Collaborative Brilliance

Unmatched Performance

ANNUAL REPORT 2022-23

NATIONAL HIGHWAYS INFRA TRUST

"Talent wins games, but teamwork and intelligence win championships"

- Michael Jordan

CONTENTS

Vision

Excellence In Infrastructure Investment Management
And User Experience

Mission

Pursue Continuous Improvement, Prioritising Sustainability,
Road User And Community Well Being

CORPORATE OVERVIEW

National Highways Infra Trust

Registered Office

G - 5 & 6, Sector 10, Dwarka, New Delhi - 110075
SEBI Reg. No.: IN/InvIT/20-21/0014
Tel: +91 11 25076536 | Fax: +91 11 2507 6536
E-Mail: nhit@nhai.org | Website: www.nhaiinvit.in

Investment Manager

National Highways Infra Investment Managers Private Limited
CIN: U65929DL2020GOI366835

Registered Address & Office
G - 5 & 6, Sector 10, Dwarka,
New Delhi - 110075
Tel: +91 11 25076536 | Fax: +91 11 25076536
E-Mail: nhiimpl@nhai.org

Trustee of the Trust

IDBI Trusteeship Services Limited
Universal Insurance Building, Ground Floor,
Sir Phirozshah Mehta Road, Fort, Bazargate,
Mumbai - 400001
Tel: (+91) (11) 4513 8885, 8097474713
Fax: +91 22 6631 1776
E-Mail: delhiitsl@idbitrustee.com
Website: www.idbitrustee.com
Contact Person: Mr. Deepak Kumar/
Mr. Mahendra Singh Chouhan

Bankers/ Lenders

State Bank of India
Axis Bank
Bank of Maharashtra

Statutory Auditors

A.R. & Co.
A-403, Gayatri Apartment, Airlines Group Housing
Society, Plot No 27, Sector - 10, Dwarka,
New Delhi - 110075
Tel: 9810195084, 9810444051
E-Mail: ar_co1981@yahoo.co.in, pawankgoel1@gmail.com
Contact Person: CA Pawan K Goel
Firm Registration No.: 002744C
Peer Review Certificate no: 011988

Compliance Officer

Ms. Gunjan Singh

Board Of Directors

- Mr. Balasubramanyam Sriram, Independent Director & Chairman*
- Mr. Shailendra Narain Roy, Independent Director
- Mr. Mahavir Parsad Sharma, Independent Director
- Mr. Sumit Bose, Independent Director
- Mr. Pradeep Singh Kharola, Independent Director
- Mr. Suresh Krishan Goyal, Managing Director & CEO
- Mr. Amit Kumar Ghosh, Nominee Director
- Mr. N R V V M K Rajendra Kumar, Nominee Director
- Ms. Kavita Saha, Non-Sponsor Director
- Mr. Bruce Crane, Non-Sponsor Director

*Resigned with effect from 31st March 2023

Securities Information

BSE LTD.: 543385
NSE LTD.: NHIT
ISIN: INE0H7R23014

NCD's ISIN

STRPP A: INE0H7R07017
STRPP B: INE0H7R07025
STRPP C: INE0H7R07033

Registrar and Transfer Agent

KFin Technologies Limited
Selenium, Tower B, Plot No. 31 & 32,
Financial District Nanakramguda,
Serilingampally Hyderabad,
Rangareddi - 500032, Telangana
Tel: +91 40 6716 2222 | Fax: +91 40 2343 1551
E-Mail: nhai.invit@kfintech.com
Investor Grievance E-Mail: einward.ris@kfintech.com
Website: www.kfintech.com
SEBI Registration No.: INR000000221

Debenture Trustee

SBICAP Trustee Company Limited
Mistry Bhavan, 4th Floor, 122 Dinshaw Vachha Road,
Churchgate, Mumbai - 400020
Tel: +91 22 4302 5500/ 66
E-Mail: dt@sbicaptrustee.com
Investor Grievance E-Mail: investor.cell@sbicaptrustee.com
Website: www.sbicaptrustee.com
Contact Person: Prashant Joshi
SEBI Registration No.: IND000000536
CIN: U65991MH2005PLC158386

Key Managerial Team/ Personnel

- Mr. Suresh Goyal
  Managing Director & Chief Executive Officer
- Mr. Mathew George
  Chief Financial Officer
- Ms. Gunjan Singh
  Company Secretary & Compliance Officer

Valuer

RBSA VALUATION ADVISORS LLP
Unit No. 1121, 2nd Floor, Building No. 11,
Solitaire Corporate Park, Guru Hargovindji Road,
Chakala, Andheri East, Mumbai - 400093
Tel: +91 22 6130 6000
E-Mail: ravishu.shah@rbsa.in
Reg No.: IBBI/RV-E/5/2019/110

INVESTMENT MANAGER'S BRIEF REPORT OF ACTIVITIES OF THE TRUST

National Highways Infra Trust ("the Trust") was set up by National Highways Authority of India (NHAI) ("the Sponsor") on 19th October 2020, as an irrevocable infrastructure trust under the provisions of the Indian Trusts Act, 1882.

The Trust was registered as an Infrastructure Investment Trust on 28th October 2020, under the Securities and Exchange Board of India (Infrastructure Investement Trusts) Regulations, 2014 ("SEBI InvIT Regulations") having registration number IN/InvIT/20-21/0014.

The Investment objectives of the Trust are to carry on the activities of, and to make investments, as an Infrastructure Investment Trust, as permissible in terms of the applicable law.

National Highways Infra Projects Private Limited (NHIPPL) ("SPV to the Trust") has entered into five concession agreements with NHAI on 30th March 2021 for Tolling, Operation, Maintenance and Transfer of five toll road projects for a period of 30 years from the Appointed date under these concession agreements, i.e. 16th December 2021.

NHIPPL further signed three new concession agreements with NHAI on 26th September 2022 for Tolling, Operation, Maintenance and Transfer of three toll road projects for a period of 20 years from the Appointed date under these concession agreements, i.e. 29th October 2022.

For more details on these toll road projects, please refer the section Overview of Asset Portfolio

"Coming together is a beginning,
keeping together is progress,
working together is success"

- Henry Ford

NHAI CHAIRPERSON'S MESSAGE

Dear Unitholders,

National Highways Authority of India (NHAI), has been at the forefront of building infrastructure for the country. In line with its motto, *Building a Nation, Not just Roads,* NHAI plays an important role in the economic and infrastructure development of the country, thereby laying the foundation of rapid and sustainable growth of India.

NHAI sponsored the setting up of National Highways Infra Trust (NHIT), to raise resources for development of new roads by monetizing its existing operational roads. I am pleased to share that NHIT has successfully completed two rounds of monetization of roads, and is on the path to raise funds for the third round. Under the guidance and supervision of its Board of Directors, it has also laid the foundation for a strong business to meet the aspirations of its unitholders and other stakeholders.

As its Sponsor, NHAI remain committed to support NHIT in its future endeavours and work in tandem with it towards *Building a Nation, Not just Roads.*

Your Sincerely,

Santosh Kumar Yadav, IAS

Chairman, NHAI

"Individually, we are one drop.
Together, we are an ocean"

- Ryunosuke Satoro

CHAIRMAN'S MESSAGE

Dear Unitholders,

First and foremost, I would like to express my sincere thanks to all the unitholders for their unwavering support and trust in NHIT. During its relatively short existence, NHIT has laid the foundation for a strong and sustainable business that will endeavor to provide superior returns to its unitholders with better standards of governance and transparency in addition to ensuring sustainability and well-being of communities and road users.

My fellow Directors on the Board, employees of the Investment Manager, Project SPV and Project Manager have all made invaluable contributions and provided unwavering commitment to help the business achieve the successes. It is through the collective efforts, synergy, and shared vision that we have been able to innovate, adapt, and deliver exceptional results. I would like to reiterate our commitment to maintain the highest standards of corporate governance, foster strong relationships with all our stakeholders and uphold the trust placed on the team.

As NHIT moves into the next year, I would also like to pass the baton as I step down from the Board. It has been an incredibly fulfilling tenure and I would like to extend my best wishes to all the unitholders, lenders and bondholders, other stakeholders, members of the Board and the team. I am personally grateful to the support received from our sponsor, National Highways Authority of India, and from Shri Giridhar Armane and Ms Alka Upadhyaya, as Secretaries, MoRTH, GoI.

Finally, I would like to assure you that as it marches forward, NHIT is on a strong footing to overcome future challenges and seize opportunities to meet the aspirations of its stakeholders.

With best regards,

Balasubramanyam Sriram

Chairman, NHIT*

**Mr. Balasubramanyam Sriram resigned from the position of non-executive Chairman and Independent Director w.e.f 31st March, 2023 in National Highways Infra Investment Managers Private Limited, Investment Manager Company to NHIT.*

"Great things in business are never done by one person. They're done by a team of people"

- Steve Jobs

CHIEF EXECUTIVE OFFICER'S MESSAGE

Dear Unitholders,

I am delighted to present to you our second Annual report, a reflection of our collective achievements and the remarkable progress we have made over the past year.

At NHIT, we firmly believe that true brilliance emerges when diverse perspectives, expertise, and resources converge. This year, we witnessed first-hand the power of teamwork and collaboration, as we worked alongside our valued stakeholders and partners to realize our shared vision of building a sustainable and prosperous future through investments in the national highways of the country, under the auspices of National Monetisation Pipeline.

During the second year of our existence, this team achieved significant milestones. We stabilised the 5 roads that we had acquired in Round 1, as well as, acquired additional 3 roads in Round 2. The financial and operational performance of the combined portfolio exceeded the initial forecasts, and the Net Asset Value of NHIT's units was ₹116.52 per unit as at 31st March 2023. In addition, during the year, NHIT distributed ₹418.73 crore or ₹6.37 per unit to its unitholders. Several important initiatives were undertaken in the portfolio in the areas of traffic management, operations, technology and health & safety. This was made possible with the employees of the Investment Manager, Project SPV and Project Management Company, working in tandem as a well-knit and motivated team. Their unwavering commitment to excellence, innovative thinking, and passion for sustainable development have been instrumental in NHIT's success.

We received tremendous support from our sponsor, National Highways Authority of India, and Ministry of Road Transport & Highways (MoRTH). We had the benefit of guidance from Shri Giridhar Armane, Smt. Alka Upadhayaya and Shri Anurag Jain, Secretaries MoRTH. We are thankful to Shri Santosh Yadav, Chairman NHAI, for his unwavering support and guidance to NHIT. A special thanks is reserved for Shri NRVVMK Rajendra Kumar, Member Finance NHAI, for his time and efforts to help smoothen out the challenges faced by NHIT in this remarkable journey. I would like to acknowledge the support that we received from various officers of NHAI, notably Shri Akhil Khare, Chief Executive Officer, PMC, Shri Ashish Asati, CGM (Technical) & RO Nagpur, Shri AK Sharma, CGM (Technical), Shri D.K Chaturvedi, GM (BOT, TOT, InvIT), Shri BM Rao, CGM (Finance), Director, NHIPPL, Shri KV Singh, CGM (Commercial Opperation), Shri AK Singh, CGN (Finance), Director, NHIPMPL, Shri SQ Ahmad, GM (Finance), Shri Subhash Khurana GM (F&A), and others.

Our Board of Directors' superintendence led us successfully through several strategic and crucial decisions. They guided and sometimes challenged the management team, thus laying down a robust governance framework and practices to ensure safeguarding of long-term interests of our unitholders.

As we move forward, guided by our Board of Directors, we adopted 'Excellence In Infrastructure Investment Management And User Experience' as the Vision statement of NHIT. The mission statement being 'Pursue Continuous Improvement, Prioritising Sustainability, Road User And Community Well Being'. Our team has consistently demonstrated values of: Excellence, Accountability, Agility, Collaboration, Continuous Learning, and Integrity. These have allowed us to overcome challenges, capitalize on opportunities, and drive sustainable growth. I am incredibly proud to lead such an exceptional team that embodies these virtues.

As you turn the pages of this report, we invite you to join us in celebrating the power of Teamwork and Collaborative Brillance that lead to our exceptional performance. Your unwavering support and confidence in our vision have been instrumental in our achievements thus far, and we express our heartfelt gratitude for your continued confidence and support.

As we look toward the future, we are acutely aware of the challenges and opportunities that lie ahead. The global landscape is evolving rapidly, and we are committed to remaining at the forefront of creativity and effective problem-solving. By fostering an environment that encourages open dialogue, continuous learning, and exchanging ideas, we are confident in our ability to navigate complexities and seize emerging opportunities.

We remain committed to delivering value and achieving sustainable growth, and we are confident that our collaborative spirit will continue to drive us forward.

We invite you to explore the contents of this report, which will provide a comprehensive overview of our accomplishments, financial performance, and the exciting opportunities that lie ahead. Thank you for your trust, belief, and unwavering commitment to our shared journey of Collaborative Brilliance.

With best regards,

Suresh Goyal

MD & CEO, NHIT

“We are responsible for our performance
as well as our execution,
and that is where our energy is directed”

- Anonymous

CHIEF FINANCIAL OFFICER’S MESSAGE

Dear Unitholders,

Amongst others, this year was significant for two specific reasons, on the one hand NHIT through its maiden issuance of Public Bonds was able to reach out to a significant number of retail investors, vouching for our raison d’etre and the second was that in a span of less than a year (post our first acquisition) we were able to acquire an additional three projects from NHAI which establishes the managements resolve to diversify.

In October 2022, NHIT came out with a follow-on issuance to raise funds from Unitholders, to acquire an additional three Road Projects. The Issue, in line with regulations, priced at ₹109 was well received. We note with pride that our investor base now includes amongst others, investments from quite a few Provident Funds Trust or from their managers and an equal number of HNI’s, signifying acceptance of the units as an acceptable investment opportunity.

Among the significant milestones and consequent to the acquisition, was the successful listing of the Trust’s Non-Convertible Debentures (NCDs) on 28th October 2022. The overwhelming response from about 15000 investors with an oversubscription of over 3.35x vouched for the enthusiasm of the retail investor community to participate in the infrastructure growth of the country. The interest from close to 500 cities across the country served as a testament that NHIT had been able to initiate retail confidence into investing into the infrastructure growth of the country.

We are grateful to the growing investor community that recognizes our potential and actively supports us in our mission.

During the year and with a view on further growth, the trust incorporated a new SPV - NHIT Eastern Projects Private Limited (“NEPPL”) for the further acquisition of assets under the pipeline.

Having distributed ₹7.16 per unit till date and factoring the appreciation in the price of units we do believe we have delivered creditable value and are on the right trajectory towards consistent growth.

Going forward, we would continue to pursue optimising our capital structure, identifying value-accretive investment opportunities, and pursuing available financial solutions to maximize returns, all the while keeping the AAA rating and consistent growth as our utmost priority.

On the business front, as on 31st March 2023, the total revenue including revenue from operations and other Income of NHIT was ₹700.87 crore, and post factoring expenses including IM fee and interest outflow/ Interest provisions of ₹166.21 crore to external lenders/ NCD holders at the Trust level, the net income post taxes, was ₹256.89 crore

I invite you to explore this Annual Report, which provides a comprehensive overview of our financial performance, highlights the increased investor interest in our company, and presents our healthy financial statements. These achievements are a testament to the collective efforts of our dedicated team and the trust you have placed in us.

Sincerely,

Mathew George

CFO, NHIT

BRIEF PROFILE OF THE DIRECTORS OF THE INVESTMENT MANAGER

Mr. Suresh Goyal

Mr. Suresh Goyal is the Managing Director & Chief Executive Officer of Investment Managers.

Suresh Goyal has around 29 years of experience in financial services industry, across project finance, investment banking and asset management. Over the last 15 years, he has been in asset management of infrastructure sectors including Roads, Power, Renewables, Telecom Towers and Airports. Prior to his current role, he held leadership role in Macquarie Infrastructure & Real Assets based at Singapore covering South-East Asia and India regions. He has led some transformational investments, including acquisition of first brownfield road by a financial sponsor in India, which led to opening up of the sector for institutional investors and creation of professional platforms. He was also instrumental in winning the first Toll Operate Transfer (TOT) road project in India. He has been member of several boards and has extensive experience of working with boards across various strategies, including growth, Dispute Resolution and Health & Safety etc.

Suresh is an Electrical Engineering graduate from Shri Govindram Seksaria Institute of Technology and Science, Indore. He also holds Post Graduate Diploma in Management from Indian Institute of Management, Lucknow.

Mr. Shailendra Narain Roy

Mr. Shailendra Narain Roy is an Independent Director of the Investment Manager. He holds B. Tech degree from IIT (BHU) and is a graduate of the Wharton Advanced Management Program, started his career in 1975 and spent 25 years in Bharat Heavy Electricals Limited He had also served as MD & CEO of a Government of India Undertaking - Bharat Heavy Plates and Vessels Limited that manufactures power and refinery equipment on turnkey basis.

He had worked in Larsen & Toubro Limited (L&T) for more than 17 years and was responsible for business operations of its Power sector (coal, nuclear and gas-based), and Corporate Affairs. He oversaw various joint venture companies which were envisioned to cater to India's infrastructure and power requirements. Under his guidance, L&T made foray into international market, winning four gas-based projects and completing three of them in Bangladesh. He also initiated L&T's entry into development of power projects (thermal, solar & hydro), shipbuilding, substations, transmission lines, railway electrification, highways and transportation and was responsible for the growth of such new business ventures. Earlier, he spearheaded L&T Heavy Engineering and Defence and was also instrumental in driving L&T's focus towards missile, air defence, bridging systems, avionics and weapon systems, self-propelled 155 mm howitzer K9Vajra-T.

He was Member of Board L&T and CEO & MD L&T Power.

Mr. Roy, over the years, has been the voice of the Indian industry, representing it in various forums, raising matters having national and global impact. He has been a vital part of FICCI and CII National Council - the think tanks of Industry, presenting roadmaps of growth and development to the policymakers. He is often invited to industrial forums and conferences to share his valuable expertise, insights and strategies related to manufacturing, construction, power, and infrastructure.

He has been awarded the Udyog Rattan Award 2003 by Institute of Economic Studies. He has been conferred with the Hall of Fame Award 2016 for his outstanding achievement and commitment to development of Indian industry at 5th Annual Manufacturing Today conference. He was awarded CEO of the Year Award 2018 by Construction Times magazine. Other honours bestowed on him include the distinguished speaker award by Indo-American Chamber of Commerce (2017) and award for contribution to Planning Commission by PPMAI (2010-11). Lifetime Achievement Award 2022 from Manufacturing Today and recipient of Lifetime Achievement Award 2023 by Construction Times.

Presently he is a member of Central Vista Oversight Committee of Government of India, New Delhi with effect from 29th November 2021.

Mr. M.P. Sharma

Mr. M.P. Sharma is an Independent Director of the Investment Manager. He graduated in Engineering and Law. His professional carrier started in 1985, when he joined Ministry of Road Transport & Highways (MoRTH) (the then Ministry of Surface Transport, Govt. of India). He worked at various positions in the MoRTH and National Highways Authority of India (NHAI).

He was involved in (i) consolidation of NHAI guidelines, preparation of NHAI Works Manual, preparation of bidding documents, scrutiny and approval of DPRs (ii) planning, structuring, procurement and management of Public Private Partnership (PPP) and EPC (i/c Item Rate) projects of highway sector and implementation of PPP projects and projects under FIDIC and other form of contracts.

As Member (Tech) of NHAI, he acted as repository of technical knowledge and looked after the works relating to new developments in technology, technical manuals, standards and specifications that guide design, safety etc. His duties involved planning, structuring, procurement and management of Public Private Partnership (PPP) and EPC projects of highway sector.

He worked as Chief Engineer and Additional Director General in the MoRTH, GOI. He later also worked as Technical Advisor in the Ministry of Road Transport and Highways.

Mr. Sumit Bose

Mr. Sumit Bose is an Independent Director of the National Highways Infra Investment Managers Private Limited. He holds a degree of Master of Science in Social Policy and Planning from the London School of Economics and Master of Arts (History) from University of Delhi. Mr. Sumit Bose joined Indian Administrative Service in 1976, Mr. Bose has served various positions with the Government of Madhya Pradesh and the Government of India, before retiring as the Union Finance Secretary, Government of India. In the Finance Ministry, he served as Secretary (Department of Revenue), Secretary (Expenditure) and Secretary (Disinvestment) as well as Secretary in the Thirteenth Finance Commission. Post retirement, he was a member of the Expenditure Management Commission and the Committee to Review the Fiscal Responsibility Legislation, Chairman, Advisory Committee on Ways And Means Advances to State Governments, RBI. He also chaired number of committees of the Ministry of Rural Development and the Ministry of Defense of Government of India. He also served on the Board of Oil and Natural Gas Corporation Limited and BSE Limited. He have been involved in several assignments in the field of education for more than eight years, first as Secretary, School Education in the GoMP and then as Joint Secretary in the Ministry of HRD, GOI. During the latter assignment, he was responsible for the launch and execution of Sarva Shiksha Abhiyan for universalization of elementary education.

BRIEF PROFILE OF THE DIRECTORS OF THE INVESTMENT MANAGER

He had also served as the District Magistrate and Collector of Sidhi Rewa, Gwalior and Bhopal Districts.

He undertook various consultancy assignments on aid effectiveness, land acquisition and resettlement and primary education with the World Bank, Commonwealth Secretariat, United Nations Development Programme and Department for International Development, (UK) in India, Washington DC, London, Kenya and Turkey.

Mr. Pradeep Singh Kharola

Mr. Pradeep Singh Kharola is an Independent Director of the Investment Manager. Mr. Kharola retired as Secretary Civil Aviation, Government of India, in September 2021. He was instrumental in successfully steering the aviation sector during the pandemic as also developing a new PPP model for airports. Prior to this he was the Chairman and Managing Director of Air India, whose disinvestment he is credited with. He is an IAS officer of the Karnataka Cadre. Before coming to the Government of India, he was the Managing Director of the Bangalore Metro Rail Transport Corporation where during his four years stint, he completed the first metro rail project in South India. He has held various administrative assignments, notable among them are - Principal Secretary to the Chief Minister of Karnataka, Commissioner of Commercial Taxes, Karnataka, Deputy Commissioner of Belgaum, Deputy Commissioner of Uttar Kannada District, Commissioner of Mysore City Corporation. Currently, he is holding the position of CMD, India Trade Promotion Organization (ITPO). He is also the Chairman of the National Recruitment Agency (NRA). During his tenure as Commissioner of Commercial Taxes, Karnataka he won the Prime Minister's Award for Excellence in Public Administration for Transforming the tax regime in Karnataka. He also won the National Award for e-governance for introducing the e-check posts in the State.

He was the Joint Secretary of the Second Administrative Reforms Commission of Government of India. He also worked for four years as Managing Director of the Bangalore Transport Corporation, handling the Bus transport system in Bangalore and making it the only profit making bus system in the country.

An engineer by qualification, he completed his Doctorate in "Public Transport Systems" from IIT Delhi. He holds a M. Tech Degree in Industrial Engineering from IIT Delhi and a BE Mech. Engg. Degree from SGSITS, Indore. He has a Master's Degree in Development Management from the Asian Institute of Management, Philippines. He also holds a Law Degree from Karnataka Law University. He has authored several research papers published in International and National Journals.

Mr. Amit Kumar Ghosh

Mr. Amit Kumar Ghosh, is the Nominee Director of the Ministry of Road Transport and Highways (MoRTH) on the Board of the Investment Manager. He is an IAS Officer of the Uttar Pradesh Cadre. He holds a B.E. (Electronics) from the Andhra University; Visakhapatnam, M.Sc. in Public Management and Governance from London School of Economics and M.A. in Defence Studies from Meerut University. He is holding the post of Additional Secretary in the Ministry of Road Transport and Highways, Government of India and is responsible for the administration of National Highways in India (Planning, Financing, Construction and Operations) and acquisition of land for construction of National Highways.

Mr. N R V V M K Rajendra Kumar

Mr. N R V V M K Rajendra Kumar is the NHAI Nominee Director on the Board of the Investment Manager. He is Member (Finance) of National Highways Authority of India (NHAI). Mr. Rajendra Kumar was Chief General Manager in Reserve Bank of India. He joined Reserve Bank in 1997 and worked in areas of public debt management, payment systems, currency management, bank supervision, foreign exchange reserve management and financial markets policy. During 2005-07, he was associated with Governance Reforms Programme in the state of Andhra Pradesh, India focusing on reforms in public financial management. He holds Ph. D. in Economics from Hyderabad Central University; master's degrees in Business Administration (from Osmania University) and Public Management (from Harvard Kennedy School and Lee Kuan Yew School of Public Policy).

Mr. Bruce Crane

Mr. Bruce R Crane is the Non-Sponsor Director of the Investment Manager. He is the Senior Managing Director, Head of Infrastructure & Natural Resources, Asia-Pacific of Ontario Teachers' Pension Plan (Ontario Teachers'). He leads Ontario Teachers' infrastructure investing activities across Asia-Pacific and currently serves on the boards of Pika Holdco Pty, Connexa Limited, India's National Highways Infra Investment Managers Private Limited, Mahindra Susten Private Limited, Sustainable Energy Infra Investment Managers Private Limited and Green Energy Infra Project Managers Private Limited. Bruce joined Ontario Teachers in 2020 as one of the initial members of its new Singapore office, its 2nd in Asia after the Hong Kong office.

Prior to joining Ontario Teachers', Bruce spent nearly 10 years at OMERS Infrastructure where he most recently led their investing efforts in Asia. Previously, he was based in New York where he focused on North & South America transport and energy related investments. While at OMERS, he served on Boards at Midland Cogeneration Ventures, Chicago Skyway, GNLQ Regas (Chile) and IndInfravit Tollroads (India). Prior to that, Bruce worked in Investment Banking at UBS (NYC) and Morgan Stanley (Houston) and earlier as a Field Engineer for Foster Wheeler (Global).

Bruce holds a BS in Civil Engineering from Lehigh University and an MBA from the Columbia Business School.

Ms. Kavita Saha

Ms. Kavita Saha is the Non-Sponsor director of the Investment Manager. Ms. Kavita is a B. Sc(H) Physics graduate from Kirori Mal College and an MBA from Faculty of Management Studies, Delhi University. She is a CFA Charterholder.

Ms. Kavita has over 29 years experience in Indian markets, across infrastructure investing and investment banking with international banks and premier Indian financial institutions.

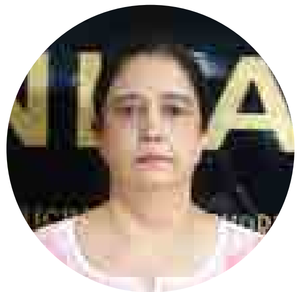
Prior to joining CPPIB, Ms. Kavita was MD with JP Morgan's Asian Infrastructure and Related Resources Opportunity Fund and co-led investments of ~US$600 million across various Indian infrastructure sectors. She also served as director/ alternate director in the Fund's five investment JVs in India.

Ms. Kavita joined CPPIB in April 2018 and heads the Infrastructure and Sustainable Energy team in India, which manages over ~C$ 2 billion across infrastructure and energy sectors.

BRIEF PROFILE OF THE SENIOR MANAGEMENT OF THE INVESTMENT MANAGER

Mr. Mathew George

Mr. Mathew George is the Chief Financial Officer of the Investment Manager. He holds a bachelor's degree in engineering (electronics and communication) from the University of Mysore and an executive postgraduate diploma in general management from XLRI, Jamshedpur. He has also completed a global leadership development program from the Michigan Ross School of Business, and participated in a program on infrastructure development and financing at the Indian Institute of Management, Ahmedabad. In the past, he was associated with the L&T group for over 12 years. In his previous capacity, he held the post of chief financial officer of LTIDPL IndvIT Services Limited, the investment management company of the first privately placed infrastructure investment trust in India. He has approximately 26 years of experience in leading project finance, treasury and risk functions in the infrastructure sector as well as management in banking services. He has a wide and varied experience in the banking sector.



Ms. Gunjan Singh

Ms. Gunjan Singh is the Company Secretary and Compliance Officer of the Investment Manager. She is a fellow member of the Institute of Company Secretaries of India and also holds a bachelor's degree in law. She has 18 years of experience in secretarial, legal and compliance functions as well as strategies to drive business growth, protect rights, minimize risk and assure compliance to changing laws and regulations. She has previously been associated with RHC Holding Private Limited, Fortis Escorts Heart Institute, International Panacea Limited and Era Constructions (India) Limited.

Mr. Shubhra Bhattacharya

Mr. Shubhra has experience of around 30 years in managing operations of operational road projects including toll operations, operations and maintenance, EHS, Contracts Management and IT aspects of the projects held by private equity funds. He has held leadership role in MIRA India Management Services Private Limited as Chief Executive Officer and successfully managed the operations of its portfolio assets in India. He has significantly contributed in organizations like GMR Infrastructure Ltd, Skansa International Civil Engineering AB, Shapoorji Pallonji & Co. Ltd, Dumez-Sogea-Borie SAE and Howe India Pvt Ltd in achieving its operational goals in the past. His forte is Operations Management, Strategic Planning & Management, Contract Management and Health & Safety Management.

Mr. Shubhra is currently serving as Chief Operating Officer of NHIT and responsible for managing the overall operations including toll operations, contracting, maintenance, operations technology, etc. of InvIT's roads.

Mr. Shubhra is a Civil Engineer and an alumnus of Shri Govindram Seksaria Institute of Technology and Science, Indore. He is a Certified Lead Auditor of ISO 14001 1996 conforming Environment Management System.

Mr. Anurag Jain

Mr. Anurag has diversified experience of 20 years in the areas of Financial Advisory, Project Finance and Infrastructure Asset development. He has worked with Kotak Investment Banking, IDFC Limited, ICICI Bank and L&T IDPL in the past. He founded Agile Vibes (a startup in experiential learning) and Yogyata (non-profit in education) before taking up the current role.

Mr. Anurag is serving NHIT as Chief Investment Officer and is responsible for acquisition of new assets, equity fund raising and investor relations.

Mr. Anurag is an Engineering graduate in Computer Science from Harcourt Butler Technical University. He also holds Post Graduate Diploma in Management (Finance & Operations) from Indian Institute of Management, Lucknow.

Mr. Rajesh Kumar Singh

Mr. Rajesh has 20 years of experience leading HR functions in big Indian conglomerates and MNCs in India, Africa and Asia continents and has worked with global brands like Caterpillar Rail, TATA Projects and Ray-Ban Sun Optics India. He has extensive experience in managing multi-cultural, multi-disciplinary and multi-location-based organizations within Asia and Africa regions. He specializes in Organization Design, HR Strategies, HR Transformation, HR Automation, HR Analytics, Talent Management and Compensation & Benefits Plans. He was instrumental in setting up of Power Distribution and Power Substation business units from their inception in TATA Projects and facilitated its expansion globally. He had also successfully completed setting up of a brown-field manufacturing unit project in Caterpillar Rail at Raipur for producing flash-butt welded crossings for supply to Indian Railways. Prior to his current role, he held a global leadership role in Caterpillar Rail based in Noida, India and Pretoria, South Africa.

Mr. Rajesh is currently serving NHIT as Chief Human Resources Officer and is responsible for the entire gamut of Human Resources, Administration and CSR activities.

Mr. Rajesh holds a Master of Business Administration in Human Resources Management and Organization Behaviour from Guru Jambheshwar University, Haryana and One-Year Post Graduate Diploma in Labour Laws and Administrative Laws from Madurai Kamaraj University. He has also completed a One-Year Executive Program in Leadership and Management from the Indian Institute of Management, Calcutta which was sponsored by Caterpillar Rail.

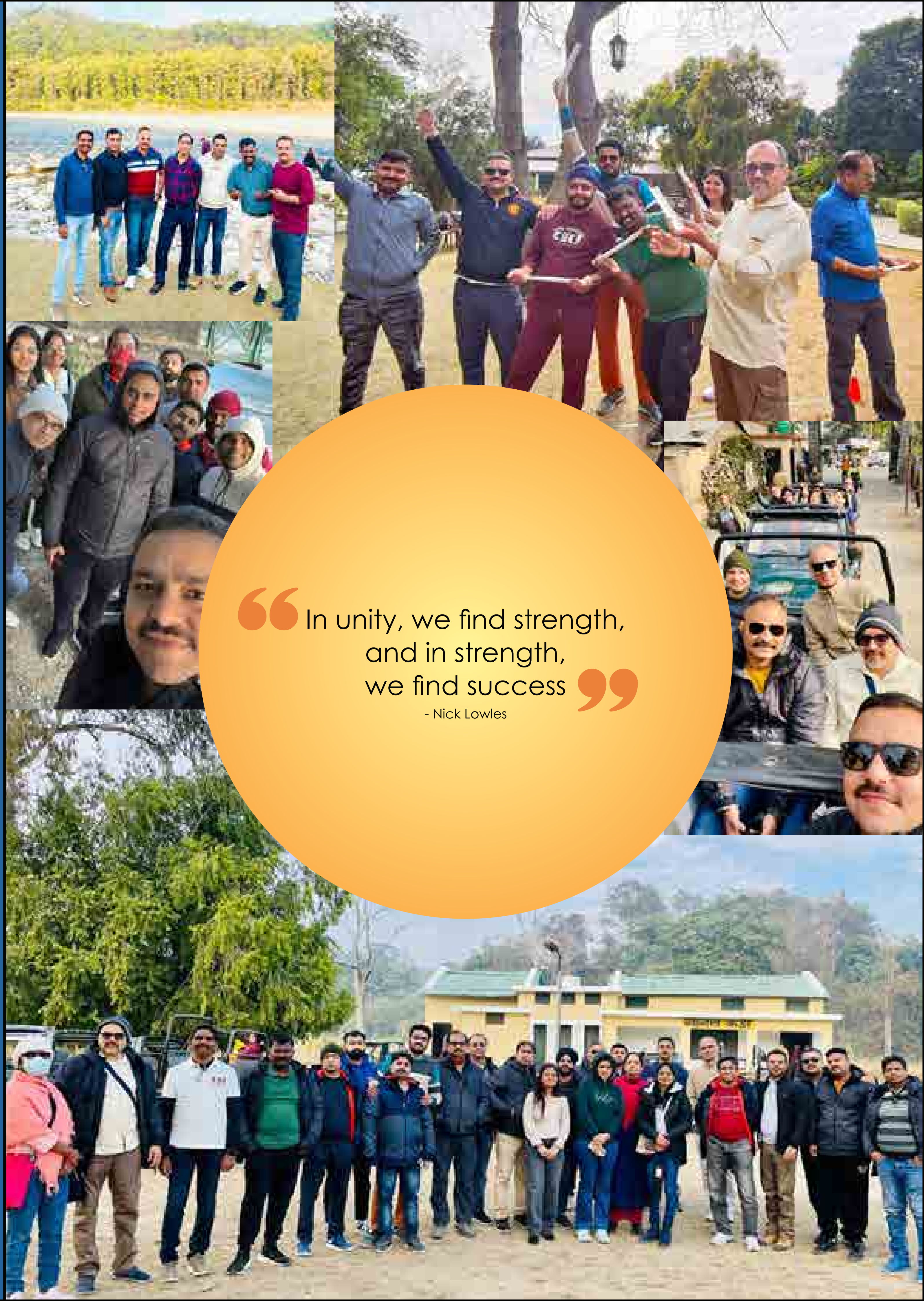
National Highways InvIT Project Managers Private Limited ("NHIPMPL")

Mr. Akhil Khare
Cheif Executive Officer & Director

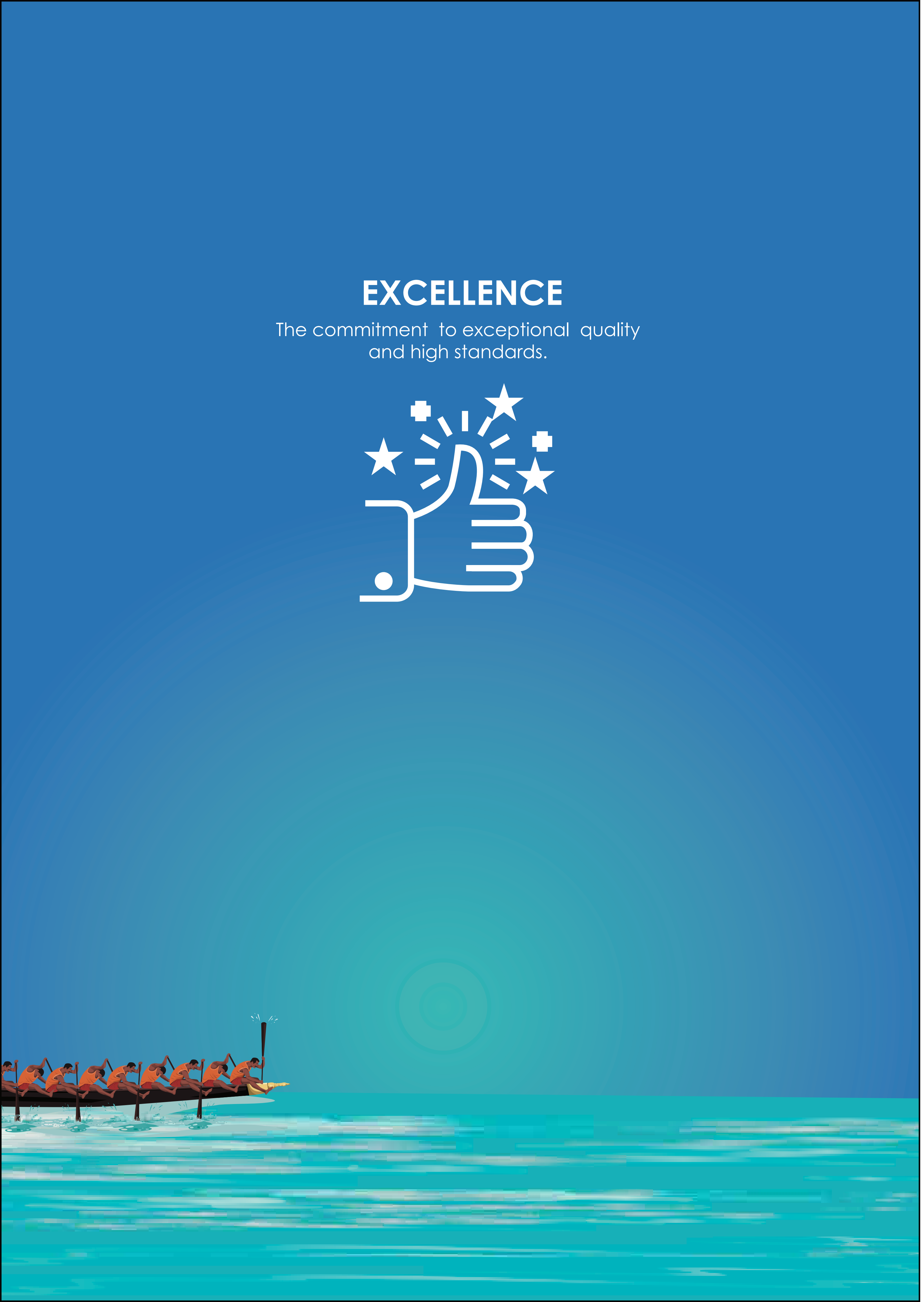
Mr. Ashish Kumar Singh
Director

Mr. Rajiv Nayanam
Head, Toll Operations

Team NHIPMPL



"In unity, we find strength,
and in strength,
we find success"
- Nick Lowles



MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis section for the year under review, as stipulated under the SEBI Listing Regulations, provides a comprehensive overview of a company's performance, operations, and future prospects. It aims to provide insights into the company's strategic direction, financial health, risks, challenges, and opportunities.

ABOUT NATIONAL HIGHWAYS INFRA TRUST

NHAI settled NHIT on 19th October 2020, as a contributory irrevocable Trust, pursuant to the Trust Deed executed under the provisions of the Indian Trusts Act, 1882. The NHIT was registered with Securities and Exchange Board of India ("SEBI") on 28th October 2020, as an Infrastructure Investment Trust ("InvIT") under Regulation 3(1) of the SEBI InvIT Regulations, 2014 having registration number IN/InvIT/20-21/0014. NHIIMPL has been appointed as the Investment Manager to NHIT.

NHIT had, pursuant to an initial Private Placement, raised unit capital from various investors on 3rd November 2021 and the shareholding of the National Highways Infra Projects Private Limited ("NHIPPL") was transfered to NHIT from NHAI. The said Units were listed on both BSE and NSE on 10th November 2021.

NHIT further raised unit capital from various investors on 11th October 2022 through private placement of units. The fresh units were listed on both BSE and NSE on 14th October 2022. Further, NHIT also issued Non-Convertible Debentures during the year, which were also listed on the BSE and NSE on 28th October 2022.

About National Highways Infra Investment Managers Private Limited (NHIIMPL)

NHIIMPL was incorporated as a private limited company on 25th July 2020, under the Companies Act, 2013. The company was initially incorporated as a wholly owned subsidiary of NHAI. Subsequently, NHAI transferred its entire shareholding in the company to the President of India, acting through the Ministry of Road Transport and Highways, Government of India. Accordingly, at present, NHIIMPL is a Government Company as defined under the Companies Act, 2013, as amended. The current paid up capital of the NHIIMPL is ₹11.00 crore.

About National Highways Infra Projects Private Limited (NHIPPL)

NHIPPL is a private limited company incorporated on 23rd July 2020, under the Companies Act, 2013. The paid up capital of the NHIPPL is ₹1294.10 crore. NHIT (jointly with its nominee) holds 100% of the issued, subscribed, and paid-up share capital of NHIPPL.

NHIPPL had entered into five (5) independent concession agreements with NHAI for concessions of each of the Roads, including Abu Road - Palanpur, Abu Road - Swaroopganj, Kothakota bypass - Kurnool, Maharashtra/Karnataka Border - Belgaum and Chittorgarh Kota & Chittorgarh Bypass. The concession agreements provide NHIPPL the right to collect tolls for a period of 30 years from users of each Road, with certain overlay activities and the construction of additional toll lanes in respect of certain Roads ("Initial Improvement Works") to be completed by the NHIPPL within 24 months from 16th December 2021 ("Appointed Date"). Responsibility for supervision of the operations and maintenance of the Roads also vests with NHIPPL. In lieu of concession rights, NHIPPL had paid a concession fee of ₹7,350.40 crore to NHAI.

During the year, NHIPPL had entered into three (3) additional concession agreements with NHAI for concessions of each of the roads including Agra Bypass, Shivpuri Jhansi and Borkhedi - Wadner - Deodhari - Kelapur - Maharashtra/ Telangana Border. The concession agreements provide NHIPPL, the right to collect tolls for a period of 20 years from the users of each road, with certain overlay activities, service roads, and the construction of structures/ toll plaza ("Initial Improvement Works") to be completed by NHIPPL within 12/18 months from 29th October 2022 ("Appointed Date").

In lieu of concession rights, NHIPPL had paid a total concession fee of ₹2,849.67 crore to NHAI (including base concession fee of ₹2,825 crore and an additional concession fee of ₹24.67 crore).

The toll revenue of NHIPPL was approx. ₹687.17 crore and other income was ₹13.70 crore for the last financial year.

About NHIT Eastern Projects Private Limited (NEPPL)

NEPPL is a private limited company incorporated on 19th April 2023, under the Companies Act 2013. The current paid up capital of the NEPPL is ₹10 lakh. NHIT (jointly with its nominee) holds 100% of the issued, subscribed and paid up share capital of NEPPL. It is proposed that NEPPL would execute concession agreements for Bundle 3 of InvIT projects. These projects are currently under diligence and execution of concession agreements is subject to internal approvals and approval from unit holders as well as NHAI.

About National Highways InvIT Project Managers Private Limited (NHIPMPL)

NHIPMPL or "Project Manager" was incorporated as a private limited company on 9th March 2021 under the Companies Act 2013. The Project Manager is a wholly-owned subsidiary of NHAI. The Project Manager (directly or through the appointment of appropriate agents) undertakes operations and maintenance of the Assets, including making arrangements for maintenance of the assets held by the Trust.

FINANCIAL STATEMENTS

Summary of Consolidated and Standalone Financial Statement of NHIT as of 31st March 2023

(All amounts are in ₹ crore unless otherwise stated)

Particulars	Consolidated		Standalone	
	FY 22-23	FY 21-22	FY 22-23	FY 21-22
Total Income	700.88	149.75	957.89	238.37
Investment Manager Fee	12.64	19.32	12.64	19.32
Project Manager Fee	9.91	2.90	-	-
Operating Expenses	90.25	8.49	-	-
Finance Cost	166.21	31.54	165.90	31.54
Depreciation & Amortization Expenses	175.61	10.56	0	0
Other Expenses	28.85	6.83	2.28	1.1899
Total Expenditure	483.47	79.65	180.82	52.05
Profit Before Tax	217.41	70.10	777.07	186.32
Less: Taxes	-39.49	1.74	4.70	4.3951
Profit After Tax	256.90	68.36	772.36	181.92
Other Comprehensive Income	-	-	-	-
Total Comprehensive Income for the Period	256.90	68.36	772.36	181.92

Outlook on Indian Economy

For India, FY23 was special as it marked the 75th anniversary of India's Independence. India became the world's fifth-largest economy, measured in current dollars. In real terms, it grew at 7.2% for the year ending March 2023[1]. This follows an 8.7% growth in the previous financial year. The rise in consumer prices slowed considerably. The export of goods and services in the first nine months of the financial year (April - December) was up 16 per cent compared to the same period in FY22.

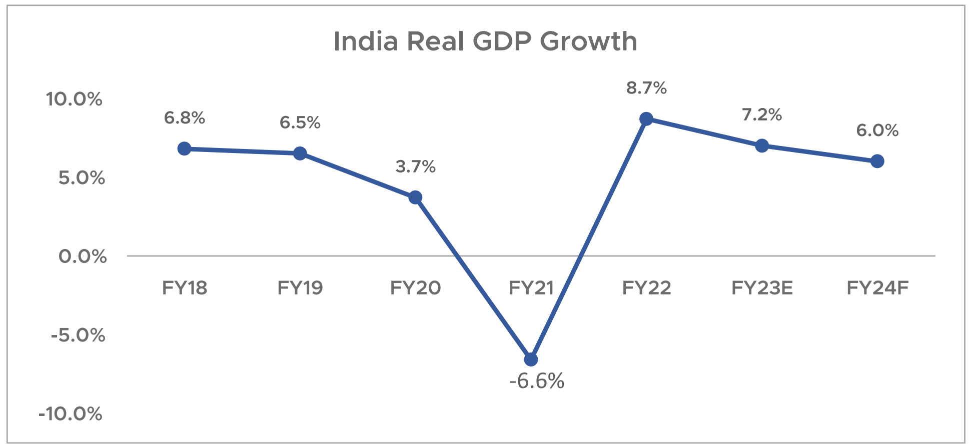
India's economic growth in FY23 has been principally led by private consumption and capital formation. It has helped generate employment as seen in the declining urban unemployment rate and in the faster net registration in Employee Provident Fund[2].

India had a good monsoon, and reservoir levels are higher than last year and the 10-year average.

The Capital Expenditure (Capex) of the central government, increased by 63.4% in the first eight months of FY23, was another growth driver of the Indian economy[3].

From an international perspective, US Fed's policy rate is already at a decadal high, and more hikes are expected this year. Domestically, the transmission of the RBI's rate hikes is likely to continue in fiscal 2024, which will moderate domestic demand. El Nino has emerged as another risk that could hit agriculture production and rural incomes.

Owing to these factors, India's GDP growth is expected to moderate to 6.0% in FY24 from 7.2% in FY23.



Source: NSO, CRISIL Research

[1]Provisional Estimates of National Income 2022-23. (2023) National Statistical Office doc2023531206901.pdf (pib.gov.in)

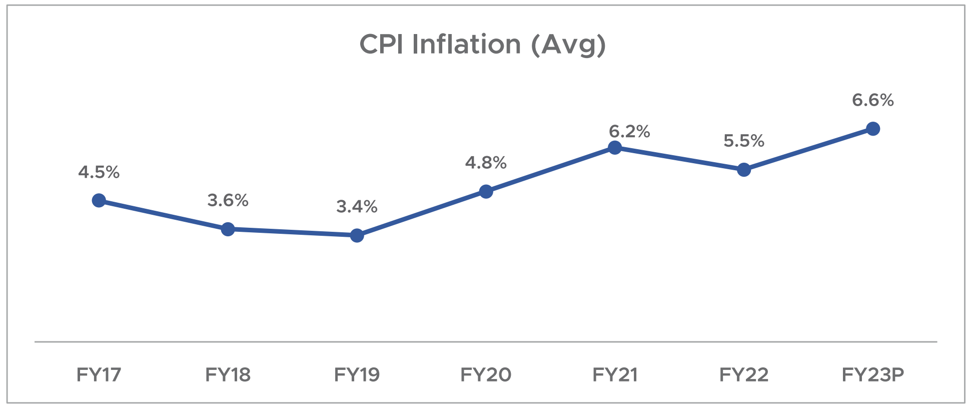
[2]Economic Survey 2022-23. (2023) Ministry of Finance epreface.pdf (indiabudget.gov.in)

[3]Economic Survey 2022-23. (2023) Ministry of Finance epreface.pdf (indiabudget.gov.in)

Outlook on Inflation (CPI):

Consumer Price Index (CPI)-linked inflation moderated to 5.66% in March 2023 from 7.79% in April 2022. The easing was on account of the slowing pace of fuel inflation. Though, sticky core inflation is still above 6%. Rigidity in food inflation when climate risks threaten to put pressure on food prices this year, is also a cause for concern.

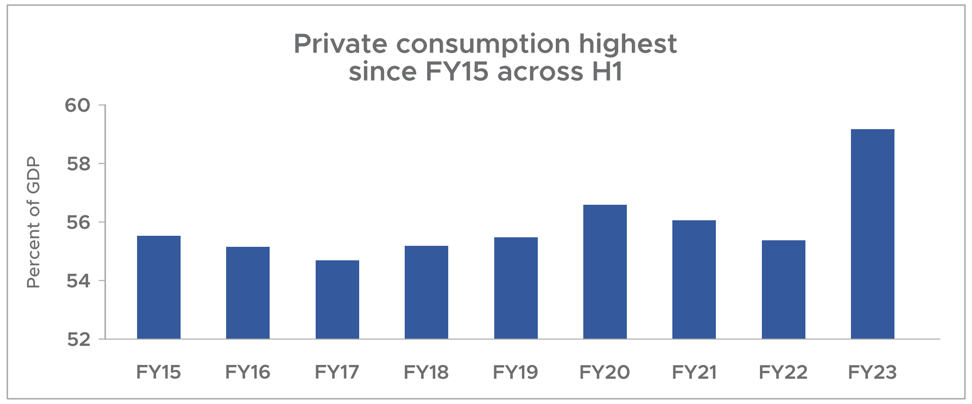
In fiscal 2024, CPI inflation is expected to moderate, helped by a reduction in fuel and core inflation. Food - a big mover of overall inflation - faces risks from weather disruptions and abnormal monsoons. The unseasonal rains earlier this year have damaged the then standing, ready-to-harvest rabi crops in several parts of the country. The damage to wheat, paddy, cumin, onion, tomato and mango would impact their prices. From a CPI inflation perspective, expected higher prices of wheat, paddy, tomato and onion will keep the pressure on inflation high, given their relative high weights in the index[4].



Source: NSO, CRISIL Research

India's Economic Resilience and Growth Drivers

India's economic resilience can be seen in the domestic stimulus to growth seamlessly replacing the external stimuli. While the growth in exports has moderated in the second half of FY23, the surge in FY22 and the first half of FY23 accelerated production processes to new levels. Manufacturing and investment activities consequently gained traction. By the time the growth of exports moderated, the rebound in domestic consumption had sufficiently matured to take forward the growth of India's economy. Private consumption as a percentage of GDP stood at 58.4 per cent in Q2 of FY23, the highest among the second quarters of all the years since 2013-14, supported by a rebound in contact-intensive services such as trade, hotel and transport, which registered sequential growth of 16 per cent in real terms in Q2 of FY23 compared to the previous quarter[5].



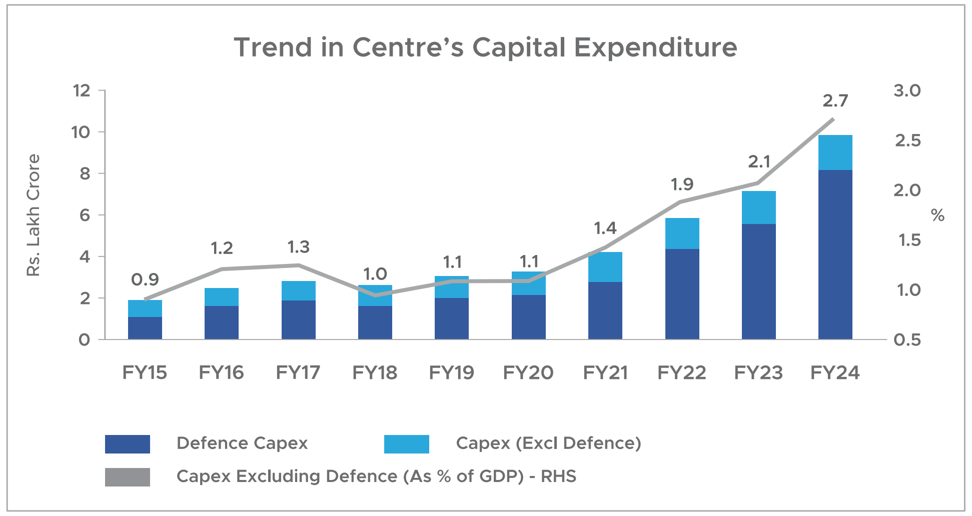
Source: NSO, MoSPI

[4]CRISIL Market Intelligence & Analytics (2023)

[5]Economic Survey 2022-23. (2023) Ministry of Finance epreface.pdf (indiabudget.gov.in)

Capital Expenditure towards Infrastructure

The Government of India (GoI) has identified capital expenditure as a catalyst to support the economic recovery, post the pandemic. The GoI has budgeted for a strong capex of ₹10 lakh crore in FY24, 37% higher than the revised estimate for FY23. The GoI's capex (adjusted for defense capex) to GDP ratio is budgeted to rise to 2.7% in FY24 from 2.1% in FY23 and 1.1% in the pre-pandemic period of FY19. The central government capex, with a strong multiplier effect of around 2.5 (RBI 2020), is expected to further pull in private investment over a longer period[6].Roads, railways, ports, power and urban



Source: CMIE & CareEdge Ratings: Note: Date for FY23 are Revised Estimates (RE) and FY24 are Budget Estimated (BE)

infrastructure are some of the key infrastructure sectors that will steer growth in the years to come. In the last 2 years, roads and railways accounted for more than 50% of the Centre's total capex. The government's capex in road transport and highways has grown by CAGR of around 40% in the last decade. Railways have seen the Government's capex rising at a CAGR of 37% in the last four years (FY20-24) from 15% during FY15-FY19. There is also a significant increase in the Centre's capex on energy, ports, civil aviation and telecommunication.

Table 1: Centre's Capex Growth In Key Infrastructure Sectors

	% Share in Total Capex (Excluding Defence)	CAGR (FY15-19) %	CAGR (FY20-24) %
Road Transport & Highways	36.17	42.14	39.46
Railways	27.90	15.08	37.14
Telecommunications	6.53	22.50	88.09
Housing & Urban Affairs	4.15	20.86	7.72
Energy*	2.32	-0.32	49.43
Ports. Shipping & Waterways	0.12	-11.49	42.53
Civil Aviation	0.02	-9.07	41.92

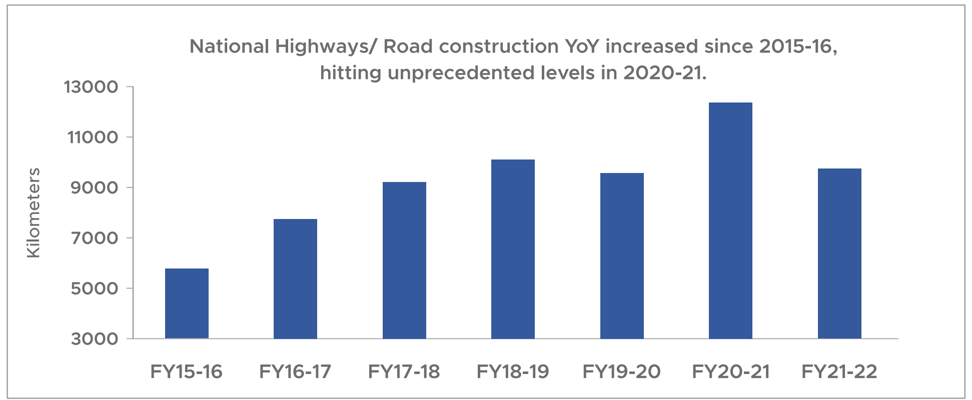
Source: CMIE & CareEdge Ratings: *Energy includes power, petroleum & natural gas, atomic energy, new & renewable energy;
Note: % share pertains to FY23 (RE)

[6]Infrastructure - Key driver of India's Amrit Kaal March. (2023) 168499113 (careratings.com)

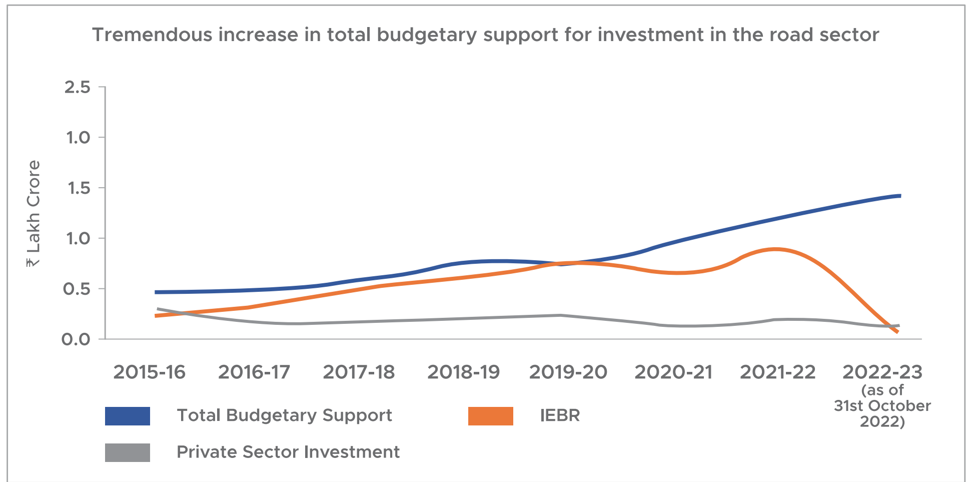
The state governments are the other crucial pillar for infrastructure development in the economy. States' capex has a strong multiplier effect of 2 (RBI 2020) and plays a critical role in the nation's economic development. A large part of the States' capex goes into infrastructure sectors like energy, transport and communication and logistics. While the State Governments' allocation towards capital spending (19 large states) as a percentage of SGDP increased to around 2.6% in FY23 (RE) from 2.3% in FY19, the actual capex for FY23 may turn out to be lower than the revised estimate. The states have been slow in their capex due to rising revenue uncertainties amidst other fiscal commitments. However, to supplement the Centre's effort for infra push, states need to prioritize capex. Going forward, India's infrastructure investment requirement is going to grow sharply. As per CareEdge's estimate, India will require additional infrastructure investment of USD 18-20 trillion in the next 25 years as it becomes a USD 25-30 trillion economy by 2047. Currently, more than 70% of the financing for infrastructure projects comes from the government and public sector. However, owing to the limited flexibility of the government, it becomes important to encourage private investment in the infrastructure sector to bridge the infrastructure investment gap[7].

Developments in Road Transport: Increased budgetary support by the government augmented road connectivity

Road infrastructure in the form of network of national highways, state highways, district roads, rural roads and urban roads acts as a major mode of transportation and connectivity for the country's diverse population of consumers and businesses. Roads supplement the other modes of transport through last-mile connectivity to the far-flung regions of the country.



Source: MoRTH



Source: Ministry of Road Transport and Highways

[7]Infrastructure - Key driver of India's Amrit Kaal March. (2023) 168499113 (careratings.com)

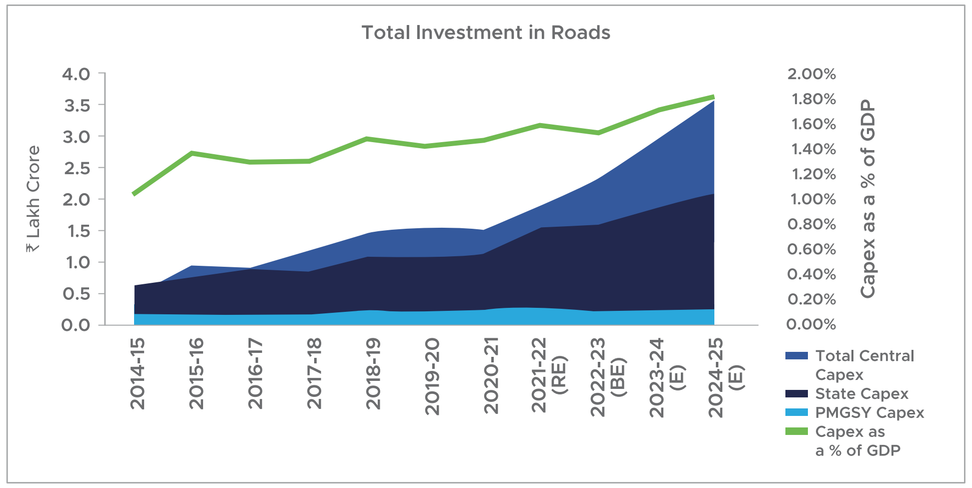
There has been an increase in the construction of National Highways (NHs)/roads over time, with 10,457 km of roads constructed in FY22 as compared to 6,061 km in FY16. In FY23 (until October 2022), 4,060 km of NHs/ roads were constructed, which was around 91 per cent of the achievement in the corresponding period of the previous financial year. Total budgetary support for investment in the sector has been increasing rapidly in the last four years and stood at around ₹1.4 lakh crore during FY23 (as of 31st October 2022)[8].

Investment and Trends in Roads & Highways

Over the period of FY15-FY23, the cumulative investment in the roads sector amounted to ₹23.53 lakh crore. It is estimated that ₹17-19 lakh crore will be invested in national highways between fiscals 2023 and 2027, with public funds dominating the overall spending. With the NHAI awarding more projects under the hybrid annuity model (HAM) and on cash-contract basis, it is now relying more on external borrowings and asset monetisation.

healthy Capital Outlay of ₹23.53 lakh crore from FY15-FY23

Capital outlay for roads increased from 1.03% of GDP in FY15 to 1.57% during FY23.



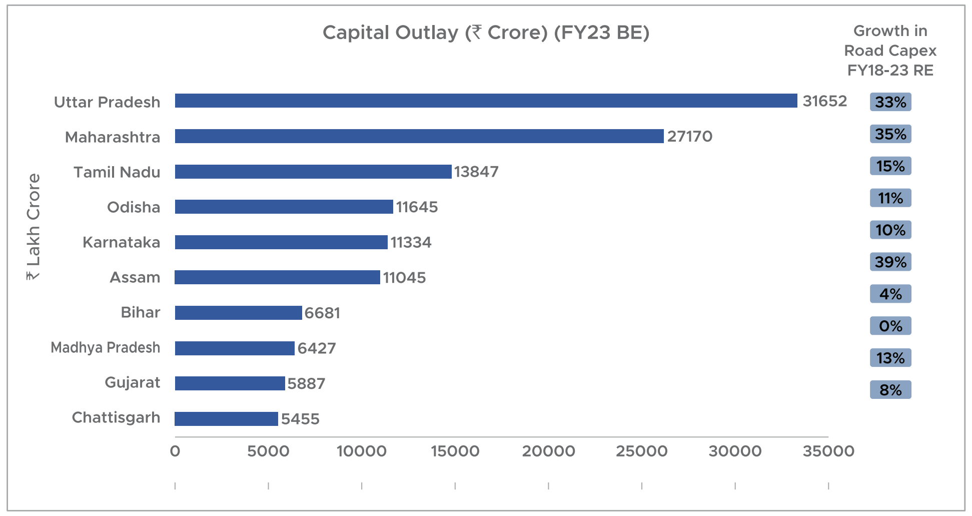
Source: RBI, PMGSY, MoRTH

Healthy Capital Outlay in State Capex for Roads Supported by NIP and Greenfield Expressways[9]

State capex on the roads grew at a healthy CAGR of 12% for FY15-FY23 with a CAGR of 14% for FY20-FY23 primarily due to the launch of the National Infrastructure Pipeline (NIP). Construction of prominent expressways like Purvanchal Expressways, Nagpur Mumbai Expressway etc. has bolstered state investments in Uttar Pradesh and Maharashtra. Capital outlay from the top 10 states constituted 66% of the total outlay of states in India as presented below:

[8]Economic Survey 2022-23. (2023) Ministry of Finance epreface.pdf (indiabudget.gov.in)

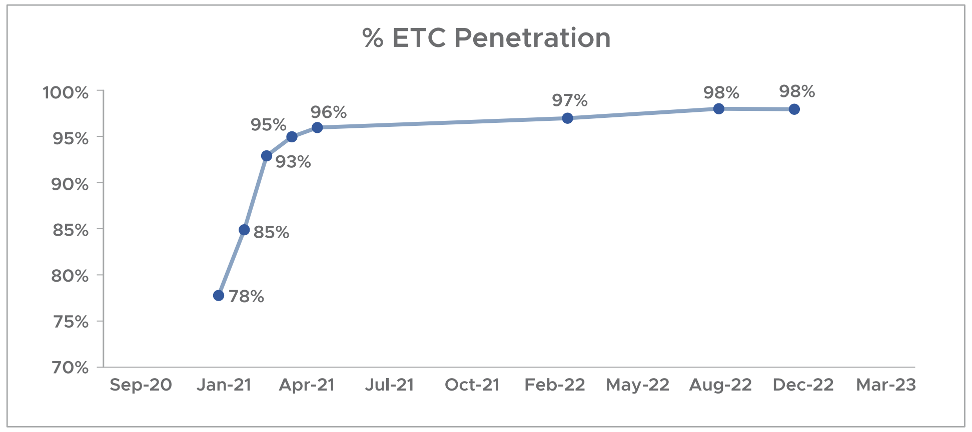
[9]Infrastructure - Key driver of India's Amrit Kaal March. (2023) 168499113 (careratings.com)



ETC Collection Gaining Momentum[10]

To ensure seamless traffic movement through toll plazas and increase transparency in collection of user fees using FASTag, the National Electronic Toll Collection (NETC) programme has been implemented on a pan-India basis. FASTags are simple to use reloadable tags to enable automatic deduction of toll charges from a pre-paid account without having to stop at toll plazas for cash transactions.

Penetration of electronic toll collection reached 98% in September 2022 from 78% in January 2021 post introduction of FASTag. This has helped not only in curbing leakages but also bolstered investor confidence.

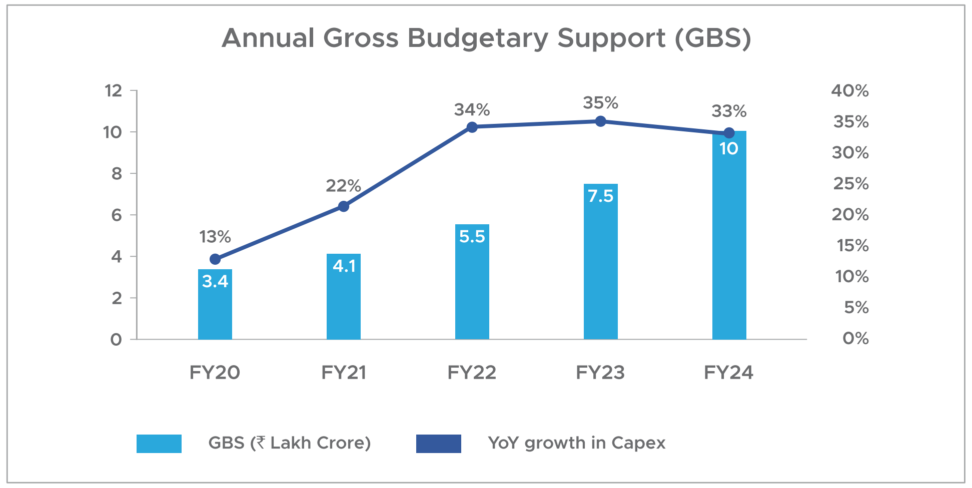


Source: MoRTH

Financing Emerging Trends:

The budget for overall capex in 2023-24 has seen a significant increase of 33% to ₹10 lakh crore (USD 122 billion), amounting to approximately 3.3% of GDP. Additionally, the establishment of the Infrastructure Finance Secretariat aims to facilitate private investment opportunities in various sectors, including railways, roads, urban infrastructure and power.

[10]Infrastructure - Key driver of India's Amrit Kaal March. (2023) 168499113 (careratings.com)



Source: Economic Survey and Union Budget

National Monetisation Pipeline

National Monetisation Pipeline (NMP) was announced in the Union Budget 2021. NITI Aayog has been entrusted with the mandate to develop National Monetisation Pipeline. Asset Monetisation being inextricably linked to new infrastructure creation, NMP has been planned to be co-terminus with the remaining four-year period of the National Infrastructure Pipeline (NIP) period of FY2020 to FY2025. NIP and NMP together give a comprehensive view to investors and developers of greenfield as well as brownfield investment opportunities in Infrastructure sector in India.

The aggregate value of assets under NMP is estimated at ₹6,09,000 crore. The aggregate length of roads considered for monetisation over FY 2022 to 2025 aggregate to c.26,700 km. This is based on the length of already/ to-be operational, four-lane highways and above in the country, entailing potential for revenue generation and thereby monetisation.

Asset Monetisation

In the perspective of asset monetisation particularly for road sector, the two broad options considered are Toll-Operate-Transfer (TOT) and the InvIT (Infrastructure Investment Trusts) frameworks. Apart from these other options include structured bonds without or with restricted alternatives to the government and asset concessions like for instance, airport concessions and station redevelopment. One of the main advantages of all prevailing assets monetisation framework is that there is no construction risk involved, which otherwise is present initially in any large infrastructure project (new assets). Hence, it is anticipated that existing assets earn greater value than new projects.

- *Asset monetisation critical to meet ambitious Bharatmala targets*

NHAI introduced the TOT model with an objective of monetizing the operational national highways. As part of the comprehensive bidding process under the TOT model, the NHAI transfers the toll collection rights along with operation and maintenance obligations for pre-agreed concession period (typically 20/ 30 years) to a private developer in exchange for an upfront lump sum concession fees.

The government announced the TOT model in May 2016 to meet the large funding requirements of NHAI. Till 31st March 2023, road projects with an aggregate length of 1615 km have been auctioned under TOT leading to a receipt of ₹26,365 crore to NHAI[11].

[11]CRISIL Market Intelligence & Analytics (2023)

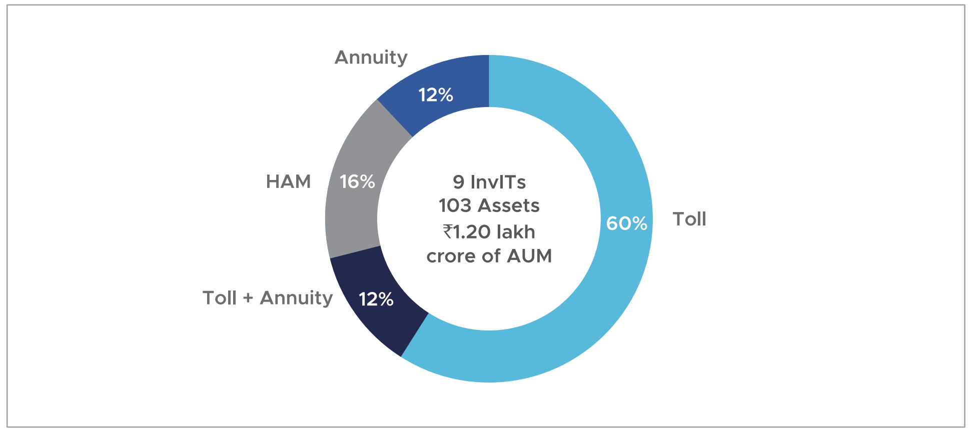
TOT	Highest Bidder	EV (in ₹ Crore)
1	Macquarie	9,681
3	Cube Highways	5,011
5-A1	Adani	1,011
5-A2	DP Jain	1,251
7	CDPQ	6,267
9	NIIF	3,144
	Total	**26,365**

In line with the vision of monetisation of public sector assets, NHAI launched its InvIT in FY22 not only to facilitate the monetisation of roads but also to attract foreign and domestic institutional investors to invest in the roads sector. So far, NHAI has raised more than ₹10,200 crore via InvIT route in the two rounds of monetisation.

Gaining momentum in InvIT

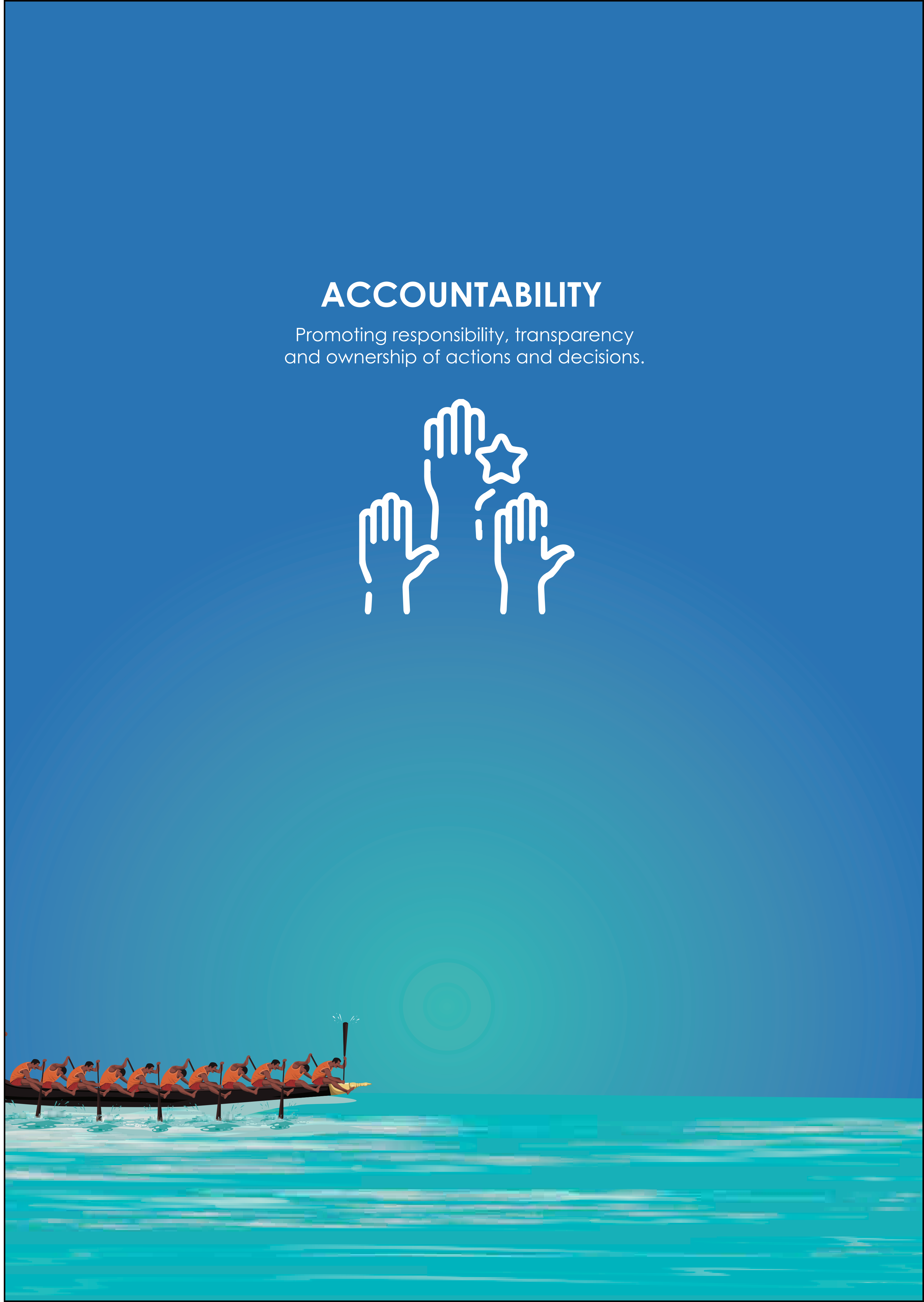
The launch of InvITs caught traction and until March 2023, 20 InvITs have been registered with SEBI. 11 of these 20 were registered between 2020-2023. With total Assets under Management (AUM) close to ₹4.2 lakh crore, InvITs have been a major driver in India's push for robust infrastructure across the country in recent times. So far, roads and transmission assets have dominated the InvIT space. Increased awareness and acceptance of the concept supplemented with a higher number of eligible infrastructure projects have facilitated this spurt. Over the years, FIIs and DIIs have played a pivotal role in capital raising to the tune of over ₹75,000 crore by REITs/InvITs. With the rising push on green financing and ESG investments, renewable energy InvITs may become attractive opportunity thus boosting monetisation activity for the sector. Asset classes like gas pipelines, ports, telecom towers, airports and railways, etc. may also emerge as probable options to be taken under InvITs in the medium term[12].

101 road assets have already been transferred to 9 InvITs (upto 30th April 2023), with a large asset under management (AUM) of ₹1.2 lakh crore in short span of five years.



Source: CareEdge Ratings

[12]Infrastructure - Key driver of India's Amrit Kaal March. (2023) 168499113 (careratings.com)



OVERVIEW OF ASSET PORTFOLIO

1. Palanpur - Abu Road

("Asset 1")

The four-lane Asset 1 starts north of Palanpur on the NH-27 at km 601+000 with a total Asset length of 45.00 km ending at km 646+000, South of Abu Road in the state of Gujrat/Rajasthan. Khemana toll plaza, at km 602+750, is located just south of Chitrasani village. Asset 1 is one of the key connectors between western Gujarat and Rajasthan and other northern and eastern Indian states. NH-27, the second-longest highway in India, caters to the north-west movement between Haryana, Punjab, Delhi, and the different business centres of Gujarat, and east-west movement between Silchar and Porbandar, connecting major centres of economic activity such as Guwahati, Silguri, Lucknow and Udaipur. The movement of cars, jeeps and vans (CJV) on Asset 1 is predominantly local and of a short distance, typically between Palanpur, Abu Road, Swaroopganj, Deesa and other small towns. In contrast, commercial traffic is long-distance in nature, connecting Rajasthan, Punjab, Delhi, and Haryana in the north to industrial cities like Morbi, Jamnagar and Gandhidham, and ports such as Kandla and Mundra in Gujarat.

2. Abu Road - Swaroopganj
("Asset 2")

The four-lane Asset 2 starts near Abu Road on the NH-27 at km 646+000 with a total Asset length of 31.00 km ending at km 677+000 near Swaroopganj in the state of Rajasthan. Asset 2 has one toll plaza at Undavariya (km 670+750). Asset 2 forms one of the key connectors between western Gujarat and Rajasthan and other northern and eastern Indian states. NH-27, the second-longest highway in India, caters to the north-west movement between Haryana, Punjab, Delhi, and the different business centres of Gujarat, and east-west movement between Silchar and Porbandar, connecting major centres of economic activity such as Guwahati, Silguri, Lucknow and Udaipur. The movement of cars, jeeps and vans on Asset 2 is predominantly local and of a short distance between Palanpur, Abu Road, Swaroopganj, Deesa and other small towns. The commercial traffic on the other hand is long-distance in nature, connecting Rajasthan, Punjab, Delhi, and Haryana in the north to industrial cities like Morbi, Jamnagar and Gandhidham, and ports like Kandla and Mundra in Gujarat.

3. Belgaum - Kagal
("Asset 3")

The four-lane Asset 3 starts north of Belgaum (km 515+000) on the NH-48 with a total Asset length of 77.70 kms and ends at Maharashtra Border, just south of Kagal (km 592+705) in the state of Karnataka. Asset 3 has two (2) toll plazas at Hattargi (km 537.770) and Kognoli (km 591+240). The toll plaza at Kognoli is having a control length for 55.7 kms, while other at Hattargi is having control length for 22.00 kms. The Asset 3 forms a part of the Golden Quadrilateral connecting the four major metropolitan cities in India (Delhi-Mumbai-Chennai-Kolkata). Asset 3 section is on NH-48, which connects Delhi in the north to Chennai in the south covering seven (7) states in India. Regionally, it also connects the cities of Mumbai in the west to Bangalore/Chennai in the south. The Asset 3 also serves short distance traffic between the towns and cities of Kolhapur, Belgaum, Hubli, Belur and Dharwad.

4. Chittorgarh - Kota
("Asset 4")

Ther four lane Asset 4 starts near Chiitorgarh at km 891+929 on NH-27 with a total asset length of 160.50 kms and ends near Kota at km 1052+429 in the state of Rajasthan. The Asset 4 has three (3) toll plazas at Bassi (km 929+629), Aroli (km 986+469), and Dhaneshwar (km 1032+979). The asset 4 on NH-27, is part of the East - West corridor envisaged under National Highway Development Program (Phase - II). NH-27 is starting from Porbandar in the state of Gujarat and ending at Silchar in the state of Assam while passing through the states of Rajasthan, Madhya Pradesh, Uttar Pradesh, Bihar and West Bengal. NH-27 connects important tourist and industrial cities and towns like Porbandar (port city), Rajkot, Palanpur, Udaipur, Chittorgarh, Jhansi, Kanpur, Lucknow, Muzaffarpur, Purnea, Siliguri, Jalpaiguri, Guwahati. The major settlements located along the project road section are Ladpura and Bijolia. In the wider context, Asset 4 serves the east-west long-distance traffic which is majorly plying between Lucknow/Gorakhpur/eastern region and Palanpur/Rajkot/ western region. Apart from long distance traffic, it also serves the short distance traffic which is mainly generated between Bundi/ Kota/ Baran and Udaipur/ Chittorgarh areas.

5. Kothakota - Kurnool
("Asset 5")

Asset 5 is a 4-lane, 74.60 kms long stretch, on NH-44 which starts at Kothakota (km 135+469) in the state of Telangana and ends at Kurnool (km 211+000) in the state of Andhra Pradesh,, Asset 5 has one toll plaza at Pullur (km 200.950). The Asset 5 on NH-44, is the part of longest highway in India connecting Srinagar with Kanyakumari and is part of North-South corridor envisaged under National Highway Development Program (Phase – II). NH-44 passes through the cities of Jammu, Jalandhar, Delhi, Faridabad, Agra, Gwalior, Jhansi, Sagar, Nagpur, Hyderabad, Bengaluru and Salem. The Asset 5 serves the long distance traffic majorly plying between Hyderabad/Nagpur/northern region and Bengaluru/Mysuru/southern region. Apart from long distance traffic, it also serves the short distance traffic which is mainly generated between Mahbubnagar/ Kothakota/ Wannaparthy/ Pebbair and Kurnool/Ananthpur areas.

6. Agra Bypass
("Asset 6")

Asset 6 is a 32.80 km four-lane road, starts on NH-19 (old NH-2) and ends on NH-44 (old NH-3) acting as connector between major highways in the state of Uttar Pradesh, branches out to NH-52 (old NH-3) and NH-44 (old NH-7) at Gwalior. The Asset 6 has one toll plaza at Raibha (km 10+800). Asset 6 acts as a bypass to the city of Agra, and a key link between Delhi and the regions of Gwalior, Maharashtra, and all southern states. It further connects the traffic originating from west from areas such as Gujarat and Jaipur to the cities in the East (Kanpur, Lucknow and beyond), thereby supporting the east-west movement.

7. Borkhedi - Wadner
("Asset 7")

Project overview

The four lane Asset 7 starts on the south of Nagpur on NH-44 at Borkhedi (km 36+600) with a total length of 138.15 kms and ends at Maharashtra/ Telangana Border (km 175+000) traversing through the districts of Nagpur, Wardha and Yavatmal in the state of Maharashtra. The Asset 7 has two toll plazas at Darodha (km 92.500) and Kelapur (km 150.450, proposed to be shifted to km 156.650). The Asset 7 on NH-44, is the part of longest highway in India connecting Srinagar with Kanyakumari and is part of North-South corridor envisaged under National Highway Development Program (Phase - II). NH-44 passes through the cities of Jammu, Jalandhar, Delhi, Faridabad, Agra, Gwalior, Jhansi, Sagar, Nagpur, Hyderabad, Bengaluru and Salem. Asset 7 is in vicinity of Nagpur, which is home to several manufacturing hubs, food processing units, and CONCOR's multi modal logistics logistic hub. Yavatmal (textile/cotton), Butibori (MIDC), and Chandrapur (coal) are some of key traffic generators for the Asset.

8. Shivpuri - Jhansi
("Asset 8")

Asset 8, a 4-lane, 75.3 kms long stretch, on NH-27 connects the districts of Jhansi and Shivpuri in the states of Uttar Pradesh and Madhya Pradesh respectively. These two states also form the two key project stretch influence states. The project stretch has a one toll plaza at Raksha (km 1374+570), near Jhansi. In the larger road network, the project stretch is a part of East-West corridor (NH-27) which connects Porbandar in Gujarat to Silchar in Assam. Hence, the project stretch witnesses higher proportion of long route traffic between the eastern and western regions. Asset stretch is used by the traffic originating and destined in regions such as Kanpur-Lucknow cluster, Indore cluster, Maharashtra and Gujarat. Lucknow and Indore are the key regions where the east-west traffic converges.

ENVIRONMENT, HEALTH AND SAFETY

NHIT has established a comprehensive EHS framework in consultation with a panel of global experts. Our Corporate EHS Policy defines the commitment to Health & Safety and Zero Harm through a structured Corporate EHS framework supporting our EHS procedures and guidelines. To ensure continual improvement in safe and healthy work environment, we incorporate, incident data analysis, feedback from stakeholders, changes in relevant laws, as well as business requirements, and adopt global best practices.

Our approach also includes a Zero Tolerance (ZeTo) culture in EHS, addressing factors that could lead to serious incidents or legal infractions across all our operations.

We have undertaken following initiatives during the year:

- **Team and Competency Building:** Under the leadership of corporate EHS function, deployed dedicated and skilled safety professionals across all the NHIT assets. Their primary responsibility is to closely supervise our day-to-day operations and ensure compliance with safety regulations.
- **Safety based work culture: Inculcating safety based work habits and behaviours to facilitate positive safety culture in the organisation:**
- **EHS meet_SANKALP:** Top leadership participation to demonstrate commitment towards EHS policy and framework.
- **Safety Alerts:** Release of Safety alerts based on the lesson(s) learnt from incident(s) across organisation on regular basis to improve awareness.
- **Leveraging Technology:** Animated Audio Visual safety induction modules for imparting trainings to all employees including sub-contractor workforce,.

Safety dashboard: We measure Leading and Lagging indicators to assess and monitor comprehensive safety performance.

Leading and Lagging indicators' dashboard

Leading Indicators	Total
Total Man Hours Worked	20,81,128
Total Safe Man Hours Worked	20,81,128
Number of Toolbox Talk Conducted	3,941
Safety review Meetings	97
Number of Safety Observation reported and complied	1,912
Number of Mock drills Conducted	30
Number of Near Miss Cases reported and CAPA (Corrective and Preventive action) implemented	24

Leading Indicators	Total
LTI (Lost time injury)	0
Accident Severity Rate	0
Accident Frequency Rate	0
Fatality	0

Road Safety Week campaign

We carried out Road Safety Campaign across all sites (08 nos.) from 11th to 17th January 2023, in line with guidelines from Ministry of Road Transport & Highways. We continue to make a positive difference to local community(ies), geographies, where we operate, as well as our stakeholders, partners and colleagues.

Brief summary of activities undertaken as part of Road Safety Week campaign is detailed hereinbelow;

1.	Street play/ Nukkad Natak	- 02 nos
2.	Car & Bike Rallies to promote Road Safety	- 50 +
3.	Foot Rallies/ Road shows	- 50+
4.	Road safety awareness sessions in nearby Schools/ Colleges/ Dhabas	- 50+
5.	First aid kits distribution	- 500+
6.	Crash Helmet distribution	- 350 nos
7.	Eye Check-up camps	- 4 nos with 700+ beneficiaries
8.	Safe behaviour recognition (Flower distribution)	- 800+ persons

Above campaign which entailed 4000+ manhours of organization resulted in 1500 + touch points among the community

National Safety Week campaign

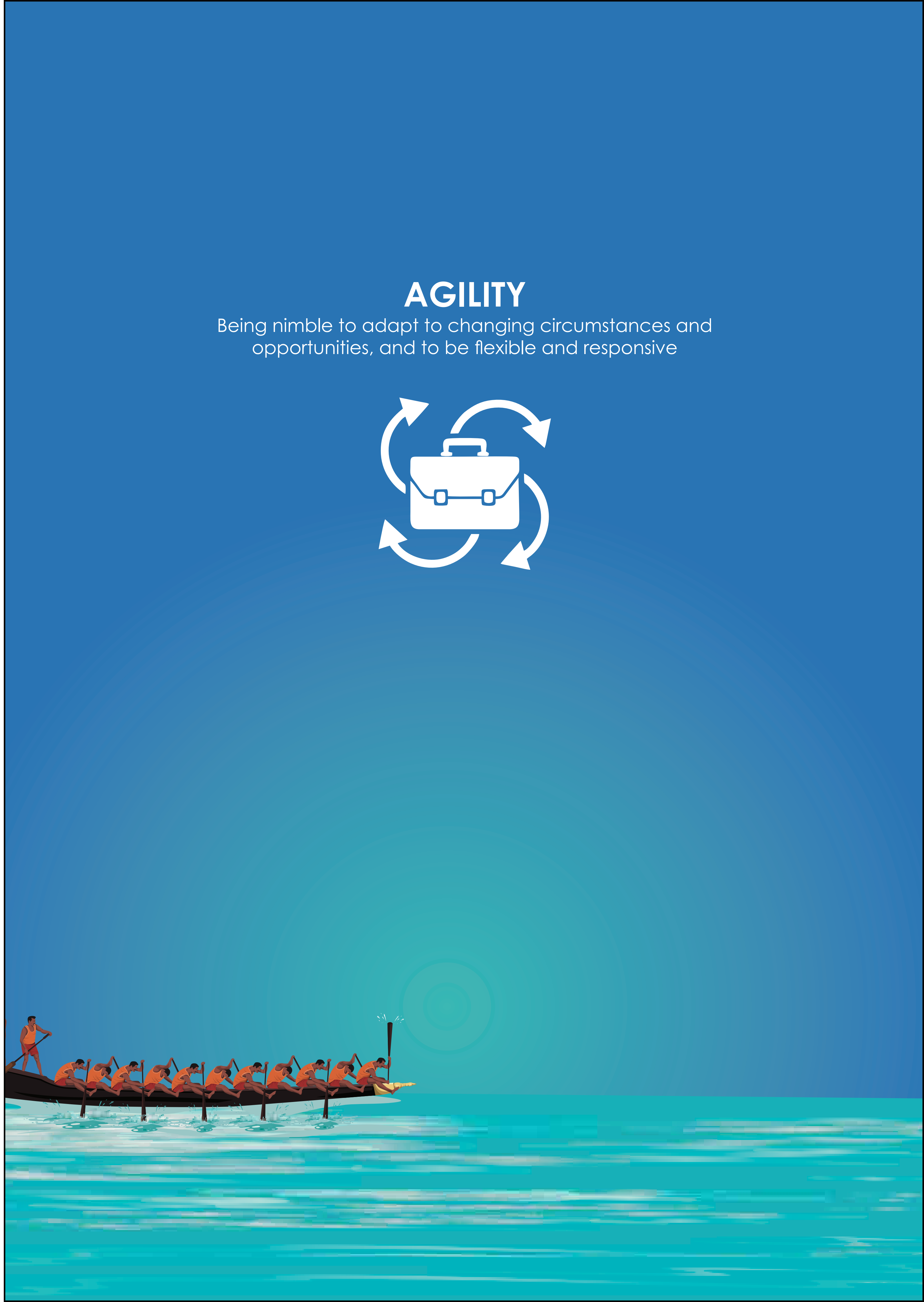
We celebrated the 52nd National Safety Week from 4th to 10th March 2023 across the company to strengthen our safety culture and enhance EHS Awareness.

Sustainability at NHIT

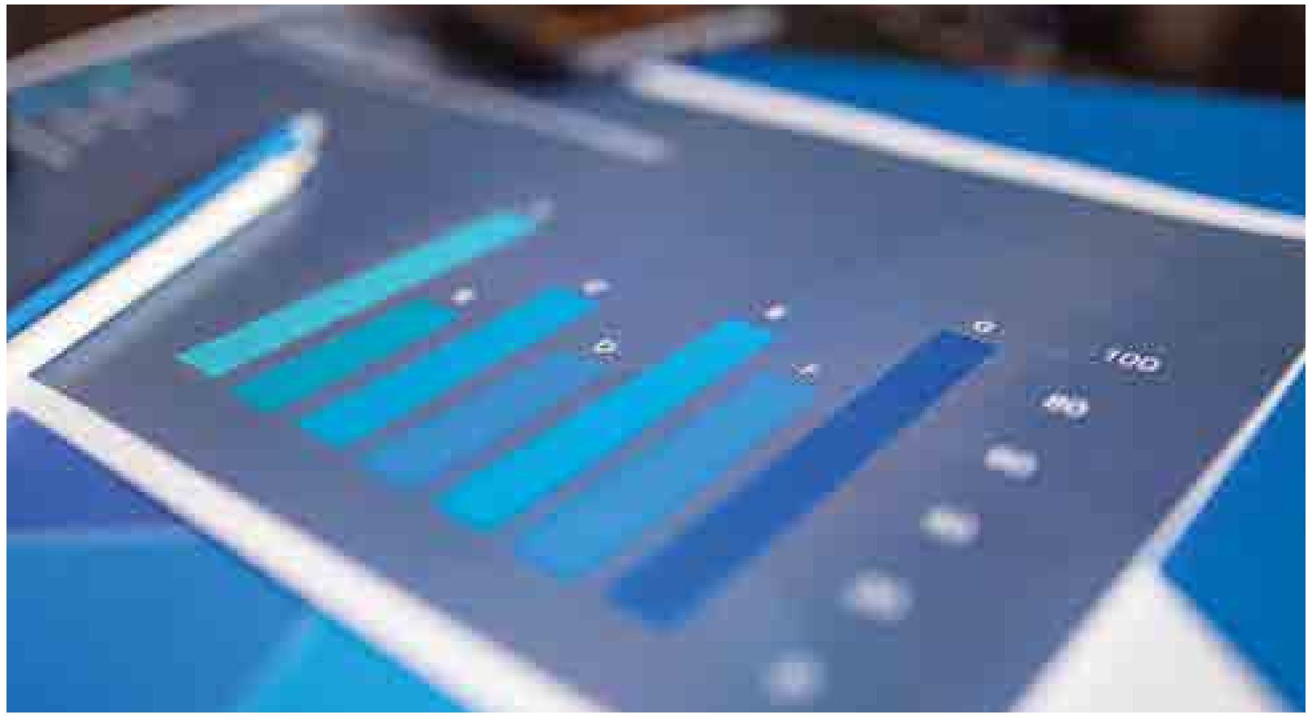
NHIT is committed to conducting its operations, in a responsible and sustainable manner, with a strong focus on benefiting, both the current and future generations. Accordingly, we are regularly monitoring GHG Emissions in Main and Ancillary Functions to define our carbon footprint and associated abatement plan.

We also monitor our water consumption with an intent to reduce ground water extraction, optimise use of fresh water and maximise use of grey water.

Our holistic approach encompasses environmental stewardship, social responsibility, and technological innovation to reduce our carbon footprints.



EXECUTIVE SUMMARY OF THE VALUATION REPORT



National Highways Infra Trust ("NHIT" or the "Trust" or "InvIT") is registered with the Securities and Exchange Board of India ("SEBI") as an infrastructure investment trust under the SEBI InvIT Regulations. NHIIMPL is acting as Investment Manager to the Trust, National Highway Authority of India ("NHAI" or "Sponsor") is acting as Sponsor to the Trust and IDBI Trusteeship Services Limited ("Trustee") is acting as the Trustee to the Trust, within the meaning of the SEBI InvIT Regulations. NHAI monetized the Specified Projects encompassed in the SPV through the Infrastructure Investment Trust route.

NHIPPL is a wholly owned subsidiary of NHIT and has been incorporated as a special purpose vehicle to operate and maintain the road projects. NHIPPL has entered into concession agreements with NHAI to operate, maintain and transfer 8 Toll road projects under the Toll, Operate and Transfer ("TOT") model (together referred to as the "Specified Projects").

The Specified Projects held by NHIPPL as at 31st March 2023 comprise the following:

Sr. No	Name of Section	NH	Total Length (Kms)	Toll Plaza	Start Kms	End Kms
1	Abu Road - Swaroopganj	NH-27	31.000	Undavariya	646.000	677.000
2	Chittorgarh - Kota & Chittorgarh Bypass	NH-27	160.500	Bassi, Aroli and Dhaneshwar	891.929	1052.429
3	Palanpur/ Khemana - Abu Road	NH-27	45.000	Khemana	601.000	646.000
4	Kothakota Bypass - Kurnool Highway	NH-44	74.622	Pullur	135.469	211.000
5	Maharashtra/ Karnataka Border (Kagal) Highway	NH-48	77.705	Hattargi and Kognoli	515.000	592.705
6	Agra Bypass	NH-2 - NH-3	32.800	Raibha	176.800 KM of NH-2	13.030 KM of NH-3
7	Shivpuri to Jhansi	NH-27	75.300	Raksha	1305.000 KM of NH-27	1380.387 KM of NH-27
8	Borkhedi-Wadner-Deodhari - Kelapur	NH-44	138.150	Daroda and Kelapur	36.600 KM of NH-44	175.600 KM of NH-44

Source: Information provided by the Management of NHIIMPL

We have analyzed the information provided by/ on behalf of the Investment Manager through broad inquiry, analysis and review but have not carried out a due diligence or audit of such information. We have relied on the explanations and information provided by/ on behalf of the Investment Manager. We have no present or planned future interest in the Sponsor, the SPV or the Investment Manager except to the extent of our appointment as an independent valuer. Our professional fees for the valuation are not contingent upon the values reported herein. Our valuation analysis should not be construed as an investment advice specifically, we do not express any opinion on the suitability or otherwise of entering into any financial or other transaction with the Trust.

Our valuation analysis must be considered as a whole. Selecting portions of our analysis or the factors we considered, without considering all factors and analysis together could create a misleading view of the process underlying the valuation conclusions. Valuation is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis.

Valuation Analysis

The Discounted Cash Flow ("DCF") method under the Income Approach has been adopted for the Enterprise Valuation of the SPV. Free Cash Flow to Firm method under DCF has been applied based on the projected financial statements of the SPV provided by the Management of NHIIMPL (the "Management"). The Enterprise Value has been computed by discounting the projected free cash flows to the firm (SPV) beginning from 1st April 2023 until the end of the respective concession periods of the Specified Projects, using a Weighted Average Cost of Capital ("WACC") of 10.50% computed as of the Valuation Date.

Enterprise Valuation of NHIPPL as of 31st March 2023, has been carried out considering inter-alia Traffic Study and Technical Due Diligence Reports of independent consultants, Business plan/ Projected financial statements of NHIPPL and other information provided by/ on behalf of the Management, industry analysis and other relevant factors.

The Valuation summary of National Highways Infra Projects Private Limited as of 31st March 2023 is as follows:

Particulars	In INR cr.
Enterprise Value	**11,260.23**
Less: Debt	(9,372.95)
Less: Debt like items	(1.51)
Add: Cash and cash equivalent	70.44
Equity Value	**1,956.20**

This letter should be read in conjunction with our detailed Report for the valuation of the Specified Projects, including the Assumptions and Limiting Conditions stated therein.

COLLABORATION

Work cohesively to promote teamwork, communication and shared goals, leading to innovation, creativity and effective problem-solving

DETAILS OF CHANGES DURING THE YEAR:

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

The Project SPV, National Highways Infra Projects Limited (NHIPPL) had entered into three additional concession agreements with National Highways Authority of India ("NHAI") on 26th September 2022 at a consideration totalling to ₹2849.67 crore for Tolling, Management, Maintenance and Transfer of three toll road projects for a period of 20 years from the Appointed Date. The Appointed Date has commenced on 26th September 2022.

b. Valuation of assets and NAV (as per the full valuation reports)

The Valuation Report (as received from the valuer, RBSA Valuation Advisors LLP) provides the valuation of the assets of the trust as ₹11,260.23 crore (Equity valuation of ₹1,956.20 crore). The Net Asset Value ("NAV") as computed by the management on the basis of valuation done by Valuer is ₹118.13 per unit. However, factoring in the approved distribution of ₹116.47 crore the NAV as computed by the management, based on the Valuation Report issued by the Valuer would be ₹116.52 per unit.

c. Borrowings or repayment of borrowings (consolidated)

The Trust had availed long term loan cumulating to ₹1,480 crore (sanctioned amount ₹2,000 crore) from consortium three banks via Facility Agreement dated 29th September 2021 for the purpose of investment by the Trust in the Project SPV (NHIPPL).

In addition, the Trust has issued Non-Convertible Debentures of ₹1,500 crore in October 2022 for the purpose of investment by the Trust in the NHIPPL.

Details of External Borrowings (All amounts are in ₹ lakh unless otherwise stated)

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

(All amounts are in ₹ lakh unless otherwise stated)

As at March 31, 2023	Carrying Amount	<1 Yr.	1-3 Yrs.	>3 Yrs.
Term Loan	1,45,570.13	2,000.00	6,000.00	1,37,570.13
Non-Convertible Debentures	1,48,588.20	-	-	1,48,588.20
Total	2,94,158.33	2,000.00	6,000.00	2,86,158.33

(All amounts are in ₹ lakh unless otherwise stated)

As at March 31, 2022	Carrying Amount	<1 Yr.	1-3 Yrs.	>3 Yrs.
Term Loan	1,46,537.80	1,000.00	8,000.00	1,37,537.80

d. Credit rating

There has been no change in the credit ratings of the NHIT. The ratings have been confirmed by both the credit rating agencies as under:

India Rating & Research AAA

Care Ratings Limited AAA

e. The have been no changes in the Sponsor, Investment Manager, Trustee and Valuer of NHIT

f. Clauses in trust deed, investment management agreement or any other agreement entered into pertaining to activities of InvIT

There has been no change in Clauses in trust deed, investment management agreement or any other agreement entered pertaining to activities of NHIT.

g. There have been no regulatory changes that in the opinion of the management could impact the cash flows of the underlying projects of NHIT.

h. There have been no change in any material contract or any new risk in the performance of any contract pertaining to NHIT.

i. There have been no legal proceedings that have a significant bearing on the activities or revenues of cash flows of NHIT.

j. The management is of the view that there have been no material changes during the year save for the NHIT being listed and the Project SPV achieving the Appointed Date.

Details of the Sponsor - National Highways Authority of India

NHAI is an autonomous body under Ministry of Road Transport and Highways (MoRTH) and was established on 15th June 1989 by the NHAI Act, as a body corporate, having a perpetual succession and common seal. It was made operational in February 1995, with the appointment of the Chairman and other Members. NHAI is responsible for the development, maintenance and management of the national highways in India entrusted to it by the Central Government.

NHAI has an all India presence through its different offices (regional offices/ project implementation units/ corridor management units) in different cities. The functioning of NHAI is governed by NHAI Act, and the rules and regulations framed thereunder.

Pursuant to Section 17 of the NHAI Act, NHAI may receive additional capital and grants from the Central Government to discharge its functions. Additionally, NHAI has not issued any shares against such capital or grants invested by the Central Government.

As per Section 3(3) of the NHAI Act, NHAI shall consist of: (i) a chairman; (ii) not more than six full-time members; and (iii) not more than six part-time members, and each of the above shall be appointed by the Central Government by notification in the official gazette.

Details of the Investment Manager - National Highways Infra Investment Managers Private Limited

National Highways Infra Investment Managers Private Limited ("NHIIMPL") was incorporated as a private limited company on 25th July 2020 under the Companies Act, 2013. The Investment Manager was initially incorporated as a wholly owned subsidiary of NHAI. Subsequently, NHAI transferred its entire shareholding in the Investment Manager to the President of India, acting through the Ministry of Road Transport and Highways, Government of India. Accordingly, at present, the Investment Manager is a government company as defined under the Companies Act, 2013, as amended. The CIN of the Investment Manager is U65929DL2020GOI366835.

The principal business of the Investment Manager in terms of its memorandum of association is, inter alia:

(a) to carry on the business of acting as investment manager investment adviser, trustee, settler, sponsor, promoter, portfolio manager, manager, administrator, attorney, agent, consultant, representative or nominee of or for any collective investment schemes, trusts, special purpose vehicles, infrastructure investment trusts, real estate investment trusts, properties and/ or assets of any kind, including any fund set up, formed or established in India or in any other country by the Company or by any other person including bodies corporate, limited liability partnerships, partnerships, trusts, societies, associations of persons or by government, state or local authority (whether incorporated or not) of any other agency or organisation with respect to any class of assets, and to thereby settle, administer, manage, deploy funds, acquire, take up, manage, invest, hold, sell, deal or dispose of all or any property, investments, securities or other assets of any kind whatsoever, acting in such capacity;

(b) to negotiate and obtain concessions from the appropriate Government/ s for the rights to build, operate and own or transfer highways, interchangers, viaducts and bridges and any other structures, buildings and services that are ancillary thereto in India and upon such terms for such benefits as may be set forth in the concessions or negotiated from time to time and generally to carry on the business of owners, operators or toll collectors or concessionaires of highways, bridges, tunnels, railways, ports, airports, public utilities, telecommunication facilities and any other rights, properties, utilities and services wherever situated; and

(c) to carry on the business of builders and contractors for the construction, upgradation, maintenance and repairs of roads, highways, bridges, viaducts, buildings, interchangers, tunnels, railways, ports, airports, public utilities, telecommunication and other related works and generally to carry on the business of engineers, contractors, consultants, advisors, managers and administrators in all its branches, mechanical, electrical and telecommunication, engineering and incidental thereto, to provide financing or act as guarantors for project financing to the owner where to required.

The Trustee i.e. IDBI Trusteeship Services Limited, vide their letter dated 31st July 2020, appointed NHIIMPL as the Investment Manager of the proposed Trust, based on the recommendation of the Sponsor.

List of Directors of Investment Manager Company

Mr. Balasubramanyam Sriram, Independent Director & Chairman*
Mr. Shailendra Narain Roy, Independent Director
Mr. Pradeep Singh Kharola, Independent Director
Mr. Mahavir Prasad Sharma, Independent Director
Mr. Sumit Bose, Independent Director
Mr. Suresh Krishan Goyal, Managing Director & CEO
Mr. Amit Kumar Ghosh, Nominee Director
Mr. N R V V M K Rajendra Kumar, Nominee Director
Ms. Kavita Saha, Non-Sponsor Director
Mr. Bruce Ross Crane, Non-Sponsor Director

*Resigned with effect from 31st March 2023.

Changes in Directors during the year till the date of this report

- Mr. Vivek Rae resigned as Independent Director of the Company with effect from 12th July 2022.
- Pursuant to Article 83A read with Schedule A to the Articles of Association of the Company, Ms. Kavita Saha and Mr. Bruce Crane ceased to be Non-Sponsor Directors of the Company with effect from 29th November 2022.
- Pursuant to Article 83A read with Schedule A to the Articles of Association of the Company, Ms. Kavita Saha and Mr. Bruce Crane were re-appointed as Non-Sponsor Directors of the Company with effect from 6th January, 2023, for a period of 1 (one) year from the date of appointment.

- Mr. Sumit Bose has been appointed as Independent Director for a term of 5 years with effect from 11th January 2023.
- Mr. Balasubramanyam Sriram, Non-Executive Chairman and Independent Director resigned from the Board of the Company with effect from 31st March 2023.

Details of the Trustee - IDBI Trusteeship Services Limited

IDBI Trusteeship Services Limited ("ITSL"), is a Public limited company incorporated on 8th March 2001 under the Companies Act, 1956, having CIN U65991MH2001GOI131154 and having its registered office at Universal Insurance Building, Ground Floor, SIR Phirozshah Mehta Road, Fort, Bazargate Mumbai - 400001, Maharashtra. ITSL is a trusteeship company which has been registered with SEBI on 4th September 2001. The Company was jointly promoted by IDBI Bank Limited, Life Insurance Corporation of India (LIC) and General Insurance Corporation of India (GIC), for providing corporate and other trusteeship services.

ITSL is a premiere registered intermediary with SEBI under the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, as a debenture trustee having registration number IND000000460 and such registration is valid until suspended or cancelled by SEBI.

List of Directors of the Trustee

Mr. Pradeep Kumar Jain
Ms. Jayashree Ranade
Mr. Pradeep Kumar Malhotra
Ms. Baljinder Kaur Mandal
Mr. J. Samuel Joseph (resigned w.e.f. 18th April 2023)

UNIT PRICE PERFORMANCE & DISTRIBUTIONS

UNIT PRICE PERFORMANCE

BSE All amounts in ₹

Financial Year	Highest	Lowest	Closing price as on March 31
2021-22	116.10	101.99	116.10
2022-23	Nil Trade		

NSE All amounts in ₹

Financial Year	Highest	Lowest	Closing price as on March 31
2021-22	109.00	101.25	109.00
2022-23	120.00	101.25	109.74

Unit price quoted on the exchange at the beginning and end of the financial year, the highest and lowest unit price, and the average daily volume traded during the financial year.

All amounts in ₹

Particulars	BSE	NSE
On Listing Date (10th November 2021)	101.00	101.00
On Follow-on issue Date (13th October 2022)	109.00	109.00
The highest traded price	Nil Trade	120.00
The lowest traded price		101.25

During the year, the total volume traded on NSE is 62,00,000 and BSE had Nil Trade.

During the Financial year, 1.04% of the total Units had been traded on NSE corresponding to an average trade of 24,900 units per day. The lowest trade was at a unit price of ₹101.25 and the highest at ₹120.00 per unit. This data is representation of units traded before Round 2 asset acquisition.

Top 5 unitholders of National Highways Infra Trust as on March 31, 2023	No. of Units	BSE (in %)	NSE (in %)
Ontario Limited	18,16,01,300	25.0%	25.0%
CPP Investment Board Private Holdings 4 Inc.	18,16,01,300	25.0%	25.0%
National Highways Authority of India (NHAI)	11,52,02,600	15.9%	15.9%
SBI Infrastruture Fund	7,05,60,260	9.7%	9.7%
NPS Trust - A/C SBI Pension Fund Scheme - Central Govt.	1,90,00,000	2.6%	2.6%

DISTRIBUTIONS MADE

The Investment Manager on behalf of National Highways Infra Trust has made the following Distributions:

Financial Year	Total Distribution per Unit	Distribution per Unit		Return of Capital Per Unit	Dividend per Unit
		Interest	Other Income		
2021-22	0.7900	0.7054	0.0846	0	0
2022-23	6.3714	6.3108	0.0606	0	0

INTEGRITY

The adherence to ethical behavior, honesty, and transparency in all actions and decisions, fostering trust and positive reputation

LEGAL AND OTHER INFORMATION

Except as stated in this section, there are no material litigations and actions by regulatory authorities, in each case against the Trust, the Project SPV, the Sponsor, the Investment Manager, the Project Manager or any of their respective Associates and the Trustee.

I. Litigations involving the Trust

There are no pending criminal, regulatory or other material litigations involving the Trust as on the date of the Annual Report.

II. Litigations involving Associates of the Trust

As on the date of the Annual Report, the Trust does not have any Associate.

III. Litigations involving the Project SPV

The petitioner, North-West Karnataka Road Transport Corporation (NWKRTC) filed a consumer complaint (CC 34/2023) against NHAI and others for violating the National Highways Fee (Determination of Rates and Collection) Rules, 2008, which provide 50% concession in toll plaza for public transport buses. NHIPPL as the respondent, filed a reply in this matter, denying the allegations and claiming that the petitioner is not entitled to any concession. The next hearing is on 25th July 2023 before the District Consumer Disputes Redressal Commission.

IV. Litigations involving the Associates of the Project SPV

Please see the section entitled "Litigations involving the Associates of the Sponsor" below.

V. Litigations involving the Sponsor

Criminal matters

There are no pending criminal litigations involving the Sponsor as on the date of the Annual Report.

Regulatory matters

1. An application was filed by Amresh Singh against the Union of India and others including NHAI before the National Green Tribunal (**"Tribunal"**) alleging the rampant dumping of soil by NHAI contractors directly in the river Chenab and Tawi without prior environmental clearance. After considering all the documents placed on record, while referring to the report of the Monitoring Committee, the Tribunal was not satisfied with the actions taken by NHAI, and accepted the recommendations of the Monitoring Committee and directed the J&K Pollution Control Board to take appropriate actions in consultation with CPCB against the names mentioned in the report of the Monitoring Committee. The Bench also directed NHAI to take strict actions against the non-compliant contractors and sub-contractors at the HQ level. The matter is currently pending.

2. An application was filed before the National Green Tribunal Principal Bench, New Delhi regarding the Ghazipur Dump Site and the environmental problems that are caused due to the unsegregated, un-recycled large mountain of dump. The Sponsor was not a party to these proceedings till 2017 and East Delhi Municipal Corporation (**"EDMC"**) had been exploring the implementation of a project to undertake the removal and processing of the municipal solid waste dumped at the site. In view of the same, the EDMC held discussions with the Sponsor for the use of solid waste for the construction of embankments in the expansion of NH-24 or other National Highway projects undertaken by the Sponsor. In view of our role, we were impleaded in the case in 2017. The matter is currently pending.

Material civil matters

The following material civil cases are initiated by Contractors/ Concessionaires (hereinafter mentioned as the **"Claimant"**) against the Sponsor in relation to various projects across India:

Arbitrations

1. Abhijeet Angul Sambalpur Toll Road Limited has initiated arbitration proceedings against the Sponsor in relation to the rehabilitation and up-gradation of four laning of the Angul-Sambalpur section of NH-42 in the State of Odisha. The claims raised relate to the compensation for losses suffered by the Claimant on account of delay in procurement of site and necessary approvals, wrongful termination of the concession agreement and debarment from participation in bidding for future projects of the Sponsor. The claims raised by the Claimant amount to ₹21070 million. The Sponsor has also filed counter claim for ₹1,282,7.20 million. The matter is currently pending.

2. Madhucon Projects Limited (Barasat Krishnagar Expressway Limited) has initiated arbitration proceedings against the Sponsor in relation to Barasat-Krishnagar Section BOT (Annuity) in the State of West Bengal. The claims filed by the Claimant for loss due to interest on debt, loss due to interest on equity infused into the project, losses due to idling/ underutilisation of machinery and equipment, losses due to idling/ underutilisation of manpower, losses due to miscellaneous expenditure incurred at site, compensation due to delay in handing over of site, losses due to price escalation on the works already executed, losses due to expenses incurred on the works executed, loss of overheads and profit and total termination payment. The Claimant has raised a claim for ₹2,1398.90 million. The Sponsor has also filed counter claims against the Claimant for ₹10,606.80 million. The matter is currently pending.

3. M/s Raipur Expressway Limited has initiated arbitration proceedings against the Sponsor in relation to the improvement, operation, maintenance and strengthening of the existing 2-lane road and widening to a 4-lane divided highway from km 239.000 to km 281.000 of NH-6 (Raipur-Aurung Section) in the state of Chhattisgarh on BOT basis. The claims were filed by the Claimant for compensation due to delay in declaration of appointed date, compensation due to extension of time for project completion, damages for delay in providing right of way (ROW), claim on account of change of scope, claim for interest on delayed payments by the respondent, claim for loss of bonus due to arbitrary withdrawal of provisional completion certificate, claim on account of delay in releasing bank guarantees for retention money and claim for expenses and loss of profit due to delay in the release of performance security. The Claimant has raised a claim for ₹10,121.00 million. The Sponsor has also filed counter claims against the Claimant for ₹4,231.70 million. The matter is currently pending.

4. M/s Ashoka Highway (Durg) Limited has initiated arbitration proceedings against the Sponsor in relation to design, engineering, finance, construction, operation & maintenance of end of Durg Bypass - Chhattisgarh/ Maharashtra Border from km 322.400 to km 405.000 of NH-6 under NHDP. The Claimant has raised a claim for ₹2866.10 million. The Sponsor has also filed counter claims against the Claimant for ₹56.60 million. The matter is currently pending before an arbitral tribunal. However, as both the parties want to settle the disputes, the matter has now been referred to conciliation committee (CCIE), with the consent of the parties, in terms of the policy circular dated 2nd June 2017.

5. Jetpur Somnath Tollways Limited has initiated arbitration proceedings against the Sponsor in relation to Jetpur Somnath Section BOT (Toll). The claims filed by the Claimant for damages under the respective concession agreement for delay in non-fulfilment of all conditions precedent set forth in the concession agreement, Compensation for additional costs incurred by the Claimant towards deployment of plants, machineries and equipment during the extended construction period from 1st October 2014, up to 10th November 2016, compensation for additional cost incurred on account of inflation/ price escalation of major input costs during the extended construction period from 1st October 2014, up to 10th November 2016, additional interest liability towards lenders (IDC) during construction period on account of extended construction period, compensation for additional cost incurred on account of EPC overheads during the extended construction period from 1st October 2014, up to 10th November 2016, additional compensation for delay (as per actuals/ anticipated in the financial model) for the project period till September 2016 on account of inability to collect toll fee for the entire stretch resulting from various material defaults by respondent, additional SPV incorporation charges resulting due to infusion of increased equity by the shareholders on account of material defaults by the respondent and interest cost on such shareholder's equity (unsecured debt from shareholders). The Claimant had raised a claim for ₹13,096.00 million. The Sponsor had also filed counter claims against the Claimant for ₹8,472.10 million. An award of ₹12,130 million in favour of the Claimant in the matter has been passed on 31st July 2021. The matter is no more pending in Arbitration.

6. Gwalior Jhansi Expressways Limited has initiated an arbitration proceeding against the Sponsor in relation to the designing, development and maintenance of certain sections of NH-75 in the States of Uttar Pradesh and Madhya Pradesh. The claims relate to compensation for non-payment of annuities and interest, for additional direct costs incurred by the Claimant due to a material breach of the concession agreement and additional costs incurred by the Claimant in respect of interest payments during the construction period beyond the scheduled project completion date. The claims raised by the Claimant amount to ₹20,611.5 million. The Sponsor has also filed a counter claim against the Claimant for the failure relating to compliance of the maintenance obligation, reimbursement of one-half of remuneration, costs and expenses of the independent consultant, delayed cost due to time overrun and also on account of loss of toll revenue due to delay. The counter claim is for an amount of ₹13980.00 million. The said matter is currently pending.

7. M/s Indore Dewas Tollways Limited has initiated arbitration proceedings against the Sponsor in relation to 6-laning of Indore-Dewas Section of NH-3 from km 577.550 to km 610.000 and km 0.000 to km 12.600 (approx. length 45.05 km) in the State of Madhya Pradesh under NHDP Phase-V to be executed as BOT(Toll) project on DBFOT pattern. The claims filed by the Claimant for claim for utilization of resources beyond the scheduled 6-laning date, as envisaged in the respective concession agreement, compensation for Claimant's loss towards additional interest during construction, compensation towards Claimants loss of toll revenue attributable to respondents misrepresentation and subsequent default in maintaining feeder roads, refund of additional concession fee/ premium paid by the Claimant, compensation/ indemnification towards loss of profit claimants EPC contractor. The Claimant has raised a claim for ₹10709.60 million. The Sponsor has also filed counter claims against the Claimant for ₹5353.40 million. The matter is currently pending.

8. GVK Shivpuri Dewas Expressway Private Limited has initiated arbitration proceedings against the Sponsor in relation to the designing, development and maintenance of the Shivpuri-Dewas Section of NH-3 in the State of Madhya Pradesh. The claims raised by the Claimant relate to the return of the performance bank guarantee upon termination of the contract by us and compensation for the losses suffered by the Claimant due to delay in receiving environmental clearances. The claims raised by the Claimant amount to ₹5,521.40 million. The Sponsor has also filed a counter claim against the Claimant for amounts incurred on account of maintenance and management of the existing stretch, estimated expenses on account of retendering and on account of loss of premium. The counter claim is for an amount of ₹10,761.00 million. The matter has now been settled for release of Performance Bank Guarantee by NHAI amounting to ₹281.50 vide settlement agreement dated 16th September 2021.

9. M/s GVK Deoli Kota Expressway Private Limited has initiated arbitration proceedings against the Sponsor in relation to design, construction, development, finance, operation and maintenance of four laning of Deoli-Kota Section of NH-12 from km 165.000 to Junction of NH-76 on Kota Bypass (approx. length 83.04 km) in the State of Rajasthan on BOT(Toll) project on DBFOT pattern under NHDP phase-II. The claims filed by the Claimant for claim on account of prolongation costs and extended stay at the site, loss suffered on account of additional overhead and loss of profit, loss of toll revenue, claim on account of increase in cost of the project due additional works done by the Claimant owing to the change of scope, claim on account of additional expenses incurred by the Claimant towards tunnel work, claim on account of excessive repair and prolonged maintenance duration of existing road, claim on account of the Respondent in making the termination payment and claim on account of future loss to Claimant. The Claimant has raised a claim for ₹60130.00 million. The Sponsor has also filed counter claims against the Claimant for ₹5,657.60 million. The matter is currently pending.

10. Soma Isolux Kishangarh-Beawar Tollway Private Limited has initiated arbitration proceedings against the Sponsor in relation to the "improvement, operation and maintenance, rehabilitation and strengthening of the existing 2-lane road and widening it to 6-lane divided highway from km 364.125 to km 58.245 (approximately 93.56 km) on the Krishangarh-Ajmer-Beawer section of National Highway". The claim relates to compensation for increase in overheads due to extended construction period, for additional cost due to loss of productivity, idling and under-utilization of plant & equipment during the extended period and for costs incurred towards interest payments on debt during the extended construction period. The claims raised by Claimant amounts to ₹11,968.00 million. The Sponsor has also filed counter claims against Claimant for ₹3,109.5 million. The matter is currently pending.

11. Panipat Jalandhar NH One Tollway Private Limited has initiated arbitration proceedings against the Sponsor in relation to 6-laning of Panipat-Jalandhar section of NH-1 (km 96.00 to km 387.100) in the state of Haryana and Punjab. The claims filed by the Claimant were in relation to delay in finalization of toll plaza and commencement of toll operations at approved locations, loss of fee revenue on account of defaults, extension of project completion schedule and change in scope and other claims. The Claimant has raised a claim for ₹70,359.00 million. The Sponsor has also filed counter claims against Claimant for ₹32,847.00 million. The matter is currently pending.

12. M/s Shapoorji Pallonji & Company Private Limited has initiated arbitration proceedings against the Sponsor in relation to Jammu-Udhampur section BOT (Annuity). The claims filed by the Claimant in relation to declaration of provisional completion certificate date as 1st June 2014 with consequential reliefs of bonus for the period from 7th January 2014 to 31st May 2014, determination of appointed date and payment of bonus from 5th July 2014, compensation for additional cost arising out of change in methodology of rock excavation due from 10th July 2014, and compensation for additional cost arising out of change in methodology of tunnel rock excavation from 17th October 2014. The Claimant has raised a claim for ₹9,383.40 million. The Sponsor has also filed counter claims against the Claimant for ₹14,940.00 million. The matter has now been settled for ₹2826.7 million vide agreement dated 28th February 2022.

13. M/s Bareilly Highways Project Limited has initiated arbitration proceedings against the Sponsor in relation to four laning of Bareilly-Sitapur section of NH-24 from km 262.000 to km 413.200 (approx. 151.200 km) in the State of Uttar Pradesh under NHDP Phase-III of DBFOT basis. The claims filed by the Claimant were in relation to claim for additional interest on debt beyond SPCD (i.e. between 23rd August 2013 to 31st January 2019), interest for additional interest on debt beyond SPCD, claim for interest due on additional promoters contribution infused in the project, claim for interest due on delay release of grant, claim for expenses incurred by SPV company beyond SPCD, claim for interest for cost of land compensation, claim for net revenue loss from SPCD till 31st January 2019, interest for net revenue loss from SPCD till 31st January 2019, claim for interest on excess 50% independent engineering cost debit by the Sponsor, claim for reimbursement of GST on regular EPC invoices-change of law, claim for interest on claim of GST on change of scope & utility shifting, claim for direct expenses incurred by EPC contractor beyond SPCD, claim for plant and machinery rental/ rehandling for extended period, claim for interest for plant and machinery/ rental/ rehandling for extended period, claim for price escalation during the extended period, claim for interest for price escalation during the extended period, claim for expenses incurred on change of scope/ variation items, claim for interest for change of scope/ variation items, claim for additional transportation cost due to ban in local mining at sites, claim for interest for additional transportation cost due to ban in local mining at sites. The Claimant has raised a claim for ₹37,211.40 million. The Sponsor has also filed counter claims against the Claimant for ₹35359.80 million. The matter is currently pending.

14. M/s Lucknow-Sitapur Expressways Limited has initiated arbitration proceedings against the Sponsor in relation to improvement, operation and maintenance including strengthening and widening of existing two lane road to four lane dual carriageway from km 488.270 to km. 413.200 of NH-24 (Lucknow-Sitapur Section) in the State of Uttar Pradesh on BOT basis. The claims filed by the Claimant for revenue loss, revenue loss due to delay in COD, revenue loss from start of toll collection, EPC escalation, EPC additional overhead, EPC overstay of plant and equipment, additional maintenance cost of EPC, loss of profit earning capacity, extra cost IDC, revenue loss due to overloading and claims for underpasses. The Claimant has raised a claim for ₹7,470 million. The Sponsor has also filed counter claims against the Claimant for ₹3270.00 million. The matter is currently pending.

15. M/s Tantia Raxaul Private Limited has initiated arbitration proceedings against the Sponsor in relation to two laning with paved shoulder of Pioprakothi to Raxaul Section of NH-28A from km 0.600 to km 62.064 in the state of Bihar. The claims filed by the Claimant were in relation to claim for termination payment for default of respondent, claim for non-finalisation of location and correct notification for toll plaza (along with interest at the rate of 18%), claim for delay in handover for land/ right of way/ site (along with interest at the rate of 18%), claim for additional interest during construction on account of extended construction period, claim for increased distance/ lead for stone aggregate, claim for inflation/ price escalation (along with interest at the rate of 18%), claim for additional cost of maintenance, claim for increased overheads of concessionaire (along with interest at the rate of 18%), claim for increased overheads of EPC contractor (along with interest at the rate of 18%), claim for idling/ underutilisation of plant, machinery & equipment, and claim for loss of profits of EPC contractor. The Claimant has raised a claim for ₹9,861.70 million. The Sponsor has also filed counter claims against the Claimant for ₹2,873.60 million. The matter is currently pending.

16. M/s Haridwar Highways Project Limited has initiated arbitration proceedings against the Sponsor in relation to the four laning of Muzaffarnagar-Haridwar Section from km 131.00 to km 211.000 of NH-28 in the state of UP and Uttarakhand under NHDP Phase-II as BOT (Toll) on DBFOT pattern. The claims filed by the Claimant were in relation to financial expenses incurred by the Claimant beyond the scheduled commercial operation date till February 2019, interest payable on compensation for delay in handing over of the land form from appointed date till February 2019, interest due on delay towards release of grant from 7th February 2013, up to February 2019, claim for reimbursement of GST on regular bills/ invoices of the Claimant from July 2016, claims for expenses incurred by the Claimant on rentals of plants and machinery beyond SCOD, claims for expenses incurred by the Claimant on rentals of plants and machinery beyond SCOD till February 2019, claim for expenses incurred by the Claimant due to price escalation beyond the SCOD up to February 2019, additional transportation cost due to ban on mining at sites, claim for direct expenses incurred beyond SCOD up to February 2019, expenses incurred on existing road maintenance beyond SCOD and claim on account of amount recovered for Dehradun Highway Project Limited. The Claimant has raised a claim for ₹22,060.00 million. The Sponsor has also filed counter claims against the Claimant for ₹22,260.00 million. The matter is currently pending.

17. Madhucon (Madurai-Tuticorin Expressways Limited) has initiated arbitration proceedings against the Sponsor in relation to the "Design, Engineering, Finance, Construction, Operation and Maintenance of Madurai-Tuticorn Section from km 138.800 to km 264.50 of NH-45B in the State of Tamil Nadu under NHDP Phase-IIIA". The claims relate to compensation payable due to prolongation of the project, refund of liquidated damages, change of scope of work, loss of business opportunity, loss on account of shortfall in revenue from the project and amount payable on account of price escalation during the extended period of construction. The claim raised by Claimant amounts to ₹81,993.10 million. The Sponsor has also filed counter claims against the Claimant for ₹2,902.60 million. The said matter is currently pending.

18. M/s Chennai Elevated Toll Way Limited has initiated arbitration proceedings against the Sponsor in relation to the new 4-lanes elevated road from Chennai Port to Maduravoyal (NH-4) in the State of Tamil Nadu under NHDP Phase-VII on BOT (Toll) basis. The claims filed by the Claimant were in relation to termination payment, claims payable to the EPC contractor, claim for additional cost due to idling/ underutilization/ prolongation of plants & equipment, loss of profit payable to the EPC contractor due to delay and termination of the contract, loss of opportunity to the EPC contractor due to delay and termination of the contract, claims for infructuous expenditure for setting up camps, site approach, road development etc. The Claimant has raised a claim for ₹41,071.80 million. The Sponsor has also filed counter claims against the Claimant for ₹21,632.70 million.

19. M/s MEP Chennai Bypass Toll Road Private Limited has initiated arbitration proceedings against the Sponsor in relation to operation and maintenance of Chennai Bypass section from km 0.000 to km 32.600 of NH-4 & 5 in the State of Tamil Nadu on OMT basis. The claims filed by the Claimant were in relation to amount due towards concession fee (up to 8th April 2016), damages for non-completion of project facilities calculated up to 8th April 2016, amount due towards non-fulfilment of condition precedent and damages for non-maintenance of project highway calculated up to 8th April 2016. The Claimant has raised a claim for ₹5,033.00 million. The Sponsor has also filed counter claims against the Claimant for ₹8,704.30 million. The matter is currently pending.
20. M/s Kurukshetra Expressway Private Limited has initiated arbitration proceedings against the Sponsor in relation to four laning of Rohtak-Bawal Section of NH-352 (Old NH-71) from km 363.300 (Design km 363.300) to km 450.800 (Design km 445.553) under NHDP-III in the State of Haryana on DBFOT basis. The claims were raised under the terms of the relevant concession agreement. The Claimant has raised a claim for ₹9,150.00 million. The matter is currently pending.
21. M/s JSR Mulbagal Tollways Private Limited has initiated arbitration proceedings against the Sponsor in relation to 4-laning of Mulbagal-AP/ Karnataka Border Section of NH-75 (Old NH-4) from km 216.912 to km 239.100 in the state of Karnataka to be executed on design, build, finance, operate and transfer (DBFOT/ BOT) basis in BOT (Toll) mode under NHDP Phase-III. The claims filed by the Claimant are in relation to the amount payable to the Claimant in the event of termination by concessionaire and/ or by the authority, the interest on the capital/ equity of the concessionaire, loss for underutilization/ idle of resources deployed in the way of man power, towards machineries, plant and equipment beyond the date of completion for about 29 months, loss of profit, loss of return envisaged by the concessionaire as a result of default of the authority, amount spent towards the short fall of subsistence revenue, losses due to price escalation, revenue that might have generated by the Claimant through advertisements and loss due COVID-19. The Claimant has raised a claim for ₹21,332.50 million. The Sponsor has also filed counter claims against the Claimant for ₹119.30 million. The matter is currently pending.
22. M/s Rohtak Panipat Tollway Private Limited has initiated arbitration proceedings against the Sponsor in relation to the four laning of Rohtak-Panipat Section of NH-71A from km 0.00 (km 63.300) of NH-10 to km 80.58 (km 83.500 of NH-1) in the State of Haryana on DBFOT basis under NHDP Phase-III. The claims filed by the Claimant were raised in terms of the relevant concession agreement. The Claimant has raised a claim for ₹11,509.30 million. The matter is currently pending and is under Conciliation.
23. M/s Ranchi Expressway Limited has initiated arbitration proceedings against the Sponsor in relation to the four laning of Ranchi-Rargaon-Jamshedpur Section from km 114.00 to km 277.500 of NH-33 in the State of Jharkhand on BOT(Annuity) basis under NHDP Phase-II. The claims filed by the Claimant were in relation to payment towards the value of work done, the amount payable towards the maintenance of the existing road, refund of the amount expended on interest during construction, the compensation payable due to delay in handling over of land, extra expenditure due to escalation of cost of work done, loss incurred due to idling of machinery due to prolongation of project, loss of overheads due to prolongation of project, loss of overheads and profits on value of work done due to illegal termination and claim for amount of revenue loss (loss of annuity). The Claimant has raised a claim for ₹89402.50 million. The Sponsor has also filed counter claims against the Claimant for ₹2,6281.80 million. The matter is currently pending.
24. M/s Navayuga Bangaluru Tollways Private Limited has initiated arbitration proceedings against the Sponsor in relation to the Designing, Engineering, Finance, Construction, Operation and Maintenance of Access controlled highway project namely, the development and the capacity improvement of the existing carriageways from km 10.000 to km 29.500, on the Bangalore Nelamangala Section of the National Highway No. 4 (NH-4) in the State of Karnataka on BOT basis. The claims filed by the Claimant were in relation to Loss of Toll Revenue, Force free run, Change in Law, Loss of Toll Revenue - Non Revision of Toll rates, Termination payment & Compensation, BG Charges, COVID. The Claimant has raised a claim for ₹15000.00 million. The Sponsor is yet to file its counter claims against the Claimant. The matter is currently pending.
25. M/s Millennium City Expressways Private Limited has initiated arbitration proceedings against the Sponsor in relation to the 8/6 lane highway from km 14.300 to km 42.000 at Delhi-Gurgaon Section of NH-8 on BOT basis. The claims filed by the Claimant were in relation to the Loss of profit on account of closure of the km 24 Toll Plaza (such amount calculated until 24th June 2021), Loss of profit on account of commissioning of the competing/ alternate road facilities alternatively, extend Concession Period by a period of ninety-four (94) months, Loss of profit suffered due to failure to provide requisite security at the Main Toll Plaza, thereby resulted in loss of toll revenue from the residents of nearby 31 villages, Various works carried out by the Claimant as change of scope, which were over and above the Project Agreements, payment for which remains pending despite the Claimant having already completed such additional works, Compensation/ extension due to Demonetization, Compensation/ extension due to Pandemic/ Covid, On account of additional compliance with the Joint Action Plan that was over and above the Project Agreements. The Claimant has raised a claim for ₹24160.00 million. The Sponsor has also filed counter claims against the Claimant for ₹10440.00 million. The matter is currently pending.
26. M/s AE Tollway Limited has initiate arbitration proceedings against the Sponsor in relation to the 6-laning of Agra-Etawah Bypass Section of NH-2 from km 199.660 to km 323.525 under NHDP Phase-V in the State of UP on BOT (Toll) basis. The claims filed by the Claimant were in relation to the Additional cost incurred towards Interest during Construction (IDC) for the delayed Period, Additional direct cost incurred during the delayed period, Fixed Overhead (FOH) payable to EPC Contractor, Escalation cost. The Claimant has raised a claim for ₹13179.80 million. The Sponsor has filed a Counter-claims of ₹11875.10 million against the Claimant. The matter is currently pending before the Arbitral Tribunal.
27. Pink City Expressway Private Limited has initiate arbitration proceedings against the Sponsor in relation to the 6-laning of Gurgaon-Kotputli-Jaipur Section of NH-8 from km 42.700 to km 273.00 (Length 225.60 km.) in the State of Haryana & Rajasthan to be executed as BOT (Toll) on DBFOT pattern under NHDP PH-V. (Ref-III). The claims filed by the Claimant were in relation to the delay in handing over of ROW, idle of resources deployed in the way of man power, towards machineries, plant and equipment beyond the date of completion. The Claimant has raised a claim for ₹42870 million. The Sponsor has filed the Counter-claims of ₹149524.50 million against the Claimant. The matter is currently pending before the Arbitral Tribunal.
28. VIL Limited has initiated arbitration proceedings against the Sponsor in relation to the Two Laning with paved shoulders of Sitarganj-Bareilly Section of NH-74 from km 254.820 to km 329.280 in State of Uttar Pradesh & Uttarakhand under NHDP Phase-IV on EPC Mode. The claims filed by the Claimant were in relation to the delay in handing over of ROW, idle of resources deployed in the way of man power, towards machineries, plant and equipment beyond the date of completion. The Claimant has raised a claim for ₹10058.60 million. The Sponsor has filed the Counter-claims of ₹2621 million against the Claimant. The matter is currently pending before the Arbitral Tribunal.
29. KM Toll Road Private Limited has initiated arbitration proceedings against the Sponsor in relation to the Construction, operation and maintenance of National Highway No. 8A extension including section from km 0.00 to km 71.40 (approximately 71.40 km) on the Gandhidham (Kandla)-Mundra Port section of National Highway No. 8A Extension in the state of Gujarat by 4-Laning and subsequent 6-Laning thereof on design, build, finance, operate and transfer ("DBFOT") basis. The claims filed by the Claimant for declaration for valid termination of the Concession Agreement by the Claimant, Termination Payment, refund to the Claimant of sum wrongfully deducted purportedly towards non-compliance of Punch List items, pay towards Change in Law etc. The Claimant has raised a claim for ₹18730.00 million. The Sponsor has filed the Counter-claims of ₹1572.40 million against the Claimant. The matter is currently pending before the Arbitral Tribunal.
30. GMR Hyderabad Vijaywada Expressway Private Limited has initiated arbitration proceedings against the Sponsor in relation to 4/6 laning of Hyderabad-Vijaywada Section from km 40.000 to km 221.500 of NH-9 (New NH-65) in the State of Andhra Pradesh (BOT). The claims filed by the Claimant were in relation to the extension of the Concession period, damages in lieu of the extension of the Concession period. The Claimant has raised a claim for ₹12659.40 million. The Sponsor has filed the Counter-claims of ₹5900.00 million against the Claimant. The matter is currently pending before the Arbitral Tribunal.

31. Supreme Panvel Indapur Tollway Private Limited has initiated arbitration proceedings against the Sponsor in relation to Four laning of Panvel-Indapur Section of NH-17 from km 0.00 to km 84.00 under NHDP Phase-III on BOT Basis on design, build, finance, operate and transfer (DBFOT) pattern in the State of Maharashtra. The Claimant has raised a claim for ₹16189.70 million. The Sponsor is yet to file the Counter-claim against the Claimant. The matter is currently pending before the Arbitral Tribunal.

32. Gorakhpur Infrastructure Company Private Limited has initiated arbitration proceedings against the Sponsor in relation to Design construction Finance Operation and Maintenance of km 0.000 to km 32.270 of Gorakhpur Bypass on NH-28 (existing km 255.700 to km 279.800) in the State of Uttar Pradesh on BOT (Annuity) basis. The Claimant has raised a claim for ₹7101.30 million. The Sponsor is yet to file the Counter-claim against the Claimant. The matter is currently pending before the Arbitral Tribunal.

33. M/s Raebareilly Allahabad Highway Private Limited has initiated arbitration proceedings against the Sponsor in relation to Two Laning with Paved shoulder of Raebareli to Alahabad Section of NH-24B from km 82.000 to km 188.600 in the state of Uttar Pradesh through Public Private Partnership on Design, Build, Finance, Operate and Transfer on the Toll Basis under NHDP-IVA. The Claimant has raised a claim for ₹6842.40 million. The Sponsor has filed the Counter-claim of ₹782.30 million against the Claimant. The matter is currently pending before the Arbitral Tribunal.

34. Solapur Tollways Private Limited has initiated arbitration proceedings against the Four laning of Solapur-Mah/Knt border Section of NH-9 from km 249.000 to km 348.800 in the State of Maharashtra is being executed on DBFOT basis. The Claimant has raised a claim for ₹8265.80 million. The Sponsor has filed the Counter-claim of ₹8100.00 million against the Claimant. The matter is currently pending before the Arbitral Tribunal.

35. M/s Solapur Yedeshi Tollwayt Limited has initiated arbitration proceedings against the Four laning of Solapur-Yedeshi section of NH-21 from km 0.000 to km 100.000 (Design Length - 98.717 km) in the state of Maharashtra to be executed for BOT (Toll) on DBFOT pattern under NHDP Phase IV. The Claimant has raised a claim for ₹7900.00 million. The Sponsor has filed the Counter-claim of ₹1400.00 million against the Claimant. The matter is currently pending before the Arbitral Tribunal.

36. Madhucon Projects Limited has initiated arbitration proceedings against the Widening & Strengthening of existing NH from 2 lane to 4 lane from km 255.00 to km 230.500 of Raha to Dharmatul Section of NH-37 in Assam on East-West Corridor under Phase-II programme of NHDP Contract Package EW-II (AS-02). The Claimant has raised a claim for ₹6762.60 million. The Sponsor has filed the Counter-claim of ₹950.80 million against the Claimant. The matter is currently pending before the Arbitral Tribunal.

37. Kishangarh Gulabpura Tollway Limited has initiated arbitration proceedings against the Six Lanning of Kishangarh to Gulabpura Section of NH-79A and NH-79 in the State of Rajasthan (Length 90.000 km) on DBFOT (Toll) IRB-ARBITRATION Ref No. 3. The Claimant has raised a claim for ₹8689.60 million. The Sponsor has filed the Counter-claim of ₹3560.00 million against the Claimant. The matter is currently pending before the Arbitral Tribunal.

38. Transstroy Dindigul-Theni-Kumli Tollways Private Limited has initiated arbitration proceedings against 2 laning with paved shoulder of Dindigul-Theni Section from km 2.750 to km 73.400 of NH-45 (Extn.) and Theni-Kumli section of NH-220 from km 215.500 to km 273.600 in the State of Tamil Nadu under DBFOT Annuity basis. The Claimant has raised a claim for ₹5258.40 million. The Sponsor is yet to file the Counter-claim against the Claimant. The matter is currently pending before the Arbitral Tribunal.

Material civil matters filed by the Sponsor

39. Essel Walajahpet Poonamalle Toll Road Private Limited has filed a petition before the High Court of Delhi (challenging the award of the arbitral tribunal). The claims challenged are for compensation for adjusted equity as termination payments, compensation for repayment of the debt borrowed from the lenders/ creditors, compensation for loss of profit payable to EPC contractor, compensation for internal rate of return and mobilisation and de-mobilisation. The amount challenged before the High Court of Delhi is ₹6532.90 million. The matter is currently pending.

40. The Sponsor has filed a petition before the High Court of Delhi (challenging the award of the arbitral tribunal) against Oriental Nagpur Betul Highways Limited. The claims challenged are for date of PCOD to be declared as 7th January 2014, and grant bonus of additional 91 days including 9th instalment of annuity payment. The amount challenged before the High Court of Delhi is ₹8220.70 million. The matter is currently pending.

41. The Sponsor has filed a petition before the High Court of Delhi (challenging the award of the arbitral tribunal) against West Haryana Highway Private Limited. The claims challenged are interest due on additional promoter contribution infused in the project, price escalation during the extended period, plant and machinery idling/ rental/ rehandling for extended period and interest on plant and machinery idling/ rental. The amount challenged before the High Court of Delhi is ₹5,478.90 million. The matter is currently pending.

42. The Sponsor has filed a petition before the High Court of Delhi (challenging the award of the arbitral tribunal) against Gwalior Bypass Project Limited. The claims challenged are claim for interest on delayed release of annuity amount along with interest due to delayed payment of regular annuity, claim for interest on debt after COD till 31st December 2016 and interest incurred on price escalation form PCOD till 31st October 2016. The amount challenged before the High Court of Delhi is ₹5,328.10 million. The matter is currently pending.

43. The Sponsor has filed a petition before the High Court of Delhi (challenging the award of the arbitral tribunal) against Pune Solapur Expressways Private Limited The Sponsor has challenged the entire award w.r.t to extension of Concession Period by 928 days vide the petition marked as Diary No. 990741/2022. The amount challenged before the High Court of Delhi is ₹224.60 million. The matter is currently pending.

44. The Sponsor has filed a petition before the High Court of Delhi (challenging the award of the arbitral tribunal) against M/s GMR. The Sponsor has challenged the Final Report released by Sole Arbitrator on 28th February 2022 which has determined the loss in terms of Article 41 amounting to ₹16722.00 million in favour of the Concessionaire. The petition is marked as FAO (OS) 108/2020 109/2020 110/2020. The matter is currently pending.

45. The Sponsor has filed a petition before the High Court of Delhi (challenging the award of the arbitral tribunal) against the M/s BSCPL Aurang Tollway Limited. The Sponsor has challenged the entire award of the Arbitral Tribunal. The challenge include the claims with respect to the Right of Way, Payment for idealing of plant and machinery vide petition marked as OMP (Comm) 341/2022. The amount challenged before the High Court of Delhi is ₹2819.4 million. The matter is currently pending.

46. The Sponsor has filed a petition before the High Court of Delhi (challenging the award of the arbitral tribunal) against the M/s L&T Limited. The sponsor has challenged the entire award awarded by the Arbitral Tribunal vide petition marked as OMP (Comm) 363/2022 before the High Court of Delhi. The amount challenged before the High Court of Delhi is ₹294.6 million. The matter is currently pending.

47. The sponsor has filed a petition before the High Court of Delhi challenging the award of the Arbitral Tribunal against TK Toll Private Limited. The Sponsor has challenged the entire award passed by the Arbitral Tribunal vide petition numbered OMP Comm 24/2023 before the Hon'ble High Court of Delhi. The amount challenged before the Hon'ble High Court of Delhi is ₹5870 million. The matter is currently pending.

48. The sponsor has filed a petition before the Hon'ble High Court of Delhi challenging the award of the Arbitral Tribunal against the GMR-HVEPL. The Sponsor has challenged the entire award passed by the Arbitral Tribunal vide petition numbered as O.M.P. (Comm) 319/2022 before the Hon'ble High Court of Delhi. The amount challenged before the Hon'ble High Court of Delhi is ₹16720 million. The matter is currently pending.

49. The sponsor has filed a petition before the Hon'ble High Court of Delhi challenging the award of the Arbitral Tribunal against the Jetpur Somnath Tollways Private Limited. The Sponsor has challenged the entire award passed by the Arbitral Tribunal vide petition numbered as OMP (Comm) 5/2022 before the Hon'ble High

Court of Delhi. The amount challenged before the Hon'ble High Court of Delhi is ₹14817 million. The matter is currently pending.

50. The sponsor has filed a petition before the Hon'ble High Court of Delhi challenging the award of the Arbitral Tribunal against the M/s Surat Hazira NH-6 Tollway Private Limited. The Sponsor has challenged the entire award passed by the Arbitral Tribunal vide petition numbered as OMP (Comm) 237/2021 before the Hon'ble High Court of Delhi. The amount challenged before the Hon'ble High Court of Delhi is ₹32327 million. The matter is currently pending.

Other material litigations

Considering the business and purpose of the Sponsor, it is imperative for the Sponsor to have an effective mechanism for the acquisition of land for building roads. Taking this need of the Sponsor into account, the parliament has enacted the NH Act, a special enactment which overrides the Land Acquisition Act, 1894 in cases where the land is acquired for the purposes of building National Highways. The Parliament has enacted the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013, which is applicable to land acquisitions under NH Act with effect from 1st January 2015 (i.e. one year from the date of commencement of the Act, subject to notification by Central Government). The process of acquiring land is a very cumbersome process and it leads to a large number of disputes. At present there are approximately 72,000 land acquisition cases pending before various Courts/ Tribunals/ Competent Authorities for adjudication.

VI. Litigations involving the Associates of the Sponsor

Except as disclosed below, as on the date of the Annual Report, there are no pending criminal or material litigations or regulatory actions involving the Associates of the Sponsor.

Sr. No	Name of Associate	Number of proceedings outstanding	Amount involved (₹ in million)
1.	Paradip Port Road Company Limited	5	7.74
2.	Tuticorin Port Road Company Limited	3	1.97
3.	Vishakhapatnam Port Road Company Limited	3	1.73
4.	Calcatta Haldia Port Road Company Limited	3	-
5.	Mumbai JNPT Port Road Company Limited	2	-
6.	New Mangalore Port Road Company Limited	2	-
7.	Chennai Ennore Port Road Company Limited	1	-
8.	Ahmedabad Vadodara Expressway Company Limited	7	112.14

VII. Litigations involving the Project Manager

There are no pending criminal, regulatory or other material litigations involving the Project Manager as on the date of the Annual Report.

VIII. Litigations involving the Associates of the Project Manager

Please see the section entitled "Litigations involving the Associates of the Sponsor" above.

IX. Litigations involving the Investment Manager

There are no pending criminal, regulatory or other material litigations involving the Investment Manager as on the date of the Annual Report.

X. Litigations involving the Associates of the Investment Manager

As the President of India is the Promoter of the Investment Manager, persons or entities that may be classified as 'associates' of the Investment Manager in terms of Regulation 2(1)(b)(ii) and Regulation 2(1)(b)(iii) of the InvIT Regulations, have not been identified as 'associates' of the Investment Manager. Consequently, information or disclosures required to be included with respect to such persons or entities pursuant to the InvIT Regulations has not been included in the Annual Report.

XI. Litigations involving the Trustee

1. **SBI Cap Trustee** (the **"Plaintiff"**) had filed a suit before the City Civil Court, Bangalore against the Trustee and others (the **"Defendants"**) requiring sale of pledged shares for a particular price by SREI Fund/ Investors, for whom the Trustee was acting as the share pledge trustee. India Competitive Global Fund (ICGC) acting through the SREI Investment Manager had a First & Exclusive Charge over the Pledged shares. At the instructions of the ICGC & SREI Investment Manager had transferred the Pledged shares to their demat account as they has First & Exclusive right over the shares. We as Share Pledge Trustee has acted on the instructions of the Lenders/ Investors. ICGC/ SREI sold the shares and appropriated the amounts towards their dues and transferred the surplus amount to the Plaintiff. The Plaintiff is acting for a consortium of lenders and has residual interest. The Plaintiffs case is that the ICGC/ SREI has appropriated more amount than their dues. The aggregate claim amount is ₹1,550.3 million. The Branch Manager of SBI along with their counsel submitted to the Court that they are willing to explore settlement. The Court referred the matter for pre-conciliation efforts. In the afternoon session, our Advocate appeared before the Conciliator. Advocate briefly explained the dispute to the Conciliator. The Plaintiff informed the Conciliator that if Trinity provides the details of the loan transaction and a statement of accounts in relation to the same, this information would help them resolve the dispute quickly. The case was listed on 30th September 2021 for further conciliation. As no representative was present on behalf of the Company; the Court has recorded that there is no settlement between the parties. The case was adjourned to 27th October 2021 for the parties to proceed with the litigation. The case is now revolving around the proving of the dues by ICGC/ SREI and appropriation of amounts. We as ITSL had no role in sale of shares, maintenance of books of accounts and appropriation of amounts and transfer of surplus amount. The matter was adjourned to 16th November 2021 for framing of Issues, 23rd November 2021 for filing of list of witnesses ICGC SREI & ITSL, for filing of affidavit of evidence by SBI, 7th December 2021 for cross examination of witnesses of SB1, 14th December 2021 for filing of affidavit of evidence by ICGC/ SREI/ Trinity/ ITSL and 21st December 2021 for cross examination of witnesses of Trinity and ITSL and 7th January 2022 for further orders. We as ITSL has filed an application under Order I Rule 10(2) read with Section 151 of the Code of Civil Procedure, 1908 for unsuiting ITSL from the suit and for deleting the name of ITSL from the array of the parties.

   The matter is now listed on 30th June 2022 for arguments on the application of ITSL for deleting the name of ITSL from the array of the parties. ITSL has no role in sale of shares & appropriation of sale proceeds. The Plaintiff appeared and filed the amended plaint and copies of the documents in two volumes (volume I consisting of 410 pages and volume II consisting of 598 pages). The Learned Judge upon examining the volumes observed that the Plaintiff had not filed the statement of truth. Therefore, the Learned Judge adjourned the matter for filing the statement of truth and additional written statement, if any. ITSL has filed it's additional Written Statement on 12th August 2022. The matter adjourned to 25th January 2023 for the reply arguments by the Defendants 2 & 3. The main contention taken by the Plaintiff Advocate while arguing on IA is that they are entitled for complete residual dues which Defendant No. 2 & 3 have received while selling the pledged shares. Now the matter is posted on 25th May 2023 for orders on IAs.

2. **Balmer Lawrie and Company Limited** and another (the **"Plaintiffs"**) had filed a petition before the Calcutta High Court against the Trustee and certain others (the **"Defendants"**) challenging the validity of the sale transaction of 1,48,20,000 shares in Transafe Services Limited by the Defendant to the Plaintiff. The Plaintiffs have inter alia sought (a) the recovery of consideration received by the Defendants for the allegedly void contract being ₹237.12 million and (b) interest at the rate of 18% per annum on the decretal amount. The success of the Petitioner against the Trustee in the instant petition being agitated is remote. The matter is currently pending.

3. **Future Corporate Resources Limited** (FCRL) In the matter of FCRL ESOP Trust, SEBI Adjudicating Officer has passed an order dated the 3rd February 2021 on the ground of insider trading against eight persons including FORL Employees Trust of which ITSL is a trustee. FCRL along with FCRL Employee Welfare Trust has been jointly and severally directed to disgorge an amount of ₹2,75,68,650/-. ITSL has submitted that ITSL as a trustee has acted on the instructions of the committee and not liable for insider trading and has not gained or received any amount. ITSL and FCRL Employee Welfare Trust are separate. All the said persons have filed an appeal before SAT against the said SEBI Order dated the 3rd February 2021. SAT has given the next date of hearing on 18th April 2023. The matter was part heard on 18th April 2023 and adjourned to 19th April 2023. on 19th April 2023. SAT has reserved it's order and directed parties to file Written Submissions within 10 days. The order is against FCRL Employees Trust and not against ITSL. The matter is sub-judice.

4. **Muthoot Finance Limited Vs. Trustees Association of India (TAI)**, ITSL, Axis Trustee & SBICAP Trustee) - (Case No. 29 of 2021) before Competition Commission of India(CCI).

   On 10th September 2021 the Competition Commission of India(CCI) received an information from Muthoot Finance Limited (Informant) against Trustees Association of India (TAI) and three of its members, i.e., IDBI Trusteeship Services Limited, Axis Trustee Services Limited, and SBI CAP Trustee Company Limited (collectively referred to as 'Ops') for alleged contravention of Sections 3(3) and 4 of the Competition Act, 2002 (Competition Act) (hereinafter referred to as the Information'). I.e. for entering into anti-competitive agreement and formation of Cartel. CCI.

   The CCI has passed an order dated 23rd December 2021 under Section 26(1) of the Competition Act, 2002 (Competition Act) directing the Director General to investigate the conduct of Trustees' Association of India's (TAI). IDBI Trusteeship Services Limited (IDBI), Axis Trustee Services Limited and SBICAP Trustee Company (together referred to as the 'OPs) and its office bearers for *prima face* violating Section 3(1) read with Section 3(3) of the Competition Act (Prima Pacie Order) dealing with anti-competitive horizontal agreement (including cartel).

   TAI, ITSL, Axis Trustee & SBICAP Trustee filed Civil Writ Petition Nos. 3781 of 2022, 3791 of 2022, 3842 of 2022 and 3847 of 2022 respectively before Bombay High Court challenging the jurisdiction of CCI as the SEBI as Sectoral Regulator has Jurisdiction to decide the matter. The matter has been adjourned to 15th February 2023 for hearing on Application by CCI for vacation of Stay.

   At the hearing held on 21st February 2023, the Bombay High Court directed CCI to first decide the jurisdictional issue, leaving all other contentions open. Matter to go before CCI.

   We have tiled detailed application on 21st March 2023 before CCI to decide upon jurisdiction and as opined by SEBI test laid down in the case of Bharti Airtel is not satisfied, therefore, recall the Prima Face Order and forthwith close the proceedings against TAI (including Respondent DTs).

5. **R.K. Mohata Family Trust Vs. ITSL & Ors.**

   One Mr R.K. Mohata Family Trust has filed Commercial Suit (lodging) No. 27568 of 2021 before Bombay High Court against ITSL & RHPL praying for holding of meeting of debenture holders of RHFL as also damages of ₹1,05,50,902 against ITSL towards his investment. Hon'ble Bombay High Court vide their orders dated the 31st March 2022 read with the Order dated the 6th April 2022 and the order dated the 10th May 2022 directed ITSL to hold the meeting of debenture holders. ITSL convened a meeting of the debenture holders on 13th May 2022 and as directed by Hon'ble Bombay High Court and the Results of the voting of meeting have been placed before the Hon'ble Bombay High Court in sealed cover. The matter is *sub-judice* before the Hon'ble Bombay High Court. Authum (AIIL) filed an appeal before the Hon'ble Supreme Court against the order of BHC. The matter was listed for hearing on 31st January 2023. The matter was part heard and thereafter adjourned.

   Arising out of SLP© No. 411 of 2023 filed by Authum Investments & Infrastructure Limited(AIIL) Vs. R.K. Mohtta Family Trust & Ors, Supreme Court vide their Order dated the 3rd March 2023 allowed the Resolution Plan filed by AIIL and directed AIIL to make the payments prior to 31st March 2023.

6. **SCR 109885 - 1/394/14 - J Patel & 68 Others (All investors of Dynamic India Fund III) Vs. Dynamic India Fund III, International Financial Services, ICICI Venture Funds Management Company Limited, ICICI Bank and ITSL, before Supreme Court of Mauritius.**

   Suit is filed by investors seeking compensation and damages of ₹ USD 103,699,976 for the loss of their investments in Dynamic India Fund III from Dynamic India Fund III, International Financial Services, ICICI Venture Funds Management Company Limited, ICICI Bank and ITSL.

   All the Defendants including ICICI Venture have raised preliminary objections to the Suit.

   DIF III has raised five preliminary objections to the Suit viz. (i) Plaintiffs have been wrongly styled; (ii) Suit is a disguised derivative action and the appropriate court to hear it is the Commercial Court and not the Civil Court; (iii) there is a connected Stay Application filed before the Commercial Court by DIF III that the Suit has to be stayed as the Suit is a Class Action suit and hence the Commercial Court and not the Civil Court has the jurisdiction to hear the Suit: (iv) the Plaintiffs should have put the other shareholders of DIF III into cause; and (v) the Plaintiffs have to provide Security for costs to all the Defendants.

   The other Defendants have raised preliminary objections with respect to privity of contract and jurisdiction of Mauritius Courts.

   Nearly 6 years after the Suit was tiled in 2014 in Mauritius, on 28th January 2020, the court heard arguments on only two of the preliminary objections raised by ICICI Bank and ICICI Venture viz. (a) Mauritius court lacks jurisdiction to hear disputes between non-Mauritians (both the Plaintiffs and the Defendants No. 3 and 4 i.e. ICICI Bank and ICICI Venture are not Mauritius residents); and (b) Mauritius court is not the convenient forum to hear the disputes raised.

   The arguments relied, amongst others, related to the facts that (a) alleged conduct of ICICI Bank and ICICI Venture did not admittedly happen in Mauritius and offences, if any, happened in India;

   (b) investments were in real estate projects in India: (c) investments were in a real estate fund in India; and (d) Indian law governs the contractual relationship between the parties.

   By an order dated 9th June 2020 the Supreme Court of Mauritius stayed the proceedings as against ICICI Bank and ICICI Venture on the grounds that none of the allegations made against ICICI Bank and ICICI Venture occurred in Mauritius and hence the courts in Mauritius lack jurisdiction to adjudicate such allegations. In the subsequent hearing on 1st July 2020, the Plaintiffs informed the Court of their decision not to appeal against the order staying the proceedings as against ICICI Venture and ICICI Bank. The proceedings would continue against the other Defendants viz. DIF III, IFS and the Trustee.

   The Supreme Court of Mauritius vide its order dated the 3rd June 2022 have deleted ICICI Bank and ICICI Venture Fund Management Company Limited from the array of the parties allowed to continue the case against Dynamic India Fund III, SANE Mauritius and the WITECO now ITSL.

   The Plaintiffs have filed an appeal against the said Judgement dated the 3rd June 2022 passed by The Supreme Court of Mauritius.

   ICICI Venture Fund Management Company Limited is taking care of the matter on behalf of ITSL as a Trustee and also appointed Counsels to defend ITSL. We have taken up the matter with the ICICI Venture stating that WITECO now ITSL is also not a Mauritius resident and Mauritius court is not the convenient forum to hear the disputes raised and hence lacks the jurisdiction.

   Further, ITSL is acting only as a trustee and there cannot be any claim against ITSL at all as ICICI Venture Fund Management Company Limited was Investment Manager of the Fund who has managed all affairs of the Fund.

   This matter has been put sine die i.e. adjourned with no appointed date for resumption, pending the outcome of the appeal filed by plaintiffs.

7. **Pawan Kapoor & Anr. Vs. SEBI & Ors. (Karvy Data Management Services Limited)-**

   In the case of Karvy Data Management Services Limited one Pawan Kapoor & Amri Resorts Private Limited the Debenture Holders have filed Writ Petition before Delhi High Court, inter alia against ITSL alleging various non compliances by ITSL and for not initiating action against Karvy Data Management Services Limited for defaults in payment of interest & Principal. The matter was listed before Hon'ble Delhi High Court on 19th December 2022. The Hon'ble Delhi High Court has directed Ministry of Corporate affairs to investigate in the complaint and provide report. The matter has been listed on 19th May 2023.

8. **Varsha Vikram Modi Vs. ITSL, RHFL & SEBI. (Writ Petition No. 348 of 2023) before Bombay High Court.**

   One Ms. Varsha Modi, Debenture Holder of RHFL. has filed captioned Writ Petition against ITSL impleading RHFL & SEBI praying for the following reliefs:-

1. Issuance of Writ of Certiorari or any other writ under Article 226 of the Constitution of India to quash or cancel the Registration Certificate of ITS the Respondent No. 1, issued by SEBI the Respondent No. 3.
2. Issuance of Writ of Certiorari or any other writ under Article 226 of the Constitution of India to direct the SEBI the Respondent No. 3 to take action & conduct enquiry on the basis of complaint dated the 28th May 2022 lodged by the Petitioner with SEBI
3. Issuance of Writ of Certiorari or any other writ under Article 226 of the Constitution of India to direct RHFL to pay the amount of ₹4.5 crore to the petitioner with respect to the NCDs issued by RHFL
4. Issuance of Writ of Certiorari or any other writ under Article 226 of the Constitution of India to direct ITSL to deposit a sum of ₹4.5 crore with Prothonotary and Senior Master of the Court.
5. Payment of costs & any other relief as may be deemed fit & proper.

   Arising out of SLP© No. 411 of 2023 filed by Authum Investments & infrastructure Limited (AIIL)

   Vs. R.K. Mohtta Family Trust & Ors, Supreme Court vide their Order dated the 3rd March 2023 allowed the Resolution Plan filed by AIIL and directed AIIL to make the payments prior to 31st March 2023.

   Details of the Payment made to her are as follows, her original holdings were 39*500000 = 19500000.

   Her payment amount is under 27.71%

Sr. No	Client Ref.	Benef Desc	Client A/C No	UTR No	Inst. Amt.	Inst. Date	Benef A/C No	Benef IFSC code	Product Code
122	INE217K 07AY8	Varsha Vikram Modi	00041 250000 22729	IBKLR6 202303 310160 4259	54,02, 628.31	31/03/ 2023	9140200 28858647	UTIB00 00741	RTGS

RISK FACTORS

Risks Related to the Structure of the Trust

1. The Project SPV and IM Company, were incorporated in last 3 years and have limited operating history and historical financial information.

   Our inability to successfully operate and manage the Toll Roads in an efficient and cost-effective manner could have an adverse effect on our results of operations and our ability to meet our payment obligations under the Units.

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

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

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

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

4. The regulatory framework governing infrastructure investment trusts in India is untested and the interpretation and enforcement thereof involve uncertainties, which may have a material, adverse effect on the ability of certain categories of investors to invest in the units, our business, financial condition and results of operations and our ability to make distributions to Unitholders.

Risks Relating to Our Business and the Concession Agreements

5. Any payment by the Project SPV, including in the event of the termination of the Concession Agreements, is subject to a mandatory escrow arrangement that restricts its flexibility to utilize the available funds.

   The consent of NHAI, in its capacity as the concessioning authority (the "Authority"), and lenders, is required to amend the order of outflow of payments from such escrow account.

6. The Sponsor, whose interests may be different from the other Unitholders, will be able to exercise significant influence over certain activities of the Trust, and under the InvIT Regulations, it has the ability to divest its holdings in the Units three years following the Offer.

   Given the influence that the Sponsor exerts on the Investment Manager, and consequently the operations and credibility of the Trust, any material divestiture by the Sponsor in the Units, or any conflict of interest that it has compared to that of other Unitholders, could have a material adverse impact on our business, financial condition and results of operations.

7. The cost of implementing new technologies for collection of tolls and monitoring our projects in a cost-effective and timely manner could materially and adversely affect our business, financial condition and results of operations.

8. We may face limitations and risks associated with debt financing and refinancing as we are subject to regulatory restrictions in relation to our debt financing and refinancing.

9. Certain actions of the Project SPV require the prior approval of NHAI, and no assurance can be given that NHAI will approve such actions in a timely manner or at all.

10. The Project SPV's toll-road concessions may be terminated prematurely under certain circumstances.

    The Toll Roads concessions of the Project SPV are our principal assets. We will be unable to continue the operation of a particular road concession without a continuing concession right from NHAI, in its capacity as Authority. A concession may be terminated by NHAI for certain reasons set forth in the Concession Agreements.

11. Toll collections and Toll Road traffic volumes may be affected by existing or new competing roads and bridges and other modes of transportation, and any improvements to, or construction of, such roads, bridges and other modes of transportation.

12. Our business will be subject to seasonal fluctuations that may affect our cash flows.

13. Toll rate & collections and Toll Road traffic volumes are dependent on factors beyond our control and are subject to significant fluctuations.

14. We are subject to risks associated with outbreaks of diseases or similar pandemics or public health threats, such as the novel coronavirus ("COVID-19"), which could have a material adverse impact on our business and our results of operations and financial condition.

15. Leakage of the tolls through toll evasion, fraudulent acts on the part of road users or our toll collection operators, theft, technical faults in our toll collection systems, or unlawful roadway entries or exits by road users to avoid paying the required toll collected on the Toll Roads may adversely affect toll collections.

16. The termination payment due to us upon termination of the Concession Agreements may not adequately compensate us for the actual costs and investments associated with the Toll Roads in a timely manner or at all and thus may not provide us with sufficient funds to repay the Units.

17. Toll collections are affected by applicable toll rates and revisions to such rates and the number of road users subject to such rates.

18. Our revenues under the Transitional Support Agreement are dependent on successful continuation of underlying tolling contracts.

19. The operation of the Toll Roads and the revenues generated from them may be impacted as a result of any capacity augmentation or other works required to be carried out in accordance with the terms of the Concession Agreements or any RFPs floated by the Sponsor.

20. Changes in the policies adopted by governmental entities or in the relationships of any member of the Trust with the Government or State Governments could materially and adversely affect our business, financial performance and results of operations.

21. The Valuation Report, and any underlying reports, are not opinions on the commercial merits of the Trust or the Project SPV, nor are they opinions, expressed or implied, as to the future trading price of the Units or the financial condition of the Trust upon listing, and the valuation contained therein may not be indicative of the true value of the Project SPV's assets.

22. We have referred to the data derived from (i) Technical Consultant Report commissioned from the Technical Consultant, (ii) Traffic Reports commissioned from the Traffic Consultants and (ii) CARE Report, Crisil Report and other public sources which are based on certain bases, estimates and assumptions that are subjective in nature and may not be accurate.

23. Certain provisions of the standard form of Concession Agreements may be untested, and the Concession Agreements may contain certain restrictive terms and conditions which may be subject to varying interpretations.

24. We may be subject to increases in costs, including operation and maintenance costs, which we cannot recover by increasing toll fees under the Concession Agreements.

25. Leakage of the toll fees on the Project SPV's roads may materially and adversely affect our revenues and financial condition.

26. We will depend on certain directors, executive officers and key employees of the Investment Manager, the Project Manager and the Project SPV, and such entities may be unable to appoint, retain such personnel or to replace them with similarly qualified personnel, which could have a material, adverse effect on the business, financial condition, results of operations and prospects of the Trust.

27. There can be no assurance that we will be able to successfully undertake future acquisitions of road assets or efficiently manage the infrastructure road assets we have acquired or may acquire in the future.

28. The Project SPV may not be able to comply with its maintenance obligations under the Concession Agreements, which may result in the termination of the Concession Agreements, the suspension of the Project SPV's rights to collect tolls or the requirement that the Project SPV pay compensation or damages to NHAI.

29. The insurance policies for the InvIT Assets, currently in place for any protection against various risks associated with our Operations or any future insurance coverage obtained may be inadequate.

30. The Sponsor and the Trustee are involved in certain legal and other proceedings, which may not be decided in their favour.

31. We do not own the "NHAI" trademark and logo. Our license to use the "NHAI" trademark and logo may be terminated under certain circumstances and our ability to use the trademark and logo may be impaired.

32. We will depend on NHAI and various third parties to undertake certain activities in relation to the operation and maintenance of the InvIT Assets. Any delay, default or unsatisfactory performance by these third parties could materially and adversely affect our ability to effectively operate or maintain the InvIT Assets.

33. The Project SPV may be held liable for the payment of wages to the contract labourers engaged indirectly in our operations.

34. Significant differences exist between Indian GAAS used to prepare the Sponsor's Audited Financial Information and other accounting principles, such as Ind-As and IFRS, with which investors may be more familiar.

35. The Project SPV/s may not be able to claim depreciation in relation to toll collection rights acquired from the Sponsor.

36. We are subject to environmental, social and safety risks associated with the operation of the Toll Roads which could adversely affect our business, cashflows and our results of operations.

37. The completion certificate and provisional completion certificate in respect of one of the R1 Toll Roads are not traceable and accordingly, alternate documents have been relied upon in relation to certain disclosures.

38. We are subject to government regulation and if we fail to obtain, maintain or renew our statutory and regulatory licenses, permits, and approvals required to operate our business, results of operations and cash flows may be adversely affected.

Risks Related to the Trust's Relationship with the Sponsor and the Investment Manager

39. The Sponsor, whose interests may be different from the other Unitholders, will be able to exercise significant influence over certain activities of the Trust.

40. The Investment Manager may not be able to implement its investment or corporate strategies and the fees payable to the Project Manager are dependent on various factors.

41. While the Sponsor had communicated its intention of transferring around 1500 km of roads, the Trust may be unable to bid effectively for them.

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

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

44. Our Investment Manager is wholly-owned and controlled by the GoI, which makes us susceptible to changes to its policies.

45. The InvIT Regulations allow for sponsors of listed InvITs to be declassified from the status of sponsors subject to certain conditions. There can be no assurance that our Sponsor will not exercise its ability to be declassified as the Sponsor of the Trust.

46. Compliance with the European Union Directive on Alternative Investment Fund Managers may increase administrative and regulatory burdens on the Investment Manager and the Trust.

Risks related to India

47. Changing laws, rules and regulations and legal uncertainties may materially and adversely affect our business, financial condition and results of operations.

48. Significant increases in the price or shortages in the supply of crude oil and products derived therefrom, including petrol and diesel fuel, could materially and adversely affect the volume of traffic at the projects operated by the Project SPV and the Indian economy in general, including the infrastructure sector.

49. We may be affected by competition law in India and any adverse application or interpretation of the Competition Act could materially and adversely affect our business.

50. Any downgrading of India's debt rating by rating agencies could have a negative impact on our business.

Risks Related to Ownership of the Units

51. The Trust may be dissolved, and the proceeds from the dissolution thereof may be less than the amount invested by the Unitholders.

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

53. Unitholders may not be able to enforce a judgment of a foreign court against the Trust or the Investment Manager.

54. Any additional debt financing or issuance of additional Units may have a material, adverse effect on the Trust's distributions, and investors/unitholders ability to participate in future rights offerings may be limited.

    The Investment Manager may require additional debt financing or the issuance of additional Units in order to support the operating business or to make acquisitions and investments. If obtained, any such additional debt financing may decrease distributable income, and any issuance of additional Units may dilute existing Unitholders' entitlement to distributions.

    We are not required to offer pre-emptive rights to existing Unitholders when issuing new Units. Compliance with securities laws or other regulatory provisions in some jurisdictions may prevent certain investors from participating in any future rights issuances and thereby result in dilution of their existing holdings in Units.

55. The Trust may be unable to dispose of its non-performing assets in a timely manner.

56. Fluctuations in the exchange rate of the Indian Rupee with respect to the U.S. Dollar or other currencies will affect the foreign currency equivalent of the value of the Units and any distributions.

57. Unitholders are unable to require the redemption of their Units.

58. The Units have limited trading history and may not have an active or liquid marketing future.

59. Any future issuance of Units by us or sales of Units by the Sponsor or any of other significant Unitholders may materially and adversely affect the trading price of the Units.

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

61. Information and the other rights of Unitholders under Indian law may differ from such rights available to equity shareholders of an Indian company or under the laws of other jurisdictions.

62. The price of the Units may fluctuate with the market conditions and other factors.

Risks Related to Tax

63. Unitholders should consider the impact of U.S. Foreign Account Tax Compliance Act withholding.

64. The Trust may be classified as a passive foreign investment company for U.S. federal income tax purposes, which could subject U.S. holders of Units to significant adverse tax consequences.

65. Some of our roads assets enjoy certain benefits under Section 80-IA of the Income Tax Act and any change in these tax benefits applicable to us may materially and adversely affect our results of operations.

66. Tax laws are subject to changes and differing interpretations, which may materially and adversely affect our operations.

67. Changes in legislation or the rules (either through gazetted notifications, circular or emanating through any task force or committee established by Government) relating to such tax regimes, rates and/or surcharges could materially and adversely affect our business, prospects and results of operations.

68. Investors may be subject to Indian taxes arising out of capital gains on the sale of Units and on any dividend or interest component of any returns from the Units.

69. The Finance Act 2023, provides for tax on the unitholders for such portion of distribution received by them that is not covered under section 10(23FC) or 10(23FCA) of the IT Act and that which is not chargeable to tax under section 115UA(2) of the IT Act. Any distribution not covered under the aforementioned clauses will be taxed in the hands of the unitholders as 'income' under section 56(2)(xii) of the IT Act, provided the amount received (including similar distributions in earlier years to the same unitholder or any other unitholder) is in excess of the amount at which units were issued by the InvIT, as reduced by the amount which would have been charged to tax earlier under this provision. The aforementioned amounts received by a unitholder being a specified person covered under section 10(23FE) of the IT Act shall not be subject to taxes upon the fulfilment of certain conditions set out in the IT Act. Further, any such distribution received by a unitholder to the extent not chargeable to tax under section 56(2)(xii) and not covered under sections 10(23FC), 10(23FCA) or 115UA(2) shall be reduced from the cost of units. There can be no assurance that there will be no adverse impact on the tax incidence to the unitholders pursuant to the Finance Act 2023.

STANDALONE FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To the Unit Holders of National Highways Infra Trust

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying standalone financial statements of National Highways Infra Trust ("the InvIT" or "the Trust"), which comprise the Balance Sheet as at 31st March 2023, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Unitholder's Equity and the Statement of Cash Flows for the year then ended, the Statement of Net Assets at fair value as at 31st March 2023, the Statement of Total Returns at fair value and the Statement of Net Distributable Cash Flows ("NDCFs") for the year then ended and notes to the standalone financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 as amended from time to time including any guidelines and circulars issued thereunder (together referred to as the "SEBI InvIT Regulations") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards as defined in rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, to the extent not inconsistent with SEBI InvIT Regulations, of the state of affairs of the Trust as at 31st March 2023, its profit including other comprehensive income, its cash flows, its statement of changes in Unitholder's equity for the year ended 31st March 2023, its net assets at fair value as at 31st March 2023, its total returns at fair value and the net distributable cash flows of the Trust for the year ended 31st March 2023.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended 31st March 2023. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Assessment of Impairment of Investment made in and Loans given to the subsidiary company, National Highways Infra Projects Private Limited ("NHIPPL")

Key Audit Matter	Auditor's Response
As at 31st March 2023, the carrying amount of Equity Investment by the Trust in NHIPPL amounted to ₹139,553.52 lakh. Further, the Trust has granted loan to NHIPPL till date amounting to ₹890,606.66 lakh. In accordance with its accounting policy and requirements under Ind AS, the management has performed an impairment assessment by comparing the carrying value of these investments made/ loans given to NHIPPL to their recoverable amount. For impairment testing, value in use has been determined by forecasting and discounting future cash flows of subsidiary company. Further, the value in use is highly sensitive to changes in critical variable used for forecasting the future cash flows including traffic projections for revenues and discounting rates. The recoverable amount is the higher of (a) fair value less cost to sell (b) value in use. The determination of the recoverable amount from subsidiary company involves management estimates and judgment which may affect the outcome. So, there is an inherent risk in the valuation of investment/ recoverability of loans, due to the use of estimates and judgements mentioned above. Accordingly, the assessment of impairment of investment/ loans in subsidiary company has been determined as a key audit matter. Refer Note 2.6 for the accounting policy on Impairment of Investments & Note 31 relating to Disclosure pursuant to Ind AS 36 "Impairment of Assets" in Standalone Financials as at 31st March 2023. Also Refer Note 2.8 for the Accounting policy on Financial asset & Note 40 relating to Expected Credit Loss on Financial Assets for impairment of loan receivables in the Standalone Financials as at 31st March 2023.	Our Audit Procedures included the following: - • Assessed the appropriateness of the future cash flows estimated including value in use determined. In making this assessment, we also evaluated the objectivity, independence and competency of specialists involved in the process; • Assessed the assumptions around the key drivers of the revenue projections, future cash flow, discount rates/ weighted average cost of capital that were used by the management. • As regards loan granted to NHIPPL, we have obtained and considered Management evaluations of recoverability of loans granted to NHIPPL. • Tested the arithmetical accuracy of Impairment Sheet. • Obtained Management Representation in this respect.

2. Computation and disclosures as prescribed in the SEBI InvIT regulations relating to Statement of Net Assets at Fair Value and Total Returns at Fair Value

Key Audit Matter	Auditor's Response
As per SEBI InvIT regulations, the Trust is required to disclose statement of net assets at fair value and statement of total returns at fair value. The fair value is determined by forecasting and discounting future cash flows from the operations of the investee entities which involves management estimates and judgement. These estimates and judgements include discounting rates, Tax rates and inflation rates which are considered for computing the fair value. There is an inherent risk in the computation of fair value due to the use of estimates and judgements mentioned above. Therefore, computation and disclosures of statement of net assets at fair value and statement of total returns at fair value is considered as a Key Audit Matter. Refer Note 40 Significant Accounting Assumptions-Fair Valuation and Disclosures and Statement of net assets at fair value and Statement of total returns at fair value in the standalone financial statements.	Our Audit Procedures included the following:- • Obtained the understanding of the requirements of SEBI InvIT regulations for disclosures relating to Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value. • Assessed the Valuation Report issued by the Independent Valuer engaged by the management. Also assessed the appropriateness of the Trust's valuation methodology applied in determining the fair values. • Obtained Management Representation in this respect. • Tested the arithmetical accuracy of computation in the statement of net assets and total returns at fair value. • Ensured that disclosures is in compliance with SEBI InvIT regulations relating to the statement of net assets at fair value and the statement of total returns at fair value.

3. Related Party Transactions and Disclosures

Key Audit Matter	Auditor's Response
The Trust has undertaken transactions with its related parties in the normal course of business. These include making loans to Project SPV, earning interest on such loans, fees for services provided by related parties to Trust etc. as disclosed in Note 34 of the Standalone Financial Statements. Considering the importance of accuracy and completeness of related party transactions and its disclosures in the aforesaid standalone financial statements, we have considered this as a key audit matter.	Our Audit Procedures included the following:- • Obtained the understanding of policies, processes and procedures in respect of identifying related parties, necessary approvals, recording and disclosure of related party transactions, including compliance of transactions and disclosures in accordance with InVIT regulations. • Tested the related party transactions with the underlying contracts and other supporting documents for appropriate authorization and approval for such transactions. • Reviewed the minutes of governing body of Trust in connection with transactions to assess authorization by the Board and whether the transactions are in the ordinary course of business at arm's length and in accordance with the SEBI InvIT regulations. • Obtained Management Representation in this respect. • Ensured that the disclosures made in accordance with the requirements of Ind AS and SEBI InvIT regulations.

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

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

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

In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

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

The Board of Directors of Investment Manager is responsible for the preparation of these standalone financial statements that give a true and fair view of the financial position as at 31st March 2023, financial performance including other comprehensive income, cash flows and the movement of the Unitholder's equity for the year ended 31st March 2023, the net assets at fair value as at 31st March 2023, the total returns at fair value and the net distributable cash flows of the Trust for the year ended 31st March 2023, in accordance with the requirements of the SEBI InvIT Regulations, Indian Accounting Standards as defined in Rule 2(1)(a) of Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, to the extent not inconsistent with SEBI InvIT Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the SEBI InvIT Regulations for safeguarding of the assets of the Trust and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls for ensuring the accuracy and completeness of accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud and error.

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

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

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

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

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

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

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

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended 31st March 2023 and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

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

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

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

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

Place: New Delhi
Date: 22nd May 2023

STANDALONE BALANCE SHEET AS AT MARCH 31, 2023

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
1) Non - Current Assets			
(a) Financial Assets			
(i) Investment in subsidiary	3	139,553.52	139,553.52
(ii) Loans	4	890,606.66	605,640.00
(iii) Other Financial Assets	5	9,670.84	3,170.81
Total non current assets		**1,039,831.02**	**748,364.33**
2) Current Assets			
(a) Financial Assets			
(i) Cash and Cash Equivalents	6	14,080.38	5,793.33
(ii) Other Financial Assets	7	46,982.88	10,656.50
(b) Other Current Assets	8	828.75	12.46
TOTAL CURRENT ASSETS		**61,892.01**	**16,462.30**
TOTAL ASSETS		**1,101,723.03**	**764,826.63**
EQUITY AND LIABILITIES			
EQUITY			
1) Unit Capital	9	741,604.32	599,442.82
2) Initial Settlement Amount		0.10	0.10
3) Other Equity	10	60,432.64	18,124.32
TOTAL EQUITY		**802,037.06**	**617,567.24**
LIABILITIES			
1) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	11	292,158.33	145,556.94
(b) Deferred Tax liabilities	12	-	3.16
TOTAL NON CURRENT LIABILITIES		**292,158.33**	**145,560.10**

NATIONAL HIGHWAYS INFRA TRUST

STANDALONE BALANCE SHEET AS AT MARCH 31, 2023 Cont.

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
2) CURRENT LIABILITIES			
(a) Financial Liabilities			
(i) Borrowings	13	2,000.00	980.86
(ii) Trade Payables	14		
(a) Total Outstanding, dues of micro and small enterprises		3.88	-
"(b) Total outstanding, dues of creditors other than micro and small enterprises"		342.69	456.85
(iii) Other Financial Liabilities	15	5,129.59	-
(b) Other Current Liabilities	16	42.50	99.80
(c) Current Tax Liabilities (Net)	17	8.98	161.77
TOTAL CURRENT LIABILITIES		**7,527.64**	**1,699.28**
TOTAL EQUITY AND LIABILITIES		**1,101,723.03**	**764,826.63**

Significant Accounting Policies 1-2

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

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

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

CA Kailash Chand Gupta
Partner
M.No.085003

Date : 22nd May 2023
Place : New Delhi

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

Suresh Krishan Goyal
Director
DIN: 02721580

Mahavir Parsad Sharma
Director
DIN: 03158413

Mathew George
Chief Financial Officer

Gunjan Singh
Compliance Officer

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

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
INCOME			
Revenue from Operations	18	94,698.30	22,843.13
Interest Income	19	352.28	5.86
Profit on sale of investments	20	422.20	669.21
Other income	21	316.59	318.67
Total Income		**95,789.37**	**23,836.87**
EXPENSES			
Investment Manager Fees		1,263.70	1,931.71
Trustee Fees		9.60	3.73
Valuation expenses		4.00	-
Annual listing fees		20.00	-
Rating fees		0.20	0.57
Audit Fees			
- Statutory audit fees		2.90	2.50
- Other audit services (including certification)	22	0.88	-
Custodian Fees		0.84	-
Finance Cost	23	16,590.17	3,154.43
Other Expenses	24	190.16	112.18
Total Expenses		**18,082.45**	**5,205.13**
Profit / (Loss) before Tax		**77,706.92**	**18,631.74**
Tax Expenses	25		
Current Tax		473.89	436.36
Current tax - earlier years		0.01	-
Deferred Tax expense/(credit)		(3.16)	3.16
Total Tax		**470.74**	**439.52**
Profit for the year		**77,236.17**	**18,192.23**

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

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Other Comprehensive Income			
A (i) Items that will not be reclassified to Profit and Loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to Profit and Loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
		-	-
Total Comprehensive Income for the year		**77,236.17**	**18,192.23**
Earnings per Unit			
Basic	26	11.76	3.06
Diluted	26	11.76	3.06

Significant Accounting Policies 1-2

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

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

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

CA Kailash Chand Gupta
Partner
M.No.085003

Date : 22nd May 2023
Place : New Delhi

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

Suresh Krishan Goyal
Director
DIN: 02721580

Mahavir Parsad Sharma
Director
DIN: 03158413

Mathew George
Chief Financial Officer

Gunjan Singh
Compliance Officer

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

(All amounts are in ₹ lakh unless otherwise stated)

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A.	**Cash flows from operating activities**		
	Net Profit/(Loss) Before Tax	77,706.92	18,631.74
	Adjustments to Reconcile Profit Before Tax to Net Cash Flows:		
	Finance Cost (net)	16,590.17	3,154.43
	Interest Income on Bank FDR	(352.28)	(5.86)
	Interest Income on Long Term Loan given to SPV	(94,698.30)	(22,843.13)
	Interest received on Long Term Loan given	58,661.00	12,192.00
	Profit on redemption of Mutual Funds	(422.20)	(661.83)
	Operating cash flows before Working Capital Changes	**57,485.31**	**10,467.36**
	Movements in Working Capital		
	Decrease / (Increase) in Other Non Current Financial Assets	(15.42)	-
	Decrease / (Increase) in Other Current Financial Assets	(290.62)	0.59
	Decrease / (Increase) in Other Current Assets	(834.96)	(12.46)
	Increase / (Decrease) in Trade & Other Payables	393.13	(146.87)
	Increase / (Decrease) in Other Financial Liabilities	(0.00)	75.72
	Increase / (Decrease) in Other Current Liabilities	(57.30)	97.66
	Increase / (Decrease) in Current Tax Liabilities	-	(0.59)
	Cash used in operating activities	**56,680.14**	10,481.40
	Income Tax paid	(626.67)	(274.00)
	Net Cash Flows used in operating activities - A	**56,053.47**	**10,207.40**
B.	**Cash flows from investing activities**		
	Long Term Loans given	(284,966.66)	(605,640.00)
	Purchase of Non Current Investments	-	(129,401.52)
	Investment in FDR	(6,299.18)	(3,170.81)
	Profit on redemption of Mutual Funds	422.20	661.83
	Interest Received from Bank	168.40	-
	Net Cash Flows used in investing activities - B	**(290,675.25)**	**(737,550.50)**

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

(All amounts are in ₹ lakh unless otherwise stated)

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
C.	**Cash flows from financing activities**		
	Proceeds from Issue of unit capital	143,013.67	591,000.00
	Expense incurred towards initial public debt offering	(1,689.00)	-
	Expense incurred towards institutional unit allotment	(1,099.13)	(1,364.94)
	Proceeds from Long Term Borrowings (net of processing fees)	-	147,646.00
	Financing charges paid	(197.00)	-
	Proceeds from Long Term Borrowings - NCD	150,000.00	-
	Distribution paid to unit holders	(34,927.86)	-
	Repayment of Long Term Borrowings	(1,010.98)	(1,001.59)
	Finance Costs Paid	(11,180.86)	(3,143.04)
	Net Cash Flows from financing activities - C	**242,908.84**	**733,136.43**
	Net Increase/Decrease in Cash and Cash equivalents (A+B+C)	8,287.06	5,793.33
	Cash and Cash Equivalents at the Beginning of the Year	5,793.33	-
	Cash and Cash Equivalents at the end of the year	**14,080.38**	**5,793.33**

Refer Note No. 43 for reconciliation of financing activities.

Note:

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

(ii) Amounts in bracket represent outflows.

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

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

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

CA Kailash Chand Gupta
Partner
M.No.085003

Suresh Krishan Goyal
Director
DIN: 02721580

Mahavir Parsad Sharma
Director
DIN: 03158413

Date : 22nd May 2023
Place : New Delhi

Mathew George
Chief Financial Officer

Gunjan Singh
Compliance Officer

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

A. Initial Settlement Amount

(All amounts are in ₹ lakh unless otherwise stated)

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

B. Unit Capital*

Particulars	Number of unit	Amount
Balance as at April 1, 2021	-	-
Changes in unit capital	595,200,000	601,152.00
One time issue expenses		(1,709.18)
Balance as at March 31, 2022	**595,200,000**	**599,442.82**
Changes in unit capital	131,205,200	143,013.67
One time issue expenses		(852.17)
Balance as at March 31, 2023	**726,405,200**	**741,604.32**

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

C. Other Equity**

(All amounts are in ₹ lakh unless otherwise stated)

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

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

* Refer Note No. 9

** Refer Note No. 10

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

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

CA Kailash Chand Gupta
Partner
M.No.085003

Suresh Krishan Goyal
Director
DIN: 02721580

Mahavir Parsad Sharma
Director
DIN: 03158413

Date : 22nd May 2023
Place : New Delhi

Mathew George
Chief Financial Officer

Gunjan Singh
Compliance Officer

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

(All amounts are in ₹ lakh unless otherwise stated)

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

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

Standalone Statement of Net Assets at Fair Value

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Book value	Fair value^	Book value	Fair value^
A. Assets	1,101,723	1,157,787	764,827	764,827
B. Liabilities (at book value)	299,686	299,686	147,259	147,259
C. Net assets (A-B)	**802,037**	**858,101**	**617,567**	**617,567**
D. No of units	726,405,200	726,405,200	595,200,000	595,200,000
E. NAV (C/D)	**110.41**	**118.13**	**103.76**	**103.76**

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

Standalone Statement of Total Return at Fair Value:

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Total comprehensive income for the year (As per the Standalone Statement of Profit and Loss)	77,236.17	18,192.23
Add: Other changes in fair value for the year*	56,063.48	-
Total return	**133,299.66**	**18,192.23**

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

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

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

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

1. TRUST INFORMATION AND NATURE OF OPERATIONS

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

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

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

During the year ended 31st March 2022, the Trust acquired 100% equity control in National Highway Infra Projects Private Limited (the "Project SPV") from the Sponsor with effect from 3rd November 2021. During the year ended 31st March 2021 the project SPV entered into five Concession Agreements for 30 years with the Sponsor (National Highways Authority of India - NHAI) on Toll, Operate and Transfer ('TOT') basis and in year ended 31st March 23 further signed 3 new Concession Agreements for 20 years with National Highways Authority of India for Toll, Operate and Transfer ('TOT') basis.

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

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

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

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

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

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

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

2.2 Judgement and Estimates

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

Current versus non-current classification

The Trust presents Assets and Liabilities in the Balance Sheet based on the Current or Non-Current classification, An asset has been classified as Current if,

(a) it is expected to be realized in, or is intended for sale or consumption in, the Trust's normal operating cycle; or
(b) it is held primarily for the purpose of being traded; or
(c) it is expected to be realized within twelve months after the reporting date; or
(d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets have been classified as Non-Current.

A liability has been classified as Current when,

(a) it is expected to be settled in the Trust's normal operating cycle; or
(b) it is held primarily for the purpose of being traded; or
(c) it is due to be settled within twelve months after the reporting date; or
(d) the Trust does not have an unconditional right to defer settlement of the liability for at least twelve months after the reporting date.

All other liabilities have been classified as Non-Current.

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

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

2.3 Revenue Recognition

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

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

Interest income - Interest is recognised on time proportion basis taking into account the amount outstanding and the rates applicable. For all Debt instruments measured either at Amortized Cost or Fair Value through Other Comprehensive Income, interest income is recorded using EIR method that is the rate that exactly discounts estimated future cash receipts through the expected life of the financial instrument to the net carrying amount of the financial asset.
Dividends - Dividend income is recognised when the Trust's right to receive the payment is established, which is generally when shareholders approve the dividend.

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

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

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

2.4 Financial Instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

Financial Assets at amortised cost

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

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

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The losses arising from impairment are recognised in the Statement of Profit and Loss.

Investments in equity instruments of Subsidiaries are recognised at original cost in accordance with Ind AS 27. Impairment testing of Investment in subsidiary that are accounted for at cost as per Ind AS 27 are within scope

of Ind AS 36 Impairment of Assets. Any impairment in value of investment in equity investments in Subsidiaries is recognised in the Statement of Profit and Loss.

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

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

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

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

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

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

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

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

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

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

Reclassification of Financial Assets

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

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

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

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

Derecognition

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

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

When the Trust has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, not transferred control of the asset, the trust continues to recognise the transferred asset to the extent of the trust's continuing involvement. In that case, the trust also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the trust has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the trust could be required to repay.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Trust's financial liabilities include trade and other payables, loans and borrowings etc.

Subsequent measurement

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

Loans and borrowings

This is the category most relevant to the Trust. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit or Loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Statement of Profit and Loss.

This category generally applies to borrowings and security deposits received.

Derecognition

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

Offsetting financial instrument

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

2.5 Fair Value measurement

The Trust measures financial instruments at fair value at each financial statement date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i) In the principal market for the asset or liability, or

ii) In the absence of a principal market, in the most advantageous market for the asset or liability

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

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

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

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

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

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

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

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

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

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

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

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

On an annual basis, the Board of Directors of the Investment Manager presents the valuation results to the Audit Committee and the Trust's independent auditors. This includes a discussion of the major assumptions used in the valuations. For the purpose of fair value disclosures, the Trust has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

2.6 Investment in subsidiaries

Investments (equity instruments) in subsidiaries are carried at cost less accumulated impairment losses, if any, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for as Non-current assets held for sale and discontinued operations. Where an indication of impairment exists, the carrying amount of the investment is assessed and written down immediately to its recoverable amount. On disposal of investments in subsidiaries, the difference between net disposal proceeds and carrying amounts are recognised in the Statement of Profit and Loss.

2.7 Cash and Cash Equivalents

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

2.8 Impairment of Assets

Impairment of Financial Assets

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

For recognition of impairment loss on other financial assets and risk exposure, the trust determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the trust in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

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

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

Impairment of Non-Financial Assets

The Trust assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Trust estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or Trust's assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses of continuing operations are recognized in the statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve up to the amount of any previous revaluation. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

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

2.9 Borrowing Costs

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

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

2.10 Foreign currency transactions

The Trust's financial statements are presented in INR, which is Trust's functional currency.

Foreign currency transactions are recorded at the exchange rate prevailing on the date of the respective transactions between the functional currency and the foreign currency.

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

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

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

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

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

2.11 Taxes on income

Tax expense comprises of Current and Deferred tax.

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

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

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

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

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

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

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

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

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

2.12 Provisions, Contingent Liabilities, Contingent Assets and Capital Commitments

Contingent Liabilities

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

Contingent Assets

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

Provisions

Provisions are recognised when the Trust has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Trust expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Commitments

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

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

2.13 Statement of Cash Flows

Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities.

Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:
- changes during the period in operating receivables and payables, transactions of a non-cash nature;
- non-cash items such as depreciation, provisions, deferred taxes, unrealised foreign currency gains and losses;
- all other items for which the cash effects are investing or financing cash flows.

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

2.14 Assets held for sale

Non-current assets or disposal trusts comprising of assets and liabilities are classified as 'held for sale' when all of the following criteria's are met: (i) decision has been made to sell. (ii) the assets are available for immediate sale in its present condition. (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Balance Sheet date.

Subsequently, such non-current assets and disposal trusts classified as held for sale are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

2.15 Unit Capital

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

2.16 Distribution to unitholders

The Trust recognises a liability to make cash distributions to unit holders when the distribution is authorised and a legal obligation has been created. As per the SEBI InvIT Regulations, a distribution is authorised when it is approved by the Board of Directors of the Investment Manager. A corresponding amount is recognised directly in other equity.

2.17 Earnings per Unit (EPU)

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

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

2.18 Recent Pronouncements

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

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

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

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

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

3. Investments: Non Current

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Investment in Equity Instruments (unquoted)		
Subsidiary company Investment in Equity Shares of Project SPV (NHIPPL) (1,29,41,00,000 nos. of fully paid up equity shares of Face Value ₹10 each)	139,553.52	139,553.52
Total	**139,553.52**	**139,553.52**

Note :

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

No. of shares pledged

Name of the Company:	As at March 31, 2023	As at March 31, 2022
National Highways Infra Projects Private Limited	1,294,100,000	1,294,100,000

4. Loans: Non Current

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Unsecured		
Loan to related party - Project SPV (NHIPPL) (Maximum amount outstanding during the year: ₹8,90,606.66 lakh; PY: ₹6,05,640.00 lakh)	890,606.66	605,640.00
Total	**890,606.66**	**605,640.00**

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

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

NATIONAL HIGHWAYS INFRA TRUST

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

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

Type of Borrowers	As at March 31, 2023	As at March 31, 2022
(i) Promoters	-	-
(ii) Directors	-	-
(iii) KMPs	-	-
(iv) Related parties	890,606.66	605,640.00

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

In previous year Trust has granted long term loan amounting to ₹6,056.40 Crore at the rate of 12.70% p.a. to subsidiary company (NHIPPL) via Facility Agreement dated 29th November 2021 for financial assistance to be utilized for the purposes and terms and conditions as mentioned in the Concession Agreement between NHAI and NHIPPL. The loan was disbursed on 14th December 2021 and is repayable on quarterly basis over 102 quarterly instalments of Principal and Interest up to 31st March 2047 or earlier in accordance with premature repayment, only if (A) on the relevant principal repayment dates(s), sufficient amount are available with the borrower (Which are available and permitted to be utilised towards repayment of such principal amounts, without such utilising being in or resulting in breach of financial documents) to make such payments in full or part or (B) the senior lender has sent a letter to the borrower requesting it to make payments on the relevant repayment date. However no principal amount under InvIT senior facility will be due and payable by the borrower unless the borrower has the project cash flows as aforesaid to make such payment in full or part in accordance with the repayment schedule or the senior lender has sent a letter to the borrower requesting it to make the payment on the relevant repayment date.

In current year Trust has granted long term loan amounting to ₹2,849.66 crore at the rate of 12.70% p.a. to subsidiary company (NHIPPL) via Facility Agreement dated 10th October 2022 for financial assistance to be utilized for the purposes and terms and conditions as mentioned in the Concession Agreement between NHAI and NHIPPL. The loan was disbursed on 28th October 2022 and is repayable annually over 7 annual instalments of Principal up to 31st March 2043 or earlier in accordance with premature repayment only if (A) on the relevant principal repayment dates(s), sufficient amount are available with the borrower (Which are available and permitted to be utilised towards repayment of such principal amounts, without such utilising being in or resulting in breach of financial documents) to make such payments in full or part or (B) the senior lender has sent a letter to the borrower requesting it to make payments on the relevant repayment date. However no principal amount under InvIT senior facility will be due and payable by the borrower unless the borrower has the project cash flows as aforesaid to make such payment in full or part in accordance with the repayment schedule or the senior lender has sent a letter to the borrower requesting it to make the payment on the relevant repayment date.

5. Other Financial Assets: Non Current

(All amounts are in ₹ lakh unless otherwise stated)

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

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

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

6. Cash and Cash Equivalents

(All amounts are in ₹ lakh unless otherwise stated)

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

*These balances with banks are hypothecated against secured borrowings

7. Other Financial Assets: Current

(All amounts are in ₹ lakh unless otherwise stated)

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

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

8. Other Current Assets

(All amounts are in ₹ lakh unless otherwise stated)

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

NATIONAL HIGHWAYS INFRA TRUST

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

9. Unit Capital

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No of Units	Amount	No of Units	Amount
Unit Capital*				
Opening balance	595,200,000	599,442.82	-	-
Add: Units issued during the year	131,205,200	143,013.67	595,200,000	601,152.00
Less: Issue expenses (refer note below)	-	(852.17)	-	(1,709.18)
Balance	**726,405,200**	**741,604.32**	**595,200,000**	**599,442.82**

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

The Trust offered an issue of 13,12,05,200 units of National Highways Infra Trust ("NHIT") during the current financial year and such units, the "units"), for cash at a price of ₹109.00 per unit (the "issue price"), aggregating to ₹1,43,013.67 lakh through Institutional and preferential placement in accordance with the Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014 including the rules, circulars and guidelines issued thereunder. The issue opened on 30th September 2022 and closed on 3rd October 2022. The Board of Directors of National Highways Infra Investment Managers Private Limited considered and approved allotment of 13,12,05,200 units to the eligible unitholders of Trust on 12th October 2022.

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

Rights/ preferences and restrictions attached to Unit Capital

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

a) The beneficial interest of each unitholder shall be equal and limited to the proportion of the number of the units held by that unitholder to the total number of units.
b) Right to receive income or distributions with respect to the units held.
c) Right to attend the annual general meeting and other meetings of unit holders of the Trust.
d) Right to vote upon any matters/ resolutions proposed in relation to the Trust.
e) Right to receive periodic information having a bearing on the operation or performance of the Trust in accordance with the InvIT Regulations.
f) Right to apply to the Trust to take up certain issues at meetings for unit holders approval.
g) Right to receive additional information, if any, in accordance with InvIT documents filed with Placement Memorandum.
h) The non-sponsor unit holders ("Eligible Persons") of the Trust are entitled to representation on the Board of Directors of the Investment Manager through appointment of up to two (2) directors ("Non-Sponsor Directors"), provided that no Eligible Person shall have the right to nominate more than one Director at a time for appointment on the Board of Directors.

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

Under the provisions of the InvIT Regulations, not less than ninety percent of the net distributable cash flows of the Trust is required to be distributed to the unitholders, and in accordance with such statutory obligation the Trust has formulated a distribution policy to declare and distribute the distributable cash flows to its unitholders atleast once every financial

NATIONAL HIGHWAYS INFRA TRUST

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

year as approved by the Board of Directors of the Investment Manager. The distributions made by Trust to its unitholders are based on the Net Distributable Cash Flows (NDCF) of the Trust under the InvIT Regulations and represent repayment of proportionate capital and share of profit. The distribution in proportion to the number of units held by the unitholders. The Trust declares and pays in distributions in indian rupees.

Limitation to the Liability of the unit holders

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

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

Particulars	As at March 31, 2023		As at March 31, 2022	
	No. of Units	%	No. of Units	%
Ontario Limited	181,601,300	25.00%	148,800,000	25.00%
CPP Investment Board Private Holdings Inc.	181,601,300	25.00%	148,800,000	25.00%
SBI Balanced Advantage Trust	63,160,260	8.69%	56,800,000	9.54%
National Highways Authority of India (NHAI)	115,202,600	15.86%	95,600,000	16.06%

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

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

Reconciliation Of Number Of Units Outstanding Is Set Out Below:

Particulars	As at March 31, 2023		As at March 31, 2022	
	No of Units	Amount (amounts in ₹ lakh)*	No of Units	Amount (amounts in ₹ lakh)*
Number of Units at the beginning of the year	595,200,000	601,152.00	-	-
Units issued during the year	131,205,200	143,013.67	595,200,000	601,152.00
Number of Units at the end of the year	726,405,200	744,165.67	595,200,000	601,152.00

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

NATIONAL HIGHWAYS INFRA TRUST

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

10. Other Equity

(All amounts are in ₹ lakh unless otherwise stated)

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

^The distribution relates to the distributions during the financial year along with the distribution related to the last quarter of FY 2021-22 and does not include the distribution relating to the period 1st January 2023 to 31st March 2023 which will be paid after 31st March 2023. The distributions by the Trust to its unit holders are based on the Net Distributable Cash Flows of the Trust under the SEBI InvIT Regulations.

11. Borrowings: Non Current

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Secured		
Non-Convertible Debentures	150,000.00	-
Less: Unamortised Borrowing Cost*	1,411.80	-
Total	**148,588.20**	**-**
i) Interest rate	7.90% p.a payable semi annually.	
ii) Terms of repayment	Redemption of respective STRPP shall be made in equal instalments **i) STRPP A** - starting from 8th anniversary of deemed date of allotment till thirteenth anniversary. **ii) STRPP B** - starting from 13h anniversary of deemed date of allotment till eighteenth anniversary. **iii) STRPP C** - starting from 18th anniversary of deemed date of allotment till twentyfifth anniversary.	
Term Loan		
From Banks	145,987.43	146,998.41
From other parties	-	-
	145,987.43	**146,998.41**
Less: Current Maturities of Long Term Borrowings (Refer Note 13)	2,000.00	980.86
Less: Unamortised Borrowing Cost*	417.30	460.61
Total	**143,570.13**	**145,556.94**
Grand Total	**292,158.33**	**145,556.94**

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

Note:- Other terms and conditions of Term Loans

i) Interest rate	Marginal Cost of fund based lending rate (MCLR) plus spread applicable on each reset date i.e.
ii) Terms of repayment	Repayable in unstructured quarterly instalments with last repayment date up to 31st March 2041.

Security for Term Loans:

The loan is secured by,

- first pari passu charge on all immovable assets (if any), movable assets and receivables of the Trust including but not limited to,

(i) the interest and principal repayments on the loans advanced by the Trust to Project SPV

(ii) dividends to be paid by Project SPV to the Trust

- first pari passu Security Interest on Trust Escrow account and all sub-accounts thereunder, including DSRA.
- pledge of 100% equity shares of Project SPV (NHIPPL) in dematerialized form held by the Trust
- assignment of loans advanced by the Trust to Project SPV (NHIPPL) and securities created by the Trust including the assignment of rights of submission, termination and invocation of provision of Escrow agreement in case of default.
- negative lien on immovable assets (including current assets and cash flows) of the Project SPV (NHIPPL) subject to sale of obsolete items or cars/ ambulances, old toll equipment etc., under normal business practice, subject to maximum cumulative value of ₹5 crore in any financial year.

The senior lenders of the Trust have also been provided with a corporate guarantee from Project SPV (NHIPPL) to guarantee upto the secured obligations of the Trust. The funds have been raised at Trust level from unitholders and domestic lenders, and the same have been lent to Project SPV (NHIPPL) for payment of concession fee by NHIPPL to NHAI. The cashflows viz., toll collections are lying in NHIPPL. Accordingly, corporate guarantee amounting upto the secured obligations of the Trust via Corporate Guarantee Deed dated 14th March 2022, valid across the tenure of the loan of the Trust i.e. up to 31st March 2041, has been provided by the Project SPV (NHIPPL) to the senior lenders of the Trust.

Nature of Security for Non-Convertible debentures:

The debenture holders are secured by:

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

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

c) Negative Lien Undertaking;

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

The non convertible debenture holders of the Trust acting through debenture trustee have also been provided with a corporate guarantee from Project SPV (NHIPPL) to guarantee the repayment of amount raised from non convertible debenture holders by the Trust. The funds have been raised at Trust level from debentureholders, have been lent to Project SPV (NHIPPL) for payment of concession fee by NHIPPL to NHAI. Accordingly, corporate guarantee amounting upto the secured obligations via Corporate Guarantee Deed dated 21st October 2022 is valid till all outstanding principal and accrued interest payable by the Trust are satisfied to the non-convertible debenture holders of the Trust.

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

NATIONAL HIGHWAYS INFRA TRUST

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

12. Deferred Tax Liabilities

(All amounts are in ₹ lakh unless otherwise stated)

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

Reconciliation of deferred tax Assets/ (Liabilities) (All amounts are in ₹ lakh unless otherwise stated)

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

13. Borrowings: Current

(All amounts are in ₹ lakh unless otherwise stated)

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

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

14. Trade Payables: Current

(All amounts are in ₹ lakh unless otherwise stated)

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

Note:-

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

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

Particulars	As at March 31, 2023	As at March 31, 2022
a) The principal amount remaining unpaid to any supplier at the end of the year**	3.88	-
b) Interest accrued and due thereon to suppliers under MSMED Act on the above amount remaining unpaid to any supplier at the end of year.	-	-
c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under section 23 of the MSMED Act, 2006 Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the Company regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the Company.	-	-

NATIONAL HIGHWAYS INFRA TRUST

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

Trade Payable aging schedule as on 31st March 2023

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

*Represent unbilled payables amounting to ₹90.34 lakh (Previous year: ₹143.56 lakh)

Trade Payable aging schedule as on 31st March 2022

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

*Represent unbilled payables amounting to ₹143.56 lakh (Previous year: ₹Nil lakh)

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

15. Other financial liabilities

(All amounts are in ₹ lakh unless otherwise stated)

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

16. Other current liabilities

(All amounts are in ₹ lakh unless otherwise stated)

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

17. Current tax liabilities

(All amounts are in ₹ lakh unless otherwise stated)

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

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

Reconciliation of Current Tax Liabilities (All amounts are in ₹ lakh unless otherwise stated)

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

18. Revenue from operations

(All amounts are in ₹ lakh unless otherwise stated)

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

19. Interest income

(All amounts are in ₹ lakh unless otherwise stated)

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

20. Profit on sale of investments

(All amounts are in ₹ lakh unless otherwise stated)

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

21. Other Income

(All amounts are in ₹ lakh unless otherwise stated)

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

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

22. Audit fees

Statutory audit expenses (All amounts are in ₹ lakh unless otherwise stated)

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

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

23. Finance cost

(All amounts are in ₹ lakh unless otherwise stated)

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

24. Other expenses

(All amounts are in ₹ lakh unless otherwise stated)

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

25. Tax Expense

(All amounts are in ₹ lakh unless otherwise stated)

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

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

Effective tax Reconciliation:

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

(All amounts are in ₹ lakh unless otherwise stated)

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

26. Earnings per unit

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Basic and diluted EPU		
Net Profit/ loss available for unitholders (in ₹ lakh)	77,236.17	18,192.23
Weighted average number of units for EPU computation	656,668,738	595,200,000
EPU - Basic and diluted	**11.76**	**3.06**

27. Capital and Other Commitments

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

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Commitments:		
Commitment for loan to Subsidiary Company (Project SPV - NHIPPL)	140,494.00	52,000.00
	140,494.00	**52,000.00**

NATIONAL HIGHWAYS INFRA TRUST

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

28. Disclosure as per Ind AS 115, "Revenue from contracts with customers"

A. Disaggregation of revenue

Revenue recognised mainly comprises of interest income on loan to related parties and dividend income from related parties. Set out below is the disaggregation of the Trust's revenue from contracts with customers:

(All amounts are in ₹ lakh unless otherwise stated)

Description	For the year ended March 31, 2023	For the year ended March 31, 2022
Operating revenue		
Interest income on loan to related parties	94,698.30	22,843.13
Total revenue	**94,698.30**	**22,843.13**

The table below presents disaggregated revenues from contracts with customers based on nature, amount and timing for the year ended 31st March 2023 and year ended 31st March 2022:

(All amounts are in ₹ lakh unless otherwise stated)

S.No.	Types of Products by Nature	Types of Services by timing	For the year ended March 31, 2023	For the year ended March 31, 2022
1	Interest income	Over the period of time	94,698.30	22,843.13

B. Assets and liabilities related to contracts with customers

There are no asset or liabilities related to contract with customers.

29. Capital Management

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

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

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

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

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Net Debt Components:		
Long Term Borrowings (Non-Current portion) (secured)	292,158.33	145,556.94
Current Maturities of Long-Term Borrowings (secured)	2,000.00	980.86
Trade payables	346.57	456.85
Other financial liabilities	5,129.59	-
Less: Cash and Cash Equivalents	(14,080.38)	(5,793.33)
Less: Bank Balances other than cash and cash equivalents	(9,670.84)	(3,170.81)
Net Debt (i)	**275,883.27**	**138,030.51**
Capital Components:		
Unit Capital	741,604.32	599,442.82
Initial Settlement Amount	0.10	0.10
Other Equity	60,432.64	18,124.32
Total Capital (ii)	**802,037.06**	**617,567.24**
Capital and Net Debt [(iii) = (i) + (ii)]	**1,077,920.33**	**755,597.76**
Gearing Ratio (i)/(iii)	**25.59%**	**18.27%**

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

30. Financial Risk Management

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

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

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

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include loans and borrowings, Receivable and Payables and Investments measured at FVTPL.

NATIONAL HIGHWAYS INFRA TRUST

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

The sensitivity analyses in the following sections relate to the position as at 31st March 2023 and 31st March 2022. The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt are all constant.

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

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31st March 2023 & 31st March 2022.

Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign exchange rates. The Trust transacts business primarily in Indian Rupees only, and hence, the sensitivity of profit & loss of the Trust to a possible change in foreign exchange rates is non-existent as on 31st March 2023 & 31st March2022.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. Exposure to risk of changes in market interest rates generally relates primarily to long-term debt obligations with floating interest rates.

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

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Floating Rate Borrowings	145,570.13	146,537.80
Total	**145,570.13**	**146,537.80**

Sensitivity analysis based on average outstanding Debt:

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

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

Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).

The Trust is not exposed to price risk due to investments of surplus funds in overnight mutual funds.

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

Liquidity Risk

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

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

The Trust measures risk by forecasting cash flows.

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

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

(All amounts are in ₹ lakh unless otherwise stated)

As at March 31, 2023	Carrying Amount	<1 Yr.	1-3 Yrs.	>3 Yrs.
Term Loan	145,570.13	2,000.00	6,000.00	137,570.13
Non-Convertible Debentures	148,588.20	-	-	148,588.20
Trade Payables	346.57	346.57	-	-
Other Financial Liabilities	5,129.59	5,129.59	-	-
Total	**299,634.49**	**7,476.16**	**6,000.00**	**286,158.33**

As at March 31, 2022	Carrying Amount	<1 Yr.	1-3 Yrs.	>3 Yrs.
Borrowings	146,537.80	1,000.00	8,000.00	137,537.80
Trade Payables	456.85	456.85	-	-
Other Financial Liabilities	-	-	-	-
Total	**146,994.65**	**1,456.85**	**8,000.00**	**137,537.80**

Credit risk

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

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

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

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

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

32. Financial Information of Investment Manager

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

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

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

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

34. Statement of Related Parties

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

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

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

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

<u>Parties to the Trust</u>

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

<u>Promoters of the Parties to the Trust specified above</u>

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

<u>Directors of the parties to the Trust specified above</u>

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

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

Directors of NHIIMPL

Mr. Suresh Krishan Goyal
Mr. Shailendra Narain Roy
Mr. Balasubramanyam Sriram (Ceased to be Director w.e.f. 31st March 2023)
Mr. Mahavir Prasad Sharma
Mr. Pradeep Singh Kharola
Mr. Amit Kumar Ghosh
Mrs. Kavita Saha (Ceased to be Director w.e.f. 29th November 2022, however reappointed on 6th January 2023)
Mr. Bruce Ross Crane (Ceased to be Director w.e.f. 29th November 2022, however reappointed on 6th January 2023)
Mr. N.R.V.V.M.K. Rajendra Kumar
Mr. Vivek Rae (Ceased to be Director w.e.f 12th July 2022)
Mr. Sumit Bose (Appointed w.e.f. 11th January 2023)

Directors of ITSL

Mr. J. Samuel Joseph
Mr. Pradeep Kumar Jain
Ms. Jayashree Ranade
Ms. Madhuri Jayant Kulkarni (Ceased to be Director w.e.f. 6th December 2022)
Ms. Padma Vinod Betai (Ceased to be Director w.e.f. 31st December 2022)
Mr. Pradeep Kumar Malhotra (Appointed w.e.f. 14th December 22)
Ms. Baljinder Kaur Mandal (Appointed w.e.f. 17th January 2023)

Directors of NHIPMPL

Mr. Ashish Asati (Ceased to be Director w.e.f. 28th October 2022)
Mr. Akhil Khare (Appointed w.e.f. 28th October 2022)
Mr. Muralidhara Rao Bugatha (Ceased to be Director w.e.f 17th January 2023)
Mr. Ashish Kumar Singh (Appointed w.e.f. 17th January 2023)

C. Transactions with Related Parties during the year

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
National Highways Infra Projects Private Limited (NHIPPL)		
Transaction during the year		
Purchase of equity shares of NHIPPL	-	129,410.00
Long Term Loan to given to NHIPPL	284,966.66	605,640.00
Interest Income on Long Term Loan given to NHIPPL	94,698.30	22,843.13
Reimbursement of Expense paid by NHIT on behalf of NHIPPL	432.66	274.98
National Highways Infra Investment Managers Private Limited (NHIIMPL)		
Transaction during the year		
Investment Manager Fees	1,491.17	1,931.71

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

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

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Advance Investment Manager Fees	86.06	-
Reimbursement of Expenses to NHIIMPL	39.79	214.80
National Highways Authority of India (NHAI)		
Transaction during the year		
Reimbursement of Pre-Issue expenses of NHIT by NHAI	-	578.02
Purchase of equity shares of Project SPV (NHIPPL) by the Trust from NHAI	-	10,153.52
Issue of units of Trust to NHAI	21,366.83	96,556.00
Interest and other income distribution	5,589.34	-
IDBI Trusteeship Services Limited (ITSL)		
Transaction during the year		
Payment of Trustee Fee	12.73	12.15
Other fees related to Round 1&2 Assets	3.54	-

D. Closing Balance with Related Parties

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
National Highways Infra Projects Private Limited (NHIPPL)		
Balance outstanding at the end of the year		
Investment in equity shares of NHIPPL	129,410.00	129,410.00
Long Term Loan to NHIPPL	890,606.66	605,640.00
Interest receivable on Long Term Loan given to NHIPPL	46,688.43	10,651.13
National Highways Authority of India (NHAI)		
Balance outstanding at the end of the year		
Issue of units of Trust to NHAI	117,922.83	96,556.00
National Highways Infra Investment Managers Private Limited (NHIIMPL)		

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

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

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Balance outstanding at the end of the year		
IM Fees Payable	1.89	-
IDBI Trusteeship Services Limited		
Balance outstanding at the end of the year		
Initial Settlement Amount	-	0.10
Trustee Fee Payable	1.73	2.77

35. Financial Instruments

Disclosure of Financial Instruments by Category

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Amortized Cost	FTVPL		Amortized Cost	FTVPL	
		At Cost	At Fair Value		At Cost	At Fair Value
Assets:						
Cash and Cash Equivalents	14,080.38	-	-	5,793.33	-	-
Investment in Project SPV	139,553.52			139,553.52		
Other Financial Assets	56,653.72	-	-	13,827.31	-	-
Loans Advanced	890,606.66	-	-	605,640.00	-	-
Total	**1,100,894.28**	**-**		**764,814.16**	**-**	**-**
Liabilities:						
Borrowings including current maturity	294,158.33	-	-	146,537.80	-	-
Trade Payables	346.57	-	-	456.85	-	-
Other Financial Liabilities	5,129.59	-	-	-	-	-
Total	**299,634.49**	**-**	**-**	**146,994.65**	**-**	**-**

Defaults and Breaches

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

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

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

36. Fair Values of Assets and Liabilities

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

37. Fair Value Hierarchy

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

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

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

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

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

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	Fair Value Hierarchy Level	Carrying Value		Fair Value	
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Financial Assets at Amortized Cost:					
Cash and Cash Equivalents	Level 3	14,080.38	5,793.33	14,080.38	4,801.17
Investment in Project SPV	Level 3	139,553.52	139,553.52	139,553.52	139,553.52
Other Financial Assets	Level 3	56,653.72	13,827.31	56,653.72	13,827.31
Loans Advanced	Level 3	890,606.66	605,640.00	890,606.66	605,640.00
Financial Assets at FVTPL:					
Total		**1,100,894.28**	**764,814.16**	**1,100,894.28**	**763,822.00**
Financial Liabilities at Amortized Cost:					
Borrowings	Level 3	294,158.33	146,537.80	294,158.33	146,537.80
Trade Payables	Level 3	346.57	456.85	346.57	456.85
Other Financial Liabilities	Level 3	5,129.59	-	5,129.59	-

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

Particulars	Fair Value Hierarchy Level	Carrying Value		Fair Value	
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Total		**299,634.48**	**146,994.65**	**299,634.48**	**146,994.65**

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

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

Valuation technique and inputs used to determine fair value

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

38. Disclosure of segment information pursuant to IND AS 108 “Operating Segments”

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

39. Disclosure pursuant to IND 23 “Borrowing Costs”

Borrowing cost capitalised during the year ₹ Nil [31st March 2022: ₹ Nil]

40. Significant accounting judgements, estimates and assumptions

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

Judgements

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

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

Classification of unit holders Funds

Under the provisions of the SEBI InvIT Regulations, the Trust is required to distribute to its Unit holders not less than 90% of the net distributable cash flows of the Trust for each financial year. Accordingly, a portion of the unit holders’ funds contain a contractual obligation of the Trust to pay to its Unit holders cash distributions. The Unit holder’s funds could therefore have been classified as compound financial instrument which contain both equity and debt components in accordance with Ind AS 32 ‘Financial Instruments: Presentation’. However, in accordance with SEBI Circulars (Circular No. CIR/IMD/DF/114/2016 dated 20th October 2016 and No. CIR/IMD/ DF/127/2016 dated 29th November 2016) issued under the SEBI InvIT Regulations, the unit holders’ funds have been classified as equity in order to comply with the mandatory requirements of Section H of Annexure A to the SEBI Circular dated 20th October 2016 dealing with the minimum disclosures for key financial statements. In line with the above, the income distribution payable to unit holders is recognized as liability when the same is approved by Board of Directors of the Investment Manager.

Fair valuation and disclosures

SEBI Circulars issued under the SEBI InvIT Regulations requires disclosures relating to net assets at fair value and total returns at fair value. In estimating the fair value of investments in subsidiaries (which constitute substantial portion of the net assets), the Trust engages independent qualified external Registered Valuers to perform the valuation. The Investment Manager works closely with the valuers to give all the required inputs to the model. The valuation report and findings are discussed at the meeting of the Board of Directors on yearly basis to understand the changes in the fair value of the subsidiaries. The inputs to the valuation models are taken from Independently conducted Technical and Traffic studies and observable markets, where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as weighted average cost of capital, tax rates, inflation rates, etc. Changes in assumptions about these factors could affect the fair value.

Taxes

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

Impairment of investments

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The recoverable amounts for the investments in subsidiaries are based on value in use of the underlying projects. The value in use calculation is based on a DCF model. The cash flows are derived from budgets/ forecasts over the life of the projects.

Expected Credit Loss on financial assets and loans in subsidiaries

As per Ind AS 109, Financial Assets that are measured at amortised cost are required to compute the Expected Credit Loss (ECL). As at the reporting period, Investment manager of the Trust assessed the credit risk of the financial assets and

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

concluded that no provision for ECL is required.

41. Subsequent Events

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

42. Contingent liabilities

There are no contingent liabilities as at 31st March 2023 (31st March 2022: ₹ Nil)

43. Distribution made

(All amounts are in ₹ lakh unless otherwise stated)

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

44. Reconciliation of Financing Activities in Cash Flow Statement

Net Debt Recognition

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As on March 31, 2023	As on March 31, 2022
	(Long Term Borrowing)	(Long Term Borrowing)
Carrying amount of debt at the beginning of the year/ period	146,537.80	-
Additional borrowings during the year/ period	150,000.00	148,000.00
Repayments during the year/ period	(1,010.98)	(1,001.59)
Other adjustments/settlements during the year/ period	-	-
- Impact in equity	-	-
- Transaction Costs	(1,432.55)	(472.00)
- Unwinding of interest	64.06	11.39
Carrying amount of debt at the end of the year/ period	**294,158.33**	**146,537.80**

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

45. Additional Regulatory Information

Financial Ratios

(All amounts are in ₹ lakh unless otherwise stated)

S.No.	Particulars	As on March 31, 2023	As on March 31, 2022
1	Current Asset ratio (Current Assets/ Current Liability)	8.22	25.73
2	Debt- Equity ratio (Debt/ Equity)	0.37	0.24
3	Debt service coverage ratio (Operating Cash flow/ External Debt Obligation)	4.60	2.58
4	Interest service coverage ratio (EBIT/ Finance cost)	5.68	6.91
5	Asset Cover ratio (valu of assets having pari-passu charges/ outstanding value of corresponding debt + interest accrued)	3.21	-
6	Networth	802,037.06	617,567.24
7	Net profit after tax	77,236.17	18,192.23
8	Outstanding redeemable preference shares (quantity and value):	-	-
9	Capital redemption reserve/ debenture redemption reserve:	-	-
10	Long term debt to working capital	5.37	9.86
11	Earning per unit	11.76	3.06
12	Bed debt to account receivable ratio	-	-
13	Current liability ratio	0.03	0.01
14	Total debt to total assets	0.27	0.19
15	ROE ratio(Net Profit/ Equity)	9.63%	2.95%
16	Inventory turnover ratio	NA	NA
17	Trade receivable turnover ratio	NA	NA
18	Trade payable turnover ratio	NA	NA
19	Net Capital turnover ratio (Total Income/ Net Working Capital)	1.76	0.57
20	Net profit ratio (Net profit/ Total Income)	80.63%	76.32%
21	Return on capital employed ratio ((Net Profit plus Finance Cost)/ (Equity + Debt))	8.56%	2.85%
22	Return on investment (Income on Investment/ Average Cost of Investment)	6.07%	15.69%

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

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

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

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Basic and Diluted		
Profit attributable to unit holders of the Trust (In lakh) (A)	77,236.17	18,192.23
Weighted average number of units (In numbers) (B)	656,668,738	595,200,000
Earnings Per Unit (In ₹) (A/B)	**11.76**	**3.06**

47. Investment Management Fees

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

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

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

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

48. Key sources of estimation

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

49. Other Statutory Information

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

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

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

iv) The Trust have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or

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

surveyor any other relevant provisions of the Income Tax Act, 1961.

v) The Trust have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Trust shall:

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

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

vi) The Trust have not advance or loaned or invested (either from borrowed fund or share premium or any other source or kind of fund) by the company to or in any person(s) or entity(ies),

including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Trust shall:

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

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

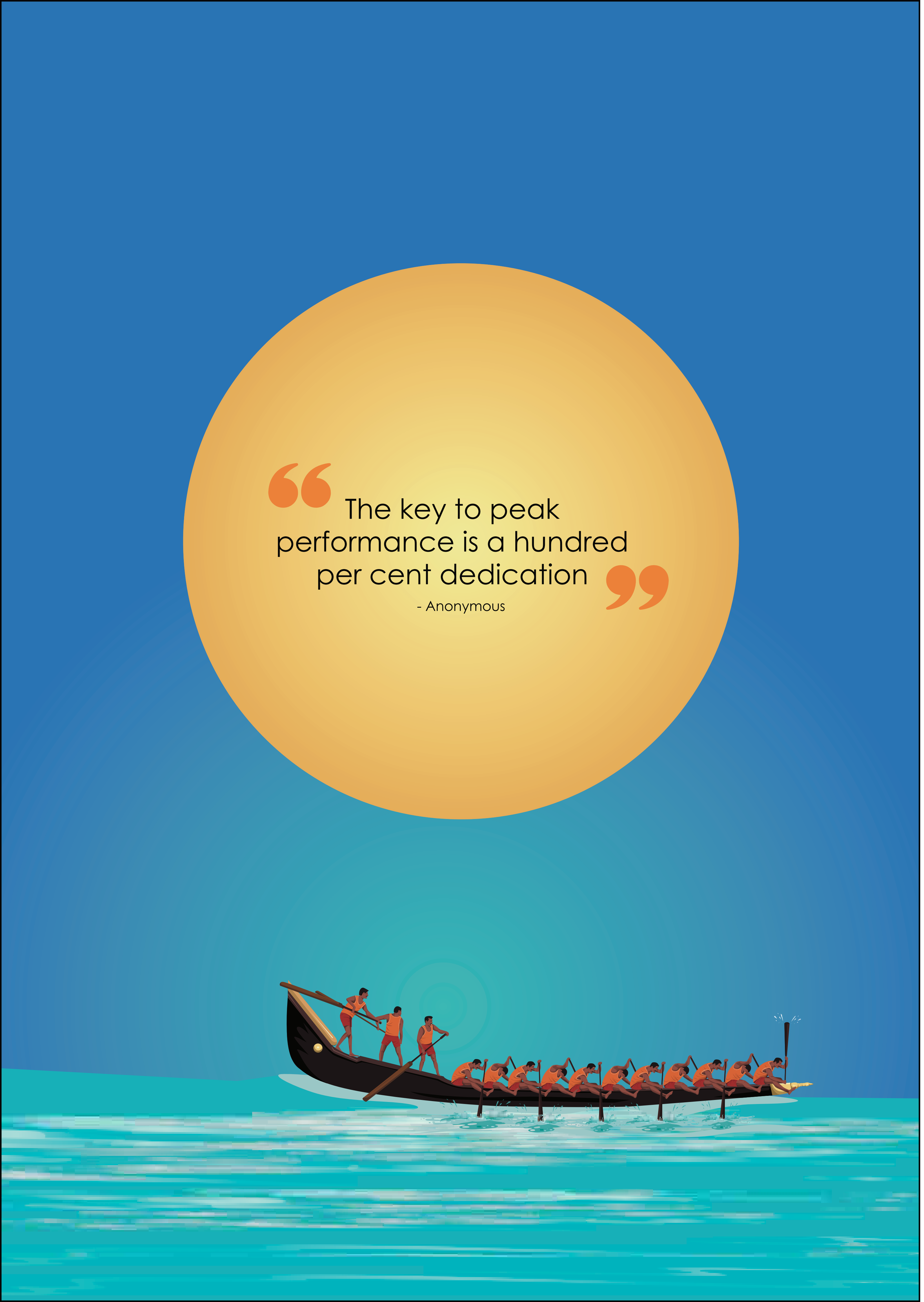
vii) The Trust did not have any long term contracts including derivative contract for which there were any material foreseeable losses.

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

50. Previous Year Figures

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

For A.R. & Co. Chartered Accountants Firm Registration no. 002744C	**For and on behalf Board of the National Highways Infra Investment Managers Private Limited (Investment Manager of National Highways Infra Trust)**	
CA Kailash Chand Gupta Partner M.No.085003	**Suresh Krishan Goyal** Director DIN: 02721580	**Mahavir Parsad Sharma** Director DIN: 03158413
Date : 22nd May 2023 **Place :** New Delhi	**Mathew George** Chief Financial Officer	**Gunjan Singh** Compliance Officer



CONSOLIDATED FINANCIAL STATEMENTS

INDEPENDENT AUDITORS' REPORT

To the Unit Holders of National Highways Infra Trust

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying consolidated financial statements of National Highways Infra Trust (hereinafter referred to as "the InvIT" or "the Trust") and its one subsidiary (hereinafter referred to as "National Highways Infra Projects Private Limited" or "NHIPPL") (the Trust and its subsidiary together referred to as "the Group"), which comprising of the consolidated Balance Sheet as at 31st March 2023, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Unitholder's Equity and the consolidated Statement of Cash Flows for the year then ended, the consolidated Statement of Net Assets at fair value as at 31st March 2023, the consolidated Statement of Total Returns at fair value, the Statement of Net Distributable Cash Flows of the Trust and its subsidiary for the year then ended and notes to the consolidated financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of our report on financial statements of subsidiary and on the other financial information of the subsidiary, the aforesaid consolidated financial statements give the information required by the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 as amended from time to time including any guidelines and circulars issued thereunder (together referred to as the "SEBI InvIT Regulations") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, to the extent not inconsistent with SEBI InvIT Regulations, of the consolidated state of affairs of the Group as at 31st March 2023, its consolidated profit including other comprehensive income, its consolidated cash flows, its consolidated statement of changes in Unitholders' equity for the year ended 31st March 2023, its consolidated net assets at fair value as at 31st March 2023, its consolidated total returns at fair value of the Group and the net distributable cash flows of the Trust and its subsidiary for the year ended 31st March 2023.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended 31st March 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

1. Assessment of Impairment of Intangible Assets in form of Toll Collection Rights

Key Audit Matter	Auditor's Response
The Group operates toll assets which is constructed on Toll, Operate and Transfer (TOT) basis. The carrying value of the toll collection rights as at 31st March 2023 is ₹10,01,398.18 lakh. In accordance with its accounting policy and requirements under Ind AS 36 "Impairment of Assets", the Management has performed an impairment assessment by comparing the carrying value of the toll collection rights to their recoverable amount. For impairment testing, value in use has been determined by forecasting and discounting future cash flows. Further, the value in use is highly sensitive to changes in critical variable used for forecasting the future cash flows including traffic projections and discounting rates. The determination of the recoverable amount of the toll collection right involves significant estimates and judgments and accordingly, the evaluation of impairment of toll collection rights has been determined as a key audit matter. (Refer Note No. 2.7 for accounting policy relating to Intangible Assets and Note No. 42 and 49 of Consolidated Financial Statements for the year ended 31st March 2023)	Our Audit Procedures included the following:- • Verified the appropriateness of the Group's accounting policy on impairment of Intangible Assets and Valuation Methodology applied in determining the recoverable amount. • Checked the Impairment Sheet provided by the Management. • Obtained the Management Representation on the assumptions around the key drivers of the revenue projections, future cash flow, discount rates/ weighted average cost of capital that were used by them. • Tested the arithmetical accuracy of Impairment Sheet.

2. Assessment of Impairment of Goodwill on Consolidation

Key Audit Matter	Auditor's Response
Goodwill on consolidation is tested for impairment as per Ind AS 36 on an annual basis by the Group using enterprise value of respective subsidiary company to which the goodwill relates to. Enterprise value calculation involves use of future cashflow projections, discounted to present value, terminal value and other variables. These use of management projections and estimates results in inherent risk of error with respect to the valuation of Goodwill and accuracy of impairment loss, if any. Goodwill amounting to ₹10,144.46 lakh as on 31st March 2023 (31st March 2022: ₹10,144.46 lakh) arising out of business combination as per Ind AS 103 has been tested for impairment by the management. (Refer Note No. 2.3 for accounting policy relating to Goodwill on Consolidation, Note No. 42 and 49 of Consolidated Financial Statements for the year ended 31st March 2023) Therefore, Impairment of Goodwill has been considered as a Key Audit Matter.	Our Audit Procedures included the following:- • Verified the appropriateness of the Group's accounting policy on impairment of Intangible Assets and Valuation Methodology applied in determining the recoverable amount. • Checked the Impairment Sheet provided by the Management. • Obtained the Management Representation on the assumptions around the key drivers of the revenue projections, future cash flow, discount rates/ weighted average cost of capital that were used by them. • Tested the arithmetical accuracy of Impairment Sheet.

3. Provisioning of Major Maintenance/ Periodic Maintenance/ resurfacing expenses (Refer Note No. 16 and 61 of the Consolidated Financial Statements)

Key Audit Matter	Auditor's Response
As per Concession Agreement, the Group is obligated to perform regular maintenance along with periodic maintenance of road assets during the entire concession period. The Periodic maintenance includes resurface of pavements, repairs of structures and other equipment and maintenance of service roads. The Group has estimated the provision required towards major maintenance in accordance with Ind AS 37 "Provisions, Contingent Liabilities and Contingent Assets". The Provision made by the Group over the Concession involves detailed Calculation and Judgement and accordingly, the major maintenance expense is considered to be the Key audit Matter.	Our Audit Procedures included the following:- • Understood the Group's Process associated with the estimation of resurfacing obligation. • Verified the requirement under Concession agreement and Group's accounting policy. • Tested the assumption used in determining the major maintenance provision. • Tested the arithmetical accuracy and also verified the disclosure in the Consolidated Financial Statements.

4. Computation and disclosures as prescribed in the SEBI InvIT regulations relating to Consolidated Statement of Net Assets at Fair Value and Consolidated Total Returns at Fair Value

Key Audit Matter	Auditor's Response
As per SEBI InvIT regulations, the Trust is required to disclose statement of net assets at fair value and statement of total returns at fair value. The fair value is determined by forecasting and discounting future cash flows from the operations of the investee entities which involves management estimates and judgements. These estimates and judgements include discounting rates, Tax rates and inflation rates which are considered for computing the fair value. There is an inherent risk in the computation of fair value due to the use of estimates and judgements mentioned above. Therefore, computation and disclosures of Consolidated statement of net assets at fair value and Consolidated statement of total returns at fair value is considered as a Key Audit Matter. Refer Note-49 Significant Accounting Assumptions-Fair Value and Disclosures and Statement of net assets at fair value and Statement of total returns at fair value in the Consolidated financial statements.	Our Audit Procedures included the following:- • Obtained the understanding of the requirements of SEBI InvIT regulations for disclosures relating to Consolidated Statement of Net Assets at Fair Value and Consolidated Statement of Total Returns at Fair Value. • Assessed the Valuation Report issued by the Independent Valuer engaged by the management. Also assessed the appropriateness of the Trust's valuation methodology applied in determining the fair values. • Obtained Management representation in this respect. • Tested the arithmetical accuracy of computation in the statement of net assets and total returns at fair value. • Ensured that disclosures is in compliance with SEBI InvIT regulations relating to the statement of net assets at fair value and the statement of total returns at fair value.

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

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

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

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

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

The Board of Directors of Investment Manager is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated Balance Sheet as at 31st March 2023, consolidated statement of Profit & Loss including other comprehensive income, consolidated cash flows and consolidated statement of changes in Unitholder's equity for the year ended 31st March 2023, the consolidated net assets at fair value as at 31st March 2023, the consolidated total returns at fair value of the Group and the net distributable cash flows of the Trust and its subsidiary for the year ended 31st March 2023 in accordance with the requirements of the SEBI InvIT Regulations, Indian Accounting Standards as defined in Rule 2(1) (a) of Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, to the extent not inconsistent with SEBI InvIT Regulations. The respective Board of Directors of the subsidiary company included in the Group are responsible for maintenance of adequate accounting records for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls for ensuring the accuracy and completeness of accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud and error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of Investment Manager, as aforesaid.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors of the Investment Manager.

- Conclude on the appropriateness of the Board of Directors of Investment Manager use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. We remain solely responsible for our audit opinion.

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

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

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

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

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

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

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

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

Place: New Delhi
Date: 22nd May 2023

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2023

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
ASSETS			
1) Non - Current Assets			
(a) Property, Plant and Equipment	3	125.17	0.46
(b) Goodwill	4	10,144.46	10,144.46
(c) Intangible assets	5	1,001,400.09	733,984.39
(d) Financial Assets			
(i) Other Financial Assets	6	9,672.44	3,170.81
(e) Deferred Tax Assets (net)	7	4,685.32	262.53
(f) Non-Current Tax Assets (Net)	8	12.06	-
Total non-current assets		**1,026,039.54**	**747,562.64**
2) Current Assets			
(a) Financial Assets			
(i) Trade receivables	9	350.87	600.47
(ii) Cash and Cash Equivalents	10	21,124.08	6,381.94
(iii) Other financial assets	11	297.36	5.38
(b) Other current assets	12	1,343.35	347.29
Total current assets		**23,115.66**	**7,335.07**
TOTAL ASSETS		**1,049,155.20**	**754,897.72**
EQUITY AND LIABILITIES			
EQUITY			
1) Unit Capital	13	741,604.32	599,442.82
2) Initial settlement amount		0.10	0.10
3) Other Equity	14	(2,469.86)	6,768.43
Total Equity		**739,134.56**	**606,211.35**
LIABILITIES			
1) Non-Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	292,158.33	145,556.94
(b) Provisions	16	6,318.81	403.37
Total non-current liabilities		**298,477.14**	**145,960.32**
2) Current liabilities			
(a) Financial liabilities			

CONSOLIDATED BALANCE SHEET AS AT MARCH 31, 2023 Cont.

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
(i) Borrowings	17	2,000.00	980.86
(ii) Trade Payables	18		
(a) Total Outstanding, dues of micro and small enterprises		137.23	-
(b) Total outstanding, dues of creditors other than micro and small enterprises		3,871.17	1,244.79
(iii) Other financial liabilities	19	5,284.95	97.85
(b) Other current liabilities	20	240.61	240.75
(c) Provisions	21	0.56	0.03
(d) Current Tax Liabilities (Net)	22	8.98	161.77
Total current liabilities		**11,543.50**	**2,726.06**
TOTAL EQUITY & LIABILITIES		**1,049,155.20**	**754,897.72**

Significant Accounting Policies 1-2

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

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

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

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

CA Kailash Chand Gupta
Partner
M.No.085003

Suresh Krishan Goyal
Director
DIN: 02721580

Mahavir Parsad Sharma
Director
DIN: 03158413

Date : 22nd May 2023
Place : New Delhi

Mathew George
Chief Financial Officer

Gunjan Singh
Compliance Officer

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

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
INCOME			
Revenue from Operations	23	68,717.20	13,960.55
Interest Income	24	373.43	5.86
Profit on sale of investments	25	671.17	690.00
Other Income	26	326.11	318.67
TOTAL INCOME		**70,087.91**	**14,975.08**
EXPENSES			
Investment Manager Fee		1,263.70	1,931.71
Trusteeship Fee		9.60	3.73
Valuation expenses		4.00	-
Annual listing fees		20.00	-
Rating fees		0.20	0.57
Insurance expenses		628.74	166.04
Custodian Fees		0.84	-
Project Management Fees		991.20	290.43
Operating Expenses	27	9,025.05	849.77
Employee Benefits Expenses	28	311.33	2.12
Finance Cost	29	16,621.32	3,154.43
Depreciation & Amortization Expense	30	17,560.63	1,055.65
Other Expenses	31	1,901.95	504.87
Audit Fees	32		
- Statutory audit fees		7.73	4.86
- Other audit services (including certification)		0.93	0.52
TOTAL EXPENSES		**48,347.23**	**7,964.71**
Profit / (Loss) before Tax		**21,740.68**	**7,010.37**
Tax Expenses	33		
Current Tax		473.89	436.36
Current tax - earlier years		0.01	-

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

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	Notes	For the year ended March 31, 2023	For the year ended March 31, 2022
Deferred Tax expense/(credit)		(4,422.79)	(262.32)
Total Tax		(3,948.89)	174.04
Profit/ (loss) for the year		**25,689.57**	**6,836.33**
Other Comprehensive Income			
Items that will not be reclassified to Profit and Loss		-	-
Items that will be reclassified to Profit and Loss		-	-
		-	-
Total Comprehensive Income for the year		**25,689.57**	**6,836.33**
Earnings per Unit			
Basic	34	3.91	1.15
Diluted	34	3.91	1.15

Significant Accounting Policies 1-2

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

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

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

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

CA Kailash Chand Gupta
Partner
M.No.085003

Suresh Krishan Goyal
Director
DIN: 02721580

Mahavir Parsad Sharma
Director
DIN: 03158413

Date : 22nd May 2023
Place : New Delhi

Mathew George
Chief Financial Officer

Gunjan Singh
Compliance Officer

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

(All amounts are in ₹ lakh unless otherwise stated)

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
A.	**OPERATING ACTIVITIES**		
	Net Profit/(Loss) Before Tax	21,740.68	7,010.37
	Adjustments for :		
	Depreciation and Amortization	17,560.63	1,055.65
	Profit on redemption of mutual funds	(671.17)	(682.62)
	Interest income from FDR	(373.43)	(5.86)
	Finance Cost (net)	16,590.17	3,154.43
	Provision for major maintenance expenses	5,879.20	403.29
	Unwinding interest on major maintenance provision	24.95	-
	Provision for Leave encashment and Gratuity	11.93	0.11
	Provision for expected credit loss	59.60	-
	Bad debts written off	9.90	-
	Operating Profit/(Loss) before Working Capital Changes	**60,832.46**	**10,935.37**
	Working Capital Adjustments:		
	Decrease/ (Increase) in Trade & Other Receivables	180.10	(600.47)
	Decrease/ (Increase) in Other Non Current Financial Assets	(208.85)	(0.00)
	Decrease/ (Increase) in Other Non Current/ Current Assets	(834.96)	(347.29)
	Decrease/ (Increase) in Other Current Financial Assets	(293.53)	0.59
	Increase/ (Decrease) in Trade & Other Payables	3,267.01	651.07
	Increase/ (Decrease) in Other Financial Liabilities	57.50	(734,867.55)
	Increase/ (Decrease) in Provisions	(0.11)	0.00
	Increase/ (Decrease) in Other Current Liabilities	(0.14)	238.59
	Increase/ (Decrease) in Current Tax Liabilities	-	(0.59)
		2,167.02	**(734,925.66)**
	Income Tax paid	(626.67)	(274.00)
	Net Cash Flows from/ (used in) Operating Activities	**62,372.81**	**(724,264.28)**
B.	**INVESTING ACTIVITIES**		
	Purchase of Property, Plant & Equipment, including CWIP, capital creditors and capital advances	(285,101.04)	(0.50)
	Purchase of Non Current Investments	-	(1.52)
	Investment in FDR	(6,299.19)	(3,170.81)
	Interest received on maturity of FDR	189.55	-

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

(All amounts are in ₹ lakh unless otherwise stated)

	Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
	Profit on redemption of mutual funds	671.17	682.62
	Net cash flows from (used in) Investing activities	**(290,539.51)**	**(2,490.21)**
C.	**FINANCING ACTIVITIES**		
	Proceeds from Issue of Unit Capital	143,013.67	591,000.00
	Expense incurred towards initial public debt offering	(1,689.00)	-
	Expense incurred towards institutional unit allotment	(1,099.13)	(1,364.94)
	Distribution to Unit Holders	(34,927.86)	-
	Proceeds from Long Term Borrowings (net of processing fees)	150,000.00	147,646.00
	Financing charges paid	(197.00)	-
	Repayment of Long Term Borrowings	(1,010.98)	(1,001.59)
	Finance Costs Paid	(11,180.86)	(3,143.04)
	Net cash flows from (used in) Financing activities	**242,908.84**	**733,136.43**
	Net Increase/ Decrease in Cash and Cash equivalents (A+B+C)	**14,742.14**	**6,381.94**
	Cash and cash equivalents at the beginning of the year	6,381.94	-
	Cash and cash equivalents at the end of the year	**21,124.08**	**6,381.94**

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

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

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

CA Kailash Chand Gupta
Partner
M.No.085003

Suresh Krishan Goyal
Director
DIN: 02721580

Mahavir Parsad Sharma
Director
DIN: 03158413

Date : 22nd May 2023
Place : New Delhi

Mathew George
Chief Financial Officer

Gunjan Singh
Compliance Officer

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

A. Initial Settlement Amount

(All amounts are in ₹ lakh unless otherwise stated)

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

B. Unit Capital*

Particulars	Number of unit	Amount
Balance as at 1st April 2021	-	-
Changes in unit capital	595,200,000	601,152.00
One time issue expenses	-	(1,709.18)
Balance as at 31st March 2022	**595,200,000**	**599,442.82**
Changes in unit capital	131,205,200	143,013.67
One time issue expenses	-	(852.17)
Balance as at 31st March 2023	**726,405,200**	**741,604.32**

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

C. Other Equity**

(All amounts are in ₹ lakh unless otherwise stated)

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

^The distribution relates to the distributions during the financial year along with the distribution related to the last quarter of FY 2021-22 and does not include the distribution relating to the period 1st January 2023 to 31st March 2023 which will be paid after 31st March 2023. The distributions by the Trust to its unit holders are based on the Net Distributable Cash Flows of the Trust under the SEBI InvIT Regulations.

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

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

CA Kailash Chand Gupta
Partner
M.No.085003

Date : 22nd May 2023
Place : New Delhi

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

Suresh Krishan Goyal
Director
DIN: 02721580

Mahavir Parsad Sharma
Director
DIN: 03158413

Mathew George
Chief Financial Officer

Gunjan Singh
Compliance Officer

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

Consolidated Statement of Net Assets at Fair Value

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Book value	Fair value^	Book value	Fair value^
A. Assets	1,049,155.20	1,168,122.00	754,897.72	754,897.72
B. Liabilities	310,020.64	310,020.64	148,686.37	148,686.37
C. Net assets (A-B)	**739,134.56**	**858,101.36**	**606,211.35**	**606,211.35**
D. No of units	726,405,200	726,405,200	595,200,000	595,200,000
E. NAV (C/D)	**101.75**	**118.13**	**101.85**	**101.85**

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

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

Consolidated Statement of Total Return at Fair Value:

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Total comprehensive income for the year/ period (As per the Consolidated Statement of Profit and Loss)	25,689.57	6,836.33
Add: Other changes in fair value for the year*	118,966.80	-
Total return	**144,656.37**	**6,836.33**

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

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

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

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

CA Kailash Chand Gupta
Partner
M.No.085003

Date : 22nd May 2023
Place : New Delhi

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

Suresh Krishan Goyal
Director
DIN: 02721580

Mahavir Parsad Sharma
Director
DIN: 03158413

Mathew George
Chief Financial Officer

Gunjan Singh
Compliance Officer

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

Consolidated Statement of Net Distributable Cash Flows

(All amounts are in ₹ lakh unless otherwise stated)

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

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

STATEMENT OF NET DISTRIBUTABLE CASH FLOWS

National Highways Infra Projects Private Limited (Project SPV)

(All amounts are in ₹ lakh unless otherwise stated)

S. No.	Particulars	March 31, 2023	March 31, 2022
1	**Profit after tax as per Statement of profit and loss/ income and expenditure (standalone) (A)**	**(51,546.61)**	**(11,355.90)**
2	**Add:** Depreciation and amortization as per statement of profit and loss account. Incase of Impairment reversal, same needs to be deducted from profit and loss.	17,560.63	1,055.65
3	**Add/ Less:** Loss/ gain on sale of infrastructure assets	-	-
4	Add: Proceeds from sale of infrastructure assets adjusted for the following: related debts settled or due to be settled from sale proceeds; directly attributable transaction costs; proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT regulations	-	-
5	**Add:** Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit/ (loss) recognised in profit and loss account	(134.38)	-
6	**Add/ Less:** Any other item of non- cash expense/ non cash income (net of actual cash flows for these items), if deemed necessary by the Investment Manager. For example, any decrease/ increase in carrying amount of an asset or a liability recognised in profit and loss/ income and expenditure on measurement of the asset or the liability at fair value; Interest cost as per effective interest rate method, deferred tax lease rents recognised on a straight line basis, etc.	40,575.45	10,888.85
7	**Less:** Repayment of external debt (principal)/ redeemable preference shares/ debentures, etc. (excluding refinancing)/ net cash set aside to comply with DSRA requirement under loan agreements	(4,004.00)	-
8	**Total Adjustment (B)**	53,997.70	11,944.50
9	**Net Distributable Cash Flows (C) = (A+B)**	**2,451.09**	**588.61**

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

1. GROUP INFORMATION AND NATURE OF OPERATIONS

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

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

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

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

During the year ended 31st March 2022, the Trust acquired 100% equity control in National Highway Infra Projects Private Limited (the "Project SPV") from the Sponsor with effect from 3rd November 2021. During the year ended 31st March 2021, the project SPV entered into five Concession Agreements for 30 years with the Sponsor (National Highways Authority of India - NHAI) on Toll, Operate and Transfer ('TOT') basis and in year ended 31st March 2023 further signed three new Concession Agreements for 20 years with National Highways Authority of India on Toll, Operate and Transfer ('TOT') basis.

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

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

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

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

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

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

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

2.2 Basis of Consolidation

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

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

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

Consolidation procedure:

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

  Consolidated financial statements at the acquisition date.
- Offset (eliminate) the carrying amount of the parent's investment in each subsidiary and the parent's portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows

  relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full. Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements.
- The carrying amount of the Group's investment in each subsidiary and the Group's portion of equity of each subsidiary are offset with each other in the consolidated financial statements.

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

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

2.3 Business Combination/ Goodwill on Acquisition

Business combinations are accounted for using the acquisition method. The cost of an acquisition is measured as the aggregate of the consideration transferred, measured at acquisition date fair value and the amount of any non-controlling interests in the acquiree. For each business combination, the Group elects whether to measure the non-controlling interests in the acquiree at fair value or at the proportionate share of the acquiree's identifiable net assets. Acquisition related costs are recognised in the statement of profit and loss as incurred.

The acquiree's identifiable assets, liabilities and contingent liabilities that meet the condition for recognition are recognised at their fair values at the acquisition date.

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

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

Goodwill arising on consolidation is not amortised, however, it is tested for impairment annually. In the event of cessation of operations of a subsidiary, the unimpaired goodwill is written off fully. For the purpose of impairment testing, goodwill acquired in a business combination is, from the acquisition date, allocated to each of the Group's cash-generating units that are expected to benefit from the combination, irrespective of whether other assets or liabilities of the acquire are assigned to those units. A cash generating unit to which goodwill has been allocated is tested for impairment annually, or more frequently when there is an indication that the unit may be impaired. If the recoverable amount of the cash generating unit is less than it's carrying amount, the impairment loss is allocated first to reduce the carrying amount of any goodwill allocated to the unit and then to the other assets of the unit pro-rata based on the carrying amount of each asset in the unit.

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

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

2.4 Use of Judgement and Estimates

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

Current versus non-current classification

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

An asset has been classified as Current if,

(a) it is expected to be realized in, or is intended for sale or consumption in, the Group's normal operating cycle; or
(b) it is held primarily for the purpose of being traded; or
(c) it is expected to be realized within twelve months after the reporting date; or
(d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

All other assets have been classified as Non-Current.

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

All other liabilities have been classified as Non-Current.

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

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

2.5 Revenue Recognition

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

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

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

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

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

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

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

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

2.6 Property, plant and equipment

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

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

Recognition:

The cost of an item of property, plant and equipment shall be recognised as an asset if, and only if:
(a) it is probable that future economic benefits associated with the item will flow to the entity; and
(b) the cost of the item can be measured reliably.

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

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

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

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

Depreciation on Property, plant and equipment

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

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

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

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

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

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

2.7 Intangible assets

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

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

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

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

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

Rights under Service Concession Arrangements - Toll Collection Rights

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

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

Amortisation of Intangible Assets

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

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

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

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

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

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

2.8 Employee benefits

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

i. Short term employee benefits

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

ii. Post-Employment Benefits

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

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

iii. Termination benefits

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

iv. Other long-term employee benefits

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

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

2.9 Leases

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

i.i) Property, plant, and equipment acquired under leases with lease term more than 12 months is long term lease. The lease liability is recognised for the obligation to make the lease payments and a right of use of asset for the underlying property, plant and equipment for the lease term. The lease liability is measured at the present value of the lease payments to be made over the lease term. The right of use property, plant and equipment are initially measured at the amount of the lease liability, adjusted for lease prepayments, lease incentives received and the initial direct costs such as commissions and an estimate cost of restoration, removal and dismantling of property, plant and equipment. Lease liabilities are increased to reflect the interest cost and are reduced with lease payments.

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

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

2.10 Borrowing costs

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

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

2.11 Financial Instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

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

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

Financial Assets at amortised cost

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

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

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

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

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The losses arising from impairment are recognised in the Consolidated Statement of Profit and Loss.

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

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

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

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

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

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

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

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

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

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

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

Reclassification of Financial Assets

The Group determines classification of financial assets on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The Investment

Manager of the Group determines change in the business model as a result of external or internal changes which are significant to the Group's operations. Such changes are evident to external parties. A change in the business model occurs when the Group either begins or ceases to perform an activity that is significant to its operations.

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

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

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

Derecognition

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

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

When the Group has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the group continues to recognise the transferred asset to the extent of the group's continuing involvement. In that case, the group also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the group has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the group could be required to repay.

Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Group's financial liabilities include trade and other payables, loans and borrowings etc.

Subsequent measurement

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

Loans and borrowings

This is the category most relevant to the Group. After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in Statement of Profit or Loss when the liabilities are derecognised as well as through the EIR amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the Consolidated Statement of Profit and Loss.

This category generally applies to borrowings and security deposits received.

Derecognition

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

Offsetting financial instrument

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

2.12 Fair Value measurement

The Group measures financial instruments at fair value at each financial statement date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

i) In the principal market for the asset or liability, or

ii) In the absence of a principal market, in the most advantageous market for the asset or liability

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

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

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

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

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

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

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

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

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

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

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

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

On an annual basis, the Board of Directors of the Investment Manager presents the valuation results to the Audit Committee and the Group's independent auditors. This includes a discussion of the major assumptions used in the valuations. For the purpose of fair value disclosures, the Group has determined classes of assets and liabilities on the basis of the nature, characteristics and risks of the asset or liability and the level of the fair value hierarchy as explained above. This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

2.13 Cash and Cash Equivalents

Cash and cash equivalents in the Consolidated Balance Sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

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

2.14 Impairment of Assets

Impairment of Financial Assets

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

For recognition of impairment loss on other financial assets and risk exposure, the group determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12 month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognising impairment loss allowance based on 12 month ECL.

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the group in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider:

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

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

Impairment of Non-Financial Assets

The Group assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's

(CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset unless the asset does not generate cash inflows that are largely independent of those from other assets or Group's assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining net selling price, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. Impairment losses of continuing operations are recognized in the Consolidated statement of profit and loss, except for previously revalued tangible fixed assets, where the revaluation was taken to revaluation reserve. In this case, the impairment is also recognized in the revaluation reserve up to the amount of any previous revaluation. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

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

2.15 Foreign currency transactions

The Group's financial statements are presented in INR, which is group's functional currency.

Foreign currency transactions are recorded at the exchange rate prevailing on the date of the respective transactions between the functional currency and the foreign currency.

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

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

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

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

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

2.16 Taxes on income

Tax expense comprises of Current and Deferred tax.

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

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

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

Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

Investment Manager periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

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

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

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

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

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

2.17 Provisions, Contingent Liabilities, Contingent Assets and Capital Commitments

Contingent Liabilities

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

Contingent Assets

Contingent assets usually arise from unplanned or other unexpected events that give rise to the possibility of an inflow of economic benefits to the entity.

Contingent assets are recognized when the realisation of income is virtually certain, in which case the related asset is not a contingent asset and its recognition is appropriate.

Contingent assets are reviewed at each reporting date. A contingent asset is disclosed where an inflow of economic benefits is probable.

Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Group expects some or all of a provision to be reimbursed, for example, under an insurance contract, the reimbursement is recognised as a separate asset, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the Consolidated statement of profit and loss net of any reimbursement.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

Commitments

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

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

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

2.18 Consolidated Statement of Cash Flows

Consolidated Statement of Cash Flows is prepared segregating the cash flows into operating, investing and financing activities.

Cash flow from operating activities is reported using indirect method adjusting the net profit for the effects of:

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

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

2.19 Assets held for sale

Non-current assets or disposal groups comprising of assets and liabilities are classified as 'held for sale' when all of the following criteria's are met: (i) decision has been made to sell. (ii) the assets are available for immediate sale in its present condition. (iii) the assets are being actively marketed and (iv) sale has been agreed or is expected to be concluded within 12 months of the Consolidated Balance Sheet date.

Subsequently, such non-current assets and disposal groups classified as held for sale are measured at the lower of its carrying value and fair value less costs to sell. Non-current assets held for sale are not depreciated or amortised.

2.20 Unit Capital

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

2.21 Distribution to unit holders

The Group recognises a liability to make cash distributions to unit holders when the distribution is authorised and a legal obligation has been created. As per the SEBI InvIT Regulations, a distribution is authorised when it is approved by the Board of Directors of the Investment Manager. A corresponding amount is recognised directly in other equity.

2.22 Earnings per Unit (EPU)

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

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

2.23 Recent Pronouncements

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

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

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

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

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

3. Property, Plant and Equipment

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	Temporary Structure	Computer	Office Equipments	Furniture & Fixtures	Total
Gross Carrying Amount:					
Balance as at 1st April 2021	**-**	**-**	**-**	**-**	**-**
Additions	-	0.50	-	-	0.50
Less: Disposals	-	-	-		-
Balance as at 31st March 2022	**-**	**0.50**	**-**	**-**	**0.50**
Additions	25.59	44.94	17.42	44.27	132.22
Less: Disposals	-	-	-	-	-
Balance as at 31st March 2023	**25.59**	**45.44**	**17.42**	**44.27**	**132.72**
Accumulated Depreciation:					-
Balance as at 1st April 2021	**-**	**-**	**-**	**-**	**-**
Additions	-	0.04	-	-	0.04
Less: Disposals	-	-	-	-	-
Balance as at 31st March 2022	**-**	**0.04**	**-**	**-**	**0.04**
Additions	1.49	4.32	0.82	0.88	7.51
Less: Disposals	-	-	-	-	-
Balance as at 31st March 2023	**1.49**	**4.36**	**0.82**	**0.88**	**7.55**
Net Carrying Amount:					
Balance as at 31st March 2022	**-**	**0.46**	**-**	**-**	**0.46**
Balance as at 31st March 2023	**24.10**	**41.08**	**16.60**	**43.39**	**125.17**

NATIONAL HIGHWAYS INFRA TRUST

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

4. Goodwill arising on Consolidation

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Gross Carrying Amount		
Balance at the beginning of the year	10,144.46	-
Additions*	-	10,144.46
Less: Disposals	-	-
Less: Impairment	-	-
Balance at the closing of the year	**10,144.46**	**10,144.46**

The carrying amount relates to goodwill arising on acquisition of Project SPV (NHIPPL) by the Trust and has been tested for impairment against the respective cash generating unit (CGU). The calculation uses cash flow forecast based on financial models which cover remaining future periods of respective concession periods of toll assets. Based on a review of the future discounted cash flows of the intangible assets (Toll Collection Rights) held by the subsidiary (NHIPPL), the recoverable amount is higher than the carrying amount of the assets, and accordingly no impairment loss has been recognised in the statement of profit and loss for the year ended 31st March 2023.

*Refer Note 37

5: Intangible Assets

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	Software	Toll collection rights	Total
Gross Carrying Amount:			
Balance as at 1st April 2021		**735,040.00**	**735,040.00**
Additions	-	-	-
Less: Disposals		-	-
Balance as at 31st March 2022	**-**	**735,040.00**	**735,040.00**
Additions	2.16	284,966.66	284,968.82
Less: Disposals	-		-
Balance as at 31st March 2023	**2.16**	**1,020,006.66**	**1,020,008.82**
Accumulated Amortization:			
Balance as at 1st April 2021	**-**		**-**
Additions		1,055.61	1,055.61
Less: Disposals			-
Balance as at 31st March 2022	**-**	**1,055.61**	**1,055.61**
Additions	0.25	17,552.87	17,553.12
Less: Disposals	-	-	-

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

Particulars	Software	Toll collection rights	Total
Balance as at 31st March 2023	**0.25**	**18,608.48**	**18,608.73**
Net Carrying Amount			
Balance as at 31st March 2022	**-**	**733,984.39**	**733,984.39**
Balance as at 31st March 2023	**1.91**	**1,001,398.18**	**1,001,400.09**

Note:-

1. The project SPV (NHIPPL) has acquired rights for Tolling, Operation, Maintenance and Transfer of five toll road projects for a period of 30 years basis Toll Concession agreements with NHAI, for a consideration of ₹7,350.40 crore and the same have been recognised as Other Intangible Assets in financial statements. The project SPV (NHIPPL) further acquired rights during the current financial year for Tolling, Operation, Maintenance and Transfer of three additional toll road projects for a period of 20 years basis Toll Concession agreements with NHAI, for a consideration of ₹2,849.66 crore and the same have been addition in the Other Intangible Assets in financial statements.

2. Toll Collection Rights shall be amortized on the basis of Consumption based model (using Passenger Car Unit (PCU) projections) over the tenure of the Concession Agreement i.e. 30 years and 20 years basis respective concession agreements for those toll road projects.

6. Other Financial Assets: Non Current

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Investment in Fixed Deposits		
Fixed Deposits with banks*	9,469.99	3,170.81
Security Deposits	1.60	-
Interest receivable on REF	0.42	-
Interest receivable on fixed deposits	185.43	-
Deposit - Debenture Recovery Expense Fund for NCD's	15.00	-
Total	**9,672.44**	**3,170.81**

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

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

7. Deferred Tax Assets (Net)

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Deferred Tax Assets arising on account of:		
- Expense disallowed as per Income Tax Act, 1961, allowable in future years	0.00	0.03
- Unabsorbed depreciation	72,562.41	23,124.38
Total (A)	**72,562.41**	**23,124.41**
Deferred Tax Liabilities arising on account of:		
- Difference between book & tax base related to Intangible assets	67,877.09	22,858.70
- Difference between book & tax base related to Investments	-	3.16
- Expense disallowed earlier as per Income Tax Act, 1961, allowed now	-	0.03
Total (B)	**67,877.09**	**22,861.88**
Net Asset (A) - (B)	**4,685.32**	**262.53**

Reconciliation of Deferred Tax Asset/ (Liabilities)

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance - Deferred Tax Asset	262.53	-
Deferred tax income/ (expense) during the period recognised in profit & loss	4,422.79	262.53
Deferred tax income/ (expense) during the period recognised in Other Comprehensive Income	-	-
Closing Balance - Deferred Tax Asset	**4,685.32**	**262.53**

8. Non Current Tax Assets (Net)

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Income tax refundable (net of provision)	12.06	-
Total	**12.06**	**-**

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

9. Trade Receivables: Current

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Considered good-unsecured	350.87	600.47
Trade Receivables - Credit Impaired (unsecured)	59.60	-
	410.47	**600.47**
Less:- Allowances for expected credit loss	(59.60)	-
Total	**350.87**	**600.47**

The receivables are hypothecated by way of first ranking exclusive charge to secure senior lenders and non-convertible debenture holders in Trust.

Trade Receivables ageing schedule as on 31st March 2023

Particulars	Outstanding for following period from due date of payment.					
	0-6 Months	6 Month -1 Year	1-2 Years	2-3 Years	More than 3 years	Total
i) Undisputed Trade Receivables - considered good	350.87	-	-	-	-	350.87
ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
iii) Undisputed Trade Receivables - credit impaired	-	59.60	-	-	-	59.60

Trade Receivables ageing schedule as on 31st March 2022

Particulars	Outstanding for following period from due date of payment.					
	0-6 Months	6 Month -1 Year	1-2 Years	2-3 Years	More than 3 years	Total
i) Undisputed Trade Receivables - considered good	600.47	-	-	-	-	600.47
ii) Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-
iii) Undisputed Trade Receivables - credit impaired	-	-	-	-	-	-

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

10. Cash and Cash Equivalents

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Balances with Banks		
In Current Accounts	735.06	1,004.69
In Escrow Accounts	338.04	35.09
Draft in Hand	8.14	-
Cash in Hand	7.93	-
Fixed Deposits (having original maturity of less than 3 months)	10,000.00	4,350.00
SBI Overnight mutual fund	10,034.91	992.16
	21,124.08	**6,381.94**

11. Other Financial Assets: Current

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Security deposits	2.92	-
Interest receivable on Fixed Deposits	3.73	5.28
Others receivables*	290.71	0.10
Total	**297.36**	**5.38**

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

12. Other Current Assets

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Prepaid expenses	592.15	347.29
GST Input	642.12	-
Processing fees paid for undrawn loan	103.49	-
Advance to suppliers	5.59	-
Total	**1,343.35**	**347.29**

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

13. Unit Capital

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No of Units	Amount	No of Units	Amount
Unit Capital*				
Opening balance	595,200,000	599,442.82	-	-
Add: Units issued during the year	131,205,200	143,013.67	595,200,000	601,152.00
Less: Issue expenses (refer note below)	-	(852.17)	-	(1,709.18)
Balance	**726,405,200**	**741,604.32**	**595,200,000**	**599,442.82**

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

The Trust offered an issue of 13,12,05,200 units of National Highways Infra Trust ("NHIT") during the current financial year and such units, the "units"), for cash at a price of ₹109.00 per unit (the "issue price"), aggregating to ₹1,43,013.67 lakh through Institutional and preferential placement in accordance with the Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014 including the rules, circulars and guidelines issued thereunder. The issue opened on 30th September 2022 and closed on 3rd October 2022. The Board of Directors of National Highways Infra Investment Managers Private Limited considered and approved allotment of 13,12,05,200 units to the eligible unitholders of Trust on 12th October 2022.

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

Rights/ preferences and restrictions attached to Unit Capital

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

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

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

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

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

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

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

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

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

In accordance with the InvIT Regulations, no unit holders shall enjoy superior voting or any other rights over any other unit

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

holders, and there shall not be multiple classes of units. There shall be only one denomination of units. Not withstanding the above, subordinate units may be issued only to the Sponsor and its Associates, where such subordinate units shall carry only inferior voting or any other rights compare to the other units.

Under the provisions of the InvIT Regulations, not less than 90% of the net distributable cash flows of the Trust is required to be distributed to the unitholders, and in accordance with such statutory obligation the Trust has formulated a distribution policy to declare and distribute the distributable cash flows to its unitholders atleast once every financial year as approved by the Board of Directors of the Investment Manager. The distributions made by Trust to its unitholders are based on the Net Distributable Cash Flows (NDCF) of the Trust under the InvIT Regulations and represent repayment of proportionate capital and share of profit. The distribution in proportion to the number of units held by the unitholders. The Trust declares and pays distributions in INR.

Limitation to the Liability of the unit holders

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

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

Name of Unitholders	As at March 31, 2023		As at March 31, 2022	
	No of Units	%	No of Units	%
Ontario Limited	181,601,300	25.00%	148,800,000	25.00%
CPP Investment Board Private Holdings Inc.	181,601,300	25.00%	148,800,000	25.00%
SBI Balanced Advantage Trust	63,160,260	8.69%	56,800,000	9.54%
National Highways Authority of India (NHAI)	115,202,600	15.86%	95,600,000	16.06%

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

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

Reconciliation of number of units outstanding is set out below:

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023		As at March 31, 2022	
	No of Units	Amount	No of Units	Amount
Number of Units at the beginning of the year	595,200,000	601,152.00	-	-
Units issued during the year	131,205,200	143,013.67	595,200,000	601,152.00
Number of Units at the end of the year	726,405,200	744,165.67	595,200,000	601,152.00

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

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

14. Other equity

(All amounts are in ₹ lakh unless otherwise stated)

Reserves and Surplus	As at March 31, 2023	As at March 31, 2022
Retained Earnings		
Balance at the beginning of the year	**6,768.43**	**(67.90)**
Total comprehensive income for the year	25,689.57	6,836.33
Less:		
Distribution to unit holders^		
Interest	34,183.66	-
Other Income	744.20	-
Balance at the closing of the year	**(2,469.86)**	**6,768.43**

^The distribution relates to the distributions during the financial year along with the distribution related to the last quarter of FY 2021-22 and does not include the distribution relating to the period 1st January 2023 to 31st March 2023 which will be paid after 31st March 2023. The distributions by the Trust to its unit holders are based on the Net Distributable Cash Flows of the Trust under the SEBI InvIT Regulations.

15. Borrowings: Non Current

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Secured		
Non-Convertible Debenture	150,000.00	-
Less: Unamortized Borrowing Cost	1,411.80	-
Total (A)	**148,588.20**	**-**
Note:- Other terms and conditions of NCD		
i) Interest rate	7.90% p.a payable semi annually.	
ii) Terms of repayment	Redemption of respective STRPP shall be made in equal instalments **i) STRPP A** - starting from eigth anniversary of deemed date of allotment till thirteenth anniversary. **ii) STRPP B** - starting from thirteenth anniversary of deemed date of allotment till eighteenth anniversary. **iii) STRPP C**- starting from eighteenth anniversary of deemed date of allotment till twentyfifth anniversary.	
Term Loan:		
From Banks	145,987.43	146,998.41
	145,987.43	146,998.41

NATIONAL HIGHWAYS INFRA TRUST

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

Particulars	As at March 31, 2023	As at March 31, 2022
Less: Current Maturities of Long Term borrowings (Refer Note 17)	2,000.00	980.86
Less: Unamortised Borrowing Cost	417.30	460.61
Total (B)	**143,570.13**	**145,556.94**
Grand Total C = (A+B)	**292,158.33**	**145,556.94**

Note:- Other terms and conditions of Term Loans

i) Interest rate	Marginal Cost of fund based lending rate (MCLR) plus spread applicable on each reset date.
ii) Terms of repayment	Repayable in unstructured quarterly instalments with last repayment date upto 31st March 2041.

Security for Term Loans :

The loan is secured by,

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

The senior lenders of the Trust have also been provided with a corporate guarantee from Project SPV (NHIPPL) to guarantee upto the secured obligations of the Trust. The funds have been raised at Trust level from unitholders and domestic lenders, and the same have been lent to Project SPV (NHIPPL) for payment of concession fee by NHIPPL to NHAI. The cashflows viz., toll collections are lying in NHIPPL. Accordingly, corporate guarantee amounting upto the secured obligations of the Trust via Corporate Guarantee Deed dated 14th March 2022, valid across the tenure of the loan of the Trust i.e. up to 31st March 2041, has been provided by the Project SPV (NHIPPL) to the senior lenders of the Trust.

Nature of Security for Non Convertible debentures:

The debenture holders are secured by:

a) a first ranking pari passu Security Interest over the immovable assets (if any) both present and future. There are no immovable properties at the present time. In the event, the group acquires any immovable property in future, the group shall mortgage said property within 180 (one hundred eighty) days from the date of acquisition of such immovable assets. The Debenture Trustee shall be authorised to do all acts, deeds, and enter into necessary documents, agreement, amendments and/ or modifications, as may be required to give effect the same, including carrying out the due diligence as may be required by Debenture Trustee;

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

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

c) Negative Lien Undertaking;

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

The non-convertible debenture holders of the Trust acting through debenture trustee have also been provided with a corporate guarantee from Project SPV (NHIPPL) to guarantee the repayment of amount raised from non-convertible debenture holders by the Trust. The funds have been raised at Trust level from debentureholders, have been lent to Project SPV (NHIPPL) for payment of concession fee by NHIPPL to NHAI. Accordingly, corporate guarantee amounting upto the secured obligations via Corporate Guarantee Deed dated 21st October 2022 is valid till all outstanding principal and accrued interest payable by the Trust are satisfied to the non-convertible debenture holders of the Trust.

There have been no breaches in financial covenants with respect to the borrowings from Senior lenders.

16. Provisions: Non Current

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for employees benefits		
Gratuity (unfunded)	4.41	0.05
Leave Encashment (unfunded)	6.96	0.03
Provision for major maintenance*	6,307.44	403.29
Total	**6,318.81**	**403.37**

Provision for Major Maintenance*

The group is required to operate and maintain the project tollway during the entire concession period and hand over the project back to NHAI as per the maintenance standards prescribed in concession agreements. For this purpose, a regular maintenance along with periodic maintenance is required to be performed. Normally, periodic maintenance includes resurface of pavements, repairs of structures and other equipment and maintenance of service roads. As per industry practice, the periodic maintenance is expected to occur once in five to seven years. The provisions for MMR has been made based on the first cycle of of overlay expected to occur in 5 to 7 years and not based on the total MMR cost over entire concession period as per industry practice. The discounting rate used for arriving at the present value for MMR provisions is government bond rate of 30 years for projects acquired in first phase and 20 years for projects acquired in second phase. The maintenance cost/ bituminous overlay may vary based on the actual usage during maintenance period. Accordingly, on the grounds of matching cost concept and based on technical estimates, a provision for major maintenance expense is reviewed and is provided for in the financial statements in each reporting period. Considering that the expense to be incurred is depended on various factors including the usage, wear and tear of the toll road, bituminous overlay, etc., it is not possible to estimate the exact timing and the quantum of the cashflow.

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

Details of movement in Provisions

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	403.29	-
Add: Accretion during the year		
Provision for major maintenance obligation	5,879.20	403.29
Unwinding finance cost on major maintenance provision	24.95	-
Less: Utilized during the year	-	-
Closing Balance	**6,307.44**	**403.29**

17. Borrowings: Current

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Current Maturities of Long Term borrowings (Refer Note No. 15)	2,000.00	980.86
Total	**2,000.00**	**980.86**

18. Trade Payables: Current

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Total outstanding, dues of micro and small enterprises	137.23	-
Total outstanding, dues of creditors other than micro and small enterprises (Outstanding for less than 12 months from the due date of payment)	3,871.18	1,244.79
Total	**4,008.41**	**1,244.79**

Note:-

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

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

Particulars	As at March 31, 2023	As at March 31, 2022
a) The principal amount remaining unpaid to any supplier at the end of the year	137.23	-
b) Interest accrued and due thereon to suppliers under MSMED Act on the above amount remaining unpaid to any supplier at the end of year.	-	-
c) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during the year	-	-

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

Particulars	As at March 31, 2023	As at March 31, 2022
d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED Act, 2006	-	-
e) The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
f) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprises, for the purpose of disallowance of a deductible expenditure under Section 23 of the MSMED Act, 2006	-	-
Disclosure of payable to vendors as defined under the "Micro, Small and Medium Enterprise Development Act, 2006" is based on the information available with the group regarding the status of registration of such vendors under the said Act, as per the intimation received from them on requests made by the group.	-	-

Trade Payable ageing schedule as at 31st March 2023

Particulars	Not due*	Outstanding for following period from due date of payment.				
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
i) MSME	-	137.24	-	-	-	137.24
ii) Others	2,468.10	1,403.08	-	-	-	3,871.18
iii) Disputed dues - MSME	-	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-	-

*Trade Payables include unbilled payables amounting to ₹2,468.10 lakh (Previous year: ₹920.00 lakh)

Trade Payable ageing schedule as at 31st March 2022

Particulars	Not due*	Outstanding for following period from due date of payment.				
		Less than 1 Year	1-2 Years	2-3 Years	More than 3 Years	Total
i) MSME	-	-	-	-	-	-
ii) Others	920.00	324.79	-	-	-	1,244.79
iii) Disputed dues - MSME	-	-	-	-	-	-
iv) Disputed dues - Others	-	-	-	-	-	-

*Trade Payables include unbilled payables amounting to ₹920.00 lakh (Previous year: ₹ Nil lakh)

**The total outstanding of MSME vendors include ₹24.72 lacs outstandings which are due for more than 45 days and payments have not been released against these due to queries raised to vendors in respect of these have not been resolved by these vendors.

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

19. Other Financial Liabilities: Current

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Interest accrued but not due on NCD	5,129.59	-
Double toll Fee payable to NHAI	151.17	97.85
Security Deposit	4.19	-
Total	**5,284.95**	**97.85**

20. Other Current Liabilities

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Statutory dues payable	226.85	240.75
Unearned Revenue	2.12	-
- Advance received	5.00	-
- Employees payable	6.64	-
Total	**240.61**	**240.75**

21. Provisions: Current

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Provision for Employee Benefits (refer note no 39A)		
Leave Encashment (unfunded)	0.55	0.03
Gratuity (unfunded)	0.01	
Total	**0.56**	**0.03**

22. Current Tax Liabilities (Net)

(All amounts are in ₹ lakh unless otherwise stated)

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

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

Reconciliation of Current Tax Liabilities

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Opening Balance	161.77	-
Add: Income Tax Payable for the year	473.89	436.36
Less: Taxes Paid	626.68	274.59
Closing Balance	**8.98**	**161.77**

23. Revenue from operations

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Sale of Services		
Revenue from Toll Collection	68,708.93	13,941.94
Other Operative Revenue		
Interest on delay in Toll Remittance	8.27	18.61
Total	**68,717.20**	**13,960.55**

24. Interest income

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
On fixed deposits with banks	373.43	5.86
Total	**373.43**	**5.86**

25. Profit on sale of investments

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Profit on redemption of Mutual Funds	671.17	682.62
Net Gain on fair valuation of investments designated at FVTPL	-	7.38
Total	**671.17**	**690.00**

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

26. Other Income

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Other non operating income		
Other Income	326.11	318.67
Total	**326.11**	**318.67**

27. Operating Expenses

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Operation and Maintenance Expenses	3,145.85	446.48
Major Maintenance Obligation	5,879.20	403.29
Total	**9,025.05**	**849.77**

28. Employee Benefit Expenses

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Salaries and wages	222.98	1.75
Contribution to provident and other funds (Refer Note 39 (i))	15.27	0.13
Gratuity Expenses (Refer Note 39A)	4.42	0.05
Leave Encashment Expense (Refer Note 39B)	7.51	0.06
Staff Welfare Expenses	46.05	0.13
Director's sitting fees	15.10	
Total	**311.33**	**2.12**

29. Finance Cost

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Interest on Long term borrowings	11,244.91	3,149.19
Interest on Debentures	5,129.59	-
Finance Charges	221.87	5.24
Unwinding finance cost on major maintenance provision	24.95	-
Total	**16,621.32**	**3,154.43**

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

30. Depreciation and Amortization Expenses

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Depreciation on Property, Plant and Equipment	7.51	0.04
Amortization on Intangible Assets	17,553.12	1,055.61
Total	**17,560.63**	**1,055.65**

31. Other Expenses

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Advertisement expenses	35.75	8.47
Legal and Professional fees	1,542.22	202.56
Travelling and conveyance	19.80	-
Telephone and internet charges	6.58	-
Power and fuel	58.78	-
Environment, health and safety expenses	13.06	-
Fee, subscription & taxes	43.42	291.63
Bank charges	1.53	0.04
Data Management Expenses	3.00	1.31
Provision for expected credit loss	59.60	-
Vehicle hire charges	63.58	-
Repair and maintenance expenses	14.71	-
Miscellaneous expenses	30.03	0.87
Bad Debts Written Off	9.90	-
Total	**1,901.95**	**504.87**

32. Audit Fees

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Statutory audit fees	4.53	4.57
Limited review fees	2.26	-
Tax audit fees	0.94	0.30
Total	**7.73**	**4.86**
Certification and other charges	0.93	0.52
Total	**0.93**	**0.52**

Further an amount of ₹6 lakh paid to auditor as certification charges has been booked as part of one time expenses in the Unit Capital. (Refer Note No. 13)

NATIONAL HIGHWAYS INFRA TRUST

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

33. Tax Expense

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Current Tax	473.89	436.36
Provision for Taxation-Earlier years	0.01	-
	473.90	**436.36**
Deferred tax expense/ (credit)	(4,422.79)	(262.32)
	(3,948.89)	**174.04**

Effective tax Reconciliation:

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

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Accounting Profit before Income Taxes	21,740.68	7,015.74
Tax at India's statutory income tax rate for Companies (25.17%)	(14,086.70)	(2,925.10)
Tax at India's statutory income tax rate for Business Trusts - Maximum Marginal Rate (42.744%)	33,215.05	7,963.95
Increase/ (reduction) in taxes on account of:		
Impact of deferred tax on reversible allowance/ disallowance of business expense and income, as per Indian Income Tax Act, 1961	9,663.91	2,662.78
Impact of exemption u/s 10(23FC) of the Indian Income Tax Act, 1961 available to the Trust	(32,741.15)	(7,542.34)
Provision for interest on delayed deposit of Income Tax	-	14.75
Income tax expense reported in the statement of profit and loss	**(3,948.89)**	**174.04**

34. Earning per Unit

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	For the year ended March 31, 2023	For the year ended March 31, 2022
Basic and diluted EPU		
Net Profit/ loss available for unitholders (in ₹lakh)	25,689.57	6,836.33
Weighted average number of units for EPU computation	656,668,737.53	595,200,000
EPU- Basic and diluted	**3.91**	**1.15**

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

35. Contingent Liabilities

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Contingent Liabilities:		
Corporate Guarantee issued by the Project SPV (NHIPPL) to the lenders of NHIT	200,000.00	200,000.00
Corporate Guarantee issued by the Project SPV (NHIPPL) to debenture trustee for debenture holders of NHIT	150,000.00	-
Total	**350,000.00**	**200,000.00**

The SPV (NHIPPL) has issued a Corporate Guarantee amounting to ₹2,000 crore on 14.03.2022 in favour of Security Trustee for the lenders of NHIT as part of debt covenants of the loan received from NHIT, to secure the term loan of ₹2,000 crore availed by NHIT from external lenders. The Corporate Guarantee is valid across the tenure of the loan till 31st March 2041 till the external loans to the Trust are satisfied.

'The SPV(NHIPPL) has issued a Corporate Guarantee amounting to ₹1,500 crore on 21st October 2022 in favour of debenture trustee for the benefit of debenture holders of NHIT, to secure the Non-Convertible debenture borrowings of ₹1,500 crore availed by NHIT from debenture holders. The Corporate Guarantee is valid across the tenure of the loan till all outstanding principal and accrued interest thereon by the Trust are satisfied.

"In previous year, the SPV (NHIPPL) had provided a corporate guarantee for an amount not exceeding ₹2000 crore, to Security Trustee for the lenders of NHIT in respect of the long-term borrowing obtained by the Holding entity. During the year, the Project SPV (NHIPPL) had carried out a fair valuation of said corporate guarantee from an independent external valuer. Basis such valuation report, fair value of corporate guarantee is estimated to Nil.

During the year, the SPV (NHIPPL) have provided a corporate guarantee for an amount not exceeding ₹1500 crore, to Debenture Trustee (for the benefit of the lenders to National Highways Infra Trust ('NHIT'), the Holding entity) in respect of non-convertible debentures obtained by the Holding entity. The Project SPV (NHIPPL) have carried out a fair valuation of said corporate guarantee from an independent external valuer. Basis such valuation report, fair value of corporate guarantee was estimated to Nil.

36. Disclosure as per Ind AS 115, "Revenue from contracts with customers"

1. Disaggregation of revenue

Revenue recognised mainly comprises of revenue from toll collections, claims with NHAI, contract revenue etc. Set out below is the disaggregation of the Trust's revenue from contracts with customers:

(All amounts are in ₹ lakh unless otherwise stated)

Description	For the year ended March 31, 2023	For the year ended March 31, 2022
Operating revenue		
(a) Toll income from Expressway	68,708.93	13,941.94
(b) Interest on delay in Toll Remittance	8.27	18.61
Total revenue	**68,717.20**	**13,960.55**

NATIONAL HIGHWAYS INFRA TRUST

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

The table below presents disaggregated revenues from contracts with customers based on nature, amount and timing for the year ended 31st March 2023 and 31st March 2022:

S.No.	Types of Products by Nature	Types of Services by timing	For the year ended March 31, 2023	For the year ended March 31, 2022
1	Toll Income	Over the period of time	68,717.20	13,960.55

2. Assets and liabilities related to contracts with customers

The following table provides information about receivables, contract assets and contract liabilities from contract with customers:

(All amounts are in ₹ lakh unless otherwise stated)

Description	As at March 31, 2023	As at March 31, 2022
	Current	Current
Contract assets		
Trade receivables:		
Receivables under service concession arrangements	350.87	600.47
Total	**350.87**	**600.47**
Contract liabilities		
Trade Payables	4,008.41	1,244.79
Other Payables	5,284.95	97.85
Total	**9,293.36**	**1,342.64**

3. Performance obligation

Income from toll collection

The performance obligation in service of toll collection is recorded as per rates notified by NHAI and approved by management and payment is generally due at the time of providing service.

Contract revenue

The performance obligation under service concession agreements ('SCA') is due on completion of work as per terms of SCA.

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

4. Disclosure under Appendix - C & D to Ind AS 115 - " Service Concession Arrangements"

All the below service concession arrangement have been accounted under intangible asset model

(All amounts are in ₹ lakh unless otherwise stated)

Name of Concessionaire	Start of Concession period under concession agreement (Appointed Date)	End of Concession period under concession agreement	Period of Concession since the appointed date till March 31, 2023 (in days)
National Highways Infra Projects Private Limited	16th December 2021 (5 Projects)	15th December 2051	471
National Highways Infra Projects Private Limited	29th October 2022 (3 Projects)	28th October 2042	154

i). The above TOT projects shall have following rights/ obligations in accordance with the Concession Agreement entered into with the respective Government Authorities

a. Right to use the Specified Assets
b. Obligations to provide or rights to except provision of services
c. Obligations to deliver or rights to receive at the end of concession

37. Disclosures pursuant to IND AS 103 "Business Combinations"

a) Acquisition of subsidiaries

i). Pursuant to the Share Purchase Agreement dated 30th September 2021, the Trust acquired the entire equity share capital of the the Project SPV (NHIPPL) on 14th December 2021 for an equity consideration of ₹1,39,553.52 lakh. Accordingly, the financial statements of the subsidiary NHIPPL for the period from 14th December 2021 to 31st March 2022 have been considered in the consolidated financial statements of the Trust. Funding for the said acquisition was raised through preferential issue of units of the Trust. The Group has carried out a fair valuation of the net assets of the Project SPV at the time of acquisition and accordingly the goodwill has been recorded in the consolidated financial statements.

ii). Details of the purchase consideration:

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	Amount
Cash Consideration	129,400.00
Unit capital issued	10,153.52
Total purchase consideration	**139,553.52**

The fair value of ₹139,553.52 lakh paid for acquisition of the above mentioned project SPVs includes consideration in cash amounting to ₹1,294 crore and consideration in form of issuance of 10.05 lakh units of Trust at the rate of ₹101 per unit. Issue costs of ₹1.52 lakh directly attributable to the issue of the units have been added to the purchase consideration.

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

iii). Assets acquired and liabilities recognised on the date of acquisition are as follows:

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	Amount
Non - Current Assets:	
Intangible assets	735,040.00
Deferred Tax Assets (net)	0.21
Current Assets:	
Financial Assets	
Cash and Cash Equivalents	10.00
Total Assets	**735,050.20**
Current Liabilities:	
Financial liabilities	
Other financial liabilities	735,041.12
Other current liabilities	0.02
Total Liabilities	**735,041.14**
Net assets acquired	**9.06**

iv). Calculation of Goodwill/ (Capital Reserve)

Particulars	Amount
Purchase Consideration	139,553.52
Less: Fair Value of Net Assets acquired	9.06
Less: Acquisition of fresh issue of shares of NHIPPL by the Trust	129,400.00
Goodwill	**10,144.46**

v). Goodwill on acquisiion has been accounted for under Non Current Assets in the Balance Sheet.

vi). Entity wise Revenue and Profit after tax from the date of acquisition till 31st March 2022:

Particulars	Amount
Revenue	13,960.55
Profit after Tax	**6,836.33**

vii). Entity wise Revenue and Profit after tax for the financial year 2020-21

Particulars	Amount
Revenue	-
Profit after Tax	**(67.90)**

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

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

38. Statement of Related Parties

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

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

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

Parties to the Trust

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

Promoters of the Parties to the Trust specified above

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

Directors of the parties to the Trust specified above

Directors of NHIIMPL

Mr. Suresh Krishan Goyal
Mr. Shailendra Narain Roy
Mr. Balasubramanyam Sriram (Ceased to be Director w.e.f. 31st March 2023)
Mr. Mahavir Prasad Sharma
Mr. Pradeep Singh Kharola
Mr. Amit Kumar Ghosh
Mrs. Kavita Saha (Ceased to be Director w.e.f. 29th November 2022, however reappointed on 6th January 2023)
Mr. Bruce Ross Crane (Ceased to be Director w.e.f. 29th November 2022, however reappointed on 6th January 2023)
Mr. N.R.V.V.M.K. Rajendra Kumar
Mr. Vivek Rae (Ceased to be Director w.e.f 12th July 2022)
Mr. Sumit Bose (Appointed w.e.f. 11th January 2023)

Directors of ITSL

Mr. J. Samuel Joseph
Mr. Pradeep Kumar Jain
Ms. Jayashree Ranade
Ms. Madhuri Jayant Kulkarni (Ceased to be Director w.e.f. 6th December 2022)
Ms. Padma Vinod Betai (Ceased to be Director w.e.f. 31st December 2022)
Mr. Pradeep Kumar Malhotra (Appointed w.e.f. 14th December 22)
Ms. Baljinder Kaur Mandal (Appointed w.e.f. 17th January 2023)

Directors of NHIPMPL

Mr. Ashish Asati (Ceased to be Director w.e.f. 28th October 2022)
Mr. Akhil Khare (Appointed w.e.f. 28th October 2022)
Mr. Muralidhara Rao Bugatha (Ceased to be Director w.e.f 17th January 2023)
Mr. Ashish Kumar Singh (Appointed w.e.f. 17th January 2023)

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

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

C. Transactions with Related Parties during the year

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
National Highways Infra Investment Managers Private Limited (NHIIMPL)		
Transaction during the year		
Investment Manager Fees	1,491.17	1,931.71
Advance Investment Manager Fees	86.06	-
Reimbursement of Expenses to NHIIMPL	39.79	214.80
National Highways Authority of India (NHAI)		
Transaction during the year		
Reimbursement of Pre-Issue expenses of NHIT by NHAI	-	578.02
Purchase of equity shares of Project SPV (NHIPPL) by the Trust from NHAI	-	10,153.52
Issue of units of Trust to NHAI	21,366.83	96,556.00
Interest and other income distribution	5,589.34	-
O & M Expenses	1,152.32	-
Payment for acquiring intangible assets (Toll)	284,966.66	735,040.00
Double toll fees	679.17	-
Independent engineers fees	345.38	-
National Highways InvIT Project Managers Private Limited (NHIPMPL)		
Transaction during the year		
Project Manager fees	991.20	290.43
IDBI Trusteeship Services Limited (ITSL)		
Transaction during the year		
Trusteeship Fee	12.73	12.15
Other fees	3.54	-

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

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

D. Closing Balance with Related Parties

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
National Highways Authority of India (NHAI)		
Balance outstanding at the end of the year		
Issue of units of Trust to NHAI	117,922.83	96,556.00
O & M Expenses payable	880.35	-
Double toll fees payable	148.21	-
Independent Engineers Fees payable	276.03	-
National Highways Infra Investment Managers Private Limited (NHIIMPL)		
Balance outstanding at the end of the year		
IM Fees Payable	1.89	-
GST Amount payable	0.48	
National Highways InvIT Project Managers Private Limited (NHIPMPL)		
Balance outstanding at the end of the year		
Project Manager fees Payable	762.50	290.43
IDBI Trusteeship Services Limited		
Balance outstanding at the end of the year		
Initial Settlement Amount	-	0.10
Trusteeship Fee Payable	1.73	2.77

NATIONAL HIGHWAYS INFRA TRUST

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

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

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

For the year ended 31st March 2023

(All amounts are in ₹ lakh unless otherwise stated)

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

*This is reimbursement of expenses.

For the year ended 31st March 2022

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

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

39. Disclosure pursuant to Ind As 19 " Employee benefits'

i). Defined contribution plan

The group has provident fund which is the defined contribution plan. The group is required to contribute a specified percentage of payroll costs to the recognised provident fund to fund the benefits. The only obligation of the group with respect to these plans is to make the specified contributions.

An amount of ₹15.27 lakh (31st March 2022 : ₹0.13 lakh being contribution made to recognised provident fund is is recognised as expense and included under Employee benefits expense (refer Note 28) in the Statement of Profit and Loss.

ii). Defined benefit plans:

A. Disclosure of gratuity

a) Features of its defined benefit plans:

The group has a unfunded defined benefit gratuity plan. The gratuity plan is governed by the Payment of Gratuity Act, 1972 ('the Gratuity Act'). Under the Act, employee who has completed five years of service is entitled to specific benefit. The level of benefits provided depends on the member's length of service and salary at retirement age. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service as per the provision of the Act.

The key features are as under:

Plan Features

i	Benefit offered	15/ 26 × salary × duration of service
ii	Salary Definition	Basic salary including dearness allowance (if any)
iii	Benefit ceiling	Benefit ceiling of ₹20,00,000 was applied
iv	Vesting conditions	5 years of continuous service (not applicable in case of death/ disability)
v	Benefit eligibility	Upon death or resignation/ withdrawal or retirement
vi	Retirement age	60 Years (or) end of concession period, whichever is earlier

The amounts recognised in Balance Sheet are as follows:

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023		As at March 31, 2022	
	Current	Non-current	Current	Non-current
Gratuity	0.01	4.41	-	0.05
Leave encashment	0.55	6.96	0.03	0.03
Total	**0.56**	**11.37**	**0.03**	**0.08**

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

(i) Amount recognised in the statement of profit and loss is as under:

(All amounts are in ₹ lakh unless otherwise stated)

Description	As at March 31, 2023	As at March 31, 2022
Current service cost	4.42	-
Interest cost	-	-
Net impact on profit (before tax)	4.42	-
Actuarial loss/(gain) recognized during the year	-	-
Amount recognized in total comprehensive income	4.42	-

(ii) Change in the present value of obligation:

(All amounts are in ₹ lakh unless otherwise stated)

Description	As at March 31, 2023	As at March 31, 2022
Present value of defined benefit obligation as at the beginning of the year		
Current service cost	4.42	-
Interest cost	-	-
Benefits paid		
Actuarial loss/(gain)	-	-
Present value of defined benefit obligation as at the end of the year	**4.42**	**-**

(iii) Movement in the plan assets recognized in the balance sheet is as under:

(All amounts are in ₹ lakh unless otherwise stated)

Description	As at March 31, 2023	As at March 31, 2022
Fair value of plan assets at the beginning of the period		
Actual return on plan assets	-	-
Prior period income	-	-
Contributions	-	-
Benefits paid	-	-
Actuarial gain/ (loss)	-	-
Fair value of plan assets at the end of the period	-	-

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

(iv) Reconciliation of present value of defined benefit obligation and the fair value of assets:

(All amounts are in ₹ lakh unless otherwise stated)

Description	As at March 31, 2023	As at March 31, 2022
Present value of funded obligation as at the end of the year	4.42	-
Fair value of plan assets as at the end of the period funded status	-	-
Unfunded/funded net liability recognized in balance sheet	**4.42**	**-**

(v) Breakup of actuarial (gain)/ loss:

(All amounts are in ₹ lakh unless otherwise stated)

Description	As at March 31, 2023	As at March 31, 2022
Actuarial (gain)/ loss from change in demographic assumption	-	-
Actuarial (gain)/ loss from change in financial assumption	-	-
Actuarial (gain)/ loss from experience adjustment	-	-
Total actuarial (gain)/ loss	-	-

(vi) Actuarial assumptions

(All amounts are in ₹ lakh unless otherwise stated)

Description	As at March 31, 2023	As at March 31, 2022
Discount rate	7.38%	-
Rate of increase in compensation levels	7.00%	-
Retirement age (years)	60	-

Notes:

1) The discount rate is based on the prevailing market yield of Indian Government bonds as at the balance sheet date for the estimated terms of obligations.
2) The estimates of future salary increases considered takes into account the inflation, seniority, promotion and other relevant factors.

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

(vii) Expected expense for the next annual reporting period

(All amounts are in ₹ lakh unless otherwise stated)

Description	As at March 31, 2023	As at March 31, 2022
Service cost	12.16	-
Interest cost	0.33	-
Actuarial loss/ (gain)	-	-
Expected Expense for the next annual reporting period	12.49	-

(viii) Sensitivity analysis for gratuity liability

(All amounts are in ₹ lakh unless otherwise stated)

Description	As at March 31, 2023	As at March 31, 2022
Impact of change in discount rate		
Present value of obligation at the end of the year	4.42	-
- Impact due to increase of 0.5%	(0.33)	-
- Impact due to decrease of 0.5%	0.37	-
Impact of change in salary increase		
Present value of obligation at the end of the year	4.42	-
- Impact due to increase of 0.5%	0.36	-
- Impact due to decrease of 0.5%	(0.33)	-

The above sensitivity analysis is based on a change an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation liability recognized in the balance sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to previous year

(ix) Maturity profile of defined benefit obligation

(All amounts are in ₹ lakh unless otherwise stated)

Description	As at March 31, 2023	As at March 31, 2022
Within next 12 months	0.01	-
Between 1-5 years	0.11	-
5 to 6 years	0.23	-
Beyond 6 years	4.07	-

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

B. Leave encashment

Amount recognized in the statement of profit and loss is as under:

(All amounts are in ₹ lakh unless otherwise stated)

Description	As at March 31, 2023	As at March 31, 2022
Current service cost	7.51	-
Interest cost	-	-
Actuarial loss/ (gain) recognized during the year	-	-
Amount recognized in the statement of profit and loss	**7.51**	**-**

40. Capital Management

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

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

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

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Net Debt Components:		
Long Term Borrowings (Non-Current portion)	292,158.33	145,556.94
Current Maturities of Long-Term Borrowings	2,000.00	980.86
Trade Payables	4,008.41	1,244.79
Other financial liabilities	5,284.95	97.85
Less: Cash and Cash Equivalents	(21,124.08)	(6,381.94)
Less: Bank Balances other than cash and cash equivalents	(4,685.32)	(3,170.81)
Net Debt (i)	**277,642.28**	**138,327.70**
Capital Components:		
Unit Capital	741,604.32	599,442.82
Initial Settlement Amount	0.10	0.10
Other Equity	(2,469.86)	6,768.43

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

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Total Capital (ii)	**739,134.56**	**606,211.35**
Capital and Debt [(iii) = (i) + (ii)]	**1,016,776.84**	**744,539.04**
Gearing Ratio (i)/(iii)	**27.31%**	**18.58%**

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

41. Financial Risk Management Objectives and Policies

The Group is in the process of formulation of its risk management policies with an objective of identification and analysis of risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies shall be reviewed regularly to reflect changes in market conditions and the Group's activities.

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

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

Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include loans and borrowings, Receivable and Payables and Investments measured at FVTPL.

The sensitivity analyses in the following sections relate to the position as at 31st March 2023 and 31st March 2022.

The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt are all constant.

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

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31st March 2023 and 31st March 2022.

Foreign Currency Risk

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

Notes to Consolidated Financial Statements for the year ended March 31, 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. Exposure to risk of changes in market interest rates generally relates primarily to long-term debt obligations with floating interest rates.

The following table provides a break-up of the group fixed and floating rate borrowings:

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Floating Rate Borrowings	143,570.13	146,537.80

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

Sensitivity analysis based on average outstanding Debt:

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Increase or decrease in interest rate by 25 basis points	358.93	388.94

Price Risk

Price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices (other than those arising from interest rate risk or currency risk).

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. With respect to credit risk arising from other financial assets of the Group, which comprise Balances with banks, Trade Receivables, Loans and Advances and Investments. The Group's exposure to credit risk arises from default of the counterparty, with maximum exposure equal to the carrying amount of these instrument.

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was ₹31,444.75 lakh and ₹10,158.59 lakh as at 31st March 2022 respectively, being the total carrying value of Loans and Advances, Trade receivables, Investments, Balances with bank, bank deposits and other financial assets.

Liquidity Risk

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

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

The Group measures risk by forecasting cash flows.

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

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

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

The table below summarises the maturity profile of the group's financial liabilities based on contractual undiscounted payments.

(All amounts are in ₹ lakh unless otherwise stated)

As at March 31, 2023	Carrying Amount	<1 Yr.	1-3 Yrs.	>3 Yrs.
Borrowings	294,158.33	2,000.00	6,000.00	286,158.33
Trade Payables	4,008.41	4,008.41	-	-
Other Financial Liabilities	5,284.95	5,284.95	-	-
Total	**303,451.68**	**11,293.36**	**6,000.00**	**286,158.33**

As at March 31, 2022	Carrying Amount	<1 Yr.	1-3 Yrs.	>3 Yrs.
Borrowings	146,537.80	1,000.00	8,000.00	137,537.80
Trade Payables	1,244.79	1,244.79	-	-
Other Financial Liabilities	97.85	97.85	-	-
Total	**147,880.44**	**2,342.64**	**8,000.00**	**137,537.80**

42. Disclosure pursuant to IND AS 36 "Impairment of Assets"

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

43. Disclosure of Financial Instruments by Category

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Amortized Cost	FTVPL		Amortized Cost	FTVPL	
		At Cost	At Fair Value		At Cost	At Fair Value
Assets:						
Cash and Cash Equivalents	21,124.08	-	-	6,381.94	-	-
Trade Receivables	350.87	-	-	600.47	-	-

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

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023			As at March 31, 2022		
	Amortized Cost	FTVPL		Amortized Cost	FTVPL	
		At Cost	At Fair Value		At Cost	At Fair Value
Other Financial Assets	9,969.80	-	-	3,176.18	-	-
Total	**31,444.75**	**-**	**-**	**10,158.59**	**-**	**-**
Liabilities:						
Borrowings	294,158.33	-	-	146,537.80	-	-
Trade Payables	4,008.41	-	-	1,244.79	-	-
Other Financial Liabilities	5,284.95	-	-	97.85	-	-
Total	**303,451.68**	**-**	**-**	**147,880.44**	**-**	**-**

Defaults and Breaches

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

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

44. Fair Values of Assets and Liabilities

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

The Group is required to present the Statement of total assets at fair value and Statement of total returns at fair value as per SEBI Circular No. CIR/IMD/DF/114/2016 dated 20th October 2016 as a part of these financial statements - Refer Statement of Net assets at fair value and Statement of Total Returns at fair value.

45. Fair Value Hierarchy

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

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

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

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

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

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

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	Fair Value Hierarchy Level	Carrying Value		Fair Value	
		As at March 31, 2023	As at March 31, 2022	As at March 31, 2023	As at March 31, 2022
Financial Assets at Amortized Cost:					
Cash and Cash Equivalents	Level 3	21,124.08	6,381.94	21,124.08	6,381.94
Trade Receivables	Level 3	350.87	600.47	350.87	600.47
Other Financial Assets	Level 3	9,969.80	3,176.18	9,969.80	3,176.18
Total		**31,444.75**	**10,158.59**	**31,444.75**	**10,158.59**
Financial Liabilities at Amortized Cost:					
Borrowings	Level 3	294,158.33	146,537.80	294,158.33	146,537.80
Trade Payables	Level 3	4,008.41	1,244.79	4,008.41	1,244.79
Other Financial Liabilities	Level 3	5,284.95	97.85	5,284.95	97.85
Total		**303,451.68**	**147,880.44**	**303,451.68**	**147,880.44**

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

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

Valuation technique and inputs used to determine fair value

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

46. Disclosure of segment information pursuant to IND AS 108 “Operating Segments”

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

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

47. Disclosure pursuant to IND AS 23 "Borrowing Costs"

Borrowing cost capitalised during the year ₹ Nil [31st March 2022: ₹ Nil]

48. Details of Project Management Fees and Investment Management Fees

Details of fees paid to project manager and investment manager as required pursuant to SEBI Circular No. CIR/MD/DF/127/2016, dated 29th November 2016 are as under:

Project Management Fees

The project manager National Highways InVIT Project Managers Private Limited ('NHIPMPL') for initial portolio of assets and assets acquired in current financial year is entitled to fixed fees of ₹991.20 lakh per annum (Previous year ₹290.43 lakh) inclusive of taxes.The same is based on the Project Implementation and Management Agreement (PIMA) signed by both the parties dated 30th March 2021.

Investment Management Fees

i) The investment manager's fee will initially be ₹1,100 lakh (Rupees Eleven Hundred Lakh) per annum, exclusive of applicable taxes as per agreement dated 21st October 2020.

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

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

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

49. Significant accounting judgements, estimates and assumptions

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

Judgements

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

Classification of unit holders Funds

Under the provisions of the SEBI InvIT Regulations, the Trust is required to distribute to its Unit holders not less than 90% of the net distributable cash flows of the Trust for each financial year. Accordingly, a portion of the unit holders' funds contain a contractual obligation of the Trust to pay to its Unit holders cash distributions. The Unit holder's funds could therefore have been classified as compound financial instrument which contain both equity and debt components in accordance with Ind AS 32 'Financial Instruments: Presentation'. However, in accordance with SEBI Circulars (Circular No. CIR/IMD/DF/114/2016 dated 20th October 2016 and No. CIR/IMD/ DF/127/2016 dated 29th November 2016) issued under the SEBI InvIT Regulations, the unit holders' funds have been classified as equity in order to comply with the mandatory requirements of Section H of Annexure A to the SEBI Circular dated 20th October 2016 dealing with the minimum disclosures for key financial statements. In line with the above, the income distribution payable to unit holders is recognized as liability when the same is approved by Board of Directors of the Investment Manager.

NATIONAL HIGHWAYS INFRA TRUST

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

Fair valuation and disclosures

SEBI Circulars issued under the SEBI InvIT Regulations requires disclosures relating to net assets at fair value and total returns at fair value. In estimating the fair value of investments in subsidiaries (which constitute substantial portion of the net assets), the Group engages independent qualified external valuers to perform the valuation. The Investment Manager works closely with the valuers to establish the appropriate valuation techniques and inputs to the model. The valuation report and findings are discussed at the meeting of the Board of Directors on yearly basis to understand the changes in the fair value of the subsidiaries. The inputs to the valuation models are taken from observable markets, where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as weighted average cost of capital, tax rates, inflation rates etc. Changes in assumptions about these factors could affect the fair value.

Taxes

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

Defined benefit plans (gratuity benefits)

A liability in respect of defined benefit plans is recognised in the balance sheet and is measured as the present value of the defined benefit obligation at the reporting date. The present value of the defined benefit obligation is based on expected future payments at the reporting date, calculated annually by independent actuaries. Consideration is given to expected future salary levels, experience of employee departures and periods of service.

Impairment of intangible assets

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The recoverable amounts for the intangible assets are based on value in use of the underlying projects. The value in use calculation is based on a DCF model. The cash nows are derived from budgets/ forecasts over the life of the projects.

Major Maintenance Expenses/ Resurfacing Expenses

As per industry practice, the Project SPV (NHIPPL) is required to carry out resurfacing of the roads under the Concession. For this purpose, a regular maintenance along with periodic maintenances is required to be performed. Normally, periodic maintenance includes resurface of pavements, repairs of structures and other equipment and maintenance of service roads. The maintenance cost/ bituminous overlay may vary based on the actual usage during maintenance period. Accordingly, on the grounds of matching cost concept and based on technical estimates, a provision for major maintenance expenses is reviewed and is provided for in the accounts annually. The provisions for MMR as per industry practice has been made based on the first cycle of of overlay expected to occur in 5 to 7 years and not based on the total MMR cost over entire concession period. The discounting rate used for arriving at the present value for MMR provisions is government bond rate of 30 years for projects acquired in first phase and 20 years for projects acquired in second phase.

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

Expected Credit Loss on financial assets

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

50. Other Statutory information

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

ii) The Group docs not hold benami property and no proceedings under benami transaction (Prohibition) Act 1988 have bcen initiated against the Group.

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

iv) The Group have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as search or surveyor any other relevant provisions of the Income Tax Act, 1961).

v) The Group have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

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

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

vi) The Group have not advance or loaned or invested (either from borrowed fund or share premium or any other source or kind of fund) by the company to or in any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

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

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

vii) The Group did not have any long-term contracts including derivative contract for which there were any material foreseeable losses.

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

51. Subsequent Events

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

52. Capital and Other Commitments

There are no capital and other commitments as at 31st March 2023 (31st March 2022: ₹ Nil)

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

53. Distributions Made

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	FY 2022-23	FY 2021-22
Interest (Return on capital)	29,985.39	4,198.27
Return of capital	-	-
Dividend	-	-
Other income on surplus fund at Group	240.39	503.81
Total	**30,225.78**	**4,702.08**

54. Reconciliation of Financing Activities in Cash Flow Statement

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

Particulars	As at March 31, 2023	As at March 31, 2022
	(Long Term Borrowing)	(Long Term Borrowing)
a) Carrying amount of debt at the beginning of the year/ period	146,537.80	-
b) Additional borrowings during the year/ period	150,000.00	148,000.00
c) Repayments during the year/period	(1,010.98)	(1,001.59)
d) Other adjustments/ settlements during the year/ period	-	-
- Impact in equity	-	-
- Transaction Costs	(1,432.55)	(472.00)
- Unwinding of interest	64.06	11.39
Carrying amount of debt at the end of the year/period	**294,158.33**	**146,537.80**

55. Additional Regulatory Information

Financial Ratios as on 31st March 2023 and 31st March 2022

(All amounts are in ₹ lakh unless otherwise stated)

S. No.	Particulars	As at March 31, 2023	As at March 31, 2022
1	Current Asset ratio (Current Assets/ Current Liability)	2.00	2.69
2	Debt - Equity ratio (Debt/ Equity)	0.40	0.24
3	Debt service coverage ratio (Net Operating Cash flow/ Debt Service Obligation)	4.60	2.58
4	Interest service coverage ratio (EBIT/ Finance Cost)	2.31	3.22
5	Networth (Unit Capital + Other Equity)	739,134.56	606,211.35
6	Asset Cover Ratio	3.21	-

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

(All amounts are in ₹ lakh unless otherwise stated)

S. No.	Particulars	As at March 31, 2023	As at March 31, 2022
7	Return on Equity (ROE ratio) (Net Profit/ Equity)	3.48%	1.13%
8	Total Debt to total assets	0.28	0.19
9	Net profit after tax	25,689.57	6,836.33
10	Outstanding redeemable preference shares (quantity and value):	-	-
11	Capital redemption reserve/ debenture redemption reserve:	-	-
12	Long term debt to working capital	25.25	31.58
13	Earning per unit	3.91	1.15
14	Inventory turnover ratio	-	-
15	Trade receivable turnover ratio	36.12	46.50
16	Trade payable turnover ratio	0.86	1.37
17	Bed debt to account receivable ratio	-	-
18	Net Capital turnover ratio (Total Income/ Net Working Capital)	6.06	3.25
19	Operating margin %	79.39%	73.11%
20	Net profit after tax ratio (Net profit/ Total Income)	36.65%	45.65%
21	Return on capital employed ratio (Net Profit plus Finance Cost)/ (Equity + Debt))	4.09%	1.35%
22	Return on investment (Income on Investment/ Average Cost of Investment)	6.07%	15.69%

56. Disclosure pursuant to IND AS 33 "Earnings per Unit"

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

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Basic and Diluted		
Profit attributable to unit holders of the Fund (A)	25,689.57	6,836.33
Weighted average number of units (B)	6,566.69	5,952.00
Earnings Per Unit (In Rs.) (A/B)	**3.91**	**1.15**

1312.052 lakh units issued at ₹109 per unit and 5952 lakh unit capital issued at ₹101 per unit

57. The Code on Social Security. 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified The Group will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective.

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

58. Financial Information of Investment Manager

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

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

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

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

60. Salient aspects of the Tolling Concession Arrangement

The Project SPV (NHIPPL) has entered into five concession agreements with National Highway Authority of India ("NHAI") on 30th March 2021 for Tolling, Management, Maintenance and Transfer of five toll road projects for a period of 30 years from the Appointed Date. The Appointed Date has commenced on 16th December 2021. The toll roads covered under the concession agreement as follows:

- Palanpur/ Khemana - Abu Road Project on NH-27 with total length of 45 kms, connecting the states of Gujrat and Rajasthan
- Abu Road - Swaroopganj Project on NH-27 with total length of 31 kms, in the state of Rajasthan
- Maharashtra Karnataka Border (Kagal) - Belgaum Project on NH-48 with a length of 77.7 Kms, connecting the states of Karnataka and Maharashtra
- Chitorgarh- Kota & Chittorgarh Project on NH-27 with total length of 160.5 Kms, in the state of Rajasthan
- Kothakota Bypass- Kurnool Highway Project on NH-44 with total length of 74.6 kms, connecting the states of Telangana and Andhra Pradesh

The project SPV (NHIPPL) acquired rights for Tolling, Management and Maintenance of the five toll roads under the concession agreement for consideration of ₹7,350.40 crore, and the rights have been recognized in the financial statements as Intangible Assets.

In current financial year, the project SPV (NHIPPL) entered into 3 new concession agreements with National Highway Authority of India ("NHAI") on 26th September 2022 for Tolling, Management, Maintenance and Transfer of three toll road projects for a period of 20 years from the Appointed Date. The Appointed Date has commenced on 29th October 2022. The toll roads covered under the concession agreement as follows:

- Agra Bypass Section (from km 0.000 to km 32.800) of NH-19 in the state of Uttar Pradesh
- Borkhedi-Wadner-Deodhari-Kelapur Section (from km 36.600 to km 175.000) of NH-44 in the state of Maharashtra
- Shivpuri-Jhansi Section (from km 1305.087 to km 1380.387) of NH-27 in the states of Madhya Pradesh and Uttar Pradesh.

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

The project SPV (NHIPPL) has acquired rights for Tolling, Management and Maintenance of these three toll roads at a consideration of ₹2,849.66 crore, and the rights have been recognized in the financial statements as Intangible Assets.

The project SPV (NHIPPL) is required to operate and maintain the Project/ Project Facilities in accordance with the provision of the Agreement, Applicable Laws and Applicable permits.

61. Disclosures as per Ind AS 37 "Provisions, Contingent Liabilities and Contingent assets"

a) Nature of provisions

The project SPV (NHIPPL)is required to operate and maintain the project tollway during the entire concession period and hand over the project back to NHAI as per the maintenance standards prescribed in concession agreements. For this purpose, a regular maintenance along with periodic maintenance is required to be performed. Normally, periodic maintenance includes resurface of pavements, repairs of structures and other equipment and maintenance of service roads. As per industry practice, the periodic maintenance is expected to occur once in five to seven years. The provisions for MMR as per industry practice has been made based on the first cycle of of overlay expected to occur in five to seven years and not based on the total MMR cost over entire concession period. The discounting rate used for arriving at the present value for MMR provisions is government bond rate of 30 years for projects acquired in first phase and 20 years for projects acquired in second phase. The maintenance cost/ bituminous overlay may vary based on the actual usage during maintenance period. Accordingly, on the grounds of matching cost concept and based on technical estimates, a provision for major maintenance expense is reviewed and is provided for in the financial statements in each reporting period. Considering that the expense to be incurred is depended on various factors including the usage, wear and tear of the toll road, bituminous overlay, etc., it is not possible to estimate the exact timing and the quantum of the cashflow.

62. Assets pledged as security

Under security provisions for external lenders, the shares of project SPV i.e. NHIPPL held by NHIT (Trust) are pledged to external lenders to Trust. Whereas the loans provided by Trust to NHIPPL is assigned to the external lenders. Also it may be noted that the shares are not pledged to debenture holders. The carrying amounts of assets pledged as security for current and non current borrowings are:

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Current		
Financial assets		
First Charge		
Trade receivables	350.87	600.47
Cash and cash equivalents	21,124.08	6,381.94
Other financial assets	297.36	5.38
Non Financial assets		
First Charge		
Other current assets	1,343.35	347.29
Total current assets pledged as security	**23,115.65**	**7,335.07**

NATIONAL HIGHWAYS INFRA TRUST

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

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As at March 31, 2023	As at March 31, 2022
Non Current		
Other financial assets	9,672.44	3,170.81
Non -current tax assets (Net)	12.06	-
Total non current assets pledged as security	9,684.50	3,170.81
Total assets pledged as security	**32,800.16**	**10,505.88**

63. Key sources of estimation

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

64. Previous Year Figures

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

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

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

CA Kailash Chand Gupta
Partner
M.No.085003

Suresh Krishan Goyal
Director
DIN: 02721580

Mahavir Parsad Sharma
Director
DIN: 03158413

Date : 22nd May 2023
Place : New Delhi

Mathew George
Chief Financial Officer

Gunjan Singh
Compliance Officer

SECRETARIAL COMPLIANCE REPORT OF NATIONAL HIGHWAYS INFRA TRUST

For the year ended 31st March 2023

To
The Governing Board,
National Highways Infra Trust,
(Acting through its Investment Manager
-National Highways Infra Investment Managers Private Limited)
G - 5 & 6, Sector 10, Dwarka, New Delhi - 110075

We have conducted the review of the compliance of the applicable statutory provisions and the adherence to good corporate practices by National Highways Infra Trust (hereinafter referred as 'the Listed entity') acting through National Highways Infra Investment Managers Private Limited (hereinafter referred as 'Governing Board'), having its registered office at G - 5 & 6, Sector 10, Dwarka, New Delhi - 110075. Secretarial Review was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and to provide our observations thereon.

Based on our verification of the listed entity's books, papers, minutes books, forms and returns filed and other records maintained by the listed entity and also the information provided by the listed entity, its officers, agents and authorized representatives during the conduct of Secretarial Review, we hereby report that, the listed entity has, during the review period covering the financial year ended on 31st March 2023, complied with the statutory provisions listed hereunder, in the manner and subject to the reporting made hereinafter:

We, M/s. MMJB & Associates LLP, Practicing Company Secretaries, have examined:

(a) all the documents and records made available to us and explanation provided by the listed entity,

(b) the filings/ submissions made by the listed entity to the Stock Exchanges,

(c) website of the listed entity,

(d) any other document/ filing, as may be relevant, which has been relied upon to make this certification,

for the financial year ended on 31st March 2023 ('Review Period') in respect of compliance with the provisions of:

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

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

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

(a) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015; ('Listing Regulations');

The Listed Entity being High Value Debt Listed Entity, is complying with the provisions of governance norms of listing regulations on Comply or Explain basis during the review period.

(b) Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; (Not Applicable to the listed entity during the Review Period)

(c) Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; (Not Applicable to the listed entity during the Review Period)

(d) Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; (Not Applicable to the listed entity during the Review Period)

Secretarial Compliance Report of National Highways Infra Trust (Cont.)

(e) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; (Not Applicable to the listed entity during the Review Period)

(f) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; ("PIT Regulations")

(g) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

(h) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

(i) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018; (Not Applicable to the listed entity during the Review Period)

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

and circulars/ guidelines issued thereunder.

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

I. (a) The listed entity has complied with the provisions of the above Regulations and circulars/ guidelines issued thereunder, except in respect of matters as specified in Annexure-1.

(b) The listed entity has taken the following actions to comply with the observations made in previous reports:

S. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken	Type of Action	Details of violation	Fine amount	Observations/ Remarks of the Practicing Company Secretary	Management response	Remarks
Not Applicable										

II. Compliance related to resignation of statutory auditors from listed entities and their material subsidiaries as per SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October 2019.

S. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/ Remarks by PCS*
1.	**Compliances with the following conditions while appointing/re-appointing an auditor**		
	i. If the auditor has resigned within 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter; or ii. If the auditor has resigned after 45 days from the end of a quarter of a financial year, the auditor before such resignation, has issued the limited review/ audit report for such quarter as well as the next quarter; or iii. If the auditor has signed the limited review/ audit report for the first three quarters of a financial year, the auditor before such resignation, has issued the limited review/ audit report for the last quarter of such financial year as well as the audit report for such financial year.	NA	Statutory Auditor has been re-appointed in the Listed Entity and its material subsidiary in compliance of said circular.

Secretarial Compliance Report of National Highways Infra Trust (Cont.)

S. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/ Remarks by PCS*
2.	**Other conditions relating to resignation of statutory auditor**		
	i. Reporting of concerns by Auditor with respect to the listed entity/ its material subsidiary to the Audit Committee: a. In case of any concern with the management of the listed entity/ material subsidiary such as non-availability of information/ non-cooperation by the management which has hampered the audit process, the auditor has approached the Chairman of the Audit Committee of the listed entity and the Audit Committee shall receive such concern directly and immediately without specifically waiting for the quarterly Audit Committee meetings. b. In case the auditor proposes to resign, all concerns with respect to the proposed resignation, along with relevant documents has been brought to the notice of the Audit Committee. In cases where the proposed resignation is due to non-receipt of information/ explanation from the company, the auditor has informed the Audit Committee the details of information/explanation sought and not provided by the management, as applicable. c. The Audit Committee/ Board of Directors, as the case may be, deliberated on the matter on receipt of such information from the auditor relating to the proposal to resign as mentioned above and communicate its views to the management and the auditor. ii. Disclaimer in case of non-receipt of information: The auditor has provided an appropriate disclaimer in its audit report, which is in accordance with the Standards of Auditing as specified by ICAI/ NFRA, in case where the listed entity/ its material subsidiary has not provided information as required by the auditor.	NA	No such resignation
3.	The listed entity/ its material subsidiary has obtained information from the Auditor upon resignation, in the format as specified in Annexure-A in SEBI Circular CIR/CFD/CMD1/114/2019 dated 18th October, 2019.	NA	No such resignation

*Observations /Remarks by PCS are mandatory if the Compliance status is provided as 'No' or 'NA'll.

Secretarial Compliance Report of National Highways Infra Trust (Cont.)

III. We hereby report that, during the review period the compliance status of the listed entity is appended as below:

S. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/ Remarks by PCS*
1.	**Secretarial Standards:** We have conducted a review of the compliance of listed entity in accordance with the Secretarial Standards issued by ICSI, namely Secretarial Standard 1 and Standard 2.	NA	Secretarial Standard are being complied by the Governing Board of INVIT
2.	**Adoption and timely updation of the Policies:** • All applicable policies under SEBI Regulations are adopted with the approval of board of directors/ committees, as may be applicable of the listed entities. • All the policies are in conformity with SEBI Regulations and has been reviewed & timely updated as per the regulations/ circulars/ guidelines issued by SEBI.	Yes	-
3.	**Maintenance and disclosures on Website:** • The Listed entity is maintaining a functional website. • Timely dissemination of the documents/ information under a separate section on the website. • Web-links provided in annual corporate governance reports under Regulation 27(2) are accurate and specific which redirects to the relevant document(s)/ section of the website.	Yes	Since listed entity has become High Value Debt listed entity on 27th October 2022 corporate governance report under Reg 27(2) was not applicable to listed entity for FY 2022-23.
4.	**Disqualification of Director:** None of the Director of the Listed Entity are disqualified under Section 164 of Companies Act, 2013.	Yes	Directors of Governing Board are not disqualified
5.	**To examine details related to Subsidiaries of listed entities:** (a) Identification of material subsidiary companies (b) Requirements with respect to disclosure of material as well as other subsidiaries	(a) NA (b) NA	Being HVDL the said provision is applicable on comply or explain basis.
6.	**Preservation of Documents:** As per the confirmations given by the listed entity, and on our test check basis, it is preserving and maintaining records as prescribed under SEBI Regulations and disposal of records as per Policy of Preservation of Documents and Archival policy prescribed under Listing Regulations.	Yes	-
7.	**Performance Evaluation:** The listed entity has conducted performance evaluation of the Board, Independent Directors, and the Committees on an annual basis as prescribed in SEBI Regulations.	Yes	Governing Board of INVIT has complied with the same
8.	**Related Party Transactions:** (a) The listed entity has obtained prior approval of Audit Committee for all Related party transactions (b) In case no prior approval obtained, the listed entity shall provide detailed reasons along with confirmation whether the transactions were subsequently approved/ ratified/ rejected by the Audit committee.	(a) NA (b) NA	Being HVDL the said provision is applicable on comply or explain basis
9.	**Disclosure of events or information:** The listed entity has provided all the required disclosure(s) under Regulation 30 along with Schedule III of Listing Regulations within the time limits prescribed thereunder.	Yes	Listed entity being a debt listed entity has complied with Regulation 51 along with Schedule III of Listing Regulations.

Secretarial Compliance Report of National Highways Infra Trust (Cont.)

S. No.	Particulars	Compliance Status (Yes/No/NA)	Observations/ Remarks by PCS*
10.	**Prohibition of Insider Trading:** The listed entity is in compliance with Regulation 3(5) & 3(6) SEBI (Prohibition of Insider Trading) Regulations, 2015	No	Refer Annexure-1
11.	**Actions taken by SEBI or Stock Exchange(s), if any:** No Actions taken against the listed entity/ its promoters/ directors/ subsidiaries either by SEBI or by Stock Exchanges (including under the Standard Operating Procedures issued by SEBI through various circulars) under SEBI Regulations and circulars/ guidelines issued thereunder.	Yes	Yes
12.	**Additional Non-compliances, if any:** No any additional non-compliance observed for all SEBI regulation/circular/guidance note etc.	No	Refer Annexure-1

Assumptions & Limitation of scope and Review:

1. Compliance of the applicable laws and ensuring the authenticity of documents and information furnished, are the responsibilities of the management of the listed entity.
2. Our responsibility is to certify based upon our examination of relevant documents and information. This is neither an audit nor an expression of opinion.
3. We have not verified the correctness and appropriateness of financial Records and Books of Accounts of the listed entity.
4. This Report is solely for the intended purpose of compliance in terms of Regulation 24A (2) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and 26J of INVIT Regulation and is neither an assurance as to the future viability of the listed entity nor of the efficacy or effectiveness with which the management has conducted the affairs of the listed entity.

For MMJB and Associates LLP
Company Secretaries

Deepti Kulkarni
Designated Partner
ACS No. 34733
CP No. 22502
PR: 2826/2022
UDIN: A034733E000413848

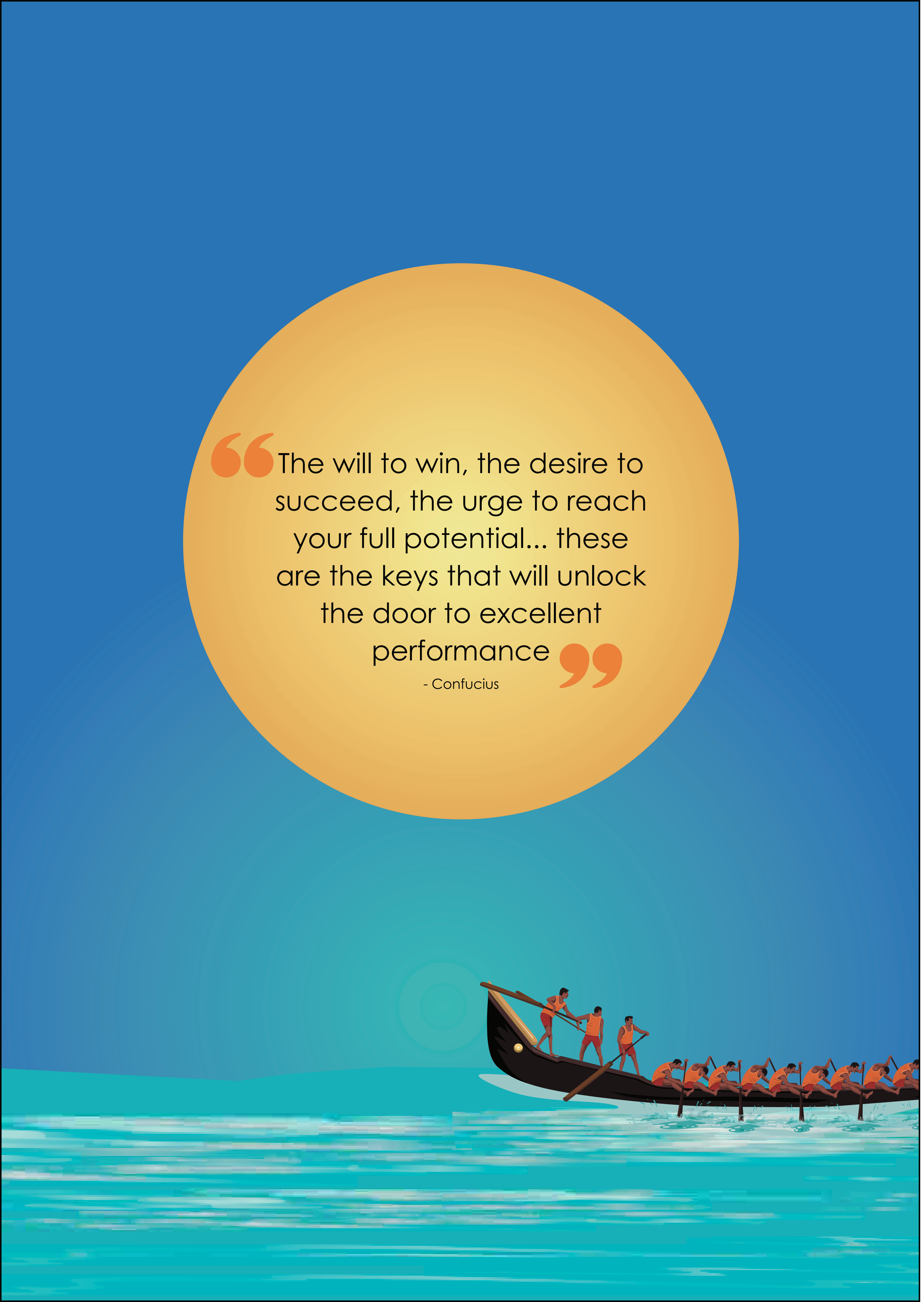
Place: Mumbai
Date: 29th May 2023

Secretarial Compliance Report of National Highways Infra Trust (Cont.)

S. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken	Type of Action	Details of violation	Fine amount	Observations/ Remarks of the Practicing Company Secretary	Management response	Remarks
1.	Maintenance of Structured Digital Database (SDD)	Regulation 3(5) of PIT Regulation	Listed Entity was not having SDD software	-	-	Listed Entity was not having SDD software till 4th September 2022	-	Listed Entity was not having Structured Digital Database as per PIT Regulation till 4th September,2022 and the entries were made in delay in the software.	As per requirement of Policy on unpublished Price Sensitive Information and Dealing in Units by the Parties to National Highways Infra Trust ("UPSI Policy") which contains the provisions as prescribed under the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015, the Compliance Officer shall maintain a digital database of all persons with whom UPSI is shared for any legitimate purpose and the Compliance Officer shall also be responsible to ensure that such databases shall be maintained with adequate internal controls and checks such as time stamping and audit trail to ensure non-tampering of such database. As the IT System of the Company is operated on NHAI servers, for installing the software for maintaining the said database on NHAI, the necessary permission from NHAI was required to be taken and the request in this regard was made to Head IT, NHAI. However, due to delay in obtaining the said permission, there was a delay in installation of SDD.	
2.	Allotment Report of Preferential Issue	Clause 7.3.6 of Master Circular SEBI/ HO/DDHS/ DDHS_Div3/ P/ CIR/2022/53 dated 26th April 2022	Allotment Report w.r.t. Preferential Issue was not submitted	-	-	Allotment Report w.r.t. Preferential Issue	-	INVIT is required to file allotment report along with placement document with SEBI within 7 days of allotment of units.	During the year, allotment was made to sponsor through preferential issue and to QIBs through further issue on 12th October 2022. The allotment details of preferential issue was getting captured in placement document filed on 17th October 2022 after allotment w.r.t. QIB issue. As there is no prescribed format for the said report therefore, a separate allotment report was not filed to SEBI for preferential allotment.	

Secretarial Compliance Report of National Highways Infra Trust (Cont.)

S. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Regulation/ Circular No.	Deviations	Action Taken	Type of Action	Details of violation	Fine amount	Observations/ Remarks of the Practicing Company Secretary	Management response	Remarks
3.	Composition of Governing Board	Reg 4(2)(e)(v) of INVIT Regulations	Composition of Governing Board is not as per INVIT Regulations	-	-	Governing Board of Investment Manager shall be comprised of 50% of Independent Director (ID).	-	Governing board was not duly constituted from 12th October 2022 to 29th November 2022 and from 6th January, 2023 to 11th January, 2023. Mr. Vivek Rae, Independent Director (ID) resigned w.e.f. 12th July 2022. Hence, ID position became vacant. New ID has been appointed on 11th January 2023.	Governing Board had applied to SEBI on 24th January, 2023 for condonation of Non-Compliance with respect to eligibility criteria of 50% of Independent Director in the Governing Board Reply of SEBI is awaited.	



OTHER DISCLOSURES

1. **Any information or report pertaining to the specific sector or sub-sector that may be relevant for an investor to invest in units of the InvIT:**

   Please refer to the Management Discussion and Analysis Report

2. **Update on the development of under-construction projects, if any:**

   Presently, all assets under InvIT are operational assets. It is to be noted that NHAI started augmentation work to a 6-lane configuration from a 4-lane configuration for the Belgaum Kagal section from November 2023.

   The estimated construction period for the proposed capacity augmentation works is 2.5 years from the appointed date.

   The Initial Improvement works at Chittorgarh-Kota, Abu Road-Palanpur, and Abu Road-Swaroopganj projects are awarded to two contractors namely Shivam infra-Tech Private Limited and Bhimji Velji Sorathia Constructions Private Limited.

   As part of works, the contractors would be undertaking the construction of grade separators, widening/ upgradation of existing toll plazas at the CK project, service roads, Junction improvements, and street lighting.

3. **Details of outstanding borrowings and deferred payments of InvIT including any credit rating(s), debt maturity profile and gearing ratios of the InvIT on a consolidated and standalone basis as at the end of the year:**

   The Trust had availed long term loan cumulating to ₹1,480 crore (sanctioned amount ₹2,000 crore) from consortium of three banks via Facility Agreement dated 29th September 2021 for the purpose of investment by the Trust in the Project SPV (NHIPPL).

   In addition, the Trust has issued Non-Convertible Debentures of ₹1,500 crore in October 2022 for the purpose of investment by the Trust in the NHIPPL.

   Details of External Borrowings

(All amounts are in ₹ lakh unless otherwise stated)

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

(All amounts are in ₹ lakh unless otherwise stated)

As at March 31, 2023	Carrying Amount	<1 Yr.	1-3 Yrs.	>3 Yrs.
Term Loan	1,45,570.13	2,000.00	6,000.00	1,37,570.13
Non-Convertible Debentures	1,48,588.20	-	-	1,48,588.20
Total	2,94,158.33	2,000.00	6,000.00	2,86,158.33

(All amounts are in ₹ lakh unless otherwise stated)

As at March 31, 2022	Carrying Amount	<1 Yr.	1-3 Yrs.	>3 Yrs.
Term Loan	1,46,537.80	1,000.00	8,000.00	1,37,537.80

4. **The total operating expenses of the InvIT along with a detailed break-up, including all fees and charges paid to the investment Manager and any other parties, if any during the year:**

Please refer to the Management Discussion and Analysis Report and Standalone Financial Statement

5. **a. Details of all related party transactions during the year, the value of which exceeds five percent of 5% of the value of the InvIT assets:**

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As on March 31, 2023	As on March 31, 2022
National Highways Authority of India (NHAI)		
Payment for acquiring intangible assets (Toll)	2,84,966.66	7,35,040.00
Issue of units of Trust to NHAI	21,366.83	96,556.00

Standalone Basis

Related party transaction during the year, the value of which exceeds 5% of the value of InvIT assets

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As on March 31, 2023	As on March 31, 2022
National Highways Authority of India (NHAI)		
Issue of units of Trust to NHAI	21,366.83	96,556.00
National Highways Infra Projects Private Limited (NHIPPL)		
Long Term Loan to be given to NHIPPL	2,84,967.66	6,05,640.00
Interest Income on Long Term Loan given to NHIPPL	94,698.30	22,843.13
Purchase of equity shares of NHIPPL	-	1,29,410.00

b. **Details regarding the monies lent by the InvIT to the holding company or the special purpose vehicle in which it has an investment in:**

During the P.Y. 2021-22, Project SPV had availed loan amounting to ₹6056.40 crore at the rate of 12.70% p.a. from National Highways Infra Trust (NHIT) (Holding Entity) via Facility Agreements(s) dated 29th September 2021 for financial assistance to be utilized for the purposes and terms and conditions as mentioned in the Concession Agreement between NHAI and NHIPPL for Five assets. The loan was disbursed on 14th December 2021 and is repayable on quarterly basis over 102 quarterly installments of principal and interest up to 31st March 2047.

In addition to the above, Project SPV also availed the loan facility of ₹2849.66 crore at the rate of 12.70 % p.a. from National Highways Infra Trust (NHIT) (Holding Entity) via Facility Agreements(s) dated 10th October 2022 for financial assistance to be utilized for the purposes and terms and conditions as mentioned in the Concession Agreement between NHAI and NHIPPL for three more assets. The loan was disbursed on 28th October 2022.

6. **Details of issue and buyback of units during the year:**

The Invit during the year through the private placement route issued 13.12 crore units. Also refer Note No. 9 of standalone financial statements.

No units were brought back during the period.

7. **Brief details of material and price sensitive information:**

During the period, the Trust, from time to time, has been providing price sensitive details of material and price sensitive information to the stock exchanges in accordance with the InvIT Regulations.

8. **Details of revenue during the year, project wise from the underlying projects:**

The InvIT has been registered on 28th October 2020, hence, data for the relevant financial years is disclosed here.

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	As on March 31, 2023	As on March 31, 2022
Aburoad Swaroopganj	6,556.03	1,776.53
Belgam Kagal	12,874.06	3,463.14
Chitorgarh Kota	9,334.64	2,626.66
Kothakata Kurnool	17,146.60	3,872.74
Palanpur Aburaod	9,233.85	2,221.48
Borkhedi Wadner	6,933.33	-
Raibha (Agra Bypass)	3,769.62	-
Raksha (Shivpuri Jhansi)	2,869.08	-
Total	**68,717.20**	**13,960.55**

9. NHAI InvIT had issued and listed its Non-Convertible Debentures (NCDs) in compliance with SEBI Circular no. SEBI/HO/DDHS/DDHS/CIR/P/2018/71 dated 13th April 2018 on the Stock Exchange with effect from 27th October 2022, and subsequently, had qualified to be a High-Value Debt Listed Entity in accordance with Regulation 15(1A) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") due to which the Corporate Governance provisions (Regulation 15 to Regulation 27) of Listing Regulations were made applicable to it on comply or explain basis.

However, SEBI vide its SEBI (Listing Obligations and Disclosure Requirements) (Amendment) Regulations, 2023 removed the applicability of the aforementioned Corporate Governance provisions to InvITs with effect from 1st April 2023. Hence, pursuant to Regulation 15(1B) of Listing Regulations, InvITs are now required to comply with the Corporate Governance Norms as specified in InvIT Regulations.

Accordingly, we have diligently addressed the necessary disclosures mandated by the InvIT Regulations and ensuring their comprehensive inclusion in the annual report.

In view of the above, the following Parts of Schedule V (Annual Report) of SEBI Listing Regulations are not applicable to InvITs:

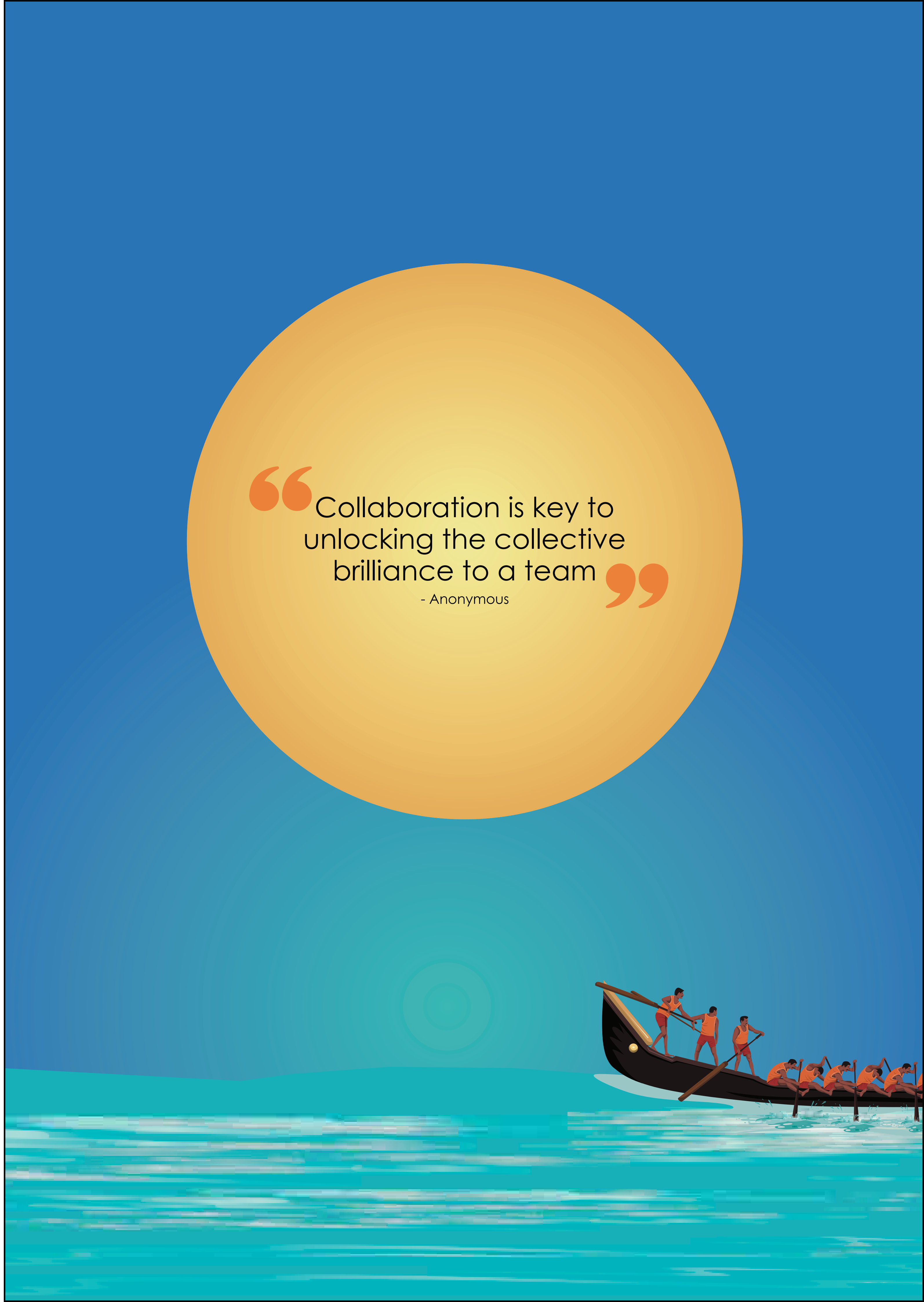
Part C. Corporate Governance Report,

Part D. Declaration by CEO regarding BOD and SMP have affirmed compliances with code of conduct

Part E. Compliance certificate from Auditors/ PCS regarding compliances of conditions of CG

10. Information of the contact person of the InvIT:

Ms. Gunjan Singh
Company Secretary and Compliance Officer
National Highways Infra Trust
G 5 & 6, Sector-10, Dwarka,
New Delhi - 110075
Tel: +91 11 25074100/ Extn: 1671
Fax: +91 11 25076536
E-mail: cs.nhim@nhai.org



National Highways Infra Trust

Registered Office
G-5 & 6, Sector 10, Dwarka, New Delhi - 110075
Tel: +91 11 25076536 | Fax: +91 11 25076536
Email: nhit@nhai.org | Website: www.nhaiinvit.in

design & printed by: modernsyscorp@gmail.com