely Varanasi Sangam Expressway Private Limited ("VSEPL"), Porbandar Dwarka Expressway Private Limited ("PDEPL"), GR Phagwara Expressway Limited ("GRPEL"), GR Gundugolanu Devarapalli Highway Private Limited ("GRGDHPL"), GR Akkalkot Solapur Highway Private Limited ("GRASHPL"), GR Sangli Solapur Highway Private Limited ("GRSSHPL") and GR Dwarka Devariya Highway Private Limited ("GRDDHPL") against the same, the InvIT has issued its 13,75,30,405 units with issue price of ₹ 100 per unit as consideration against above sale of shares and 5,54,08,300 units with issue price of ₹ 100 per unit towards assignment of loan receivable from above subsidiaries, which has resulted in the GRIL's holding 43.56% in the InvIT. The equity shares of seven subsidiaries were transferred to the InvIT on 1 March 2024 thereby the InvIT obtained control over these subsidiaries. The Group has consolidated revenue and expenditure of these subsidiaries from the said date in these consolidated financial statements. The Investment manager has accessed and concluded that as part of the acquisition, the InvIT has acquired net assets/ inputs pertaining to these entities and no substantive process has been acquired. Accordingly, the Investment manager has concluded that the acquisition should be treated as an asset acquisition as against the business combination under Ind AS 103 Business Combination.

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

Below is the summary of fair value of individual identifiable assets acquired and liabilities assumed on the date of acquisition:

Particulars	VSEPL	PDEPL	GRPEL	GRGDHPL	GRASHPL	GRSSHPL	GRDDHPL
Receivable under service concession agreements	13,080.00	7,836.44	5,017.59	9,114.00	4,428.00	5,192.00	5,323.39
Cash and cash equivalents	377.86	44.80	73.46	95.37	40.39	525.37	371.13
Other bank balances	388.76	867.20	250.79	517.40	138.55	131.44	232.85
Investments	54.25	-	614.18	-	-	-	-
Trade receivables	1.41	1.89	2.07	0.22	3.34	0.47	78.55
Other financial assets	988.69	38.05	469.76	539.14	209.92	62.16	493.38
Other assets	507.32	326.58	73.46	562.50	267.28	290.79	540.59
Assets for current tax (net)	88.55	118.94	43.58	101.88	54.22	60.06	112.66
Total identified assets acquired at fair value (A)	**15,486.84**	**9,233.90**	**6,544.90**	**10,930.51**	**5,141.70**	**6,262.29**	**7,152.56**
Liabilities							
Borrowings	9,756.84	6,069.12	4,534.01	7,843.68	3,429.40	4,058.58	5,182.38
Trade payables	41.97	39.37	34.45	23.67	18.58	16.68	147.66
Other financial liabilities	0.07	0.09	0.07	0.03	0.04	0.03	0.03
Other current liabilities	3.96	12.14	5.95	14.72	6.41	8.00	95.47
Total liabilities assumed (B)	**9,802.84**	**6,120.72**	**4,574.48**	**7,882.10**	**3,454.43**	**4,083.29**	**5,425.54**
Total identified net assets acquired (C=A-B)	**5,684.00**	**3,113.18**	**1,970.42**	**3,048.41**	**1,687.27**	**2,179.00**	**1,727.02**
Consideration paid/ units issued (D)	4,044.07	2,437.13	1,231.63	2,074.58	1,260.00	1,506.53	1,199.10
Capital reserve (E=C-D)	**1,639.93**	**676.05**	**738.79**	**973.83**	**427.27**	**672.47**	**527.92**

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

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

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

(₹ in million)

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

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

SIGNED FOR IDENTIFICATION PURPOSES ONLY

SRBC & CO LLP

Bharat Highways InvIT

Bharat Highways InvIT
Registered office: Novus Tower, Second Floor, Plot No. 18, Sector 18, Gurugram, Haryana 122 015, India
E-mail: cs@bharatinvit.com; Website: www.bharatinvit.com, Tel: +91 85888 55586
SEBI Registration Number: IN/InvIT/22-23/0023

STATEMENT OF AUDITED CONSOLIDATED FINANCIAL INFORMATION FOR THE HALF YEAR AND YEAR ENDED MARCH 31, 2024

7 ADDITIONAL DISCLOSURES AS REQUIRED BY PARAGRAPH 6 OF CHAPTER 4 TO THE SEBI CIRCULARS AND SEBI/HO/DDHS-PoD/CIR/2023/184 dated 06 DECEMBER 2023

(A) Statement of Net Distributable Cash Flows (NDCFs)
(i) Bharat Highways InvIT

(₹ in million)

Particulars	Half year ended			Year-ended	For the period
	31 Mar 2024	30 Sep 2023	31 Mar 2023	31 Mar 2024	16 Jun 2022 to 31 Mar 2023
	(Audited) (refer note 9)	(Unaudited) (refer note 9)	(Unaudited) (refer note 8)	(Audited) (refer note 9)	(Unaudited) (refer note 8)
Cashflows from operating activities of the InvIT	(18.71)	-	-	(18.71)	-
Add: Cash flows received from Project SPV's which represent distributions of NDCF computed as per relevant framework *	1,656.06	-	-	1,656.06	-
Add: Treasury income / income from investing activities of the InvIT (interest income received from FD, any investment entities as defined in Regulation 18(5) of the SEBI InvIT Regulations, tax refund, any other income in the nature of interest, profit on sale of mutual funds, investments, assets etc., dividend income etc., excluding any Ind AS adjustments which will be considered on a cash receipt basis	0.12	-	-	0.12	-
Add: Proceeds from sale of infrastructure investments, infrastructure assets or shares of Project SPVs or investment entity adjusted for the following	-	-	-	-	-
• Applicable capital gains and other taxes	-	-	-	-	-
• Related debts settled or due to be settled from sale proceeds	-	-	-	-	-
• Directly attributable transaction costs	-	-	-	-	-
• Proceeds reinvested or planned to be reinvested as per Regulation 18(7) of the SEBI InvIT Regulations or any other relevant provisions of the InvIT Regulations	-	-	-	-	-
Add: Proceeds from sale of infrastructure investments, infrastructure assets or sale of shares of Project SPVs or investment entity not distributed pursuant to an earlier plan to re-invest as per Regulation 18(7) of the SEBI InvIT Regulations or any other relevant provisions of the SEBI InvIT Regulations, if such proceeds are not intended to be invested subsequently	-	-	-	-	-
Total cash inflow at InvIT level (A)	1,637.47	-	-	1,637.47	-
Less: Finance cost on borrowings, excluding amortisation of any transaction costs as per profit and loss account of the InvIT	(20.28)	(1.22)	-	(21.50)	-
Less: Debt repayment at InvIT level (to include principal repayments as per scheduled EMI's except if refinanced through new debt including overdraft facilities and to exclude any debt repayments / debt refinanced through new debt in any form or funds raised through issuance of units)	(60.92)	-	-	(60.92)	-
Less: any reserve required to be created under the terms of, or pursuant to the obligations arising in accordance with, any:	-	-	-	-	-
(i) loan agreement entered with financial institution; or	(196.50)	-	-	(196.50)	-
(ii) terms and conditions, covenants or any other stipulations applicable to debt securities issued by the InvIT or any of its Project SPVs; or	-	-	-	-	-
(iii) terms and conditions, covenants or any other stipulations applicable to external commercial borrowings availed by the InvIT or any of its SPVs; or	-	-	-	-	-
(iv) agreement pursuant to which the InvIT operates or owns the infrastructure asset, or generates revenue or cashflows from such asset (such as, concession agreement, transmission services agreement, power purchase agreement, lease agreement, and any other agreement of a like nature, by whatever name called); or	-	-	-	-	-
(v) statutory, judicial, regulatory, or governmental stipulations	-	-	-	-	-
Less: any capital expenditure on existing assets owned / leased by the InvIT, to the extent not funded by debt / equity or from contractual reserves created in the earlier years	-	-	-	-	-
Total cash outflow /retention at InvIT level (B)	(277.70)	(1.22)	-	(278.92)	-
Net Distributable Cash Flows (C) = (A+B)	1,359.77	(1.22)	-	1,358.55	-

* Includes dividend received from SPVs subsequent to year end amounting to ₹ 1,380.00 million considered as per note 1 of circular SEBI/HO/DDHS/DDHS-PoD/P/CIR/2023/184 dated December 6, 2023.

SIGNED FOR IDENTIFICATION PURPOSES ONLY
SRBC & CO LLP

Bharat Highways InvIT

STATEMENT OF AUDITED CONSOLIDATED FINANCIAL INFORMATION FOR THE HALF YEAR AND YEAR ENDED MARCH 31, 2024

7 ADDITIONAL DISCLOSURES AS REQUIRED BY PARAGRAPH 6 OF CHAPTER 4 TO THE SEBI CIRCULARS AND SEBI/HO/DDHS-PoD/CIR/2023/184 dated 06 DECEMBER 2023

ii. SPV level NDCF

Particulars	Period from 1 March 2024 to 31 March 2024 (Refer Note 5)						
	VSEPL	PDEPL	GRPEL	GRGDHPL	GRASHPL	GRSSHPL	GRDDHPL
Cash flow from operating activities as per cash flow statement	648.03	89.16	61.94	50.55	323.78	44.64	87.73
Add: Treasury income / income from investing activities (interest income received from FD, tax refund, any other income in the nature of interest, profit on sale of mutual funds, investments, assets etc., dividend income etc., excluding any Ind AS adjustments. Further, it is clarified that these amounts will be considered on a cash receipt basis)	1.67	3.86	4.40	6.21	248.55	0.66	4.56
Add: Proceeds from sale of infrastructure investments, infrastructure assets or shares of SPVs or investment entity adjusted for the following							
• Applicable capital gains and other taxes	-	-	-	-	-	-	-
• Related debts settled or due to be settled from sale proceeds	-	-	-	-	-	-	-
• Directly attributable transaction costs	-	-	-	-	-	-	-
• Proceeds reinvested or planned to be reinvested as per Regulation 18(7) of the SEBI InvIT Regulations or any other relevant provisions of the InvIT Regulations	-	-	-	-	-	-	-
Add: Proceeds from sale of infrastructure investments, infrastructure assets or sale of shares of SPVs or investment entity not distributed pursuant to an earlier plan to re-invest as per Regulation 18(7) of the SEBI InvIT Regulations or any other relevant provisions of the SEBI InvIT Regulations, if such proceeds are not intended to be invested subsequently	-	-	-	-	-	-	-
Total cash inflow at SPV level	649.70	93.02	66.34	56.76	572.33	45.30	92.29
Less: Finance cost on borrowings, excluding amortisation of any transaction costs as per profit and loss account and any shareholder debt / loan from InvIT	(56.68)	(13.19)	(13.64)	(18.16)	(8.88)	(8.51)	(10.06)
Less: Debt repayment (to include principal repayments as per scheduled EMI's except if refinanced through new debt including overdraft facilities and to exclude any debt repayments / debt refinanced through new debt, in any form or equity as well as repayment of any shareholder debt / loan from trust)	-	-	(36.14)	-	-	-	-
Less: any reserve required to be created under the terms of, or pursuant to the obligations arising in accordance with, any:							
(i) loan agreement entered with financial institution; or	(1,636.69)	(651.42)	(788.90)	(895.48)	(343.74)	(594.26)	(720.24)
(ii) terms and conditions, covenants or any other stipulations applicable to debt securities issued by the InvIT or any of its SPVs; or	-	-	-	-	-	-	-
(iii) terms and conditions, covenants or any other stipulations applicable to external commercial borrowings availed by the InvIT or any of its SPVs; or	-	-	-	-	-	-	-
(iv) agreement pursuant to which the InvIT operates or owns the infrastructure asset, or generates revenue or cashflows from such asset (such as, concession agreement, transmission services agreement, power purchase agreement, lease agreement, and any other agreement of a like nature, by whatever name called); or	-	-	-	-	-	-	-
(v) statutory, judicial, regulatory, or governmental stipulations	-	-	-	-	-	-	-
Less: any capital expenditure on existing assets owned / leased by the InvIT, to the extent not funded by debt / equity or from contractual reserves created in the earlier years	-	-	-	-	-	-	-
Total cash outflow /retention at SPV level	(1,693.37)	(664.61)	(838.68)	(913.64)	(352.62)	(602.77)	(730.30)
Add: Surplus cash available in SPVs due to: (i) 10% of NDCF withheld in line with the Regulations in any earlier year or half year or (ii) Such surplus being available in a new SPV on acquisition of such SPV by InvIT (iii) Any other reason, excluding if such surplus cash is available due to any debt raise	991.43	821.25	1,243.27	1,049.52	243.04	647.13	889.98
Net Distributable Cash Flows at SPV level	(52.24)	249.66	470.93	192.64	462.75	89.66	251.97

B) **Investment Manager and Project Manager Fees:**

i. **Investment Management Fees:**

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

ii **Project Management Fees:**

Pursuant to the Project management agreement dated December 7, 2023, Project Manager is entitled to fees @ 0.50% of operational and maintenance expenses incurred by each of subsidiaries per annum including applicable Goods and Service tax. Accordingly consolidated financial information for the year ended March 31, 2024 includes amount of ₹ 0.18 million (31 March 2023: ₹ Nil) towards project management fees. There are no changes during the year in the methodology for computation of fees paid to Project Manager.

SIGNED FOR IDENTIFICATION PURPOSES ONLY
SRBC & CO LLP

Bharat Highways InvIT

STATEMENT OF AUDITED CONSOLIDATED FINANCIAL INFORMATION FOR THE HALF YEAR AND YEAR ENDED MARCH 31, 2024

7 ADDITIONAL DISCLOSURES AS REQUIRED BY PARAGRAPH 6 OF CHAPTER 4 TO THE SEBI CIRCULARS AND SEBI/HO/DDHS-PoD/CIR/2023/184 dated 06

C) Changes in Accounting policies
There is no change in the Accounting policy of the Group for the half year and year ended 31 March 2024.

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

The following reflects the profit and unit data used in the basic and diluted EPU computation: *(₹ in million)*

Particulars	Half year ended			Year-ended	For the period
	31 Mar 2024	30 Sep 2023	31 Mar 2023	31 Mar 2024	16 Jun 2022 to 31 Mar 2023
	(Audited) (refer note 9)	(Unaudited) (refer note 9)	(Unaudited) (refer note 8)	(Audited) (refer note 9)	(Unaudited) (refer note 8)
Profit / (Loss) attributable to unitholders (₹ in million) (A)	151.65	(3.59)	-	148.06	-
Number of units outstanding at the end of the year / period (in absolute number)*	44,29,38,605	-	-	44,29,38,605	-
Weighted average number of units for the year / period (in absolute number)* (B)	3,18,36,834	-	-	3,18,36,834	-
Basic and diluted earning per unit (in ₹)** (not annualised for half year) (A/B)	4.65	-	-	4.65	-
Issue price per unit (in ₹)	100.00	-	-	100.00	-

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

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

E) Statement of Contingent Liabilities

Particulars	Half year ended			Year-ended	For the period
	31 Mar 2024	30 Sep 2023	31 Mar 2023	31 Mar 2024	16 Jun 2022 to 31 Mar 2023
	(Audited) (refer note 9)	(Unaudited) (refer note 9)	(Unaudited) (refer note 8)	(Audited) (refer note 9)	(Unaudited) (refer note 8)
Claims against the Company not acknowledged as debts (i) Indirect tax matters (excluding interest and penalty)	2,339.90	-	-	2,339.90	-

Indirect tax matter consist of below:
a) In GR Gundugolanu Devarapalli Highway Private Limited (SPV), the tax authority has denied input tax credit on a proportionate basis due to exempted turnover and demanded difference of input tax credit for the period May-2018 to January 2021 vide demand order. The SPV had filed an appeal before the Hon'ble High Court, Andhra Pradesh against said order. Currently, the matter is pending in Hon'ble High Court, Andhra Pradesh. The total amount involved is ₹ 1,057.25 millions (excluding interest and penalty) against the same, SPV has paid ₹ 73.72 millions under protest.

b) In case of Porbandar Dwarka Expressway Private Limited (SPV), the tax authorities has demanded additional tax on turnover which different than disclosed by the SPV and demanded differential tax at 18% instead of 12%. The matter for the period May-18 to Feb-22. Currently, SPV is in process filling appeal against said order as at reporting date. The total amount involved is ₹ 1,282.60 millions (excluding interest and penalty).

The Group is contesting the demands and the management including its tax advisors, believe that its position shall likely be upheld in the appellate process. No tax expenses has been accrued in these consolidated financial information for the tax demand raised. The Investment manager believes that the ultimate outcome of those proceeding will not have a material adverse effect on the Group's financial position and results of operations.

F) Statement of Commitments
The Group has no outstanding commitment as at March 31, 2024 (March 31, 2023 : Nil)

G) Statement of Related Party Transactions:
1 List of related parties as per the requirements of Ind AS 24 - Related Party Disclosures and Regulation 2(1) (zv) of the InvIT Regulations
Following are the related parties, relationship and transactions entered with related parties given below:

I Entity with significant influence over the Group
a) G R Infraprojects Limited (w.e.f. March 1, 2024)

II Parties of Trust
a) Aadharshila Infratech Private Limited - Sponsor and Project Manager (w.e.f. 31.10.2023)
b) GR Highways Investment Manager Private Limited - Investment Manager (w.e.f. 21.07.2022)
c) IDBI Trusteeship Services Limited - Trustee (w.e.f. 21.07.2022)

III Promoters, Directors and Partners of the persons mentioned in II above

Particulars	Sponsor and Project Manager	Investment Manager	Trustee
a) Promotors	Riya Agarwal	Lokesh Builders Private Limited (w.e.f 12.12.2022)	IDBI Bank Limited
	Rahul Agarwal	G R Infraprojects Limited (upto 12.12.2022)	Life Insurance Corporation of India
	Mehul Agarwal		General Insurance Corporation of India
b) Directors	Rahul Agarwal	Ajendra Kumar Agarwal	Pradeep Kumar Jain (w.e.f. 24.03.2022)
	Ramesh Chandra Mehta	Siba Narayan Nayak	Samuel Joseph Jebaraj (resigned w.e.f. 18.04.2023)
	Kishan Kantibai Vachhani	Deepak Maheshwari	Madhuri J. Kulkarni (resigned w.e.f. 06.12.2022)
		Raghav Chandra	Baljinder Kaur Mandal (w.e.f. 17.01.2023)
		Swati Kulkarni (w.e.f. 13 June 2023)	Pradeep Kumar Malhotra (w.e.f. 14.12.2022)
		Ramesh Chandra Jain (w.e.f. 13 June 2023)	Jayakumar S. Pillai (w.e.f. 18.07.2023)
c) Partners	Not applicable	Not applicable	Not applicable

IV Key Managerial Personnel
a) Amit Kumar Singh - Chief Executive Officer of Investment manager
b) Harshael Sawant - Chief Financial Officer of Investment manager
c) Mohnish Dutta - Company Secretary of Investment manager

SIGNED FOR IDENTIFICATION PURPOSES ONLY
SRBC & CO LLP

Bharat Highways InvIT

STATEMENT OF AUDITED CONSOLIDATED FINANCIAL INFORMATION FOR THE HALF YEAR AND YEAR ENDED MARCH 31, 2024

7 ADDITIONAL DISCLOSURES AS REQUIRED BY PARAGRAPH 6 OF CHAPTER 4 TO THE SEBI CIRCULARS AND SEBI/HO/DDHS-PoD/CIR/2023/184 dated 06 DECEMBER 2023

G) Statement of Related Party Transactions:

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

(₹ in million)

Particulars	Half year ended			Year-ended	For the period
	31 Mar 2024	30 Sep 2023	31 Mar 2023	31 Mar 2024	16 Jun 2022 to 31 Mar 2023
	(Audited) (refer note 9)	(Unaudited) (refer note 9)	(Unaudited) (refer note 8)	(Audited) (refer note 9)	(Unaudited) (refer note 8)
(a) Issue of unit capital					
Aadharshila Infratech Private Limited	6,645.00	-	-	6,645.00	-
G R Infraprojects Limited	19,293.87	-	-	19,293.87	-
(b) Borrowings taken					
GR Highways Investment Manager Private Limited	59.10	6.58	25.45	65.68	25.45
(c) Borrowings paid					
GR Highways Investment Manager Private Limited	60.21	-	-	60.21	-
(d) Interest expense on borrowings					
GR Highways Investment Manager Private Limited	1.99	1.22	-	3.21	-
(e) Investment management fees					
GR Highways Investment Manager Private Limited	4.89	-	-	4.89	-
(f) Trustee fees					
IDBI Trusteeship Services Limited	0.29	0.30	-	0.59	-
(g) Guarantees given on behalf of InvIT					
GR Highways Investment Manager Private Limited	25.00	-	-	25.00	-
(h) Reimbursement of expenses (including issue related expenses)					
GR Highways Investment Manager Private Limited	240.31	-	49.87	240.31	49.87
G R Infraprojects Limited	3.62	-	-	3.62	-
(i) Issue expenses					
IDBI Trusteeship Services Limited	-	-	-	-	0.48
(j) Project management fees					
Aadharshila Infratech Private Limited	0.18	-	-	0.18	-
(k) Sub Contract charges					
G R Infraprojects Limited	760.11	-	-	760.11	-
(l) Shared service charges					
G R Infraprojects Limited	5.91	-	-	5.91	-
(m) Purchase of subsidiaries (including assignment of loans)					
G R Infraprojects Limited	19,293.87	-	-	19,293.87	-

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

(₹ in million)

Particulars	Half year ended			Year-ended	For the period
	31 Mar 2024	30 Sep 2023	31-Mar-23	31 Mar 2024	16 Jun 2022 to 31 Mar 2023
	(Audited) (refer note 9)	(Unaudited) (refer note 9)	(Unaudited) (refer note 8)	(Audited) (refer note 9)	(Unaudited) (refer note 8)
(a) Other payable					
GR Highways Investment Manager Private Limited	177.33	45.65	45.65	177.33	45.65
G R Infraprojects Limited	3.31	-	-	3.31	-
(b) Trade payable					
GR Highways Investment Manager Private Limited	4.47	-	-	4.47	-
G R Infraprojects Limited	1,091.93	-	-	1,091.93	-
(c) Outstanding borrowing (including interest accrued)					
GR Highways Investment Manager Private Limited	33.81	33.25	25.45	33.81	25.45
(d) Outstanding guarantees given on behalf of InvIT					
GR Highways Investment Manager Private Limited	25.00	-	-	25.00	-

SIGNED FOR IDENTIFICATION PURPOSES ONLY
SRBC & CO LLP

Bharat Highways InvIT

STATEMENT OF AUDITED CONSOLIDATED FINANCIAL INFORMATION FOR THE HALF YEAR AND YEAR ENDED MARCH 31, 2024

7 ADDITIONAL DISCLOSURES AS REQUIRED BY PARAGRAPH 6 OF CHAPTER 4 TO THE SEBI CIRCULARS AND SEBI/HO/DDHS-PoD/CIR/2023/184 dated 06 DECEMBER 2023

G) **Statement of Related Party Transactions:**

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

Particulars	Half year ended			Year-ended	For the period
	31 Mar 2024	30 Sep 2023	31-Mar-23	31 Mar 2024	16 Jun 2022 to 31 Mar 2023
Acquisition of InvIT assets (refer note 5)	Refer below note (a to d)	No Acquisition	No Acquisition	Refer below note (a to d)	No Acquisition
Disposal of an InvIT asset	No Disposal	No Disposal	No Disposal	No Disposal	No Disposal

Note:

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

(₹ in million)

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

b) **Material conditions or obligations in relation to the transactions:**
There are no open material conditions / obligations related to above transaction, other than regulatory approvals obtained by the InvIT.

c) **Rate of interest, if external financing has been obtained for the transaction/acquisition:**
No external financing has been obtained for the acquisition by the InvIT.

d) **Any fees or commissions received or to be received by any associate of the related party in relation to the transaction**
There is no fees or commission recovered from any associate of the related party in relation to above transaction

8 The InvIT was set up on 16 June 2022 as an irrevocable trust under the Indian Trust Act, 1882. However, there were no transactions for the purpose of consolidated financial information for the period 16 June 2022 to March 31, 2023 and hence, no figures have been disclosed in the comparative half year ended March 31, 2023 and for the period from June 16, 2022 to March 31, 2023, which are as compiled by management and approved by Board of Director of Investment Manager but have not been subjected to audit or review.

9 The InvIT has acquired SPVs by issuing units on March 1, 2024 and concluded its initial public offer process on March 12, 2024. Hence, the figures for the half year and year ended March 31, 2024 are not comparable with corresponding half year ended March 31, 2023 and the period from June 16, 2022 to March 31, 2023. Further, the consolidated financial information for the half year ended March 31, 2024 being the balancing figures between the audited figures in respect of the full financial year ended March 31, 2024 and the unaudited year to date figures up to September 30, 2023, being the date of the end of the half year of the current financial year, which have been prepared solely based on the information as compiled by the management and approved by Board of Investment Manager and have not been subjected to audit or review.

10 Other expenses mainly includes legal and professional expenses, rent expense, labour cess charges, electricity expense, corporate social responsibility expenses, share service charges, listing expenses and other miscellaneous expenses.

11 Investor can view the audited consolidated financial information of the InvIT for the half year and year ended March 31, 2024 on the InvIT's website www.bharatinvit.com or on the website of the stock exchange www.bseindia.com and www.nseindia.com.

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

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

Sibu Narayan Nayak
Director
DIN: 01832348
Place : Gurugram
Place : May 28, 2024

Bharat Highways InvIT

SIGNED FOR IDENTIFICATION PURPOSES ONLY
SRBC & CO LLP

21st Floor, B Wing, Privilon
Ambli BRT Road, Behind Iskcon Temple
Off SG Highway, Ahmedabad - 380 059, India
Tel : +91 79 6608 3900

INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of Bharat Highways InvIT

Report on the Audit of the Consolidated Financial Statements

Opinion

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

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

Basis for Opinion

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

Emphasis of Matter

We draw attention to note 10 (e) which describes the presentation / classification of "Unit Capital" as "Equity" instead of the applicable requirements of Ind AS 32 - Financial Instruments: Presentation, in order to comply with the relevant InvIT regulations. Our opinion is not modified in respect of this matter.

Key Audit Matters

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

S R B C & CO LLP CHARTERED ACCOUNTANTS

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.

Key audit matters	How our audit addressed the key audit matter
Acquisition accounting ***(as described in note 37 of the consolidated financial statements)***	
During the year, the InvIT has acquired 100% stake in seven subsidiaries from GR Infraprojects Limited (GRIL) against the same, the InvIT has issued its units of 13,75,30,405 with issue price of INR 100 per unit. Further, the InvIT has entered into assignment agreement dated February 20, 2024 with for assignment of its unsecured loan receivable from above subsidiaries of INR 5,540.83 million in exchange of 5,54,08,300 units with issue price of INR 100 per unit which resulting in GRIL holding 43.56% stake in the InvIT. The Investment manager has made evaluation of the transaction both from legal compliance and accounting perspective. Key matters for accounting evaluation include (a) whether the acquisitions is to be considered as common control transaction which in turn involves evaluation of control and relationship between InvIT's Sponsor and GRIL, (b) whether transaction is to be treated assets acquisition or business combination, (c) identification of assets acquired, and liabilities assumed, (d) assessment of fair value of assets and liabilities on the date of acquisition, and (e) accounting for difference, if any, arising between fair value of net assets acquired and consideration paid. Based on the above evaluation, the Investment manager has accessed and concluded that the acquisition should be treated as an asset acquisition and accounted for capital reserve amounting to INR 5,656.26 million. The above transaction involves significant assumptions and judgement and accordingly the same has been considered as key audit matter.	Our audit procedures included, among others, the following: • Read and assessed the Group's accounting policies with respect to acquisition accounting. • Obtained and read through legal opinion obtained to evaluate its relationship between Sponsor and GRIL. • Read and evaluated the key terms of the underlying agreements applicable to the acquisitions along with the necessary approvals, as applicable, for the acquisition. • Obtained management's evaluation relating to assessment of whether the acquisition is considered as common control transaction including its evaluation of relationship with sponsor. • Obtained management's evaluation relating to assessment of whether the acquisition is considered as an asset acquisition including evaluation of optional concentration test under Ind AS 103. • Obtained and read the fair valuation reports issued by the independent valuer engaged by the management for measuring, the assets acquired, and liabilities assumed, at fair value. Enquired valuer regarding specific reasons for difference between fair value of net assets acquired and consideration paid. Also assessed the independent valuer's objectivity and independence. • Involved valuation specialists to review the significant assumptions such as used by the independent valuer engaged by the management in arriving at the fair value of assets and liabilities acquired.

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

Key audit matters	How our audit addressed the key audit matter
	• Assessed the related disclosures and compliance in the consolidated financial statements regarding the acquisition.
Finance income on receivable under service concession carried on amortised cost ***(as described in note 2.2 (f) and 18 of the consolidated financial statements)***	
The Group has operational hybrid annuity assets of road infrastructure under the concession agreement with Concession Authority. The Group provides construction and operational services against annuity receivable from Concession Authority under the concession agreement and accordingly recognized financial assets in accordance with appendix D of Ind AS 115, Service Concession Arrangements. Finance income on receivable under service concession is recognized using effective interest rate in accordance with Ind AS 109. There are significant judgement and estimates involve determining effective interest rate. Considering the judgment involved in determination of effective interest rate due to inherent uncertainty and complexity of the assumptions used. This is considered as a key audit matter.	Our audit procedures included but were not limited to: • Obtained, read and assessed the Group's policies, processes and procedures in respect of preparation of accounting model to determine effective interest rate. • Obtained and assessed key terms of the concession agreement. • Obtained the accounting model and understood the key assumptions around the forecasts like annuity, interest rate and future operating costs. • Tested on sample basis that the annuity receivable including interest thereon and operating cost over period of concession agreement considered in the respective accounting models are in agreement with Concession agreement, as certified by independent engineers appointed by Authority and other relevant supporting documents. • Tested the arithmetical accuracy of the model and effective interest rate. • Read and assessed the adequacy of the disclosures made in the consolidated financial statements.
Impairment of receivable under service concession carried on amortised cost ***(as described in note 2.2 (c) (iv) and 3 of the consolidated financial statements)***	
The Group has operational hybrid annuity asset of road infrastructure under the concession agreement with Concession Authority. The Group provides construction and operational services against annuity receivable from Concession Authority under the concession agreement and gaccordingly recognized financial assets in accordance with appendix D of Ind AS 115, Service Concession Arrangements. The carrying value of receivable under service concession as at March 31, 2024 is INR 50,187.70 million. The Group is required to assess whether financial assets carried at amortised cost are credit-impaired in accordance with Ind AS 109 at each reporting date. The Group follows the expected credit loss method for determination of impairment loss which require management judgement such as historical payment records, the likelihood of collection based on the terms, evaluation of litigations,	Our audit procedures included but were not limited to: • Obtained, read and assessed the Group's policies, processes and procedures in respect of determination of impairment including judgement and assumption used by the management. • Obtained and assessed key terms of the concession agreement. • Performed test of details on selected sample and tested relevant supporting document including certification of annuity receivable by lender's engineers and receipts of annuity receivable including interest thereon. • Obtained relevant communications to/ from authority on test check basis.

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

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

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

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

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

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

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

Responsibilities of Management for the Consolidated Financial Statements

The Board of Directors of the Investment Manager are responsible for the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash movements and the consolidated movement of the unit holders' funds for the year ended March 31, 2024, the consolidated net assets at fair value as at March 31, 2024, the consolidated total returns at fair value of the InvIT and the net distributable cash flows of the InvIT and each of its subsidiaries in accordance with the requirements of the InvIT Regulations; the Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended), and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the management, as aforesaid.

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

The management and respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

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

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

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

As part of an audit in accordance with SAs, we exercise professional 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 opinion on effectiveness of the entity's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the InvIT and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements for the financial year ended March 31, 2024 and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

S R B C & CO LLP ★ CHARTERED ACCOUNTANTS

Other Matter

a) We did not audit the financial statements and other financial information, in respect of seven subsidiaries, whose financial statements include total assets of INR 57,690.79 million as at March 31, 2024, and total revenues of INR 1,257.58 million and net cash inflows of INR 384.20 million for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the consolidated financial statements, in sofar as it relates to the amounts and disclosures included in respect of these subsidiaries and our report in so far as it relates to the aforesaid subsidiaries is based solely on the reports of such other auditors.

Our opinion above on the consolidated financial statements and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done and the reports of the other auditors and the financial statements.

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

Report on Other Legal and Regulatory Requirements

Based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiaries as noted in the 'other matter' paragraph, we report that:

A. We/the other auditors whose report we have relied upon have sought and obtained all the information and explanations which, to the best of our knowledge and belief were necessary for the purpose of our audit;

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

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

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

per **Sukrut Mehta**
Partner
Membership Number: 101974
UDIN: 24101974BKERTM6957

S R B C & CO LLP ★ CHARTERED ACCOUNTANTS ★

Place of Signature: Ahmedabad
Date: May 28, 2024

Bharat Highways InvIT

Consolidated Balance Sheet as at 31 March 2024

All amounts in Rupees million unless otherwise stated

	Notes	As at 31 March 2024	As at 31 March 2023 (Refer Note 40)
Assets			
Non-current assets			
(a) Financial assets			
(i) Receivable under service concession arrangements	3	47,002.25	-
(ii) Other financial assets	4	1,239.01	-
(b) Assets for current tax (net)	5	139.85	-
(c) Other non-current assets	6	254.71	-
Total Non-Current Assets		48,635.82	-
Current assets			
(a) Financial assets			
(i) Investments	7	673.50	-
(ii) Trade receivables	8	60.44	-
(iii) Cash and cash equivalents	9	1,912.97	0.09
(iv) Bank balance other than (iii) above	9	3,209.56	-
(v) Receivable under service concession agreements	3	3,185.45	-
(vi) Other financial assets	4	2,702.49	-
(b) Other current assets	6	2,213.88	77.97
Total Current Assets		13,958.29	78.06
Total Assets		62,594.11	78.06
Equity and liabilities			
Equity			
(a) Corpus contribution		0.01	0.01
(b) Unit capital	10	43,761.52	-
(c) Other equity	11	5,804.32	-
Total Unit Holder's Equity		49,565.85	0.01
Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	12	9,730.48	-
Total Non-Current Liabilities		9,730.48	-
Current liabilities			
(a) Financial liabilities			
(i) Borrowings	13	1,645.55	25.45
(ii) Trade payables	14		
(a) Total outstanding dues of micro enterprises and small enterprises		0.68	-
(b) Total outstanding dues of creditors other than micro and small enterprises		1,118.80	-
(iii) Other financial liabilities	15	361.50	47.45
(b) Other current liabilities	16	163.12	5.15
(c) Liabilities for current tax (net)	17	8.13	-
Total Current Liabilities		3,297.78	78.05
Total Liabilities		13,028.26	78.05
Total Equity and Liabilities		62,594.11	78.06
Summary of material accounting policies	2.2		

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

As per our report of even date

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

per Sukrut Mehta
Partner
Membership No: 101974

Place : Ahmedabad
Date : May 28, 2024

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

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

Amit Kumar Singh
Chief Executive Officer

Place : Gurugram
Date : May 28, 2024

Harshael Sawant
Chief Financial Officer

Place : Gurugram
Date : May 28, 2024

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

Bharat Highways InvIT

Consolidated Statement of Profit and Loss for the year ended 31 March 2024

All amounts in Rupees million unless otherwise stated

	Notes	Year ended 31 March 2024	Period ended from 16 June 2022 to 31 March 2023 (Refer Note 40)
I Incomes and gains:			
(a) Revenue from operations	18	1,206.93	-
(b) Interest income on deposit with banks		38.64	-
(c) Interest income from income tax refund		35.43	-
(d) Fair value gain on financial assets measured at FVTPL		5.07	-
(e) Other Income		0.15	
Total income and gain		**1,286.22**	**-**
II Expenses and losses:			
(a) Sub-contractor charges		760.11	-
(b) Valuation expenses		1.30	-
(c) Audit fees		4.13	-
(d) Insurance and security expenses		3.74	-
(e) Employee benefits expense	19	0.51	-
(f) Project management fees	20	0.18	-
(g) Investment management fees	21	4.89	-
(h) Trustee fees		0.59	-
(i) Finance costs	22	249.85	-
(j) Other expenses	23	63.74	-
Total expenses		**1,089.04**	**-**
III Profit before tax (I-II)		**197.18**	**-**
IV Tax expense:	24		
(a) Current tax		49.12	-
(b) Deferred tax charge		-	-
Total tax expenses		**49.12**	**-**
V Net profit for the year / period (III-IV)		**148.06**	**-**
VI Other comprehensive income ("OCI")			
(a) Items that will not be reclassified to profit or loss in subsequent years / period (net of tax)		-	-
(b) Items that will be reclassified to profit or loss in subsequent years / period (net of tax)		-	-
Other comprehensive income (net of tax)		-	-
VII Total Comprehensive Income for the year / period (V+VI)		**148.06**	**-**
Net profit for the year/period attributable to:			
- Unit holders		148.06	-
- Non controlling interests		-	-
		148.06	**-**
Other comprehensive income for the year attributable to:			
- Unit holders		-	-
- Non controlling interests		-	-
		-	-
Total comprehensive income for the year attributable to :			
- Unit holders		148.06	-
- Non controlling interests		-	-
		148.06	**-**
Earnings per unit (issue value ₹ 100 each) (in ₹)			
- Basic	25	4.65	-
- Diluted		4.65	-
Summary of material accounting policies	2.2		

The accompanying notes are an integral part of these consolidated financial statements
As per our report of even date

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

per Sukrut Mehta
Partner
Membership No: 101974

Place : Ahmedabad
Date : May 28, 2024

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

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

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

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

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

Bharat Highways InvIT

Consolidated Statement of Changes in Unit Holders' Equity for the year ended 31 March 2024

All amounts in Rupees million unless otherwise stated

A Unit Capital (unit of ₹ 100 each)	Number of units	Amount
As at 16 June 2022 (refer note 40)	-	-
Add: Unit issued during the period (refer note 10)	-	-
As at 31 March 2023	-	-
As at 1 April 2023	-	-
Add: Unit issued during the year (refer note 10)	44,29,38,605	44,293.86
Less Issue expenses (refer note 10)	-	(532.34)
As at 31 March 2024	44,29,38,605	43,761.52

B Other equity	Reserves and surplus		Total
	Retained Earnings (refer note 11)	Capital Reserve (refer note 11)	
As at 16 June 2022 (refer note 40)	-	-	-
Add: Profit for the period	-	-	-
Total comprehensive income for the period	-	-	-
Less: Distributed during the period *	-	-	-
As at 31 March 2023	-	-	-
As at 1 April 2023	-	-	-
Add: Profit for the year	148.06	-	148.06
Total comprehensive income for the year	148.06	-	148.06
Add : On account of acquisition (refer note 37)	-	5,656.26	5,656.26
Less: Distributed during the year (refer note below)	-	-	-
As at 31 March 2024	148.06	5,656.26	5,804.32

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

Note:

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

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

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

As per our report of even date
For S R B C & CO LLP
Chartered Accountants
ICAI Firm's Registration No :324982E/E300003

per Sukrut Mehta
Partner
Membership No: 101974

Place : Ahmedabad
Date : May 28, 2024

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

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

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

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

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

Bharat Highways InvIT

Consolidated Cash Flow Statement for the year ended 31 March 2024

All amounts in Rupees million unless otherwise stated

	Year ended 31 March 2024	Period ended from 16 June 2022 to 31 March 2023 (Refer Note 40)
A Cash flows from operating activities		
Profit before tax	197.18	-
Adjustment to reconcile profit before tax to net cash flows:		
Interest income	(74.07)	
Fair value on financial assets measured at FVTPL (net)	(5.07)	-
Finance income on financial assets carried on amortised cost	(307.37)	-
Finance costs	249.85	-
Operating Profit before Working Capital changes	60.52	-
Adjustment for changes in working capital :		
(Increase) in receivable under service concession arrangements	(121.58)	-
Decrease / (Increase) in financial and other assets	77.65	(2.95)
Decrease in trade receivables	27.51	-
Increase in trade payables	797.10	-
Increase in provisions, financial and other liabilities	11.44	5.15
Cash generated from operating activities	852.64	2.20
Direct tax paid (net of refunds)	434.48	-
Net Cash generated from operating activities	1,287.12	2.20
B Cash Flows from Investing Activities		
(Investments) in bank deposits having original maturity of more than three months (net)	(1,307.86)	-
Earmarked Balance with banks	(473.56)	-
Interest received on bank deposits / receivable under service concession arrangements	254.99	-
Net Cash generated (used in) investing activities	(1,526.43)	-
C Cash Flows from Financing Activities		
Proceeds from Corpus contribution	-	0.01
Proceeds from issue of units (refer note 4 below)	24,999.99	-
Unit issue expenses paid	(143.75)	(27.57)
Proceeds from non-current borrowings	4,873.68	-
Repayment of non-current borrowings	(28,832.88)	-
Proceeds / (repayment) of current borrowings (net)	5.47	25.45
Interest paid	(278.72)	-
Net cash generated from / (used in) financing activities	623.79	(2.11)
Net Increase in cash and cash equivalents (A+B+C)	384.48	0.09
Cash and cash equivalents at the beginning of the year/period	0.09	-
Cash and cash equivalents on account of acquisition of subsidiaries *	1,528.40	-
Cash and cash equivalents at the end of the year/period	1,912.97	0.09

* Pertains to subsidiaries acquired during the year (refer note 37)

Notes:

1 Components of cash and cash equivalents (refer note 9)

	As at 31 March 2024	As at 31 March 2023
Cash on hand	0.12	0.01
Balance with banks		
in current account	1,149.07	0.08
Deposits with bank having original maturity of less than three months	763.78	-
Cash and cash equivalents at end of the year / period	1,912.97	0.09

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

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

	As at 1 April 2023	On account of acquisition of subsidiaries (refer note 37)	Net cash flow	Others *	As at 31 March 2024
Non-current borrowings (including current maturities and interest)	-	35,333.18	(24,237.92)	246.96	11,342.22
Current borrowings	25.45	-	5.47	2.89	33.81
Total	25.45	35,333.18	(24,232.45)	249.85	11,376.03

	As at 16 June 2022	On account of acquisition of subsidiaries (refer note 37)	Net cash flow	Others *	As at 31 March 2023
Non-current borrowings (including current maturities and interest)	-	-	-	-	-
Current borrowings	-	-	25.45	-	25.45
Total	-	-	25.45	-	25.45

* Others represent interest accrued and other borrowing cost accrued during the year/ period.

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

Bharat Highways InvIT *

Notes (continued):

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

5 Figures in brackets represent outflows.

Refer note 2.2 for Summary of material accounting policies

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

As per our report of even date

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

per Sukrut Mehta
Partner
Membership No: 101974

S R B C & CO LLP ★ CHARTERED ACCOUNTANTS ★

Place : Ahmedabad
Date : May 28, 2024

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

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

Amit Kumar Singh
Chief Executive Officer

Place : Gurugram
Date : May 28, 2024

Harshael Sawant
Chief Financial Officer

Place : Gurugram
Date : May 28, 2024

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

Bharat Highways InvIT ★

Bharat Highways InvIT

Disclosures pursuant to SEBI Circulars as at and for the year ended 31 March 2024

All amounts in Rupees million unless otherwise stated

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

A. Statements of Net Distributable Cash Flows (NDCFs)

I. Bharat Highways InvIT ('InvIT')

Particulars	Year ended 31 March 2024	Period ended from 16 June 2022 to 31 March 2023 (Refer Note 40)
Cashflows from operating activities of the Trust	(18.71)	-
Add: Cash flows received from SPV's which represent distributions of NDCF computed as per relevant framework *	1,656.06	-
Add: Treasury income / income from investing activities of the InvIT (interest income received from FD, any investment entities as defined in Regulation 18(5) of the SEBI InvIT Regulations, tax refund, any other income in the nature of interest, profit on sale of mutual funds, investments, assets etc., dividend income etc., excluding any Ind AS adjustments which will be considered on a cash receipt basis	0.12	-
Add: Proceeds from sale of infrastructure investments, infrastructure assets or shares of SPVs or investment entity adjusted for the following		
• Applicable capital gains and other taxes	-	-
• Related debts settled or due to be settled from sale proceeds	-	-
• Directly attributable transaction costs	-	-
• Proceeds reinvested or planned to be reinvested as per Regulation 18(7) of the SEBI InvIT Regulations or any other relevant provisions of the InvIT Regulations	-	-
Add: Proceeds from sale of infrastructure investments, infrastructure assets or sale of shares of SPVs or investment entity not distributed pursuant to an earlier plan to re-invest as per Regulation 18(7) of the SEBI InvIT Regulations or any other relevant provisions of the SEBI InvIT Regulations, if such proceeds are not intended to be invested subsequently	-	-
Less: Finance cost on borrowings, excluding amortisation of any transaction costs as per profit and loss account of the InvIT	(21.50)	-
Less: Debt repayment at InvIT level (to include principal repayments as per scheduled EMI's except if refinanced through new debt including overdraft facilities and to exclude any debt repayments / debt refinanced through new debt in any form or funds raised through issuance of units)	(60.92)	-
Less: any reserve required to be created under the terms of, or pursuant to the obligations arising in accordance with, any:	-	-
Less: any reserve required to be created under the terms of, or pursuant to the obligations arising in accordance with, any:		
(i) loan agreement entered with financial institution; or	-	-
(ii) terms and conditions, covenants or any other stipulations applicable to debt securities issued by the InvIT or any of its SPVs; or	(196.50)	-
(iii) terms and conditions, covenants or any other stipulations applicable to external commercial borrowings availed by the InvIT or any of its SPVs; or	-	-
(iv) agreement pursuant to which the InvIT operates or owns the infrastructure asset, or generates revenue or cashflows from such asset (such as, concession agreement, transmission services agreement, power purchase agreement, lease agreement, and any other agreement of a like nature, by whatever name called); or	-	-
(v) statutory, judicial, regulatory, or governmental stipulations	-	-
Less: any capital expenditure on existing assets owned / leased by the InvIT, to the extent not funded by debt / equity or from contractual reserves created in the earlier years	-	-
Net Distributable Cash Flows	**1,358.55**	-

* Includes dividend received from SPVs subsequent to year end amounting to ₹ 1,380.00 million considered as per note 1 of circular SEBI/HO/DDHS/DDHS-PoD/P/CIR/2023/184 dated December 6, 2023.

S R B C & CO LLP ★ CHARTERED ACCOUNTANTS ★

Bharat Highways InvIT ★

Bharat Highways InvIT

Disclosures pursuant to SEBI Circulars as at and for the year ended 31 March 2024

All amounts in Rupees million unless otherwise stated

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

A. Statements of Net Distributable Cash Flows (NDCFs)

II. SPV level NDCF

Particulars	Period from 1 March 2024 to 31 March 2024 (Refer Note 40)						
	VSEPL	PDEPL	GRPEL	GRGDHPL	GRASHPL	GRSSHPL	GRDDHPL
Cash flow from operating activities as per cash flow statement	648.03	89.16	61.94	50.55	323.78	44.64	87.73
Add: Treasury income / income from investing activities (interest income received from FD, tax refund, any other income in the nature of interest, profit on sale of mutual funds, investments, assets etc., dividend income etc., excluding any Ind AS adjustments. Further, it is clarified that these amounts will be considered on a cash receipt basis)	1.67	3.86	4.40	6.21	248.55	0.66	4.56
Add: Proceeds from sale of infrastructure investments, infrastructure assets or shares of SPVs or investment entity adjusted for the following							
• Applicable capital gains and other taxes	-	-	-	-	-	-	-
• Related debts settled or due to be settled from sale proceeds	-	-	-	-	-	-	-
• Directly attributable transaction costs	-	-	-	-	-	-	-
• Proceeds reinvested or planned to be reinvested as per Regulation 18(7) of the SEBI InvIT Regulations or any other relevant provisions of the InvIT Regulations	-	-	-	-	-	-	-
Add: Proceeds from sale of infrastructure investments, infrastructure assets or sale of shares of SPVs or investment entity not distributed pursuant to an earlier plan to re-invest as per Regulation 18(7) of the SEBI InvIT Regulations or any other relevant provisions of the SEBI InvIT Regulations, if such proceeds are not intended to be invested subsequently	-	-	-	-	-	-	-
Total cash inflow at SPV level	649.70	93.02	66.34	56.76	572.33	45.30	92.29
Less: Finance cost on borrowings, excluding amortisation of any transaction costs as per profit and loss account and any shareholder debt / loan from InvIT	(56.68)	(13.19)	(13.64)	(18.16)	(8.88)	(8.51)	(10.06)
Less: Debt repayment (to include principal repayments as per scheduled EMI's except if refinanced through new debt including overdraft facilities and to exclude any debt repayments / debt refinanced through new debt, in any form or equity as well as repayment of any shareholder debt / loan from trust)	-	-	(36.14)	-	-	-	-
Less: any reserve required to be created under the terms of, or pursuant to the obligations arising in accordance with, any:							
(i) loan agreement entered with financial institution; or	(1,636.69)	(651.42)	(788.90)	(895.48)	(343.74)	(594.26)	(720.24)
(ii) terms and conditions, covenants or any other stipulations applicable to debt securities issued by the InvIT or any of its SPVs; or	-	-	-	-	-	-	-
(iii) terms and conditions, covenants or any other stipulations applicable to external commercial borrowings availed by the InvIT or any of its SPVs; or	-	-	-	-	-	-	-
(iv) agreement pursuant to which the InvIT operates or owns the infrastructure asset, or generates revenue or cashflows from such asset (such as, concession agreement, transmission services agreement, power purchase agreement, lease agreement, and any other agreement of a like nature, by whatever name called); or	-	-	-	-	-	-	-
(v) statutory, judicial, regulatory, or governmental stipulations	-	-	-	-	-	-	-
Less: any capital expenditure on existing assets owned / leased by the InvIT, to the extent not funded by debt / equity or from contractual reserves created in the earlier years	-	-	-	-	-	-	-
Total cash outflow / retention at SPV level	(1,693.37)	(664.61)	(838.68)	(913.64)	(352.62)	(602.77)	(730.30)
Add: Surplus cash available in SPVs due to: (i) 10% of NDCF withheld in line with the Regulations in any earlier year or half year or (ii) Such surplus being available in a new SPV on acquisition of such SPV by InvIT (iii) Any other reason, excluding if such surplus cash is available due to any debt raise	991.43	821.25	1,243.27	1,049.52	243.04	647.13	889.98
Net Distributable Cash Flows at SPV level	(52.24)	249.66	470.93	192.64	462.75	89.66	251.97

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

Bharat Highways InvIT *

All amounts in Rupees million unless otherwise stated

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

B. Statement of Net Assets at Fair Value

Particulars		As at 31 March 2024		As at 31 March 2023 (Refer Note 40)	
		Book value	Fair value	Book value	Fair
I	Assets	62,594.11	63,576.04	78.06	78.06
II	Liabilities (at book value)	13,028.26	13,028.26	78.05	78.05
III	Net Assets (I-II)	49,565.85	50,547.78	0.01	0.01
IV	No. of units (in absolute number) (refer note (i) and 10)	44,29,38,605	44,29,38,605	-	-
V	NAV (III/IV) (refer note (i) below)	111.90	114.12	-	-

Notes:

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

ii. Project wise break up of Fair value of Assets as at 31 March 2024.

Particulars	As at 31 March 2024	As at 31 March 2023 (Refer Note 40)
(i) Varanasi Sangam Expressway Private Limited	16,480.18	-
(ii) Porbandar Dwarka Expressway Private Limited	9,357.47	-
(iii) GR Phagwara Expressway Limited	6,540.30	-
(iv) GR Gundugolanu Devarapalli Highway Private Limited	11,121.27	-
(v) GR Akkalkot Solapur Highway Private Limited	5,370.27	-
(vi) GR Sangli Solapur Highway Private Limited	6,279.52	-
(vii) GR Dwarka Devariya Highway Private Limited	7,360.29	-
Sub Total	62,509.30	-
(i) InvIT Assets	1,066.74	-
Total Assets	63,576.04	-

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

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

v. The Group has acquired above subsidiaries during the year and hence fair value of total assets has not been presented in the comparative period ended March 31, 2023.

C. Statement of total returns at fair value (refer note (ii) below)

Particulars	Year ended 31 March 2024	Period ended from 16 June 2022 to 31 March 2023 (Refer Note 40)
Total Comprehensive Income (As per the Statement of Profit and Loss)	148.06	-
Add/(less): Other Changes in Fair Value (e.g., in investment property, property, plant & equipment (if cost model is followed)) not recognized in Total Comprehensive Income (refer note below)	981.93	-
Total Return	1,129.99	-

Notes :

i. As all the subsidiaries have been acquired in the current year (refer note 37), hence, there is no change in the fair value from the previous year which has been reported above.

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

iii. Sensitivity analysis with respect to significant unobservable inputs used in the fair value measurement has been disclosed in Note 30.

As per our report of even date

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

per Sukrut Mehta
Partner
Membership No: 101974

S R B C & CO LLP ★ CHARTERED ACCOUNTANTS ★

Place : Ahmedabad
Date : May 28, 2024

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

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

Amit Kumar Singh
Chief Executive Officer

Place : Gurugram
Date : May 28, 2024

Harshael Sawant
Chief Financial Officer

Place : Gurugram
Date : May 28, 2024

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

Bharat Highways InvIT ★

1. InvIT Information

The Consolidated financial statements comprise financial statements of Bharat Highways InvIT ('the Holding Entity, 'the Parent' or 'the InvIT') and its subsidiaries (collectively referred as a 'the Group') for the year ended March 31, 2024. The InvIT was set up as an irrevocable trust under the Indian Trust Act, 1882 pursuant to Trust Deed dated 16 June 2022 which was subsequently amended by First Amended and Restated Indenture of Trust dated December 8, 2022 and further amended on October 31, 2023. The InvIT has been settled for an initial sum of ₹ 10,000. The InvIT has been registered as an Infrastructure Investment Trust with Securities Exchange Board of India ('SEBI') under the Securities Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014 vide Certificate of Registration (IN/InvIT/22-23/0023) dated 3 August 2022.

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

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

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

2. Material Accounting Policies

2.1 Basis of preparation and consolidation

The Consolidated financial statements comprise of the Consolidated Balance Sheet as at March 31, 2024, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Statement of Changes in Unit Holders' Equity and the Consolidated Statement of Cash Flow for the year then ended, the Consolidated Statement of Net Assets at fair value as at March 31, 2024, the Consolidated Statement of Total Returns at fair value and the Statement of Net Distributable Cash Flows ('NDCFs') of the InvIT and each of its subsidiaries for the year then ended and a summary of material accounting policies and other explanatory notes (collectively, the "Consolidated Financial Statements") prepared in accordance with requirement of SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time including circulars, notifications, clarifications and guidelines issued thereunder ("InvIT Regulations") and SEBI Master Circular No. SEBI/HO/DDHS-PoD-2/P/CIR/2023/115 dated 06 July 2023 and SEBI Circular No. SEBI/HO/DDHS- PoD/CIR/2023/184 dated 06 December 2023 issued under the SEBI InvIT Regulations ("SEBI Circulars"); Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other accounting principles generally accepted in India. The Group has prepared the financial statements on the basis that it will continue to operate as a going concern.

S R B C & CO LLP ★ CHARTERED ACCOUNTANTS ★

Bharat Highways InvIT ★

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

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

Basis of Consolidation

The consolidated financial statements comprise the financial statements of the InvIT and its subsidiaries as at March 31, 2024. Control is achieved when the InvIT is exposed or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Specifically, the Group controls an investee if and only if the Group has:

- Power over the investee (i.e. existing rights that give it the current ability to direct the relevant activities of the investee)
- Exposure, or rights, to variable returns from its involvement with the investee, and
- The ability to use its power over the investee to affect its returns

Generally, there is a presumption that a majority of voting rights result in control. To support this presumption and when the Company has less than a majority of the voting or similar rights of an investee, the Group considers all relevant facts and circumstances in assessing whether it has power over an investee, including: (i) The contractual arrangement with the other vote holders of the investee: (ii) rights arising from other contractual arrangements: (iii) the Group's voting rights and potential voting rights, other vote holders or other parties: (iv) the size of the Group's holding of voting rights relative to the size and dispersion of the holdings of the other voting rights holders: (v) any additional facts and circumstances that indicate that the Group has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made, including voting patterns at previous shareholders' meetings.

The Group reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the three elements of control. Consolidation of a subsidiary begins when the Group obtains control over the subsidiary and ceases when the Group loses control of the subsidiary. Assets, liabilities, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated financial statements from the date the Group gains control until the date the Group ceases to control the subsidiary.

The Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. The financial statements of all entities used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on 31 March.

The procedure for preparing Consolidated Financial Statements of the Group are stated below –

i) Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date;
ii) Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any difference;

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

Bharat Highways InvIT

iii) Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the Group. Ind AS 12, Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.

Profit or loss and each component of other comprehensive income (OCI) are attributed to the unitholders of the Trust and to the non-controlling interests (if any), even if this results in the non-controlling interests having a deficit balance. When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies. All intra-group assets and liabilities, equity, income, expenses and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

A change in the ownership interest of a subsidiary, without a loss of control, is accounted for as an equity transaction. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the group.

When a change in the ownership interest of a subsidiary resulting to the loses of control over a subsidiary, it (i) derecognises the assets and liabilities of the subsidiary at their carrying amounts at the date when control is lost, (ii) derecognises the carrying amount of any non-controlling interests, (iii), recognises the fair value of the consideration received, (iv) recognises the fair value of any investment retained and (v) recognises any surplus or deficit in profit or loss. The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in associate.

The Group has the following operational entities ('Special Purpose Vehicles' or 'SPVs') which has principal activities of construction and operation of national highways projects on Build Operate and Transfer basis (BOT) which has been included in the Consolidated financial statement of the Group:

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

*Acquired during the financial year 2023-24.

2.2 Summary of material accounting policies

The following are the material accounting policies applied by the Group in preparing its Consolidated financial statements:

a. *Current versus non-current classification*

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

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

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

Bharat Highways InvIT

All other assets are classified as non-current.

A liability is current when:

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

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

All other liabilities are classified as non-current.

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

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

b. Business Combinations

The Group are accounted Business combinations for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. Acquisition-related costs are expensed as incu/rred.

The Group determines that it has acquired a business when the acquired set of activities and assets include an input and a substantive process that together significantly contribute to the ability to create outputs or considered as assets acquisition if assets or group of assets does not constitute of business.

At the acquisition date, the identifiable assets acquired and the liabilities assumed are recognised at their acquisition date fair values. For this purpose, the liabilities assumed include contingent liabilities representing present obligation and they are measured at their acquisition fair values irrespective of the fact that outflow of resources embodying economic benefits is not probable.

When the Group acquires a business, it assesses the financial assets and liabilities assumed for appropriate classification and designation in accordance with the contractual terms, economic circumstances and pertinent conditions as at the acquisition date.

Any contingent consideration to be transferred by the acquirer is recognized at fair value at the acquisition date. Contingent consideration classified as an asset or liability that is a financial instrument and within the scope of Ind AS 109. If the contingent consideration is not within the scope of Ind AS 109 Financial Instruments, it is measured in accordance with the appropriate Ind AS and is recognized in profit and loss.

Goodwill on consolidation is initially measured at cost, being the excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed. Capital reserve on consolidation represents excess of the net idetifiable assets acquired and liabilities assumed over the cost of acquisition at each point of time of making the investment in the subsidiary. Goodwill arising on consolidation is not amortised, however, it is tested for impairment annually. In the event of cessation of operations of a subsidiary, the un impaired goodwill is written off fully.

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

Bharat Highways InvIT

Asset acquisitions

In case of acquisition of an asset or a group of assets that does not constitute a business, the Group identifies and recognises individual identifiable assets acquired (including those assets that meet the definition of, and recognition criteria for, intangible assets in Ind AS 38, Intangible Assets) and liabilities assumed. The cost of the group shall be allocated to the individual identifiable assets and liabilities on the basis of their relative fair values at the date of purchase. Such a transaction or event does not give rise to goodwill.

c. *Financial instruments*

i Initial recognition

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

ii Financial Assets - Subsequent Measurement

The Group subsequently measures all financial assets at amortized cost (amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR) using effective interest method except for financial assets carried at fair value through Profit and Loss (FVTPL) or fair value through other comprehensive income (FVOCI) which are measured at fair value at the end of each reporting period with any gains or losses arising on remeasurement recognized in profit or loss or other comprehensive income respectively. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

Financial Assets under Service Concession Arrangements (Appendix D of "Ind AS 115 - Revenue from Contracts with Customers")

The Group constructs or upgrades infrastructure (construction or upgrade services) used to provide a public service and operates and maintains that infrastructure (operation services) for a specified period of time. These arrangements may include infrastructure used in a public-to-private service concession arrangement for its entire useful life.

The Group recognises the considerations given by the grantor i.e. National Highway Authority of India ('NHAI') in accordance with Appendix D-'Service Concession Arrangements' of Ind AS 115- 'Revenue from Contracts with Customers'. The Group recognises a financial asset to the extent that it has an unconditional contractual right to receive cash or another financial asset from or at the direction of the grantor of the contract for the services performed under concession agreement; the grantor has little, if any, discretion to avoid payment, usually because the agreement is enforceable by law.

The Group recognises above financial asset at fair value on date of completion of construction and subsequently measures at amortized cost using effective interest method. In case of movement in the market rate of interest, the group re-estimates its cash flows and alters the effective interest rate.

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

Bharat Highways InvIT

iii Financial Assets - Derecognition

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

iv Financial Assets - Impairment

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

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

v Financial liabilities – Classification

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

vi Financial liabilities - Subsequent Measurement

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

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

vii Financial Liabilities - Derecognition

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

viii Reclassification

The Group determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets, such as equity instruments designated at FVTPL

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

Bharat Highways InvIT

or FVOCI and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets.

ix Offsetting

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

d. Fair values measurement

The Group measures financial instrument, such as mutual fund and total assets as per InvIT regulation at fair values at each balance sheet date.

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

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

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs

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

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

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

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

e. Leases

At inception of a contract, the Group assesses whether a contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

Group as a lessee

The Group applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets.

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

Bharat Highways InvIT *

Short-term leases and leases of low-value assets

The Group has elected not to recognise right of use assets and lease liabilities for short term leases of all the assets that have a lease term of twelve months or less with no purchase option and leases for which the underlying asset is of low value. The lease payments associated with these leases are recognized as an expense on a straight-line basis over the lease term.

f. Revenue from contracts with customer

The accounting policies for the specific revenue streams of the Group as summarized below:

i Construction Income

Revenue, where the performance obligation is satisfied over time since the Group creates an assets that the customer controls as the asset is created and the Group has an enforceable right to payment for performance completed to date if it meets the agreed specifications, is recognised in proportion to the stage of completion of the contract. The stage of completion is measured by input method i.e. the proportion that costs incurred to date bear to the estimated total costs of a contract. Contract costs are recognised as an expense in the Statement of Profit and Loss in the accounting periods in which the work to which they relate is performed.

When it is probable that total contract costs will exceed total contract revenue, expected loss, if any, on a contract is recognised as expense in the period in which it is foreseen, irrespective of the stage of completion of the contract.

ii Change of Scope and Utility shifting Income

Change of scope services includes services performed for NHAI other than mentioned in a service concession arrangement. Revenue related to change of scope services and utility shifting services are accounted for when there is certainty of realization and can be measured reliably.

iii Operational and maintenance Income

The Group is required to carry out operations and maintenance on the road annually with an obligation to carry out periodic maintenance in terms of the concession at regular intervals. Revenue is recognized when services are performed.

iv Income from Service Concession Arrangement (Finance Income)

The Group recognizes the considerations given by the grantor i.e. National Highway Authority of India ('NHAI') in accordance with the Appendix D to Ind AS 115 – Service Concession Arrangements under financial assets mode. Under financial assets mode, the Group has an unconditional contractual right to receive cash i.e. fixed annuity after concession period including interest thereon. The finance Income calculated on the basis of the effective interest rate in accordance with the Ind AS 109. The finance Income is recognized under other operating income.

v Variable consideration

The Group's claim for bonus, incentives and other claims relating to execution of contracts are recognized as revenue in the year in which said claims are finally accepted by the clients. Claims under arbitration/disputes are accounted as income based on final award. Expenses on arbitration are accounted as incurred.

vi Contract balances
Contract assets

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

Bharat Highways InvIT

A contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivables
A receivable is recognised if an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial instrument section.

Contract liabilities
A contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made, or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

vii Recognition of interest income and insurance claim
Interest income is recognised using the effective interest method.

Insurance claims are accounted for on the basis of claims admitted/expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

g. Service concession arrangement
The Group constructs or upgrades infrastructure (construction or upgrade service) used to provide to public service and operates and maintains that infrastructure (operation service) for a specified period of time. These arrangement may include infrastructure used in a public-to-private service concession arrangement for its entire useful life.

The Group recognizes the considerations given by the grantor i.e. National Highway Authority of India ('NHAI') in accordance with Appendix D to Ind AS 115 – 'Revenue from Contracts with Customers'. The Group recognizes contract assets under Ind AS 115 during the construction period. Upon completion of assets, the Group classifies the contract asset as financial assets to the extent that it has an unconditional contractual right to receive cash in accordance with Ind AS 109. Ind AS 109 requires a financial asset to be measured at its fair value and any difference between the initial measurement of the financial asset in accordance with Ind AS 109 and the contract asset recognised under Ind AS 115 to be presented as an expense. Such financial assets subsequently measure at amortized cost using effective interest method.

h. Taxes
<u>Current income tax</u>

Tax expense comprises current tax expense and deferred tax.

Current tax comprises of the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. The amount of current tax reflects the best estimate of the tax amount expected to be paid or received after considering the uncertainty, if any, related to income taxes. It is measured using tax rates (and tax laws) enacted or substantively enacted by the reporting date.

<u>Deferred tax</u>
Deferred tax is measured at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled, based on the laws that have been enacted or substantively enacted by the reporting date. The measurement of deferred tax reflects the tax consequences that would follow from the manner in

S R B C & CO LLP ★ CHARTERED ACCOUNTANTS ★

Bharat Highways InvIT ★

which the Group expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

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

Deferred tax assets are recognised to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax liabilities are recognised for all taxable temporary differences except when the deferred tax liability arises from the initial recognition an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting profit nor taxable profit or loss and does not give rise to equal taxable and deductible temporary differences. The existence of unused tax losses is strong evidence that future taxable profit may not be available. Therefore, in case of a history of recent losses, the Group recognises a deferred tax asset only to the extent that it has sufficient taxable temporary differences or there is convincing other evidence that sufficient taxable profit will be available against which such deferred tax asset can be realised. Deferred tax assets -unrecognised or recognised, are reviewed at each reporting date and are recognised/ reduced to the extent that it is probable/ no longer probable respectively that the related tax benefit will be realised.

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

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

<u>Goods and service tax taxes paid on assets acquired or expenses incurred</u>

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

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

i. Impairment of Non-Financial Assets

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

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

Bharat Highways InvIT

j. Borrowing cost

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

Borrowing costs attributable to concession arrangement classified as financial assets are charged to Statement of Profit and Loss in the period in which such costs are incurred. All other borrowing costs are recognised as an expense in the Consolidated Statement of Profit and Loss in the period in which they are incurred.

k. Provisions and contingencies

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

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

Contingencies

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

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

l. Unitholders' equity

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

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

m. Distribution to unit holders

S R B C & CO LLP ★ CHARTERED ACCOUNTANTS ★

Bharat Highways InvIT ★

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

n. Earnings per unit

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

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

o. Operating segments

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

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

p. Cash and cash equivalents

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

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

2.3 Significant accounting judgements, estimates and assumptions

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

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. For preparation of Consolidated financial statements, The Group based its assumptions and estimates on parameters available at the time of preparation of financial statement. Existing circumstances and assumptions about future developments,

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

Bharat Highways InvIT

however, may change due to market changes or circumstances arising that are beyond the control of the Group. Such changes are reflected in the assumptions when they occur.

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

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

Acquisition of subsidiaries

The Sponsor of InvIT is holding 15% in the InvIT and GR Infraprojects Limited (GRIL) is holding 43.56% in the InvIT. The Investment manager has applied its judgement to evaluate relationship between the Sponsor and GRIL based on ownership structure, business relationship between both the entities along with legal evaluation, voting rights, financial position, lending arrangement by Sponsor and security arrangements. Accordingly, the Investment Manager has concluded that the sponsor is an independent entity with its own operations etc. and is not an agent or a de-facto agent for GRIL under Ind AS 110. Accordingly, the above transaction for purchase of subsidiaries from GRIL is not considered as common control and the GRIL does not exercise control over InvIT in accordance with Ind AS 103.

Further, the Investment manager has applied the optional concentration test under Ind AS 103 and concluded that the acquired set of activities and assets is not a business because substantially all of the fair value of the gross assets acquired is concentrated in receivables under service concession arrangements, with similar risk characteristics. Accordingly, this transaction has been accounted for as an asset acquisition. The investment manager has also applied judgment and determined that excess of fair value of net assets acquired over consideration paid as explained in note 37 above is arising because GRIL is a significant unitholder in the InvIT and accordingly, accounted for the excess as capital reserve as detail disclosed in Note 9.

Service Concession arrangement:

The Group recognizes the considerations given by the grantor i.e. National Highway Authority of India ('NHAI') in accordance with Appendix D to Ind AS 115 - 'Revenue from Contracts with Customers'. The Group recognizes contract assets under Ind AS 115 during the construction period. Upon completion of assets, the Group classifies the contract asset as financial assets to the extent that it has an unconditional contractual right to receive cash in accordance with Ind AS 109. Ind AS 109 requires a financial asset to be measured at its fair value and any difference between the initial measurement of the financial asset in accordance with Ind AS 109 and subsequently measure at amortized cost using effective interest method.

To determine effective interest rate, there are significant judgement and estimates involve annuity and interest on annuity inflows, estimations on cost to maintain the asset and other operational efficiencies. These inputs are based on circumstances existing and management judgement / assumption on the future expectations based on current situations. Judgements include management view on expected earnings in future years, changes in interest rates, cost inflation, government policy changes, etc. These input assumptions could affect the estimation and accordingly these assumptions are reviewed periodically.

Fair value measurement and valuation process:

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

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

Bharat Highways InvIT *

Further, SEBI Circulars issued under the InvIT Regulations require disclosures relating to net assets at fair value and total returns at fair value. In estimating the fair value of total fair value of assets of subsidiaries, the Group engages independent qualified external valuers to perform the valuation.

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

Impairment of financial assets:
The impairment provision for financial assets are based on assumptions about risk of default and expected loss rates. The Group uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Group past history, existing market conditions as well as forward looking estimates at the end of each reporting period.

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

Recognition and measurement of provision and contingencies
The Group recognises a provision if it is probable that an outflow of cash or other economic resources will be required to settle the provision. If an outflow is not probable, the item is treated as a contingent liability. Risks and uncertainties are taken into account in measuring a provision.

2.4 Changes in accounting policies and disclosures
New and amended standards
The accounting policies adopted in the preparation of the Consolidated financial statements are consistent except for amendments to the existing Indian Accounting Standards (Ind AS).

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31 March 2023 to amend the following Ind AS which are effective for annual periods beginning on or after 1 April 2023. The Group applied for the first-time these amendments.

(i) Definition of Accounting Estimates - Amendments to Ind AS 8
The amendments clarify the distinction between changes in accounting estimates, changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates. The amendments had no impact on the Group's consolidated financial statements.

(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1
The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

Bharat Highways InvIT *

The amendments have had an impact on the Group's disclosures of accounting policies, but not on the measurement, recognition or presentation of any items in the Group's financial statements.

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

Standards notified but not yet effective

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

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

Bharat Highways InvIT *

All amounts in Rupees million unless otherwise stated

3 Receivable under service concession arrangements

	Non-current		Current	
	As at 31 March 2024	As at 31 March 2023 (Refer Note 40)	As at 31 March 2024	As at 31 March 2023 (Refer Note 40)
Receivable under service concession arrangements	47,002.25	-	3,185.45	-
Total	47,002.25	-	3,185.45	-

Notes:-

a) Above carrying value of receivable are subject to a charge to secure the Group's secured borrowings (refer note 12)

b) Disclosure pursuant to Appendix E of Ind AS 115 for Service Concession Arrangements given in note 34.

4 Other financial assets (Unsecured, considered good)

	Non-current		Current	
	As at 31 March 2024	As at 31 March 2023 (Refer Note 40)	As at 31 March 2024	As at 31 March 2023 (Refer Note 40)
Deposits with bank (refer note (c) and (d) below)	1,227.29	-	2,669.25	-
Security deposits (refer note (e) below)	11.72	-	25.00	-
Receivable from NHAI	-	-	8.24	-
Total	1,239.01	-	2,702.49	-

Notes:-

Notes:

a) The fair value of non current assets is not materially different from the carrying value presented.

b) Above carrying value of receivable are subject to a charge to secure the Group's secured borrowing (refer note 12)

c) The deposit with bank includes ₹ 3,300.59 million towards earmarked deposit with banks/ lenders against Debt Service Reserve Account (DSRA) and Major Maintenance Reserve Account (MMRA). These earmarked deposits with banks / lenders were against the secured borrowings in the subsidiary, which have been fully repaid in the current year and lien has been discharged subsequent to year end.

d) Deposit with bank includes balance of Initial Public Offer proceeds of ₹ 370.00 million in bank which will be utilised as stated in the Final Offer Documents

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

5 Assets for current tax (net)

	As at 31 March 2024	As at 31 March 2023 (Refer Note 40)
Non-current		
Income tax receivable (net of provision)	139.85	-
Total	139.85	-

6 Other assets (Unsecured, Considered Good, unless otherwise stated)

	Non-current		Current	
	As at 31 March 2024	As at 31 March 2023 (Refer Note 40)	As at 31 March 2024	As at 31 March 2023 (Refer Note 40)
Contract assets (refer note 33)	-	-	41.69	-
Advance to suppliers for goods and services	-	-	1.09	2.95
Prepaid expenses	-	-	29.08	-
IPO related expenses (refer note (b) below)	-	-	-	75.02
Balances with government authorities (refer note 26)	254.71	-	2,142.02	-
Total	254.71	-	2,213.88	77.97

Notes:-

a) Above carrying value of receivable are subject to a charge to secure the group's secured borrowing (refer note 12).

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

7 Investments

	As at 31 March 2024		As at 31 March 2023 (Refer Note 40)	
	Units	Amount	Units	Amount
Current				
Unquoted				
Investment in Mutual funds at fair value through profit or loss			-	-
ICICI prudential money marked fund (growth)	19,28,558	673.50	-	-
Total	19,28,558	673.50	-	-
Aggregate value of unquoted investments	-	673.50	-	-
Aggregate amount of impairment in value of investments	-	-	-	-

S R B C & CO LLP ★ CHARTERED ACCOUNTANTS ★

Bharat Highways InvIT ★

All amounts in Rupees million unless otherwise stated

8 Trade receivables

	As at 31 March 2024	As at 31 March 2023 (Refer Note 40)
Secured, considered good	-	-
Unsecured, considered good	60.44	-
Trade Receivables which have significant increase in credit risk	-	-
Trade Receivables - credit impaired	-	-
Total	60.44	-

Below is trade receivables ageing schedule

	Current but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 month	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
As at 31 March 2024							
Undisputed Trade Receivables – considered good	-	53.43	5.27	1.74	-	-	60.44
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-	-
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivable – credit impaired	-	-	-	-	-	-	-
Total	-	53.43	5.27	1.74	-	-	60.44
As at 31 March 2023 (refer note 40)							
Undisputed Trade Receivables – considered good	-	-	-	-	-	-	-
Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable – credit impaired	-	-	-	-	-	-	-
Disputed Trade Receivables – considered good	-	-	-	-	-	-	-
Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivable – credit impaired	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-

Notes:-

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

b) For terms and conditions relating to related party receivables (refer Note 27)

c) Above carrying value of trade receivable are subject to a charge to secure the Group secured borrowing. (refer note 12)

d) As there is net allowance for expected credit loss made by the Group and hence, no disclosure related to expected credit loss has been given.

9 Cash and cash equivalents and other bank balance

	As at 31 March 2024	As at 31 March 2023 (Refer Note 40)
Cash and cash equivalents		
Cash on hand	0.12	0.01
Balance with banks		
in current account	1,149.07	0.08
Deposits with bank having original maturity of less than three months	763.78	-
Total - A	1,912.97	0.09
Other bank balances		
Earmarked Balance with banks (refer note (b) below)	473.56	-
Deposits with bank having original maturity more than 3 month but less than 12 months (refer note (a) below)	2,736.00	-
Total - B	3,209.56	-
Total - (A+B)	5,122.53	0.09

Notes :

a) The deposit with bank includes earmarked deposit with banks/ lenders of ₹ 2,288.68 million against Debt Service Reserve Account (DSRA) and Major Maintenance Reserve Account (MMRA). These earmarked deposits with banks / lenders were against the secured borrowings in the subsidiaries, which have been fully prepaid in the current year and lien has been discharged subsequent to year end.

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

c) Cash at bank earns interest at floating rates based on daily bank deposit rates. Short term deposits are made for varying periods of between one day and three months, depending on the immediate cash requirement of the Group and earn interest at the respective short term deposit rates.

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

Bharat Highways InvIT

All amounts in Rupees million unless otherwise stated

10 Unit Capital	As at 31 March 2024	As at 31 March 2023 (Refer Note 40)
Issued, subscribed and fully paid up		
44,29,38,605 (31 March 2023: Nil) units (issue price of ₹ 100 each)	43,761.52	-
Total	43,761.52	-

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

	As at 31 March 2024		As at 31 March 2023 (Refer Note 40)	
	Numbers on units	Amount	Numbers on units	Amount
At the beginning of the year / period	-	-	-	-
Add:- movement during the year / period	44,29,38,605	44,293.86	-	-
Less : Issue expenses (refer note (b) below)	-	(532.34)	-	-
Outstanding at the end of the year / period	44,29,38,605	43,761.52	-	-

Notes:-

a) The Bharat Highways InvIT (InvIT) has issued 249,999,900 units for cash at a price of ₹ 100 per unit (the 'issue price'), aggregating to ₹ 24,999.99 million to the sponsor and eligible unitholders (as defined in Final Offer Documents) by ways of initial public offer, in accordance with Securities Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014 including the rules, circulars and guidelines issued thereunder.
Additionally, pursuant to to the share purchase agreement and assignment agreement entered with G R Infraprojects Limited dated February 20, 2024, InvIT has issued its unit of 13,75,30,405 in exchange of 100% equity stake in seven companies and 5,54,08,300 units toward assignment of outstanding unsecured loan given by G R Infraprojects Limited to its then Subsidiary companies.
The InvIT Offer Committee of GR Highways Investment Manager Private Limited (Investment Manager), considered and approved allotment of 44,29,38,605 units to the unitholders on March 6, 2024

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

B. Terms/Rights attached to units

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

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

C Details of unitholders holding more than 5% units in the InvIT	As at 31 March 2024		As at 31 March 2023 (Refer Note 40)	
	Numbers on units	% of holding in class	Numbers on units	% of holding in class
Aadharshila Infratech Private Limited	6,64,50,000	15.00%	-	-
G R Infraprojects Limited	19,29,38,705	43.56%	-	-

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

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

S R B C & CO LLP ★ CHARTERED ACCOUNTANTS ★

Bharat Highways InvIT ★

All amounts in Rupees million unless otherwise stated

11 Other equity	As at 31 March 2024	As at 31 March 2023 (Refer Note 40)
A. Capital reserve (refer note (i) below)		
Balance at the beginning of the year / period	-	-
Add :- on account of acquisition (refer note 37)	5,656.26	-
Add :- movement during the year / period	-	-
Balance at the end of the year / period	5,656.26	-
B. Retained earnings (refer note (ii) below)		
Balance at the beginning of the year / period	-	-
Add:-Profit for the year / period	148.06	-
Balance at the end of the year / period	148.06	-
Total (A+B)	5,804.32	-

Notes :-

i) Capital reserve
Capital reserve recorded on account of acquisition of subsidiaries (Refer note 37)

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

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

Bharat Highways InvIT

All amounts in Rupees million unless otherwise stated

12 Non Current Borrowings

	As at 31 March 2024		As at 31 March 2023 (Refer Note 40)	
	Non current	Current Maturities	Non current	Current Maturities
A. Loan from banks - Secured				
Term loan - Indian rupees	4,642.18	170.58	-	-
	4,642.18	170.58	-	-
B. Debentures - Secured #				
Listed Redeemable non convertible debentures (NCD)	5,088.30	1,441.16	-	-
	5,088.30	1,441.16	-	-
Sub-total (A+B)	9,730.48	1,611.74	-	-
Less : Current maturities of non current borrowings (refer note 13)	-	(1,611.74)	-	-
Total	9,730.48	-	-	-

Includes interest accrual and the effect of the transaction cost paid to lender on upfront basis.

Notes:

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

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

ii) In case of NCD issued by GR Phagwara Expressway Limited, debentures are secured by First charges by way of hypothecation of all the fixed assets /Movable assets projects book debts, operating cash flow, receivable, revenue whatever nature, uncalled capital, Projects bank account and Assignment of all the GR Phagwara Expressway Limited's right, insurance policies and interest under all the agreement related to the projects and guarantee or performance bond provided by any party for any contract related to the projects in favour of the borrower and pledge of 51% equity share held by G R Infraprojects Limited. The said NCD has been fully prepaid subsequently on May 3, 2024.

iii) In case of NCD issued by Varanasi Sangam Expressway Private Limited, debentures are secured by First charges by way of hypothecation of all the fixed assets /Movable assets projects book debts, operating cash flow, receivable, revenue whatever nature, uncalled capital, Projects bank account and Assignment of all the Varanasi Sangam Expressway Private Limited's right, insurance policies and interest under all the agreement related to the projects and guarantee or performance bond provided by any party for any contract related to the projects in favour of the borrower and pledge of 51% equity share held by G R Infraprojects Limited. The said NCD has been fully prepaid subsequently on April 30, 2024.

iv) Terms of repayment of Term loan and Debentures:

Nature of borrowings		Repayment and interest terms
a) Listed Redeemable non convertible debentures (NCD)	1)	In case of NCD issued in GR Phagwara Expressway Limited, repayment in 24 half-yearly instalment as defined in the repayment schedule starting from March 31, 2022 ending with September 30, 2033 along with half-yearly interest rate equivalent to aggregate of Repo Rate (as prescribed by Reserve Bank of India from time to time) plus Spread of 2.35% i.e. 6.35% to 8.85% p.a. There is a Put/Call option through which each of the Debenture Holders and the SPV shall have the option to seek the outstanding debentures redeemed with 90 days prior notice (together with accrued interest, if any) on September 30, 2024. It has subsequently been fully prepaid on May 3, 2024.
	2)	In case of NCD issued by Varanasi Sangam Expressway Private Limited, repayment in 27 half-yearly installment as defined in the repayment schedule starting from December 31, 2021 ending with December 29, 2034 along with half-yearly interest rate equivalent to aggregate of Repo Rate (as prescribed by Reserve Bank of India from time to time) plus Spread of 2.80% i.e. 6.80% to 9.30% p.a. There is a Put/Call option through which each of the Debenture Holders and the SPV shall have the option to seek the outstanding Debentures redeemed with 90 days prior notice (together with accrued interest, if any) on June 14,2024. It has subsequently been fully prepaid paid on April 30, 2024.
b) Secured Term loan from bank - Indian Rupee Loan	1)	Repayable in 51 quarterly installments starting from March 31, 2024 to September 30, 2036. Interest rate for the facility is Repo rate (quarterly reset) plus spread of 160 bps payable monthly, present applicable interest rate is 8.10% p.a.

v) **Financial Covenants:**
The Group has satisfied all the Financials covenants prescribed in the terms of respective loan/debenture agreement as at reporting date. The Group has not defaulted in any loans/debenture payable.

vi) **Undrawn borrowing facility**
The Group has ₹ 6,623.05 million (31 March 2023 : Nil) undrawn committed borrowing facilities (excluding non-fund based facilities).

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

Bharat Highways InvIT

All amounts in Rupees million unless otherwise stated

13 Current Borrowings

	As at 31 March 2024	As at 31 March 2023 (Refer Note 40)
A. Secured		
Current maturities of non current borrowings (refer note 12)	1,611.74	-
	1,611.74	-
B. Unsecured		
Loan from a related party (refer note (i) below and 27)	33.81	25.45
	33.81	25.45
	1,645.55	25.45

i) Unsecured loan from related party

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

14 Trade payables

	As at 31 March 2024	As at 31 March 2023 (Refer Note 40)
Total outstanding dues of micro enterprises and small enterprises (refer note (c) below)	0.68	-
Total outstanding dues of creditors other than micro and small enterprises	1,118.80	-
Total	1,119.48	-

Trade payable ageing schedule

	Unbilled	Outstanding for following periods from due date of payment					
		Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
As at 31 March 2024							
Total outstanding dues of Micro and Small Enterprises	0.67	-	0.01	-	-	-	0.68
Total outstanding dues of creditors other than Micro and Small Enterprises	82.49	-	1,035.70	-	0.61	-	1,118.80
Disputed dues of Micro and Small Enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than Micro and Small Enterprises	-	-	-	-	-	-	-
Total	83.16	-	1,035.71	-	0.61	-	1,119.48
As at 31 March 2023 (refer note 40)							
Total outstanding dues of Micro and Small Enterprises	-	-	-	-	-	-	-
Total outstanding dues of creditors other than Micro and Small Enterprises	-	-	-	-	-	-	-
Disputed dues of Micro and Small Enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than Micro and Small Enterprises	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-

Notes:-

a) Trade payable are non interest bearing and generally have credit period of 30-90 days.
b) For terms and conditions relating to related party payables (refer note 27)
c) Details of dues to micro and small enterprises as defined under the Micro, Small and Medium Enterprises Development Act, 2006

	As at 31 March 2024	As at 31 March 2023 (Refer Note 40)
i) The principal amount remaining unpaid to any supplier at the end of each accounting year;	0.68	-
ii) The interest due thereon remaining unpaid to any supplier at the end of each accounting year;	-	-
iii) The amount of interest paid by the buyer in terms of section 16 of the MSME Act 2006 along with the amounts of the payment made to the supplier beyond the appointed day during each accounting year	-	-
iv) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSME Act 2006.	-	-
v) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
vi) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of the MSME Act 2006	-	-

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

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

Bharat Highways InvIT *

All amounts in Rupees million unless otherwise stated

BHARAT HIGHWAYS INVIT

15 Other financial liabilities

	As at 31 March 2024	As at 31 March 2023 (Refer Note 40)
Dues to employees	0.48	-
Other payable (refer note (i) below and 27)	361.02	47.45
Total	361.50	47.45

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

16 Other current liabilities

	As at 31 March 2024	As at 31 March 2023 (Refer Note 40)
Contract liabilities - Advance from customers (refer note 33)	54.12	-
Statutory dues payable	109.00	5.15
Total	163.12	5.15

17 Liabilities for current tax (net)

	As at 31 March 2024	As at 31 March 2023 (Refer Note 32)
Provision for income tax (net of advance tax)	8.13	-
	8.13	-

S R B C & CO LLP ★ CHARTERED ACCOUNTANTS ★

Bharat Highways InvIT ★

All amounts in Rupees million unless otherwise stated

18 Revenue from operations	Year ended 31 March 2024	Period ended from 16 June 2022 to 31 March 2023 (Refer Note 40)
Revenue from contracts with customers (refer note 33)		
Changes of scope, utility shifting income and others	732.02	-
Operation and maintenance income	167.54	-
	899.56	-
Other operating revenue		
Finance income on financial assets carried on amortised cost	307.37	-
	307.37	-
Total	1,206.93	-

19 Employee benefits expense	Year ended 31 March 2024	Period ended from 16 June 2022 to 31 March 2023 (Refer Note 40)
Salary, wages and bonus	0.51	-
Total	0.51	-

20 Project management fees

Pursuant to the Project management agreement dated December 7, 2023, Project Manager is entitled to fees @ 0.50% of operational and maintenance expenses incurred by each of subsidiaries per annum including applicable Goods and Service tax. Accordingly, consolidated statement of profit and loss for the year ended March 31, 2024 includes amount of ₹ 0.18 million (31 March 2023: Nil) towards project management fees. There are no changes during the year in the methodology for computation of fees paid to Project Manager.

21 Investment management fees

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

22 Finance costs	Year ended 31 March 2024	Period ended from 16 June 2022 to 31 March 2023 (Refer Note 40)
(a) Interest expense on borrowings measured at amortised cost		
Interest on term loan	85.24	-
Interest on debentures	62.68	-
Interest on loan from related party (refer note 27)	3.21	-
	151.13	-
(b) Other borrowing cost		
Bank fees and others	98.72	-
	98.72	-
Total	249.85	-

23 Other expenses	Year ended 31 March 2024	Period ended from 16 June 2022 to 31 March 2023 (Refer Note 40)
Rent (expense relating to leases of low-value assets)	0.04	-
Labour cess charges	13.17	-
Electricity expenses	12.72	-
Listing expenses	26.66	
Legal and professional charges	4.25	-
Corporate social responsibility expenses	0.73	-
Shared service charges (refer note 27)	5.91	-
Miscellaneous expenses	0.26	-
Total	63.74	-

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

Bharat Highways InvIT

All amounts in Rupees million unless otherwise stated

24 Tax expense

The major component of income tax expenses are as under:

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

	Year ended 31 March 2024	Period ended from 16 June 2022 to 31 March 2023 (Refer Note 40)
<u>Current tax</u>		
Current tax on profit for the year / period	49.12	-
	49.12	-
<u>Deferred tax</u>		
Deferred tax charge for the year / period	-	-
Total Deferred tax charge	-	-
Tax expenses reported in the Consolidated Statement of Profit and loss	49.12	-

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

	Year ended 31 March 2024	Period ended from 16 June 2022 to 31 March 2023 (Refer Note 40)
Accounting profit before tax	197.18	-
Statutory income tax rate (in %)	25.17%	-
Computed expected income tax expenses at Group's applicable statutory income tax rate	49.63	-
Tax effect of adjustments to reconcile expected income tax expenses to reported income tax expenses		
Tax on permanent difference	73.77	-
Tax impact on exemption u/s 10 (23FC) of the Income Tax Act, 1961 available to InvIT	(74.28)	-
Total Tax expense	49.12	-
Consequent to reconciliation items shown above, the effective tax rate(%)	24.91%	-

S R B C & CO LLP ★ CHARTERED ACCOUNTANTS ★

Bharat Highways InvIT ★

25 Earning per Unit

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

The following reflects in the profit and Unit data used in the basic and diluted EPU computation	Year ended 31 March 2024	Period ended from 16 June 2022 to 31 March 2023 (Refer Note 40) *
Profit / (Loss) attributable to unitholders (₹ in million) (A)	148.06	-
Number of units outstanding at the end of the year / period (in absolute number)*	44,29,38,605	-
Weighted average number of units at the end of the year / period (in absolute number) (B)	3,18,36,834	-
Basic and diluted earning per unit (in ₹)** (A/B)	4.65	-
Issue price per unit (in ₹)	100.00	-

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

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

26 Contingent liabilities and commitments	As at 31 March 2024	As at 31 March 2023 (Refer Note 40)
A Contingent liabilities (to the extent not provided for)		
Claims against the Company not acknowledged as debts		
(i) Indirect tax matters (excluding interest and penalty)	2,339.90	-
Total	2,339.90	-

Indirect tax matter consist of below:

a) In GR Gundugolanu Devarapalli Highway Private Limited (SPV), the tax authority has denied input tax credit on a proportionate basis due to exempted turnover and demanded difference of input tax credit for the period May-2018 to January 2021 vide demand order. The SPV had filed an appeal before the Hon'ble High Court, Andhra Pradesh against said order. Currently, the matter is pending in Hon'ble High Court, Andhra Pradesh. The total amount involved is ₹ 1,057.25 millions (excluding interest and penalty) against the same, SPV has paid ₹ 73.72 millions under protest.

b) In case of Porbandar Dwarka Expressway Private Limited (SPV), the tax authorities has demanded additional tax on turnover which different than disclosed by the SPV and demanded differential tax at 18% instead of 12%. The matter for the period May-18 to Feb-22. Currently, SPV is in process filling appeal against said order as at reporting date. The total amount involved is ₹ 1,282.60 millions (excluding interest and penalty).

The Group is contesting the demands and the management including its tax advisors, believe that its position shall likely be upheld in the appellate process. No tax expenses has been accrued in these Consolidated Financial Statements for the tax demand raised. The Investment manager believes that the ultimate outcome of those proceeding will not have a material adverse effect on the Group's financial position and results of operations.

B Commitments

The Group has no outstanding commitment as at March 31, 2024 (March 31, 2023 : Nil)

27 Related party disclosure

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

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

I Entity with significant influence over the Group

i G R Infraprojects Limited (w.e.f. March 1, 2024)

II Parties to the InvIT

i Aadharshila Infratech Private Limited - Sponsor and Project Manager (w.e.f. 31.10.2023)
ii GR Highways Investment Manager Private Limited - Investment Manager (w.e.f. 21.07.2022)
iii IDBI Trusteeship Services Limited - Trustee (w.e.f. 21.07.2022)

III Promoters, Directors and Partners details to the InvIT as mentioned in (II) above

Particulars		Sponsor and Project Manager	Investment Manager	Trustee
a.	Promotors	Riya Agarwal Rahul Agarwal Mehul Agarwal	Lokesh Builders Private Limited (w.e.f 12.12.2022) G R Infraprojects Limited (upto 12.12.2022)	IDBI Bank Limited Life Insurance Corporation of India General Insurance Corporation of India
b.	Directors	Rahul Agarwal Ramesh Chandra Mehta Kishan Kantibai Vachhani	Ajendra Kumar Agarwal Siba Narayan Nayak Deepak Maheshwari (w.e.f. 18 July 2022) Raghav Chandra (w.e.f. 18 July 2022) Swati Kulkarni (w.e.f. 13 June 2023) Ramesh Chandra Jain (w.e.f. 13 June 2023)	Pradeep Kumar Jain (w.e.f. 24.03.2022) Samuel Joseph Jebaraj (resigned w.e.f. 18.04.2023) Madhuri J. Kulkarni (resigned w.e.f. 06.12.2022) Baljinder Kaur Mandal (w.e.f. 17.01.2023) Pradeep Kumar Malhotra (w.e.f. 14.12.2022) Jayakumar S. Pillai (w.e.f. 18.07.2023)
c.	Partners	Not applicable	Not applicable	Not applicable

IV Key Managerial Personnel

a. Amit Kumar Singh - Chief Executive Officer of Investment manager
b. Harshael Sawant - Chief Financial Officer of Investment manager
c. Mohnish Dutta - Company Secretary of Investment manager

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

Bharat Highways InvIT *

All amounts in Rupees million unless otherwise stated

27 Related party disclosure (Continued)

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

	Year ended 31 March 2024	Period ended from 16 June 2022 to 31 March 2023 (Refer Note 40)
(a) Issue of Unit capital		
Aadharshila Infratech Private Limited	6,645.00	-
G R Infraprojects Limited	19,293.87	-
(b) Borrowings taken		
GR Highways Investment Manager Private Limited	65.68	25.45
(c) Borrowings repaid		
GR Highways Investment Manager Private Limited	60.21	-
(d) Interest expense on borrowings		
GR Highways Investment Manager Private Limited	3.21	-
(e) Investment management fees		
GR Highways Investment Manager Private Limited	4.89	-
(f) Trustee fees		
IDBI Trusteeship Services Limited	0.59	-
(g) Reimbursement of expenses (including issue related expenses)		
GR Highways Investment Manager Private Limited	240.31	49.87
G R Infraprojects Limited	3.62	-
(h) Guarantees given on behalf of InvIT (refer note 4(ii))		
GR Highways Investment Manager Private Limited	25.00	-
i) Issue expenses		
IDBI Trusteeship Services Limited	-	0.48
j) Project management fees		
Aadharshila Infratech Private Limited	0.18	-
k) Sub Contract charges		
G R Infraprojects Limited	760.11	-
l) Shared service charges		
G R Infraprojects Limited	5.91	-
m) Purchase of subsidiaries (including assignment of loans)		
G R Infraprojects Limited (refer note 37)	19,293.87	-

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

	As at 31 March 2024	As at 31 March 2023 (Refer Note 40)
a) Other payable		
GR Highways Investment Manager Private Limited	177.33	45.65
G R Infraprojects Limited	3.31	-
b) Trade Payables		
GR Highways Investment Manager Private Limited	4.47	-
G R Infraprojects Limited	1,091.93	-
c) Outstanding borrowing (including interest accrued)		
GR Highways Investment Manager Private Limited	33.81	25.45
d) Outstanding guarantees given on behalf of InvIT		
GR Highways Investment Manager Private Limited	25.00	-

D Terms & Condition with Related Party

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

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

S R B C & CO LLP ★ CHARTERED ACCOUNTANTS ★

Bharat Highways InvIT ★

All amounts in Rupees million unless otherwise stated

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

Particulars	Year ended 31 March 2024	For the period from 16 June 2022 to 31 March 2023 (Refer Note 40)
Acquisition of InvIT assets	Refer below note (a to d)	No Acquisition
Disposal of an InvIT asset	No Disposal	No Disposal

Note:

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

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

b) **Material conditions or obligations in relation to the transactions:**
There are no open material conditions / obligations related to above transaction, other than regulatory approvals obtained by the InvIT.

c) **Rate of interest, if external financing has been obtained for the transaction/acquisition;**
No external financing has been obtained for the acquisition by the InvIT.

d) **Any fees or commissions received or to be received by any associate of the related party in relation to the transaction**
There is no fees or commission recovered from any associate of the related party in relation to above transaction

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

Bharat Highways InvIT *

All amounts in Rupees million unless otherwise stated

28 Disclosure of Financial Instruments by Category #

	FVTPL*		Amortised cost	
	As at 31 March 2024	As at 31 March 2023 (Refer Note 40)	As at 31 March 2024	As at 31 March 2023 (Refer Note 40)
Investments	673.50	-	-	-
Receivable under service concession agreements	-	-	50,187.70	-
Trade receivables	-	-	60.44	-
Cash and cash equivalents	-	-	1,912.97	0.09
Other bank balance	-	-	3,209.56	-
Other financial assets	-	-	3,941.50	-
Total Financial assets	673.50	-	59,312.17	0.09
Borrowings	-	-	11,376.03	25.45
Trade payables	-	-	1,119.48	-
Other financial liabilities	-	-	361.50	47.45
Total Financial liabilities	-	-	12,857.01	72.90

Considering that there is no item of fair value through other comprehensive income, the same is not disclosed.

*FVTPL= Fair value through profit and loss

29 Fair value disclosures for financial assets and financial liabilities

Set out below is a comparison, by class, of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

	Carrying amount		Fair value	
	As at 31 March 2024	As at 31 March 2023 (Refer Note 40)	As at 31 March 2024	As at 31 March 2023 (Refer Note 40)
Financial assets				
Investment	673.50	-	673.50	-
	673.50	-	673.50	-

Notes -

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

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

30 Fair value hierarchy

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

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

	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
31 March 2024				
Financial assets				
Asset measure at fair value through Profit & Loss				
Investments	-	673.50	-	673.50
Assets for which fair value disclosure given				
Receivable under service concession agreements *			51,169.63	51,169.63
	-	673.50	51,169.63	51,843.13
31 March 2023				
Financial assets				
Asset measure at fair value through Profit & Loss				
Investments	-	-	-	-
Assets for which fair value disclosure given				
Receivable under service concession agreements *	-	-	-	-
	-	-	-	-

* Consolidated statement of net asset at fair value and consolidated statement of total returns at fair value require disclosures regarding fair value of net assets (liabilities considered at book values). Since the fair values of assets other than receivables under service concession arrangements approximate their book values, hence only receivables under service concession arrangements has been disclosed above.

Valuation technique used to determine fair value:

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

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

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

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

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

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

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

Description of significant unobservable inputs to valuation:

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

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

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

Bharat Highways InvIT *

All amounts in Rupees million unless otherwise stated

31 Financial risk management objectives and policies

The Group's principal financial liabilities comprise of borrowings, trade and other payables and other financial liabilities. The main purpose of these financial liabilities is to finance and support the Group's operations. The Group's financial assets comprise mainly of investment, receivable under service concession, cash and cash equivalents, other balances with banks, trade receivables and other receivables that are derived directly from its operations.

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

A. Market risk

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

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

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

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

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

Interest rate risk

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

Exposure to interest rate risk

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

	As at 31 March 2024	As at 31 March 2023 (Refer Note 40)
Fixed-rate instruments		
Financial assets	7,396.32	-
Financial liabilities	33.81	25.45
Variable-rate instruments		
Financial assets	50,187.70	-
Financial liabilities	11,342.22	-

Interest rate sensitivity

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

Sensitivity analysis	Impact on profit before tax		Impact on equity, net of tax	
	Year ended 31 March 2024	Period ended 31 March 2023 (Refer Note 40)	Year ended 31 March 2024	Period ended 31 March 2023 (Refer Note 40)
Interest rate				
- increase by 100 basis points	388.45	-	290.69	-
- decrease by 100 basis points	(388.45)	-	(290.69)	-

Equity price risk

The Group's exposure to price risk pertaining to the investment in mutual funds arises from investments held by the Group and classified in the balance sheet as fair value through profit or loss (refer note 7). The Group manages the equity price risk through diversification and by placing limits on individual funds. The Board of Directors of the Investment Manager reviews and approves all equity investment decisions and take unitholders approval as per InvIT Regulations.

Equity price sensitivity

The following table demonstrates the sensitivity for reasonable possible change in Investment in mutual funds.

Sensitivity analysis

	Impact on profit before tax		Impact on equity, net of tax	
	Year ended 31 March 2024	Period ended 31 March 2023 (Refer Note 40)	Year ended 31 March 2024	Period ended 31 March 2023 (Refer Note 40)
Investment in mutual funds:				
increase 1%	6.74	-	5.04	-
decrease 1%	(6.74)	-	(5.04)	-

Foreign Currency Risk:-

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

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

Bharat Highways InvIT *

All amounts in Rupees million unless otherwise stated

31 Financial risk management objectives and policies (Continued)

B. Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk primarily due to receivable under service concession, trade receivables and other financial assets including deposits with banks. The Group's exposure and credit ratings of its counterparties are continuously monitored and the aggregate value of transactions is reasonably spread amongst the counterparties. The maximum exposure to credit risk at the reporting date is the carrying value of each class of financial assets disclosed in note 28.

Trade receivable and receivable under service concession

The Group's customer profile includes government entities. General payment terms is as per the concession agreement for annuity and in other case such as utility shifting and change in scope, it is 30-90 days from date of billing.
Credit risk on trade receivables, receivable under service concession arrangements is limited as the customers of the Group consists of the government entities having a strong credit worthiness. Ageing of trade receivable and movement in expected credit loss has been disclosed in note 8
The significant change in the balance of trade receivables are disclosed in note 33.

Concentration of credit risk

As at 31 March 2024, the Group had one customer which is public sector undertaking (31 March 2023: no customer) that accounted for 100% of all the receivables outstanding.

Financial instruments and bank deposits

Credit risk from balances with banks and financial instruments is managed by the Investment manager in accordance with the Group's policies. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through counterparty's potential failure to make payments.

This comprises mainly of Investment in mutual fund and deposits with banks. The InvIT's maximum exposure to credit risk for these components as at 31 March 2024 and 31 March 2023 is the carrying amounts as illustrated in Note 28.

C. Liquidity risk

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

Exposure to liquidity risk

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

	Carrying amount	Contractual cash flows				
		Total	On demand	Less than 1 year	1-5 years	More than 5 years
As at 31 March 2024						
Borrowings (incl. current maturities) #	11,376.03	18,738.56	33.81	2,363.38	8,546.23	7,795.15
Trade payables	1,119.48	1,119.48	-	1,119.48	-	-
Other financial liabilities	361.50	361.50	-	361.50	-	-
Total	12,857.01	20,219.54	33.81	3,844.36	8,546.23	7,795.15
As at 31 March 2023 (refer note 40)						
Borrowings (incl. current maturities) #	25.45	25.45	25.45	-	-	-
Other financial liabilities	47.45	47.45	-	47.45	-	-
Total	72.90	72.90	25.45	47.45	-	-

Borrowings include interest accrued and future interest obligations.

32 **Capital management**

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

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

	Year ended 31 March 2024	Period ended 31 March 2023 (Refer Note 40)
Total borrowings	11,376.03	25.45
Less: cash and cash equivalents	1,912.97	0.09
Net debt (A)	9,463.06	25.36
Corpus contribution	0.01	0.01
Unit capital	43,761.52	-
Other equity	5,804.32	-
Total capital (B)	49,565.85	0.01
Capital and net debt (C=A+B)	59,028.91	25.37
Gearing Ratio (A/C)	16.03%	99.96%

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

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

Bharat Highways InvIT

All amounts in Rupees million unless otherwise stated

33 Disclosures pursuant to Indian Accounting standard (Ind AS) 115, Revenue from Contracts with Customers

A. Disaggregated revenue information

	Year ended 31 March 2024	Period ended from 16 June 2022 to 31 March 2023 (Refer Note 40)
i) Type of service rendered		
Changes of scope, utility shifting income and others	732.02	-
Operation and maintenance income	167.54	-
Total	**899.56**	**-**
ii) Based on geography		
India	899.56	-
Outside India	-	-
Total	**899.56**	**-**
iii) Timing of Revenue recognition		
Revenue from Goods and Services transferred to customers at a point in time	-	-
Revenue from Goods and Services transferred to customers over time	899.56	-
Total	**899.56**	**-**

B. Contract balances:

The following table provides information about receivables, contract assets and contract liabilities from the contracts with customers.

	As at 31 March 2024	As at 31 March 2023 (Refer Note 40)
Trade receivables		
Opening balance	-	-
On account of acquisition of subsidiaries	87.95	-
Closing balance	60.44	-

The increase / decrease in trade receivables is mainly due to acquisition of subsidiaries and subsequent realisation. Trade receivables are generally non interest bearing and are on terms of 30 to 90 days.

Receivable under service concession agreements		
Opening balance	-	-
On account of acquisition of subsidiaries	49,991.42	-
Closing balance	50,187.70	-

Receivable under service concession agreements are recognised as per Appendix D to Ind AS 115, when the Group has an unconditional right to receive cash at the direction of the grantor under the service concession agreement.

Contract assets		
Opening balance	-	-
On account of acquisition of subsidiaries	96.96	-
Closing balance	41.69	-

Contract assets are recognised as per agreement with customer upon completion of work, the contract asset classified as trade receivable subsequently

Contract liabilities		
Opening balance	-	-
On account of acquisition of subsidiaries	84.00	-
Closing balance	54.12	-

Contract liabilities include advance from customers, These contract liabilities are adjusted with trade receivables upon completion of work.

C. The amount of revenue recognized from	Year ended 31 March 2024	Period ended from 16 June 2022 to 31 March 2023 (Refer Note 40)
- Performance obligations satisfied in previous years	605.09	-
- Amounts included in contract liabilities at the beginning of the year	-	-

D. Performance obligation

Sales of Services:

The performance obligation is satisfied over time as the assets are under control of customer and they simultaneously receive and consume the benefits provided by the Group. The Group receives progressive payment towards provision of services.

E. Transaction price allocated to remaining performance obligation

The aggregate amount of transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as at 31 March 2024 after considering the practical expedient mentioned above Nil (31 March 2023: Nil).

F. Reconciliation of the amount for revenue recognised in the Consolidated Statement of Profit and Loss with the contracted price:

	Year ended 31 March 2024	Period ended from 16 June 2022 to 31 March 2023 (Refer Note 40)
Revenue as per contracted price	294.47	-
Adjustments		
Add : GST Claims	605.09	-
Revenue from contract with customers	**899.56**	**-**

S R B C & CO LLP ★ CHARTERED ACCOUNTANTS ★

Bharat Highways InvIT ★

34 Disclosure pursuant to Appendix E of Ind AS 115 for Service Concession Arrangements

Under Service Concession Arrangements (SCA), where a special purpose vehicle (SPV) has acquired contractual right to receive specified determinable amount (Annuity) for use of assets, such amounts are recognised as "financial assets" and are disclose as "receivable under service concession arrangement". Below is additional disclosure requirement pursuant to Appendix E of IND AS 115, Revenue from Contracts with Customers.

Name of concession	Start of concession period under concession agreement (appointed date)	End of concession period under concession agreement	Period of Concession since the appointed Date	BPC Cost as per concession agreement (₹ in millions)	O&M Cost per annum (₹ in millions) Refer note (iii)	Construction completed date or scheduled completion date under the concession agreement as applicable
GR Phagwara Expressway Limited	06-10-2017	25-02-2035	17.4 years	13,670.00	60.00	25-02-2020
Porbandar Dwarka Expressway Private Limited	12-02-2018	18-04-2035	17.2 years	16,000.00	59.70	18-04-2020
Varanasi Sangam Expressway Private Limited	05-12-2017	02-11-2035	17.9 years	24,470.00	198.70	02-11-2020
GR Gundugolanu Devarapalli Highway Private Limited	22-10-2018	10-07-2036	17.7 years	18,270.00	170.00	10-07-2021
GR Sangli Solapur Highway Private Limited	31-12-2018	28-06-2036	17.5 years	9,570.00	30.00	28-06-2021
GR Akkalkot Solapur Highway Private Limited	14-12-2018	31-03-2036	17.3 years	8,070.00	27.00	31-03-2021
GR Dwarka Devariya Highway Private Limited	08-02-2020	02-08-2037	17.5 years	11,010.00	35.00	02-08-2022

Note:-

(i) 40% of the total bid project cost shall be due and payable to the SPV during the construction period and balance 60% in half yearly annuity in 15 years in accordance with the provision of concession agreement.

(ii) Interest shall be due and receivable on the reducing balance of completion cost at an interest rate equal to the applicable rate specified in the concession agreement. Such interest shall be due and receivable in half yearly annuity in accordance with provision of the concession agreement.

(iii) Operation and maintenance (O&M) cost per year consist of first year amount which is specified under concession agreement and installment of subsequent year O&M shall be adjusted with the price index multiple on the reference index date preceding the due date of payment thereof.

(iv) The following other terms and conditions included in accordance with concession agreement.
Investment grant from concession grantor: No
Infrastructure return at the end of concession period: Yes
Investment and renewal obligation: Nil
Basis upon which re-pricing or re-negotiation is determined: NA
Premium payable to granter: Nil

35 Segment Information

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

36 Issue of Units

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

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

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

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

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

37 Acquisition of subsidiaries

During the year, the InvIT has entered into share purchase agreement dated February 20, 2024 with GR Infraprojects Limited (GRIL) for acquisition of 100% equity stake in its seven subsidaries namely Varanasi Sangam Expressway Private Limited ("VSEPL"), Porbandar Dwarka Expressway Private Limited ("PDEPL"), GR Phagwara Expressway Limited ("GRPEL"), GR Gundugolanu Devarapalli Highway Private Limited ("GRGDHPL"), GR Akkalkot Solapur Highway Private Limited ("GRASHPL"), GR Sangli Solapur Highway Private Limited ("GRSSHPL") and GR Dwarka Devariya Highway Private Limited ("GRDDHPL") against the same, the InvIT has issued its 13,75,30,405 units with issue price of ₹ 100 per unit as consideration against above sale of shares and 5,54,08,300 units with issue price of ₹ 100 per unit towards assignment of loan receivable from above subsidiaries, which has resulted in the GRIL's holding 43.56% in the InvIT. The equity shares of seven subsidiaries were transferred to the InvIT on 1 March 2024 thereby the InvIT obtained control over these subsidiaries. The Group has consolidated revenue and expenditure of these subsidiaries from the said date in these consolidated financial statements. The Investment manager has accessed and concluded that as part of the acquisition, the InvIT has acquired net assets/ inputs pertaining to these entities and no substantive process has been acquired. Accordingly, the Investment manager has concluded that the acquisition should be treated as an asset acquisition as against the business combination under Ind AS 103 Business Combination.

S R B C & CO LLP * CHARTERED ACCOUNTANTS *

Bharat Highways InvIT

All amounts in Rupees million unless otherwise stated

37 Acquisition of subsidiaries (Continued)

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

Below is the summary of fair value of individual identifiable assets acquired and liabilities assumed on the date of acquisition:

Particulars	VSEPL	PDEPL	GRPEL	GRGDHPL	GRASHPL	GRSSHPL	GRDDHPL
Assets							
Receivable under service concession agreements	13,080.00	7,836.44	5,017.59	9,114.00	4,428.00	5,192.00	5,323.39
Cash and cash equivalents	377.86	44.80	73.46	95.37	40.39	525.37	371.13
Other bank balances	388.76	867.20	250.79	517.40	138.55	131.44	232.85
Investments	54.25	-	614.18	-	-	-	-
Trade receivables	1.41	1.89	2.07	0.22	3.34	0.47	78.55
Other financial assets	988.69	38.05	469.76	539.14	209.92	62.16	493.38
Other assets	507.32	326.58	73.46	562.50	267.28	290.79	540.59
Assets for current tax (net)	88.55	118.94	43.58	101.88	54.22	60.06	112.66
Total identified assets acquired at fair value (A)	15,486.84	9,233.90	6,544.90	10,930.51	5,141.70	6,262.29	7,152.56
Liabilities							
Borrowings	9,756.84	6,069.12	4,534.01	7,843.68	3,429.40	4,058.58	5,182.38
Trade payables	41.97	39.37	34.45	23.67	18.58	16.68	147.66
Other financial liabilities	0.07	0.09	0.07	0.03	0.04	0.03	0.03
Other current liabilities	3.96	12.14	5.95	14.72	6.41	8.00	95.47
Total liabilities assumed (B)	9,802.84	6,120.72	4,574.48	7,882.10	3,454.43	4,083.29	5,425.54
Total identified net assets acquired (C=A-B)	**5,684.00**	**3,113.18**	**1,970.42**	**3,048.41**	**1,687.27**	**2,179.00**	**1,727.02**
Consideration paid/ units issued (D)	4,044.07	2,437.13	1,231.63	2,074.58	1,260.00	1,506.53	1,199.10
Capital reserve (E=C-D)	**1,639.93**	**676.05**	**738.79**	**973.83**	**427.27**	**672.47**	**527.92**

38 Other Information

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.
(ii) The Group does not have any transactions with companies struck off.
(iii) The Group has not traded or invested in Crypto currency or Virtual Currency during the respective financial year.
(iv) The Group does not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).
(v) The Group has not been declared as a willful defaulter by any bank or financial institution or other lender.

39 Events occurring after reporting period

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

40 Comparative figures:

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

As per our report of even date

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

per Sukrut Mehta
Partner
Membership No: 101974

Place : Ahmedabad
Date : May 28, 2024

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

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

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

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

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

S R B C & CO LLP ★ CHARTERED ACCOUNTANTS ★

Bharat Highways InvIT ★