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

Date: 23rd May, 2022

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

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

Subject: Outcome of the Board Meeting of National Highways Infra Investment Managers Private Limited- Investment Manager to National Highways Infra Trust (NHAI InvIT) held on 23rd May , 2022.

Dear Sir/Madam,

In furtherance to the intimation dated 18th May , 2022 and pursuant to applicable provisions of SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time read with circulars and guidelines issued thereunder ("InvIT Regulations"), we hereby inform you that a meeting of the Board of Directors ("Board") of National Highways Infra Investment Managers Private Limited acting in the capacity of Investment Manager to National Highways Infra Trust (NHAI InvIT) was held today i.e. 23rd May , 2022, wherein the Board *inter-alia* took up the following matters:

1. Consideration and approval of the Annual Financial Statements (Standalone and Consolidated) of NHAI InvIT for the financial year ended on 31st March , 2022 along with respective Audit Report issued by Statutory Auditors. The Annual Financials and Audit Report are enclosed as **Annexure I** .

2. The declaration of Distribution of Rs. 0.79 per unit (Return on capital of Rs. 0.71 per unit, return of capital of Rs. Nil per unit, Dividend of Rs. Nil per unit and other income on surplus funds at Group of Rs. 0.08 per unit) for the period October 01, 2020 to March 31, 2021 to be paid on or before 15 days from the date of declaration.

   The record date for this distribution will be 26th May, 2022 and payment will be made on or before 7th June, 2022.

3. Re-affirmation of Credit Ratings by Care Ratings Limited and India Ratings & Research Private Limited .Copy of letters issued by Care and India Ratings are enclosed as **Annexure II & III.**

4. Discussion on modalities of following two projects /Road Assets offered by National Highways Authority of India for potential acquisition by NHAI InvIT ("Round 2") including commencement of diligence:

- Agra Bypass (33 kms)
- Borkhedi – Wadner – Kelapur – Maharashtra Border (139kms)

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The Board meeting commenced at 5:30 p.m. (IST) and concluded at 8:00 p.m. (IST)

Request you to take note of the same.

Sincerely,

For National Highways Infra Trust

By Order of the Board

National Highways Infra Investment Managers Private Limited

New Delhi

Ms. Gunjan Singh
Company Secretary and Compliance Officer

Encl: As above

Annexure I

A.R. & CO.
Chartered Accountants

Delhi Office:
A-403, Gayatri Apartment Airlines
Group Housing Society, Plot No 27,
Sector -10, Dwarka, New Delhi -110075
Cell No.-9810195084, 9810444051
E-mail: ar_co1981@yahoo.co.in
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Corporate and Correspondence Office:
C-1, II Floor, RDC, Raj Nagar,
Ghaziabad-201001 Delhi-NCR National
Capital region Of Delhi

INDEPENDENT AUDITOR'S REPORT ON STANDALONE FINANCIAL RESULTS FOR THE HALF YEAR AND YEAR ENDED MARCH 31, 2022 PURSUANT TO REGULATION 23 OF THE SEBI (INFRASTRUCTURE INVESTMENT TRUSTS) REGULATIONS, 2014, AS AMENDED

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

Report on the audit of the Standalone Financial Results

Opinion

We have audited the accompanying Statement of standalone financial results of National Highways Infra Trust (hereinafter referred to as "the Trust or NHIT"), consisting of the Statement of Profit and Loss including Other Comprehensive Income, explanatory notes thereto and the additional disclosures as required in paragraph 6 of Annexure A to the SEBI Circular No. CIR/IMD/DF/127/2016 dated November 29, 2016 ("SEBI Circular") for the half year and the year ended March 31, 2022 (the standalone statement of Profit & Loss including other comprehensive income, other comprehensive income, explanatory notes and additional disclosures together referred to as "the Statement"), attached herewith, being submitted by the National Highways Infra Investment Managers Private Limited ("Investment Manager") pursuant to the requirements of Regulation 23 of the SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time read with SEBI Circular.

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

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

b. Gives a true and fair view in conformity with the Indian Accounting Standards, and other accounting principles generally accepted in India, to the extent not inconsistent with SEBI InvIT Regulations, of the net profit and other comprehensive income and other financial information of the Trust for the half year and the year ended March 31, 2022.

BASIS FOR OPINION

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

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

The Statement has been prepared on the basis of the standalone annual financial statements. The Board of Directors of the Investment Manager is responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income and other financial information of the Trust in accordance with the requirements of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 as amended from time to time ("SEBI InvIT Regulations"); Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other accounting principles generally accepted in India, to the extent not inconsistent with SEBI InvIT Regulations. This responsibility includes the design, implementation and maintenance of adequate internal financial controls for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

- Conclude on the appropriateness of the Board of Directors of Investment Manager use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.

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

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

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

OTHER MATTERS

1. The Statement includes the standalone financial results for the half year ended March 31, 2022 being the balancing figures between the audited figures in respect of full financial year ended March 31, 2022 and the unaudited/unreviewed year to date figures up to September 30, 2021.

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

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

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

CA Naresh Kumar Karn
Partner
Membership No: 077887
UDIN: 22077887AJLSWO7656

Place: New Delhi
Date: 23.05.2022

NATIONAL HIGHWAYS INFRA TRUST

Audited Standalone Financial Results of the Trust for the half year and year ended 31st March, 2022

Statement of Profit and Loss

(All amounts in ₹ lakh unless otherwise stated)

PARTICULARS	Half year ended 31st March 2022	Half year ended 30 September 2021	Year ended 31st March 2022	Year ended 31st March 2021
	(Refer note 5)	*(Unaudited)*	*(Audited)*	*(Audited)*
INCOME				
Revenue from Operations	22,843.13	-	22,843.13	-
Other Income	993.74	-	993.74	-
Total Income	23,836.87	-	23,836.87	-
EXPENSES				
Investment Manger Fees	1,931.71	-	1,931.71	-
Trustee Fees	3.73	-	3.73	4.21
Finance Charges	3,154.43	-	3,154.43	-
Other Expenses	115.25	-	115.25	63.69
Total Expenses	5,205.13	-	5,205.13	67.90
Profit/(Loss) before Exceptional Items and Tax	18,631.74	-	18,631.74	(67.90)
Exceptional Items (net)			-	
Profit / (Loss) before Tax	18,631.74	-	18,631.74	(67.90)
Tax Expenses				
Current Tax	436.36	-	436.36	-
Deferred Tax expense/(credit)	3.16	-	3.16	
Total Tax	439.52	-	439.52	-
Profit/ (loss) for the period	18,192.23	-	18,192.23	(67.90)
Other Comprehensive Income				
Items that will not be reclassified to Profit and Loss	-	-	-	-
Items that will be reclassified to Profit and Loss	-	-	-	-
	-	-	-	-
Total Comprehensive Income for the period	18,192.23	-	18,192.23	(67.90)

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

National Highways Infra Trust
New Delhi

NATIONAL HIGHWAYS INFRA TRUST

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

a. Statement of Net Distributable Cash Flows

(All amounts in ₹ lakh unless otherwise stated)

S. No.	PARTICULARS	Half year ended 31st March 2022	Half year ended 30 September 2021	Year ended 31st March 2022	Year ended 31st March 2021
1	**Profit after tax as per Statement of profit and loss/income and expenditure (standalone) (A)**	18,192.23	-	18,192.23	-
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.	-	-	-	-
3	**Add/Less:** Loss/gain on sale of infrastructure assets				
4	**Add:** Proceeds from sale of infrastructure assets adjusted for the following:	-	-	-	-
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	-	-	-	-
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.	(8,233.88)	-	(8,233.88)	
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	(5,204.50)	-	(5,204.50)	-
8	**Total Adjustment (B)**	(13,438.39)	-	(13,438.39)	-
9	**Net Distributable Cash Flows (C) = (A+B)**	4,753.84	-	4,753.84	-

b. Investment manager fees

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

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

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

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

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

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

Particulars	Half year ended 31st March 2022	Half year ended 30 September 2021	Year ended 31st March 2022	Year ended 31st March 2021
	(Refer note 5)	*(unaudited)*	*(Audited)*	*(Audited)*
Profit for the period / year (₹ lakhs)	18,192.23		18,192.23	(67.90)
Weighted average number of units outstanding for computation of basic and diluted earning per unit.	59,52,00,000	-	59,52,00,000	-
Earning per unit (basic and diluted) (₹)	3.06	-	3.06	-
d. Contingent Liabilities	Nil	Nil	Nil	Nil
e. Commitments as Commitment for loan to Subsidiary Company (Project SPV- NHIPPL)	52,000.00	-	52,000.00	-

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

National Highways Infra Trust
New Delhi

NATIONAL HIGHWAYS INFRA TRUST

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

f. 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

President of India - Promoter of NHIIMPL
IDBI Bank Limited (IDBI Bank) - Promoter of ITSL
President of India - 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. Vivek Rae
Mr. Shailendra Narain Roy
Mr. Balasubramanyam Sriram
Mr. Mahavir Parsad Sharma
Mr. Pradeep Singh Kharola
Mr. Amit Kumar Ghosh
Mrs. Kavita Saha
Mr. Bruce Ross Crane
Mr. N.R.V.V.M.K. Rajendra Kumar

Directors of ITSL

Mr. Padma Vinod Betai
Mr. Samuel Joseph Jebaraj
Ms. Madhuri Jayant Kulkarni
Mr. Pradeep Kumar Jain
Ms. Jayashree Ranade

Directors of NHIPMPL

Mr. Ashish Asati
Mr. Muralidhara Rao Bugatha

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

National Highways Infra Trust
New Delhi

NATIONAL HIGHWAYS INFRA TRUST

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

C. Transactions with Related Parties during the period

(Amounts in ₹ lakh)

Particulars	Half year ended 31st March 2022	Half year ended 30 September 2021	Year ended 31st March 2022	Year ended 31st March 2021
National Highways Infra Projects Private Limited (NHIPPL)				
Transaction during the period/year				
Purchase of equity shares of NHIPPL	1,29,410.00	-	1,29,410.00	-
Advancement of Long Term Loan to NHIPPL	6,05,640.00	-	6,05,640.00	-
Receipt of interest on Long Term Loan given to NHIPPL	12,192.00	-	12,192.00	-
Reimbursement of ROC Fee paid by NHIT on behalf of NHIPPL	274.98	-	274.98	-
National Highways Infra Investment Managers Private Limited (NHIIMPL)				
Transaction during the period/year				
Payment of Investment Manager Fee	1,931.71	-	1,931.71	-
Reimbursement of Pre-Issue expenses of NHIT by NHIIMPL	214.80	-	214.80	-
National Highways Authority of India (NHAI)				
Transaction during the period/year				
Reimbursement of Pre-Issue expenses of NHIT by NHAI	578.02	-	578.02	67.03
Purchase of equity shares of Project SPV (NHIPPL) by the Trust from NHAI	10,153.52	-	10,153.52	-
Issue of units of Trust to NHAI	96,556.00	-	96,556.00	
IDBI Trusteeship Services Limited (ITSL)				
Transaction during the period/year				
Payment of Trustee Fee	12.15	-	12.15	-
Initial Settlement Amount	-	-	-	0.10

D. Closing Balance with Related Parties

(Amounts in ₹ lakh)

Particulars	Half year ended 31st March 2022	Half year ended 30 September 2021	Year ended 31st March 2022	Year ended 31st March 2021
National Highways Infra Projects Private Limited (NHIPPL)				
Balance outstanding at the end of the period/year				
Investment in equity shares of NHIPPL	1,29,410.00	-	1,29,410.00	-
Long Term Loan to NHIPPL	6,05,640.00	-	6,05,640.00	-
Interest receivable on Long Term Loan given to NHIPPL	10,651.13	-	10,651.13	-
National Highways Authority of India (NHAI)				
Balance outstanding at the end of the period/year				
Issue of units of Trust to NHAI (9,56,00,000 units)	96,556.00	-	96,556.00	-
IDBI Trusteeship Services Limited				
Balance outstanding at the end of the period/year				
Initial Settlement Amount	0.10	0.10	0.10	0.10
Trustee Fee Payable	2.77	-	2.77	

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

National Highways Infra Trust
New Delhi

NATIONAL HIGHWAYS INFRA TRUST

Notes to the audited standalone financial results of the Trust for the half year and year ended 31st March 2022

1 The audited standalone financial results of National Highways InfraTrust ('Trust') for the half year and year ended 31st March, 2022 have been reviewed by the Audit Committee of National Highways Infra Investment Managers Private Limited ('Investment Manager' of Trust) at their meeting held on 23rd May, 2022 and approved by the Board of Directors of the Investment Manager at their meeting held on 23rd May, 2022. The statutory auditors have issued an unmodified audit report on these standalone financial results.

2 The audited standalone financial results comprises the Standalone statement of profit and loss, explanatory notes and the additional disclosures as required in paragraph 6 of Annexure A to the SEBI Circular no. CIR/IMD/DF/127/2016 dated 29th November, 2016 ('SEBI Circular') of the Trust for the half year and year ended 31st March, 2022 ('Standalone financial results'). The standalone financial results have been prepared by 'the Investment Manager' on the basis of the standalone annual audited financial statements as at and for the year ended 31st March, 2022, in accordance with the relevant requirements of SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time ("the SEBI Regulations"); and SEBI circular.

3 Figures for the half year ended 31st March, 2022 represent the balancing figures between the audited figures for the year ended 31st March, 2022 and unaudited/unreviewed year-to date figures upto 30th September, 2021.

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

5 The Board of Directors of the Investment Manager have declared distribution of Rs. 0.79 per unit which comprise Rs. 0.71 per unit as return on capital, Rs. 0.08 per unit as other income on surplus funds at Trust in their meeting held on 23rd May, 2022. Distribution is to be paid on or before 15 days from the date of declaration.

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

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

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

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

National Highways Infra Trust New Delhi

Gunjan Singh
Compliance Officer

Mathew George
Chief Financial Officer

Suresh Krishan Goyal
Director
DIN: 02721580

Place: New Delhi
Date: 23 May 2022

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

A.R. & CO.
Chartered Accountants

Delhi Office:
A-403, Gayatri Apartment Airlines
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Cell No.-9810195084, 9810444051
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pawankgoel1@gmail.com

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

INDEPENDENT AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL RESULTS OF THE TRUST FOR THE HALF YEAR AND YEAR ENDED MARCH 31, 2022 PURSUANT TO REGULATION 23 OF THE SEBI (INFRASTRUCTURE INVESTMENT TRUSTS) REGULATIONS, 2014, AS AMENDED

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

Report on the audit of the Consolidated Financial Results

Opinion

We have audited the accompanying Statement of consolidated financial results of National Highways Infra Trust (hereinafter referred to as "the Trust or NHIT") comprising its one subsidiary (hereinafter referred to as "the National Highways Infra Projects Private Limited or NHIPPL") (the Trust and its subsidiary "NHIPPL" together referred to as "the Group"), consisting of the Consolidated Statement of Profit and Loss including Other Comprehensive Income, explanatory notes thereto and the additional disclosures as required in paragraph 6 of Annexure A to the SEBI Circular No. CIR/IMD/DF/127/2016 dated November 29, 2016 ("SEBI Circular") for the half year and year ended March 31, 2022 (the consolidated statement of Profit and Loss including other comprehensive income, explanatory notes and additional disclosures together referred to as "Statement"), attached herewith, being submitted by the National Highways Infra Investment Managers Private Limited ("Investment Manager") pursuant to the requirements of Regulation 23 of the SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time read with SEBI Circular.

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

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

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

c. Gives a true and fair view in conformity with the Indian Accounting Standards, and other accounting principles generally accepted in India, to the extent not inconsistent with SEBI InvIT Regulations, of the consolidated net profit and other comprehensive income and other financial information of the Group for the half year and year ended March 31, 2022.

BASIS FOR OPINION

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

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

The Statement has been prepared on the basis of the consolidated annual financial statements. The Board of Directors' of the Investment Manager is responsible for the preparation and presentation of the Statement that gives a true and fair view of the consolidated net profit and other comprehensive income and other financial information of the Group in accordance with the requirements of the SEBI InvIT regulations as amended, Indian Accounting

Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other accounting principles generally accepted in India, to the extent not inconsistent with SEBI InvIT Regulations. The Board of Directors of the subsidiary included in the Group are responsible for maintenance of adequate accounting records for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the Statement by the Board of Directors of the Investment Manager, as aforesaid.

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

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

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

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

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

- Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

- Conclude on the appropriateness of the Board of Directors of Investment Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion.

- Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

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

- Obtain sufficient appropriate audit evidence regarding the financial information of the Trust of which we are the independent auditors, to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial statements of Trust included in the Statement of which we are the independent auditors. For the subsidiary included in the Statement, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

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

OTHER MATTERS

1. The consolidated financial results include the audited financial results of subsidiary - National Highways Infra Projects Private Limited whose financial statements reflect Group's share of total assets of Rs. 7,35,774.44 Lakhs as at 31 March 2022, Group's share of total revenues of Rs. 13,981.33 Lakhs, Group's share of losses after taxes including other comprehensive income (net) of Rs. 11,355.90 Lakhs and net cash outflows amounting to Rs. 12,802.25 Lakhs as considered in the Statement. These financial statements and other financial information have been audited by other auditor and whose report has been furnished to us by the management of Investment Manager of the Trust and our opinion on the Statement, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on the report of the other auditor.

2. The Statement includes the consolidated financial results for the half year ended 31 March 2022 being the balancing figures between the audited figures in respect of the full financial year ended 31 March 2022 and the unaudited/unreviewed year-to-date figures up to 30 September 2021.

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

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

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

CA Naresh Kumar Karn
Partner
Membership No: 077887
UDIN: 22077887AJLTFA8733

Place: New Delhi
Date: 23.05.2022

NATIONAL HIGHWAYS INFRA TRUST

Audited Consolidated Financial Results of the Trust for the half year and year ended 31 March 2022

Statement of Profit and Loss

(All amounts in ₹ lakh unless otherwise stated)

PARTICULARS	Half year ended 31st March 2022	Half year ended 30 September 2021	Year ended 31st March 2022	Year ended 31st March 2021
	(Refer note 3)	*(Unaudited)*	*(Audited)*	*(Audited)*
INCOME				
Revenue from Operations	13,960.55	-	13,960.55	-
Other Income	1,014.53	-	1,014.53	-
TOTAL INCOME	14,975.08	-	14,975.08	-
EXPENSES				
Investment Manger Fee	1,931.71	-	1,931.71	-
Trusteeship Fee	3.73	-	3.73	4.21
Operating Expenses	1,140.21	-	1,140.21	-
Employee Benefits Expenses	2.12	-	2.12	-
Finance Charges	3,154.43	-	3,154.43	-
Depreciation & Amortization Expense	1,055.65	-	1,055.65	-
Other Expenses	676.86	-	676.86	63.69
TOTAL EXPENSES	7,964.71	-	7,964.71	67.90
Profit/(Loss) before Exceptional Items and Tax	7,010.37	-	7,010.37	(67.90)
Exceptional Items (net)			-	
Profit / (Loss) before Tax	7,010.37	-	7,010.37	(67.90)
Tax Expenses				
Current Tax	436.36	-	436.36	-
Deferred Tax expense/(credit)	(262.32)	-	(262.32)	-
Total Tax	174.04	-	174.04	-
Profit/ (loss) for the period	6,836.33	-	6,836.33	(67.90)
Other Comprehensive Income				
Items that will not be reclassified to Profit and Loss	-	-	-	-
Items that will be reclassified to Profit and Loss	-	-	-	-
	-	-	-	-
Total Comprehensive Income for the period	6,836.33	-	6,836.33	(67.90)

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NATIONAL HIGHWAYS INFRA TRUST

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

a. Statement of Net Distributable Cash Flows

National Highways Infra Trust

(All amounts in ₹ lakh unless otherwise stated)

S. No.	PARTICULARS	Half year ended 31st March 2022	Half year ended 30 September 2021	Year ended 31st March 2022	Year ended 31st March 2021
		(Refer note 3)	(Unaudited)	(Audited)	(Audited)
1	**Profit after tax as per Statement of profit and loss/income and expenditure (Consolidated) (A)**	18,192.23	-	18,192.23	-
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.	-	-	-	-
3	**Add/Less:** Loss/gain on sale of infrastructure assets				
4	**Add:** Proceeds from sale of infrastructure assets adjusted for the following:	-	-	-	-
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	-	-	-	-
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.	(8,233.88)	-	(8,233.88)	-
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	(5,204.50)	-	(5,204.50)	-
8	**Total Adjustment (B)**	(13,438.39)	-	(13,438.39)	-
9	**Net Distributable Cash Flows (C) = (A+B)**	4,753.84	-	4,753.84	-

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NATIONAL HIGHWAYS INFRA TRUST

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

b. Statement of Net Distributable Cash Flows

National Highways Infra Projects Private Limited (Project SPV)

(All amounts in ₹ lakh unless otherwise stated)

S. No.	PARTICULARS	Half year ended 31 March 2022	Half year ended 30 September 2021	Year ended 31 March 2022	Year ended 31 March 2021
		(Refer note 5)	(Unaudited)	(Audited)	(Audited)
1	Profit after tax as per Statement of profit and loss/income and expenditure (standalone) (A)	(11,355.90)	-	(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.	1,055.65	-	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	-	-	-	-
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.	23,080.85	-	23,080.85	-
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	-	-	-	-
8	Total Adjustment (B)	24,136.50	-	24,136.50	-
9	Net Distributable Cash Flows (C) = (A+B)	12,780.61	-	12,780.61	-

Statement of Reconciliation of NDCF with distributions for FY 2021-22

S. No.	PARTICULARS	Half year ended 31 March 2022	Half year ended 30 September	Year ended 31 March 2022	Year ended 31 March 2021
		(Refer note 5)	(Unaudited)	(Audited)	(Audited)
1	Net Distributable Cash Flows for the year ended on 31st March, 2022	12,780.61	-	12,780.61	-
2	Amount distributed as Interest on borrowing from NHIT	12,192.00	-	12,192.00	-
3	Cash and Cash Equivalents at the end of the reporting period	588.61	-	588.61	-

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NATIONAL HIGHWAYS INFRA TRUST

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

c. Project manager and Investment manager fees

Project Management Fees:

i) The Project Manager (NHIPMPL) for managing the initial portfolio of assets, is entitled to a Project Manager fee which will be a percentage of the gross revenue earned by the project SPV (NHIPPL). The same will be based on the Project Implementation and Management Agreement (PIMA) signed by both the parties dated 30th March, 2021.

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

Investment Manager Fees:

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

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

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

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

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

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

Particulars	Half year ended 31 March 2022	Half year ended 30 September 2021	Year ended 31 March 2022	Year ended 31 March 2021
	(Refer note 3)	*(unaudited)*	*(Audited)*	*(Audited)*
Profit for the period / year (₹ lakhs)	6,836.33	-	6,836.33	(67.90)
Weighted average number of units outstanding for computation of basic and diluted earning per unit.	59,52,00,000	-	59,52,00,000	-
Earning per unit (basic and diluted) (₹)	**1.15**	-	**1.15**	-
e. Commitments				
Commitment for loan to Subsidiary Company (Project SPV- NHIPPL)	52,000.00		52,000.00	-

f. Contingent Liabilities:-

The Project SPV company (NHIPPL) has issued a Corporate Guarantee amounting to INR 2,000 Crore on 14.03.2022 in favour of lenders of the Trust as part of debt covenants of the loan received from the Trust, to secure the term loan of INR 2,000 Crore availed by the Trust from external lenders. The Corporate Guarantee is valid till the external loans to the Trust are satisfied.

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

g. Statement of Related Parties

A. 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

- President of India - Promoter of NHIIMPL
- IDBI Bank Limited (IDBI Bank) - Promoter of ITSL
- President of India - 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. Vivek Rae
Mr. Shailendra Narain Roy
Mr. Balasubramanyam Sriram
Mr. Mahavir Parsad Sharma
Mr. Pradeep Singh Kharola
Mr. Amit Kumar Ghosh
Mrs. Kavita Saha
Mr. Bruce Ross Crane
Mr. N.R.V.V.M.K. Rajendra Kumar

Directors of ITSL

Mr. Padma Vinod Betai
Mr. Samuel Joseph Jebaraj
Ms. Madhuri Jayant Kulkarni
Mr. Pradeep Kumar Jain
Ms. Jayashree Ranade

Directors of NHIPMPL

Mr. Ashish Asati
Mr. Muralidhara Rao Bugatha

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National Highways Infra Trust New Delhi

NATIONAL HIGHWAYS INFRA TRUST

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

B. Transactions with Related Parties during the period

(Amounts in ₹ lakh)

Particulars	Half year ended 31 March 2022	Half year ended 30 September 2021	Year ended 31 March 2022	Year ended 31 March 2021
	(Refer note 3)	*(Unaudited)*	*(Audited)*	*(Audited)*
National Highways Infra Investment Managers Private Limited (NHIIMPL)				
Transaction during the period/year				
Payment of Investment Manager Fee	1,931.71	-	1,931.71	-
Reimbursement of Pre-Issue expenses of NHIT by NHIIMPL	214.80	-	214.80	-
National Highways Authority of India (NHAI)				
Transaction during the period/year				
Reimbursement of Pre-Issue expenses of NHIT by NHAI	578.02	-	578.02	67.03
Purchase of equity shares of Project SPV (NHIPPL) by the Trust from NHAI	10,153.52	-	10,153.52	-
Issue of units of Trust to NHAI	96,556.00	-	96,556.00	
IDBI Trusteeship Services Limited (ITSL)				
Transaction during the period/year				
Payment of Trustee Fee	12.15	-	12.15	-
Initial Settlement Amount	-	-	-	0.10

C. Closing Balance with Related Parties

(Amounts in ₹ lakh)

Particulars	Half year ended 31 March 2022	Half year ended 30 September 2021	Year ended 31 March 2022	Year ended 31 March 2021
	(Audited)	*(Unaudited)*	*(Audited)*	*(Audited)*
National Highways Authority of India (NHAI)				
Balance outstanding at the end of the period/year				
Issue of units of Trust to NHAI (9,56,60,000 units)	96,556.00	-	96,556.00	-
IDBI Trusteeship Services Limited				
Balance outstanding at the end of the period/year				
Initial Settlement Amount	0.10	0.10	0.10	0.10
Trustee Fee Payable	2.77	-	2.77	

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National Highways Infra Trust
New Delhi

NATIONAL HIGHWAYS INFRA TRUST

Notes to the audited consolidated financial results of the Trust for the half year and year ended 31 March 2022

1 The audited consolidated financial results of National Highways InfraTrust (Trust) for the half year and year ended 31st March, 2022 have been reviewed by the Audit Committee of National Highways Infra Investment Managers Private Limited ('Investment Manager' of Trust) at their meeting held on 23rd May, 2022 and approved by the Board of Directors of the Investment Manager at their meeting held on 23rd May, 2022. The statutory auditors have issued an unmodified audit report on these consolidated financial results.

2 The audited consolidated financial results comprises the consolidated statement of profit and loss, explanatory notes and the additional disclosures as required in paragraph 6 of Annexure A to the SEBI Circular no. CIR/IMD/DF/127/2016 dated 29th November, 2016 ('SEBI Circular') of the Trust for year ended 31st March, 2021 ('consolidated financial results'). The consolidated financial results have been prepared by the 'Investment Manager' basis the audited consolidated financial statements as at and for the year ended 31st March, 2022, consolidated financial results for the half year ended 30th September, 2021 and in accordance with the relevant requirements of SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time ("the SEBI Regulations"), and the releavent SEBI circulars.

3 Figures for the half year ended 31st March, 2022 represent the transactions occuring between the audited figures for the year ended 31st March, 2022 and unaudited year-to-date figures up to 30th September, 2021.

4 The consolidated financial statements incorporate the financial statements of the Trust and it's subsidiary (Project SPV- NHIPPL) from date of acquisition of the subsidiary i.e. November 3, 2021.
The consolidated financial statements combine financial statements of the Trust and its subsidiaries on line-by-line basis by adding together the like items of assets, liabilities, income and expenses. All intra-group assets, liabilities, income, expenses and unrealised profits/losses on intra-group transactions are eliminated on consolidation unless the transaction provides evidence of an impairment of transferred asset. 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.

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

6 The Board of Directors of the Investment Manager have declared distribution of Rs. 0.79 per unit which comprise Rs. 0.71 per unit as return on capital, Rs. 0.08 per unit as other income on surplus funds at Trust in their meeting held on May 23, 2022. Distribution is to be paid on or before 15 days from the date of declaration.

7 The Trust has acquired the entire equity share capital of the National Highways Infra Projects Private Limited (Project SPV's) on 3rd November, 2021

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

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

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

National Highways Infra Trust New Delhi

Gunjan Singh
Compliance Officer

Mathew George
Chief Financial Officer

Suresh Krishan Goyal
Director
DIN: 02721580

Place: New Delhi
Date: 23 May 2022

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

A.R. & CO.
Chartered Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of National Highways Infra Trust

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying standalone financial statements of National Highways Infra Trust ("the InvIT" or "the Trust"), which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Unitholder's Equity and the Statement of Cash Flows for the year then ended, the Statement of Net Assets at fair value as at 31 March 2022, the Statement of Total Returns at fair value and the Statement of Net Distributable Cash Flows ("NDCFs") for the year then ended and notes to the standalone financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 as amended from time to time including any guidelines and circulars issued thereunder (together referred to as the "SEBI InvIT Regulations") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards as defined in rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, to the extent not inconsistent with SEBI InvIT Regulations, of the state of affairs of the Trust as at 31 March 2022, its profit including other comprehensive income, its cash flows, its statement of changes in Unitholder's equity for the year ended 31 March 2022, its net assets at fair value as at 31 March 2022, its total returns at fair value and the net distributable cash flows of the Trust for the year ended 31 March 2022.

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

BASIS FOR OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended 31 March 2022. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	**Assessment of Impairment of Investment made in and Loans given to the subsidiary company, National Highways Infra Projects Private Limited ("NHIPPL")**	
	Management is required to review regularly whether there are any indicators of impairment of such investments/ loans by reference to the requirements under Ind AS and perform its impairment assessment by comparing the carrying value of these investments made/ loans given to their recoverable amount to determine whether impairment needs to be recognized. For impairment testing, value in use has to be determined by forecasting and discounting future cash flows of subsidiary company. Further, the value in use is highly sensitive to changes in critical variable used for forecasting ~~the future~~ cash flows	Our Audit Procedures included the following :- - Independent assessment of the future cash flows in NHIPPL and assessing the appropriateness of the future cash flows estimated. In making this assessment, we also evaluated the objectivity, independence and competency of specialists involved in the process; -Assessing the assumptions around the key drivers of the revenue projections, future

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	including traffic projections for revenues and discounting rates. 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 and 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 30 relating to Disclosure pursuant to Ind AS 36 "Impairment of Assets" in Standalone Financials as at 31 March 2022. Also Refer Note 2.8 for the Accounting policy on Financial asset & Note 37 relating to Expected Credit Loss on Financial Assets in the Standalone Financials as at 31 March 2022.	cash flow, discount rates / weighted average cost of capital that were used by the management -Assessment of Loan Life Ratio given in Audited Financials of subsidiary -Management evaluation of recoverability of loans and granted to its subsidiary -Test the arithmetical accuracy
2.	**Computation and disclosures as prescribed in the SEBI InvIT regulations relating to Statement of Net Assets at Fair Value and Total Returns at Fair Value** As per SEBI InvIT regulations, the Trust is required to disclose statement of net assets at fair value and statement of total returns at fair value. The fair value is determined by forecasting and discounting future cash flows from the operations of the investee entities which involves management estimates and judgement. These estimates and judgements include discounting rates, Tax rates and inflation rates which are considered for computing the fair value. There is an inherent risk in the computation of fair value due to the use of estimates and judgements mentioned above. Therefore, computation and disclosures of statement of net assets at fair value and statement of total returns at fair value is considered as a Key Audit Matter. Refer statement of net assets at fair value	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. • Obtained Management representation in this respect as Management has considered fair value equal to the book value of Net Assets

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	and Statement of total returns at fair value in the standalone financial statements.	• 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 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 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 standalone financial statements and our report thereon.

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

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

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

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

The Board of Directors of Investment Manager is responsible for the preparation of these standalone financial statements that give a true and fair view of the financial position as at 31 March 2022, financial performance including other comprehensive income, cash flows and the movement of the Unitholder's equity for the year ended 31 March 2022, the net assets at fair value as at 31 March 2022, the total returns at fair value and the net distributable cash flows of the Trust for the year ended 31 March 2022, in accordance with the requirements of the SEBI

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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

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

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

- Conclude on the appropriateness of the Board of Directors of Investment Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended 31 March, 2022 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.

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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
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CA Naresh Kumar Karn
Partner
Membership No: 077887
UDIN: 22077887AJLTLO5205

Place: New Delhi
Date: 23.05.2022

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INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of National Highways Infra Trust

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying consolidated financial statements of National Highways Infra Trust ("the InvIT" or "the Trust") and its one subsidiary (hereinafter referred to as "National Highways Infra Projects Private Limited" or "NHIPPL") (the Trust and its subsidiary together referred to as "the Group"), which comprising of the consolidated Balance Sheet as at 31 March 2022, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Unitholder's Equity and the consolidated Statement of Cash Flows for the year then ended, the consolidated Statement of Net Assets at fair value as at 31 March 2022, 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 report of other auditor on separate financial statements and on the other financial information of the subsidiary, the aforesaid consolidated financial statements give the information required by the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 as amended from time to time including any guidelines and circulars issued thereunder (together referred to as the "SEBI InvIT Regulations") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, to the extent not inconsistent with SEBI InvIT Regulations, of the consolidated state of affairs of the Group as at 31 March 2022, its consolidated profit including other comprehensive income, its consolidated cash flows, its consolidated statement of changes in Unitholders' equity for the year ended 31 March 2022, its consolidated net assets

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at fair value as at 31 March 2022, 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 31 March 2022.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended 31 March 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	**Assessment of Impairment of Intangible Assets** The Group operates toll assets which is constructed on Toll, Operate and Transfer (TOT) basis. In accordance with its accounting policy and requirements under Ind AS 36 "Impairment of Assets", the Management is required to perform an impairment assessment by comparing the carrying value of the toll collection rights to their recoverable amount. For impairment testing, value in use has to be 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	Our Audit Procedures included the following :- • Verifying the appropriateness of the Group's accounting policy on impairment of Intangible Assets. • Study of latest DCF Valuation • Assessing the assumptions around the key drivers of the revenue projections, future cash

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	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.	flow, discount rates / weighted average cost of capital that were used by the management
2.	**Computation and disclosures as prescribed in the SEBI InvIT regulations relating to Consolidated Statement of Net Assets at Fair Value and Consolidated Total Returns at Fair Value** As per SEBI InvIT regulations, the Trust is required to disclose statement of net assets at fair value and statement of total returns at fair value. The fair value is determined by forecasting and discounting future cash flows from the operations of the investee entities which involves management estimates and judgements. These estimates and judgements include discounting rates, Tax rates and inflation rates which are considered for computing the fair value. There is an inherent risk in the computation of fair value due to the use of estimates and judgements mentioned above. Therefore, computation and disclosures of Consolidated statement of net assets at fair value and Consolidated statement of total returns at fair value is considered as a Key Audit Matter. Refer 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. • Obtained Management representation in this respect as Management has considered fair value equal to the book value of Net Assets • 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.

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

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

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

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

The Board of Directors of Investment Manager is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated Balance Sheet as at 31 March 2022, consolidated statement of Profit & Loss including other comprehensive income, consolidated cash flows and consolidated statement of changes in Unitholder's equity for the year ended 31 March 2022, the consolidated net assets at fair value as at 31 March 2022, the consolidated total returns at fair value of the Group and the net distributable cash flows of the Trust and its subsidiary for the year ended 31 March 2022 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

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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

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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. For the other entities included in the consolidated financial statements, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. 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.

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OTHER MATTERS

We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets of Rs. 7,35,774.44 Lakhs as at 31 March 2022, total revenues of Rs. 13,981.33 Lakhs, losses after taxes including other comprehensive income (net) of Rs. 11,355.90 Lakhs and net cash outflows amounting to Rs. 12,802.25 Lakhs for the period from 01 April 2021 to 31 March 2022, as considered in the consolidated financial statements. These financial statements and other financial information have been audited by other auditor, which financial statements, other financial information and auditor's reports have been furnished to us by the Management of Investment Manager and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of that subsidiary is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the report of the other auditor.

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

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CA Naresh Kumar Karn
Partner
Membership No: 077887
UDIN: 22077887AJLTUQ6382

Place: New Delhi
Date: 23.05.2022

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INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of National Highways Infra Trust

Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying standalone financial statements of National Highways Infra Trust ("the InvIT" or "the Trust"), which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Unitholder's Equity and the Statement of Cash Flows for the year then ended, the Statement of Net Assets at fair value as at 31 March 2022, the Statement of Total Returns at fair value and the Statement of Net Distributable Cash Flows ("NDCFs") for the year then ended and notes to the standalone financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 as amended from time to time including any guidelines and circulars issued thereunder (together referred to as the "SEBI InvIT Regulations") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards as defined in rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, to the extent not inconsistent with SEBI InvIT Regulations, of the state of affairs of the Trust as at 31 March 2022, its profit including other comprehensive income, its cash flows, its statement of changes in Unitholder's equity for the year ended 31 March 2022, its net assets at fair value as at 31 March 2022, its total returns at fair value and the net distributable cash flows of the Trust for the year ended 31 March 2022.

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BASIS FOR OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended 31 March 2022. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	**Assessment of Impairment of Investment made in and Loans given to the subsidiary company, National Highways Infra Projects Private Limited ("NHIPPL")**	
	Management is required to review regularly whether there are any indicators of impairment of such investments/ loans by reference to the requirements under Ind AS and perform its impairment assessment by comparing the carrying value of these investments made/ loans given to their recoverable amount to determine whether impairment needs to be recognized.	Our Audit Procedures included the following :- - Independent assessment of the future cash flows in NHIPPL and assessing the appropriateness of the future cash flows estimated. In making this assessment, we also evaluated the objectivity, independence and competency of specialists involved in the process;
	For impairment testing, value in use has to be 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	-Assessing the assumptions around the key drivers of the revenue projections, future

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	including traffic projections for revenues and discounting rates. 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 and 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 30 relating to Disclosure pursuant to Ind AS 36 "Impairment of Assets" in Standalone Financials as at 31 March 2022. Also Refer Note 2.8 for the Accounting policy on Financial asset & Note 37 relating to Expected Credit Loss on Financial Assets in the Standalone Financials as at 31 March 2022.	cash flow, discount rates / weighted average cost of capital that were used by the management -Assessment of Loan Life Ratio given in Audited Financials of subsidiary -Management evaluation of recoverability of loans and granted to its subsidiary -Test the arithmetical accuracy
2.	**Computation and disclosures as prescribed in the SEBI InvIT regulations relating to Statement of Net Assets at Fair Value and Total Returns at Fair Value** As per SEBI InvIT regulations, the Trust is required to disclose statement of net assets at fair value and statement of total returns at fair value. The fair value is determined by forecasting and discounting future cash flows from the operations of the investee entities which involves management estimates and judgement. These estimates and judgements include discounting rates, Tax rates and inflation rates which are considered for computing the fair value. There is an inherent risk in the computation of fair value due to the use of estimates and judgements mentioned above. Therefore, computation and disclosures of statement of net assets at fair value and statement of total returns at fair value is considered as a Key Audit Matter. Refer statement of net assets at fair value	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. • Obtained Management representation in this respect as Management has considered fair value equal to the book value of Net Assets

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	and Statement of total returns at fair value in the standalone financial statements.	• 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 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 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 standalone financial statements and our report thereon.

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

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

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

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

The Board of Directors of Investment Manager is responsible for the preparation of these standalone financial statements that give a true and fair view of the financial position as at 31 March 2022, financial performance including other comprehensive income, cash flows and the movement of the Unitholder's equity for the year ended 31 March 2022, the net assets at fair value as at 31 March 2022, the total returns at fair value and the net distributable cash flows of the Trust for the year ended 31 March 2022, in accordance with the requirements of the SEBI

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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

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

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

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

- Conclude on the appropriateness of the Board of Directors of Investment Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern.

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements for the financial year ended 31 March, 2022 and are therefore the key audit matters. We describe these matters in our report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

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

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

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

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

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

CA Naresh Kumar Karn
Partner
Membership No: 077887
UDIN: 22077887AJLTLO5205

Place: New Delhi
Date: 23.05.2022

NATIONAL HIGHWAYS INFRA TRUST

STANDALONE BALANCE SHEET AS AT 31st MARCH, 2022

(All amounts in ₹ lakh unless otherwise stated)

PARTICULARS	NOTE	AS AT 31st March, 2022	AS AT 31st March, 2021
ASSETS			
1) Non - Current Assets			
(a) Financial Assets			
(i) Investments	3	1,39,553.52	-
(ii) Loans	4	5,78,386.20	-
(iii) Other Financial Assets	5	3,170.81	-
2) Current Assets			
(a) Financial Assets			
(i) Investments	6	992.16	-
(ii) Cash and Cash Equivalents	7	4,801.17	-
(iii) Loans	8	27,253.80	-
(iv) Other Financial Assets	9	10,656.50	0.10
(b) Other Current Assets	10	12.46	
TOTAL ASSETS		7,64,826.63	0.10
EQUITY AND LIABILITIES			
EQUITY			
1) Unit Capital	11	6,01,152.00	-
2) Initial Settlement Amount		0.10	0.10
3) Other Equity	12	16,415.14	(67.90)
LIABILITIES			
1) Non-Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	13	1,45,556.94	-
(b) Deferred Tax liabilities	14	3.16	-
2) Current Liabilities			
(a) Financial Liabilities			
(i) Borrowings	15	980.86	-
(ii) Trade Payables	16		
(a) Total Outstanding, dues of micro and small enterprises		-	-
(b) Total outstanding, dues of creditors other than micro and small enterprises		313.29	-
(iii) Other Financial Liabilities	17	143.56	67.84
(b) Other Current Liabilities	18	99.80	0.07
(c) Current Tax Liabilities (Net)	19	161.77	-
TOTAL EQUITY & LIABILITIES		7,64,826.63	0.10

Significant Accounting Policies 1-2

The accompanying notes form an integral part of these financial statements 3-46

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

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

Sd/-
CA Naresh Kumar Karn
Partner
M.No.077887

Date : 23.05.2022
Place : New Delhi

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

Sd/-	Sd/-
Suresh Krishan Goyal	**Mahavir Parsad Sharma**
Director	Director
DIN: 02721580	DIN: 03158413

Sd/-	Sd/-
Mathew George	**Gunjan Singh**
Chief Financial Officer	Compliance Officer

NATIONAL HIGHWAYS INFRA TRUST

STANDALONE STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts in ₹ lakh unless otherwise stated)

PARTICULARS	NOTE NO.	YEAR ENDED 31st MARCH, 2022	YEAR ENDED 31st MARCH, 2021
INCOME			
Revenue from Operations	20	22,843.13	-
Other Income	21	993.74	-
Total Income		**23,836.87**	-
EXPENSES			
Investment Manger Fees		1,931.71	-
Trustee Fees		3.73	4.21
Finance Charges	22	3,154.43	-
Other Expenses	23	115.25	63.69
Total Expenses		**5,205.13**	**67.90**
Profit/(Loss) before Exceptional Items and Tax		**18,631.74**	(67.90)
Exceptional Items (net)		-	
Profit / (Loss) before Tax		**18,631.74**	**(67.90)**
Tax Expenses	24		
Current Tax		436.36	-
Deferred Tax expense/(credit)		3.16	
Total Tax		439.52	-
Profit/ (loss) for the period		**18,192.23**	**(67.90)**
Other Comprehensive Income			
Items that will not be reclassified to Profit and Loss		-	-
Items that will be reclassified to Profit and Loss		-	-
		-	-
Total Comprehensive Income for the period		**18,192.23**	(67.90)
Earnings per Unit			
Basic	25	3.06	-
Diluted	25	3.06	-

Significant Accounting Policies 1-2

The accompanying notes form an integral part of these financial statement 3-46

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

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

Sd/-
CA Naresh Kumar Karn
Partner
M.No.077887

Date : 23.05.2022
Place : New Delhi

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

Sd/-	Sd/-
Suresh Krishan Goyal	**Mahavir Parsad Sharma**
Director	Director
DIN: 02721580	DIN: 03158413

Sd/-	Sd/-
Mathew George	**Gunjan Singh**
Chief Financial Officer	Compliance Officer

NATIONAL HIGHWAYS INFRA TRUST

STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts in ₹ lakh unless otherwise stated)

	PARTICULARS	YEAR ENDED 31st MARCH, 2022	YEAR ENDED 31-03-2021
A.	**OPERATING ACTIVITIES**		
	Net Profit/(Loss) Before Tax	18,631.74	-
	Adjustments to Reconcile Profit Before Tax to Net Cash Flows:		
	Finance Cost (net)	3,154.43	-
	Loss / (Gain) on Fair Valuation of Investments	(7.38)	-
	Interest Accrued on Bank FDR	(5.86)	-
	Interest on Long Term Loan given	(22,843.13)	-
	Loss / (Gain) on disposal/ write off of Investments	(661.83)	-
	Operating Profit/(Loss) before Working Capital Changes	**(1,732.03)**	
	Working Capital Adjustments		
	Decrease / (Increase) in Other Non Current Financial Assets	(3,170.81)	-
	Decrease / (Increase) in Other Current Financial Assets	0.59	-
	Decrease / (Increase) in Other Current Assets	(12.46)	-
	Increase / (Decrease) in Trade & Other Payables	(146.87)	-
	Increase / (Decrease) in Other Financial Liabilities	75.72	-
	Increase / (Decrease) in Other Current Liabilities	97.66	-
	Increase / (Decrease) in Current Tax Liabilities	(0.59)	-
		(4,888.79)	
	Income Tax paid	(274.00)	-
	Net Cash Flows from/(used in) Operating Activities	**(5,162.79)**	
B.	**INVESTING ACTIVITIES**		
	Long Term Loans given	(6,05,640.00)	-
	Purchase of Non Current Investments	(1,29,401.52)	-
	Sale of non current Investments	-	-
	Purchase of Current Investments	(5,91,320.00)	-
	Sale of Current Investments	5,90,997.05	-
	Income from Sale of MF	-	-
	Interest Received from Bank	-	-
	Interest received on Long Term Loan given	12,192.00	-
	Net Cash Flows from (used in) Investing Activities	**(7,23,172.47)**	
C.	**FINANCING ACTIVITIES**		
	Proceeds from Issue of Unit Capital	5,91,000.00	-
	One Time Expense paid	(1,364.94)	-
	Proceeds from Long Term Borrowings (net of processing fees)	1,47,646.00	-
	Repayment of Long Term Borrowings	(1,001.59)	-
	Finance Costs Paid	(3,143.04)	-
	Net Cash Flows From/ (used in) Financing Activities	**7,33,136.43**	-
	Net Increase/Decrease in Cash and Cash equivalents (A+B+C)	4,801.17	-
	Cash and Cash Equivalents at the Beginning of the Year	-	-
	Cash and Cash Equivalents at the end of the Year	**4,801.17**	-

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

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

Sd/-
CA Naresh Kumar Karn
Partner
M.No.077887

Date : 23.05.2022
Place : New Delhi

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

Sd/-	Sd/-
Suresh Krishan Goyal	**Mahavir Parsad Sharma**
Director	Director
DIN: 02721580	DIN: 03158413
Sd/-	Sd/-
Mathew George	**Gunjan Singh**
Chief Financial Officer	Compliance Officer

NATIONAL HIGHWAYS INFRA TRUST

STANDALONE STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2022

A. INITIAL SETTLEMENT AMOUNT *

(All amounts in ₹ lakh unless otherwise stated)

Balance as at 1st April 2020	Changes in Initial Settlement Amount during the year	Changes in Initial Settlement Amount due to prior period errors	Balance as at 31st March, 2021	Changes in Initial Settlement Amount during the year	Changes in Initial Settlement Amount due to prior period errors	Balance as at 31st March, 2022
-	0.10	-	0.10	-	-	0.10
-	**0.10**	-	**0.10**	-	-	**0.10**

B. UNIT CAPITAL *

Balance as at 1st April 2020	Changes in Unit Capital During the year	Changes in Unit Capital due to prior period errors	Balance as at 31st March, 2021	Changes in Unit Capital During the year	Changes in Unit Capital due to prior period errors	Balance as at 31st March, 2022
-	-	-	-	6,01,152.00	-	6,01,152.00
-	-	-	-	**6,01,152.00**	-	**6,01,152.00**

C. OTHER EQUITY **

(All amounts 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	Items that will be reclassified to profit or	
	Retained Earnings	Remeasurement of Defined Benefit	Fair Value Gain on Preference Shares	
Balance as at 1st April 2020	-	-	-	-
Profit/ (Loss) for the year	(67.90)	-	-	(67.90)
Balance as at 31st March, 2021	**(67.90)**	-	-	**(67.90)**
Profit/ (Loss) for the year	**18,192.23**	-	-	**18,192.23**
One time unit issue expenses	1,709.18	-	-	1,709.18
	16,415.14	-	-	**16,415.14**

* Refer Note No. 11

** Refer Note No. 12

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

Sd/-
CA Naresh Kumar Karn
Partner
M.No.077887
Date : 23.05.2022
Place : New Delhi

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

Sd/-
Suresh Krishan Goyal
Director
DIN: 02721580

Sd/-
Mahavir Parsad Sharma
Director
DIN: 03158413

Sd/-
Mathew George
Chief Financial Officer

Sd/-
Gunjan Singh
Compliance Officer

NATIONAL HIGHWAYS INFRA TRUST

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

Standalone Statement of Net Assets at Fair Value

(All amounts in ₹ lakh unless otherwise stated)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Book value	Fair value^	Book value	Fair value^
A. Assets	7,64,827	7,64,827	-	-
B. Liabilities (at book value)	1,47,259	1,47,259	-	-
C. Net assets (A-B)	6,17,567	6,17,567	-	-
D. No of units	59,52,00,000	59,52,00,000	-	-
E. NAV (C/D)	103.76	103.76	-	-

^Fair values of total assets relating to the Trust as at 31 March, 2022 as disclosed above are based on the best estimates of the management.

Standalone Statement of Total Return at Fair Value:

(All amounts in ₹ lakh unless otherwise stated)

Particulars	As at 31st March, 2022	As at 31st March, 2021
Total comprehensive income for the year/period (As per the Standalone Statement of Profit and Loss)	18,192.23	(67.90)
Add: Other changes in fair value for the year *	-	-
Total return	18,192.23	(67.90)

* In the above statement, other changes in fair value for the year ended 31 March, 2022 have been computed based on best estimates of the management.

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

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

NATIONAL HIGHWAYS INFRA TRUST

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

Statement of Net Distributable Cash Flows

(All amounts in ₹ lakh unless otherwise stated)

S. No.	PARTICULARS	YEAR ENDED 31st MARCH, 2022	YEAR ENDED 31-03-2021
1	**Profit after tax as per Statement of profit and loss/income and expenditure (standalone) (A)**	18,192.23	
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.	-	
3	**Add/Less:** Loss/gain on sale of infrastructure assets	-	-
4	**Add:** Proceeds from sale of infrastructure assets adjusted for the following:	-	-
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	-	-
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.	(8,233.88)	
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	(5,204.50)	-
8	**Total Adjustment (B)**	(13,438.39)	-
9	**Net Distributable Cash Flows (C) = (A+B)**	4,753.84	-

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

This is the Statement of Net Distributable Cash Flows referred to in our report of even date.

NATIONAL HIGHWAYS INFRA TRUST

NOTES FORMING PART OF FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2022

1. TRUST INFORMATION AND NATURE OF OPERATIONS

National Highway Infra Trust ("Trust" or "InvIT") is an irrevocable trust registered under the provisions of the Indian Trusts Act, 1882 on October 19, 2020. It is registered under the Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014 on October 28, 2020 having registration number IN/InvIT/20-21/0014.
The Trust was setup by National Highways Authority of India ("NHAI" or the "Sponsor"). The Trustee to the Trust is IDBI Trusteeship Services Limited (the "Trustee") and Investment Manager for the Trust is National Highways Infra Investment Managers Private Limited ("Investment Manager").
The Trust has been formed to invest in infrastructure assets primarily being in the road sector in India. The Trust's road projects are implemented and held through special purpose vehicles ("Project SPVs"/ "Subsidiaries"). The units of the Trust were listed in Bombay Stock Exchange and National Stock Exchange on November 10, 2021.
During the year ended March 31, 2022, the Trust acquired 100% equity control in National Highway Infra Projects Private Limited (the "Project SPV") from the Sponsor with effect from November 03, 2021. During the year ended 31.03.2021, the project SPV entered into five Concession Agreements for 30 years with the Sponsor (National Highways Authority of India – NHAI) on Toll, Operate and Transfer ('TOT') basis.
The registered office of the Investment Manager is G-5 & 6, Sctor-10, Dwarka, Delhi - 110075.
The financial statements were authorised for issue in accordance with resolution passed by the board of directors of the Investment Manager on May 23, 2022.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of Preparation

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

Accordingly, the Trust has prepared these Standalone Financial Statements comprising of the Balance Sheet as on March 31, 2022, the Statement of Profit and Loss for the year ended on March 31, 2022, the Statement of Cash Flows for the year ended on March 31, 2022, the Statement of Changes of Equity for the year ended on March 31, 2022 and Notes to Accounts (together hereinafter referred to as "Standalone Financial Statements").

These Financial Statements have been prepared on accrual basis and under the historical cost convention, except certain financial assets and liabilities which have been measured at Fair Value. Accounting policies have been consistently applied, except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standard requires a change in the accounting policy hitherto in use. Further, these standalone financial statements have been prepared on a going concern basis.
The financial statements are presented in Indian Rupees (INR) which is the Trust's functional and presentation currency and all amounts are rounded to the nearest Lakh (` 00,000) and two decimals thereof, except as otherwise stated.

2.2 Use of Judgement and Estimates

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

Current versus non-current classification

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

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

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

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

2.3 Revenue Recognition

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

2.4 Financial Instruments

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

Financial assets

Initial recognition and measurement

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

Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories;
- at amortised cost
- at fair value through profit or loss (FVTPL)
- at fair value through other comprehensive income (FVOCI)

Financial Assets at amortised cost

A financial asset is classified and subsequently measured at the amortised cost if both the following conditions are met:
a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

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

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

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

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

A financial asset is classified and subsequently measured at FVTOCI if both of the following criteria are met:
a) The asset is held within a business model whose objective is achieved both by collecting contractual cash flows and selling the financial assets, and
b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI).

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

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

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

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss. Financial assets included within the FVTPL category are measured at fair value with all changes recognized in 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, nor transferred control of the asset, the trust continues to recognise the transferred asset to the extent of the trust's continuing involvement. In that case, the trust also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the trust has retained.

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

Financial liabilities

Initial recognition and measurement

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

Subsequent measurement

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

Loans and borrowings

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

This category generally applies to borrowings and security deposits received.

Derecognition

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

Offsetting financial instrument

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

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 recorded in Other Equity, net of tax.

2.16 Distribution to unit holders

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

NATIONAL HIGHWAYS INFRA TRUST

Standalone summary of significant accounting policies and other explanatory information

3. Investments: Non Current

(All amounts in ₹ lakh unless otherwise stated)

PARTICULARS	AS AT 31st March, 2022	AS AT 31st March, 2021
Investment in Equity Instruments		
Subsidiary company		
Investment in Equity Shares of Project SPV (NHIPPL) (1,29,41,00,000 no.s of fully paid up equity shares of Face Value Rs. 10 each)	1,39,553.52	-
Total	1,39,553.52	-

4. Loans: Non Current

(All amounts in ₹ lakh unless otherwise stated)

PARTICULARS	AS AT 31st March, 2022	AS AT 31st March, 2021
Unsecured, Considered good:		
To Related Parties		
Loan to Project SPV (NHIPPL) (Maximum amount outstanding during the year: Rs. 6,05,640; PY: NIL)	6,05,640.00	-
	6,05,640.00	
Less: Current portion of Non Current Loans (Refer Note 8)	27,253.80	-
Total	5,78,386.20	-

Details of loans and advances in the nature of loans to subsidiaries/associates (including interest receivable):
The Trust has granted long term loan amounting to INR 6,056.40 Crore at the rate of 12.70% p.a. to subsidiary company (NHIPPL) via Facility Agreement dated 29.09.2021 for financial assistance to be utilized for the purposes and terms and conditions as mentioned in the Concession Agreement between NHAI and NHIPPL. The loan was disbursed on 14.12.2021 and is repayable on quarterly basis over 102 quarterly instalments of Principal and Interest up to 31st March 2047.

5. Other Financial Assets: Non Current

(All amounts in ₹ lakh unless otherwise stated)

PARTICULARS	AS AT 31st March, 2022	AS AT 31st March, 2021
Investment in Fixed Deposits		
Fixed Deposits with banks*	3,170.81	-
Total	3,170.81	-

* The Fixed Deposits are earmarked for Debt Servicing Reserve Account (DSRA), to be utilized at the end of tenure of long term borrowings from Senior Lenders, hence classified as Other Financial Assets- Non Current irrespective of date of maturity.

NATIONAL HIGHWAYS INFRA TRUST

Standalone summary of significant accounting policies and other explanatory information

6. Investments: Current

(All amounts in ₹ lakh unless otherwise stated)

PARTICULARS	AS AT 31st March, 2022	AS AT 31st March, 2021
In Mutual Funds - Quoted at FVTPL		
Overnight Mutual Funds	992.16	-
(28,664.02 units @ NAV of Rs. 3,461.3538 per unit)		
Total	992.16	-

7. Cash and Cash Equivalents

(All amounts in ₹ lakh unless otherwise stated)

PARTICULARS	AS AT 31st March, 2022	AS AT 31st March, 2021
Cash & Cash Equivalents		
Balances with Banks		
In Current Accounts	416.08	-
In Escrow Account	35.09	-
Fixed Deposits	4,350.00	
(having original maturity of less than 3 months)		-
	4,801.17	-

8. Loans: Current

(All amounts in ₹ lakh unless otherwise stated)

PARTICULARS	AS AT 31st March, 2022	AS AT 31st March, 2021
Unsecured, Considered good		
To Related Parties		
Current Maturities of Loan to Project SPV (NHIPPL) (Refer Note 4)	27,253.80	-
Total	27,253.80	-

9. Other Financial Assets: Current

(All amounts in ₹ lakh unless otherwise stated)

PARTICULARS	AS AT 31st March, 2022	AS AT 31st March, 2021
Interest receivable on long term loans	10,651.13	-
Interest receivable on investment in Fixed Deposits	5.28	-
Others Financial Assets	0.10	0.10
Total	10,656.50	0.10

10. Other Current Assets

(All amounts in ₹ lakh unless otherwise stated)

PARTICULARS	AS AT 31st March, 2022	AS AT 31st March, 2021
Prepaid Expenses	12.46	-
Total	12.46	-

NATIONAL HIGHWAYS INFRA TRUST

Standalone summary of significant accounting policies and other explanatory information

11. Unit Capital*

(All amounts in ₹ lakh unless otherwise stated)

PARTICULARS	AS AT 31st March, 2022		AS AT 31st March, 2021	
	NO. OF UNITS	AMOUNT	NO. OF UNITS	AMOUNT
Unit Capital	59,52,00,000	6,01,152.00	-	-

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 once every quarter of a 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.

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 31st March, 2022		AS AT 31st March, 2021	
	NO. OF UNITS	%	NO. OF UNITS	%
Ontario Limited	14,88,00,000	25.00%	-	-
CPP Investment Board Private Holdings Inc.	14,88,00,000	25.00%	-	-
SBI Balanced Advantage Trust	5,68,00,000	9.54%	-	-
National Highways Authority of India (NHAI)	9,56,00,000	16.06%	-	-

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

The Trust has issued 1,00,51,485 nos. of units at the rate of Rs. 101 per unit for consideration other than cash to the Sponsor (National Highways Authority of India), as consideration for purchase of 1,00,000 equity shares of Project SPV - NHIPPL.

No units were bought back since inception of the Trust.

RECONCILIATION OF NUMBER OF UNITS OUTSTANDING IS SET OUT BELOW:

PARTICULARS	AS AT 31st March, 2022		AS AT 31st March, 2021	
	NO. OF UNITS	AMOUNT (amounts in ₹ lakh)	NO. OF UNITS	AMOUNT (amounts in ₹ lakh)
Number of Units at the beginning of the period	-	-	-	-
Units issued during the period	59,52,00,000	6,01,152.00	-	-
Number of Units at the end of the period	59,52,00,000	6,01,152.00	-	-

12. Other Equity**

(All amounts 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	Items that will be reclassified to profit or loss	
	Retained Earnings	Remeasurement of Defined Benefit Obligation/ Plan	Fair Value Gain on Preference Shares	
Balance as at 1st April, 2020	-	-	-	-
Profit/ (Loss) for the period	(67.90)	-	-	(67.90)
Balance as at 31st March, 2021	**(67.90)**	-	-	**(67.90)**
Profit/ (Loss) for the period	18,192.23	-	-	18,192.23
One time units issue expense	1,709.18	-	-	1,709.18
Balance as at 31st March, 2022	**16,415.14**	-	-	**16,415.14**

NATIONAL HIGHWAYS INFRA TRUST

Standalone summary of significant accounting policies and other explanatory information

13. Borrowings: Non Current

(All amounts in ₹ lakh unless otherwise stated)

PARTICULARS	AS AT 31st March, 2022	AS AT 31st March, 2021
Secured		
Term Loan		
From Banks	1,46,998.41	-
From other parties	-	-
	1,46,998.41	-
Less: Current Maturities of Long Term Borrowings (Refer Note 14)	980.86	-
Less: Unamortized Borrowing Cost*	460.607	-
Total	1,45,556.94	-

*Transaction Cost amounting to Rs. 1.18 Crore was not yet paid as at the end of reporting period to the Senior Lenders, however the same has been considered for the purpose of EIR in the forthcoming periods.

The Trust had availed long term loan cumulating to INR 1,480 Crore (sanctioned amount Rs. 2,000 Crore) from consortium three banks at interest rate of 7.20% p.a. via Facility Agreement dated 29.09.2021 for the purpose of investment by the Trust in the Project SPV (NHIPPL).
The loan was disbursed on 14.12.2021 and is repayable on quarterly basis over 78 quarterly instalments of Principal and Interest up to 31st March 2041, where in the next installment is due on 30th June, 2022.

Security:
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.
- first pari Passu charge on the Senior Debt Service Account, Sub-Debt Servicing Account and Surplus/ Dividend Account or any other account of the Project SPV where free cash flows of the Project SPV are credited.
- pledge of 100% equity shares of Project SPV (NHIPPL) held by the Trust.
- assignment of loans advanced by the Trust to Project SPV (NHIPPL) and securities created by the Trust including the assignment of rights of submission, termination and invocation of provision of Escrow agreement in case of default.
- negative lien on immovable assets (including current assets and cash flows) of the Project SPV (NHIPPL) subject to sale of obsolete items or cars/ ambulances, old toll equipment etc., under normal business practice, subject to maximum cumulative value of INR 5 Crore in any financial year.

The senior lenders of the Trust have also been provided with a corporate guarantee from Project SPV (NHIPPL) to guarantee the repayment of senior debt by the Trust. The funds have been raised at Trust level by 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 to INR 2,000 Crore via Corporate Guarantee Deed dated 14.03.2022, valid across the tenure of the loan of the Trust i.e. up to 31.03.2041, has been provided by the Project SPV (NHIPPL) to the senior lenders of the Trust.

There have been no breaches in financial covenants with respect to the borrowings from Senior lenders.

14. Deferred Tax Liabilities

(All amounts in ₹ lakh unless otherwise stated)

PARTICULARS	AS AT 31st March, 2022	AS AT 31st March, 2021
Deferred Tax Liabilities arising on account of		
Net Gain on fair valuation of investments designated at FVTPL	3.16	
Deferred Tax Liabilities	**3.16**	

Reconciliation of deferred tax Assets/ (Liabilities)

PARTICULARS	AS AT 31st March, 2022	AS AT 31st March, 2021
Opening Balance - Deferred Tax Liabilities	-	-
Deferred tax (income)/ expense during the period recognised in statement of profit & loss	3.16	-
Deferred tax (income)/ expense during the period recognised in Other Comprehensive Income	-	-
Closing Balance - Deferred Tax Liabilities	**3.16**	**-**

15. Borrowings: Current

(All amounts in ₹ lakh unless otherwise stated)

PARTICULARS	AS AT 31st March, 2022	AS AT 31st March, 2021
Secured		
Current Maturities of Long Term borrowings (Refer Note 13)	980.86	-
Total	**980.86**	**-**

16. Trade Payables: Current

(All amounts in ₹ lakh unless otherwise stated)

PARTICULARS	AS AT 31st March, 2022	AS AT 31st March, 2021
Total outstanding, dues of micro and small enterprises	-	-
Total outstanding, dues of trade payables other than micro and small enterprises (Outstanding for less than 12 months from the due date of payment)	313.29	-
Total	**313.29**	**-**

17. Other financial liabilities: Current

(All amounts in ₹ lakh unless otherwise stated)

PARTICULARS	AS AT 31st March, 2022	AS AT 31st March, 2021
Others		
Payables towards other expenses	143.56	67.84
Total	**143.56**	**67.84**

18. Other Current Liabilities

(All amounts in ₹ lakh unless otherwise stated)

PARTICULARS	AS AT 31st March, 2022	AS AT 31st March, 2021
Statutory Liabilities (GST and TDS)	99.80	0.07
Total	**99.80**	**0.07**

19. Current Tax Liabilities

(All amounts in ₹ lakh unless otherwise stated)

PARTICULARS	AS AT 31st March, 2022	AS AT 31st March, 2021
Provision for Income Tax	161.77	
Total	**161.77**	-

Reconciliation of Current Tax Liabilities

(All amounts in ₹ lakh unless otherwise stated)

PARTICULARS	AS AT 31st March, 2022	AS AT 31st March, 2021
Opening Balance	-	-
Add: Income Tax Payable for the year	436.36	-
Less: Income taxes paid during the year	274.59	-
Closing Balance	161.77	-

NATIONAL HIGHWAYS INFRA TRUST

Standalone summary of significant accounting policies and other explanatory information

20. Revenue from operations

(All amounts in ₹ lakh unless otherwise stated)

PARTICULARS	Year Ended 31-03-2022	Year Ended 31-03-2021
Operating revenue		
Interest on Long Term Loan given	22,843.13	-
Total	22,843.13	-

21. Other Income

(All amounts in ₹ lakh unless otherwise stated)

PARTICULARS	Year Ended 31-03-2022	Year Ended 31-03-2021
Interest Income		
On fixed deposits with banks	5.86	-
Other non operating income		
Gain on sale of investments	661.83	-
Net Gain on fair valuation of investments designated at FVTPL	7.38	-
Other Income	318.67	-
Total	993.74	-

22. Finance charges

(All amounts in ₹ lakh unless otherwise stated)

PARTICULARS	Year Ended 31-03-2022	Year Ended 31-03-2021
Interest on Long Term Borrowings	3,149.19	-
Other Financial Charges	5.24	
Total	3,154.43	-

23. Other expenses

(All amounts in ₹ lakh unless otherwise stated)

PARTICULARS	Year Ended 31-03-2022	Year Ended 31-03-2021
Legal and Professional fees	111.94	47.55
Fee, Subscription & Taxes	0.05	15.27
Bank charges	0.01	-
Auditors' remuneration:		-
Audit fees	2.50	0.87
Miscellaneous expenses	0.76	-
Total	115.25	63.69

NATIONAL HIGHWAYS INFRA TRUST

Standalone summary of significant accounting policies and other explanatory information

24. Tax Expense

(All amounts in ₹ lakh unless otherwise stated)

PARTICULARS	Year Ended 31-03-2022	Year Ended 31-03-2021
Current Tax	436.36	-
Provision for Taxation-Earlier years	-	-
	436.36	-
Deferred tax expense/(credit)	3.16	-
	439.52	-

Effective tax Reconciliation:

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

(All amounts in ₹ lakh unless otherwise stated)

PARTICULARS	Year Ended 31-03-2022	Year Ended 31-03-2021
Accounting Profit before Income Taxes	18,631.74	(67.90)
Tax at India's statutory income tax rate - Maximum Marginal Rate (42.744%)	7963.95	-
Impact of exemption u/s 10(23FC) of the Indian Income Tax Act, 1961 available to the Trust	(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	-
Provision for interest on delayed deposit of income tax	14.75	-
Income tax expense reported in the statement of profit and loss	439.52	-

25. Earnings per unit

PARTICULARS	Year Ended 31-03-2022	Year Ended 31-03-2021
Basic and diluted EPU		
Net Profit/ loss available for unitholders (in ₹ lakh)	18,192.23	(67.90)
Weighted average number of units for EPU computation	59,52,00,000	-
EPU- Basic and diluted	**3.06**	-

26. Commitments

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

(All amounts in ₹ lakh unless otherwise stated)

PARTICULARS	Year Ended 31-03-2022	Year Ended 31-03-2021
Commitments:		
Commitment for loan to Subsidiary Company (Project SPV-NHIPPL)	52,000.00	-
	52,000.00	-

NATIONAL HIGHWAYS INFRA TRUST

Standalone summary of significant accounting policies and other explanatory information

27 **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:

Description	For the year ended 31 March, 2022	For the period ended 31 March, 2021
Operating revenue		
Interest income on loan to related parties	22,843.13	
Total revenue	22,843.13	-

The table below presents disaggregated revenues from contracts with customers based on nature, amount and timing for the year ended 31 March, 2022 and period ended 31 March, 2021:

S.No.	Types of Products by Nature	Types of Services by timing	For the year ended 31 March, 2022	For the period ended 31 March, 2021
1	Interest income	Over the period of time	22,843.13	-

B **Assets and liabilities related to contracts with customers**

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

28. **Related Party Disclosures**

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

- President of India - Promoter of NHIIMPL
- IDBI Bank Limited (IDBI Bank) - Promoter of ITSL
- President of India - 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. Vivek Rae
  Mr. Shailendra Narain Roy
  Mr. Balasubramanyam Sriram
  Mr. Mahavir Parsad Sharma
  Mr. Pradeep Singh Kharola
  Mr. Amit Kumar Ghosh
  Mrs. Kavita Saha
  Mr. Bruce Ross Crane
  Mr. N.R.V.V.M.K. Rajendra Kumar

- **Directors of ITSL**

  Mr. Padma Vinod Betai
  Mr. Samuel Joseph Jebaraj
  Ms. Madhuri Jayant Kulkarni
  Mr. Pradeep Kumar Jain
  Ms. Jayashree Ranade

- **Directors of NHIPMPL**

  Mr. Ashish Asati
  Mr. Muralidhara Rao Bugatha

C. Transactions with Related Parties during the period

(Amounts in ₹ lakh)

Name of Entity	Particulars	For the period ended March 31, 2022	For the period ended March 31, 2021
Transactions with enterprises controlled by the Trust/ on whom significant influence is exercised by the Trust			
National Highways Infra Projects Private Limited (NHIPPL)	Purchase of equity shares of NHIPPL	1,29,410.00	-
	Advancement of Long Term Loan to NHIPPL	6,05,640.00	-
	Receipt of interest on Long Term Loan given to NHIPPL	12,192.00	-
	Reimbursement of ROC Fee paid by NHIT on behalf of NHIPPL	274.98	-
Parties to the Trust as per Regulation 2(1)(zv) of the SEBI InvIT Regulations			
National Highways Infra Investment Managers Private Limited (NHIIMPL)	Payment of Investment Manager Fee	1,931.71	-
	Reimbursement of Pre-Issue expenses of NHIT by NHIIMPL	214.80	-
National Highways Authority of India (NHAI)	Reimbursement of Pre-Issue expenses of NHIT by NHAI	578.02	67.03
	Purchase of equity shares of Project SPV (NHIPPL) by the Trust from NHAI	10,153.52	-
	Issue of units of Trust to NHAI	96,556.00	-
IDBI Trusteeship Services Limited (ITSL)	Payment of Trustee Fee	12.15	-
	Initial Settlement Amount	-	0.10

D. Closing Balance with Related Parties

(Amounts in ₹ lakh)

Name of Entity	Particulars	As on March 31, 2022	As on March 31, 2021
Enterprises controlled by the Trust/ on whom significant influence is exercised by the Trust			
National Highways Infra Projects Private Limited (NHIPPL)	Investment in equity shares of NHIPPL	1,29,410.00	-
	Long Term Loan to NHIPPL	6,05,640.00	-
	Interest receivable on Long Term Loan given to NHIPPL	10,651.12	-
Parties to the Trust as per Regulation 2(1)(zv) of the SEBI InvIT Regulations			
National Highways Authority of India (NHAI)	Issue of units of Trust to NHAI (9,56,00,000 units)	96,556.00	-

IDBI Trusteeship Services Limited	Initial Settlement Amount	0.10	0.10
	Trustee Fee Payable	2.77	-

28. 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. While calculating Net debt, we did not consider trade and other payable including other financial liabilities. The Trust's policy is to keep the gearing ratio optimum.

(Amounts in ₹ lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Net Debt Components:		
Long Term Borrowings (Non-Current portion)	145,556.94	-
Current Maturities of Long-Term Borrowings	980.86	
Less: Cash and Cash Equivalents	(4,801.17)	
Less: Bank Balances other than cash and cash equivalents	(3,170.81)	
Less: Current Investments	(992.16)	
Net Debt (i)	**1,37,573.67**	-
Capital Components:		
Unit Capital	6,01,152.00	-
Initial Settlement Amount	0.10	
Other Equity	16,415.14	-
Total Capital (ii)	**6,17,567.24**	-
Capital and Net Debt [(iii) = (i) + (ii)]	**7,55,140.91**	-
Gearing Ratio (i)/(iii)	**18.22%**	-

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 period.
No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

29. Financial Risk Management Objectives and Policies

The Trust is in the process of formulation of its risk management policies with an objective of identification and analysis of risks faced by the Trust, 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 Trust's activities.
The Board of Directors of Investment Manager has overall responsibility for the establishment and oversight of the Trust's risk management framework.
In performing its operating, investing and financing activities, the Trust is exposed to the Credit risk, Liquidity risk and Market risk.

Market Risk

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

The sensitivity analyses in the following sections relate to the position as at March 31, 2022 and March 31, 2021.
The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt are all constant.

The following assumptions have been made in calculating the sensitivity analyses:
The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2022 & March 31, 2021.

Foreign Currency Risk

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

Interest Rate Risk

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

The following table provides a break-up of the Company's fixed and floating rate borrowings:

(Amounts in ₹ lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Floating Rate Borrowings	1,46,537.80	-

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

(Amounts in ₹ lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Term Loan from Bank	11,201.41	-

Sensitivity analysis based on average outstanding Debt:

(Amounts in ₹ lakh)

Particulars	Impact on profit / (loss) before tax	
	As at March 31, 2022	As at March 31, 2021
Increase or decrease in interest rate by 25 basis points	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).
The Trust is exposed to price risk due to investments in mutual funds and classified as fair value through profit and loss. The Trust measures risk through sensitivity analysis. The Trust's risk management policy is to mitigate the risk by investments in mutual funds. The Trust have investment in mutual funds amounting Rs 9,92.16 Lakh as at March 31, 2022 (March 31, 2021: Rs. Nil) and accordingly is exposed to price risk.

Sensitivity analysis:

(Amounts in ₹ lakh)

Particulars	Impact on profit / (loss) before tax	
	As at March 31, 2022	As at March 31, 2021
Increase or decrease in NAV by 2%	19.84	-

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. To manage this, the Trust periodically assess the reliability of the receivables, taking into account the financials conditions, current economic trends, analysis of historical bad debts and aging of receivables. With respect to credit risk arising from other financial assets of the Trust, which comprise Balances with banks, Trade Receivables, Loans and Advances and Investments, the Trust's exposure to credit risk arises from default of the counterparty, with maximum exposure equal to the carrying amount of these instruments.
The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was Rs. 7,64,814.17 Lakh and Rs. 0.10 Lakh as at March 31, 2022 and March 31, 2021 respectively, being the total carrying value of Loans to Subsidiary, 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 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.

The table below summarises the maturity profile of the trust's financial liabilities based on contractual undiscounted payments.

(Amounts in ₹ lakh)

As at 31-03-2022	Carrying Amount	<1 Yr.	1-3 Yrs.	>3 Yrs.
Borrowings	1,46,537.80	1000.00	8,000.00	1,37,537.80
Trade Payables	313.29	313.29	-	-
Other Financial Liabilities	143.56	143.56	-	-
Total	**1,46,994.65**	**1,456.71**	**8,000.00**	**1,37,537.80**

As at 31-03-2021	Carrying Amount	<1 Yr.	1-3 Yrs.	>3 Yrs.
Borrowings	-	-	-	-
Trade Payables	-	-	-	-
Other Financial Liabilities	67.84	67.84	-	-
Total	**67.84**	**67.84**	-	-

30. **Disclosure pursuant to IND AS 36 "Impairment of Assets"**

Based on management review on expected future cash flows and economic conditions of the assets of the Trust, no indicators of impairment of asset of the Trust exist as on the reporting date. Hence impairment testing has been done and accordingly no provision for impairment has been recognised in the books as on the reporting date.

31. **Disclosure of Financial Instruments by Category**

(Amounts in ₹ lakh)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Amortized Cost	FTVPL		Amortized Cost	FTVPL	
		At Cost	At Fair Value		At Cost	At Fair Value
Assets:						
Cash and Cash Equivalents	4,801.17	-	-	-	-	-
Investment in Project SPV	1,39,553.52					
Other Financial Assets	13,827.31	-	-	-	-	-
Loans Advanced	6,05,640.00	-	-	-	-	-
Investments in Mutual Funds	-	-	992.16	-	-	-
Total	**7,63,822.00**	-	**992.16**	-	-	-
Liabilities:						
Borrowings	1,46,537.80	-	-	-	-	-
Trade Payables	313.29	-	-	-	-	-
Other Financial Liabilities	143.56	-	-	67.84	-	-
Total	**1,46,994.65**	-	-	**67.84**	-	-

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.

32. **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.

33. **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:

(Amounts in ₹ lakh)

Particulars	Fair Value Hierarchy Level	Carrying Value		Fair Value	
		As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Financial Assets at Amortized Cost:					
Cash and Cash Equivalents	Level 3	4,801.17	-	4,801.17	-
Investment in Project SPV	Level 3	1,39,553.52	-	1,39,553.52	-
Other Financial Assets	Level 3	13,827.31		13,827.31	
Loans Advanced	Level 3	6,05,640.00	-	6,05,640.00	-
Financial Assets at FVTPL:					-
Investments in Mutual Funds	Level 1	992.16	-	992.16	-
Total		**7,64,814.17**	-	**7,64,814.17**	-
Financial Liabilities at Amortized Cost:					
Borrowings	Level 3	1,46,537.80	-	1,46,537.80	
Trade Payables	Level 3	313.29	-	313.29	
Other Financial Liabilities	Level 3	143.56	67.84	143.56	67.84
Total		**1,46,994.65**	67.84	**1,46,994.65**	67.84

There are no transfer between level 1 and level 2 during the year.
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:		
Investment in Mutual Funds	Market Approach	NAV
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

34. 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.

35. Details of dues To Micro and Small Enterprises as per MSMED Act, 2006

There are no Micro and Small Enterprises as defined in the Micro and Small Enterprises Development Act, 2006 to whom the Trust owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made. The above information regarding Micro and Small Enterprises has been determined to the extent such parties has been identified on the basis of information available with the Trust.

36. Disclosure pursuant to IND 23 "Borrowing Costs"

Borrowing cost capitalised during the year Rs. Nil [March 31, 2021: Rs. Nil]

37. Significant accounting judgements, estimates and assumptions

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

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

Classification of unit holders Funds

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

Fair valuation and disclosures

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

The report of independent valuer for estimating fair value of investment of subsidiaries is under progress as on date, hence management estimates have been considered for estimating the fair value of investments in subsidiaries in the financial statements.

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. Deferred tax liability has been recognised on fair value gain on investments.

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 Trust assessed the credit risk of the financial assets and concluded that no provision for ECL is required.

38. Subsequent Events

On May 23, 2022, the Board of Directors of the Investment Manager approved distribution of Rs. 0.79 per unit (Return on capital of Rs. 0.71 per unit, return of capital of Rs. Nil per unit, Dividend of Rs. Nil per unit and other income on surplus funds at Trust of Rs. 0.08 per unit) for the period October 01, 2021 to March 31, 2022 to be paid on or before 15 days from the date of declaration.

39. Contingent Liabilities

There are no contingent liabilities as at March 31, 2022 (March 31, 2021: Rs. Nil)

40. Distribution Made

(Amounts in ₹ lakh)

Particulars	FY 2021-22	FY 2020-21
Interest (Return on capital)	4198.27	-
Return of capital	-	-
Dividend	-	-
Other income of the Trust	503.81	-
Total	**4,702.08**	-

41. Reconciliation of Financing Activities in Cash Flow Statement

Net Debt Recognition

(Amounts in ₹ lakh)

Particulars	31st March, 2022	31st March, 2021
	(Long Term Borrowing)	**(Long Term Borrowing)**
Carrying amount of debt at the beginning of the year/period	-	-
Additional borrowings during the year/period	1,48,000.00	-
Repayments during the year/period	(1,001.59)	-
Other adjustments/settlements during the year/period	-	-
- Impact in equity	-	-
- Transaction Costs	(472.00)	-
- Unwinding of interest	11.39	
Carrying amount of debt at the end of the year/period	**1,46,537.80**	-

42. **Additional Regulatory Information**

Financial Ratios

S. No.	Particulars	As on March 31, 2022	As on March 31, 2021
1	Current Asset ratio (Current Assets /Current Liability)	25.73	-
2	Debt- Equity ratio (Debt/ Equity)	0.24	-
3	Debt service coverage ratio (Net Operating Cash flow/ Debt Service Obligation)	2.58	-
4	ROE ratio (Net Profit/ Equity)	2.95%	-
5	Inventory turnover ratio	NA	NA
6	Trade receivable turnover ratio	NA	NA
7	Trade payable turnover ratio	NA	NA
8	Net Capital turnover ratio (Total Income / Net Working Capital)	0.57	-
9	Net profit ratio (Net profit / Total Income)	76.32%	-
10	Return on capital employed ratio ((Net Profit plus Finance Cost)/ (Equity + Debt))	2.85%	-
11	Return on investment (Income on Investment / Average Cost of Investment)	15.69%	-

43. **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":

(Amounts in ₹ lakh)

Particulars	FY 2021-22	FY 2020-21
Basic and Diluted		
Profit attributable to unit holders of the Trust (A)	18,192.23	-
Weighted average number of units (B)	5,952.00	-
Earnings Per Unit (In Rs.) (A/B)	**3.06**	-
Face value per Unit (In Rs.)	**101**	-

44. **Investment Management Fees**

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

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

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

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

45. **Previous Year Figures**

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

46. **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.

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

Sd/-
CA Naresh Kumar Karn
Partner
M.No.077887
Date: 23.05.2022
Place: New Delhi

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

Sd/-
Suresh Krishan Goyal
Director
DIN: 02721580

Sd/-
Mahavir Parsad Sharma
Director
DIN: 03158413

Sd/-
Mathew George
Chief Financial Officer

Sd/-
Gunjan Singh
Compliance Officer

A.R. & CO.
Chartered Accountants

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

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

INDEPENDENT AUDITOR'S REPORT

To the Unit Holders of National Highways Infra Trust

Report on the Audit of the Consolidated Financial Statements

OPINION

We have audited the accompanying consolidated financial statements of National Highways Infra Trust ("the InvIT" or "the Trust") and its one subsidiary (hereinafter referred to as "National Highways Infra Projects Private Limited" or "NHIPPL") (the Trust and its subsidiary together referred to as "the Group"), which comprising of the consolidated Balance Sheet as at 31 March 2022, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), the consolidated Statement of Changes in Unitholder's Equity and the consolidated Statement of Cash Flows for the year then ended, the consolidated Statement of Net Assets at fair value as at 31 March 2022, 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 report of other auditor on separate financial statements and on the other financial information of the subsidiary, the aforesaid consolidated financial statements give the information required by the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 as amended from time to time including any guidelines and circulars issued thereunder (together referred to as the "SEBI InvIT Regulations") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015, as amended ("Ind AS") and other accounting principles generally accepted in India, to the extent not inconsistent with SEBI InvIT Regulations, of the consolidated state of affairs of the Group as at 31 March 2022, its consolidated profit including other comprehensive income, its consolidated cash flows, its consolidated statement of changes in Unitholders' equity for the year ended 31 March 2022, its consolidated net assets

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at fair value as at 31 March 2022, 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 31 March 2022.

BASIS FOR OPINION

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

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended 31 March 2022. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr. No.	Key Audit Matter	Auditor's Response
1.	**Assessment of Impairment of Intangible Assets**	
	The Group operates toll assets which is constructed on Toll, Operate and Transfer (TOT) basis.	Our Audit Procedures included the following :-
	In accordance with its accounting policy and requirements under Ind AS 36 "Impairment of Assets", the Management is required to perform an impairment assessment by comparing the carrying value of the toll collection rights to their recoverable amount.	• Verifying the appropriateness of the Group's accounting policy on impairment of Intangible Assets. • Study of latest DCF Valuation
	For impairment testing, value in use has to be 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	• Assessing the assumptions around the key drivers of the revenue projections, future cash

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	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.	flow, discount rates / weighted average cost of capital that were used by the management
2.	**Computation and disclosures as prescribed in the SEBI InvIT regulations relating to Consolidated Statement of Net Assets at Fair Value and Consolidated Total Returns at Fair Value** As per SEBI InvIT regulations, the Trust is required to disclose statement of net assets at fair value and statement of total returns at fair value. The fair value is determined by forecasting and discounting future cash flows from the operations of the investee entities which involves management estimates and judgements. These estimates and judgements include discounting rates, Tax rates and inflation rates which are considered for computing the fair value. There is an inherent risk in the computation of fair value due to the use of estimates and judgements mentioned above. Therefore, computation and disclosures of Consolidated statement of net assets at fair value and Consolidated statement of total returns at fair value is considered as a Key Audit Matter. Refer 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. • Obtained Management representation in this respect as Management has considered fair value equal to the book value of Net Assets • 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.

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

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

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

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

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

The Board of Directors of Investment Manager is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated Balance Sheet as at 31 March 2022, consolidated statement of Profit & Loss including other comprehensive income, consolidated cash flows and consolidated statement of changes in Unitholder's equity for the year ended 31 March 2022, the consolidated net assets at fair value as at 31 March 2022, the consolidated total returns at fair value of the Group and the net distributable cash flows of the Trust and its subsidiary for the year ended 31 March 2022 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

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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

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FRN 002744 C
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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. For the other entities included in the consolidated financial statements, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. 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.

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FRN 002744 C
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OTHER MATTERS

We did not audit the financial statements of the subsidiary, whose financial statements reflect total assets of Rs. 7,35,774.44 Lakhs as at 31 March 2022, total revenues of Rs. 13,981.33 Lakhs, losses after taxes including other comprehensive income (net) of Rs. 11,355.90 Lakhs and net cash outflows amounting to Rs. 12,802.25 Lakhs for the period from 01 April 2021 to 31 March 2022, as considered in the consolidated financial statements. These financial statements and other financial information have been audited by other auditor, which financial statements, other financial information and auditor's reports have been furnished to us by the Management of Investment Manager and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of that subsidiary is based solely on the report of the other auditor.

Our opinion on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the report of the other auditor.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.

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

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

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

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

CA Naresh Kumar Karn
Partner
Membership No: 077887
UDIN: 22077887AJLTUQ6382

Place: New Delhi
Date: 23.05.2022

NATIONAL HIGHWAYS INFRA TRUST

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2022

(All amounts in ₹ lakh unless otherwise stated)

PARTICULARS	NOTE NO.	AS AT 31st March, 2022	AS AT 31st March, 2021
ASSETS			
1) Non - Current Assets			
(a) Property, Plant and Equipment	3	0.46	-
(b) Goodwill	4	10,144.46	-
(c) Intangible assets	5	7,33,984.39	-
(d) Financial Assets			
(i) Other Financial Assets	6	3,170.81	-
(e) Deferred Tax Assets	7	262.53	-
2) Current Assets			
(a) Financial Assets			
(i) Investments	8	992.16	-
(ii) Trade receivables	9	600.47	-
(iii) Cash and Cash Equivalents	10	5,389.78	-
(iv) Other financial assets	11	5.38	0.10
(b) Other current assets	12	347.29	-
TOTAL ASSETS		7,54,897.72	0.10
EQUITY AND LIABILITIES			
EQUITY			
1) Unit Capital	13	6,01,152.00	-
2) Initial settlement amount		0.10	0.10
3) Other Equity	14	5,059.25	(67.90)
LIABILITIES			
1) Non-Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15	1,45,556.94	-
(b) Provisions	16	403.37	-
2) Current Liabilities			
(a) Financial liabilities			
(i) Borrowings	17	980.86	-
(ii) Trade Payables	18		
(a) Total Outstanding, dues of micro and small enterprises		-	-
(b) Total outstanding, dues of creditors other than micro and small enterprises		1,101.23	-
(iii) Other financial liabilities	19	241.41	67.81
(b) Other current liabilities	20	240.75	0.09
(c) Provisions	21	0.03	-
(d) Current Tax Liabilities (Net)	22	161.77	
TOTAL EQUITY & LIABILITIES		7,54,897.72	0.10

Significant Accounting Policies	1 - 2
The accompanying notes form an integral part of these consolidated financial statements.	3 - 56

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 of the National Highways Infra Investment Managers Private Limited (Investment Manager of National Highways Infra Trust)

Sd/-
CA Naresh Kumar Karn
Partner
M.No.077887

Date : 23.05.2022
Place : New Delhi

Sd/-
Suresh Krishan Goyal
Director
DIN: 02721580

Sd/-
Mahavir Parsad Sharma
Director
DIN: 03158413

Sd/-
Mathew George
Chief Financial Officer

Sd/-
Gunjan Singh
Compliance Officer

NATIONAL HIGHWAYS INFRA TRUST

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts in ₹ lakh unless otherwise stated)

PARTICULARS	NOTE NO.	YEAR ENDED 31st March, 2022	YEAR ENDED 31st March, 2021
INCOME			
Revenue from Operations	23	13,960.55	-
Other Income	24	1,014.53	-
TOTAL INCOME		**14,975.08**	-
EXPENSES			
Investment Manger Fee		1,931.71	-
Trusteeship Fee		3.73	4.21
Operating Expenses	25	1,140.21	-
Employee Benefits Expenses	26	2.12	-
Finance Charges	27	3,154.43	-
Depreciation & Amortization Expense	28	1,055.65	-
Other Expenses	29	676.86	63.69
TOTAL EXPENSES		7,964.71	67.90
Profit/(Loss) before Exceptional Items and Tax		7,010.37	(67.90)
Exceptional Items (net)		-	
Profit / (Loss) before Tax		7,010.37	(67.90)
Tax Expenses	30		
Current Tax		436.36	-
MAT Credit Utilized / (Entitlement)		-	-
Provision for Tax for Earlier Years		-	-
Deferred Tax expense/(credit)		(262.32)	-
Total Tax		174.04	-
Profit/ (loss) for the period		6,836.33	(67.90)
Other Comprehensive Income			
Items that will not be reclassified to Profit and Loss		-	-
Items that will be reclassified to Profit and Loss		-	-
		-	-
Total Comprehensive Income for the period		6,836.33	(67.90)
Earnings per Unit			
Basic	31	1.15	-
Diluted	31	1.15	-

Significant Accounting Policies 1 - 2
The accompanying notes form an integral part of these financial statements. 3 - 56

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 of the National Highways Infra Investment Managers Private Limited (Investment Manager of National Highways Infra Trust)

Sd/-
CA Naresh Kumar Karn
Partner
M.No.077887

Sd/-
Suresh Krishan Goyal
Director
DIN: 02721580

Sd/-
Mahavir Parsad Sharma
Director
DIN: 03158413

Date : 23.05.2022
Place : New Delhi

Sd/-
Mathew George
Chief Financial Officer

Sd/-
Gunjan Singh
Compliance Officer

NATIONAL HIGHWAYS INFRA TRUST

CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2022

(All amounts in ₹ lakh unless otherwise stated)

	YEAR ENDED 31st March, 2022	YEAR ENDED 31st March, 2021
A. OPERATING ACTIVITIES		
Net Profit/(Loss) Before Tax	7,010.37	
Adjustments to reconcile profit before tax to net cash flows:		
Depreciation and Amortization	1,055.65	
Loss/ (Gain) on sale of Investments (net)	(682.62)	
Loss / (Gain) on Fair Valuation of Investments	(7.38)	
Interest Accrued on Bank FD	(5.86)	
Finance Cost (net)	3,154.43	
Operating Profit/(Loss) before Working Capital Changes	**10,524.59**	
Working Capital Adjustments:		
Decrease / (Increase) in Trade & Other Receivables	(680.47)	
Decrease / (Increase) in Other Non Current Financial Assets	(3,170.81)	
Decrease / (Increase) in Other Current Financial Assets	0.59	
Decrease / (Increase) in Other Current Assets	(347.29)	
Increase / (Decrease) in Trade & Other Payables	651.07	
Increase / (Decrease) in Other Financial Liabilities	(7,34,867.55)	
Increase / (Decrease) in Provisions	403.40	
Increase / (Decrease) in Other Current Liabilities	238.59	
Increase / (Decrease) in Current Tax Liabilities	(0.59)	
	(7,37,693.06)	
Income Tax paid	(274.00)	
Net Cash Flows from/(used in) Operating Activities	(7,27,442.47)	
B. INVESTING ACTIVITIES		
Purchase of Property, Plant & Equipment, including CWIP, capital	(0.50)	
Purchase of Non Current Investments	(1.52)	
Purchase of Current Investments	(5,96,271.00)	
Sale of Current Investments	5,95,968.84	
Net cash flows from (used in) Investing activities	(304.19)	
C. FINANCING ACTIVITIES		
Proceeds from Issue of Unit Capital	5,91,000.00	
One Time Expense paid	(1,364.94)	
Proceeds from Long Term Borrowings (net of processing fees)	1,47,646.00	
Repayment of Long Term Borrowings	(1,001.59)	
Finance Costs Paid	(3,143.04)	
Net cash flows from (used in) Financing activities	7,33,136.43	
Net Increase/Decrease in Cash and Cash equivalents (A+B+C)	5,389.78	
Cash and cash equivalents at the beginning of the year	-	
Cash and cash equivalents at the end of the year	5,389.78	

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 of the National Highways Infra Investment Managers Private Limited (Investment Manager of National Highways Infra Trust)

Sd/-
CA Naresh Kumar Karn
Partner
M.No.077887

Date : 23.05.2022

Sd/-
Suresh Krishan Goyal
Director
DIN: 02721580

Sd/-
Mahavir Parsad Sharma
Director
DIN: 03158413

Sd/-
Mathew George
Chief Financial Officer

Sd/-
Gunjan Singh
Compliance Officer

NATIONAL HIGHWAYS INFRA TRUST

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST MARCH, 2022

A. INITIAL SETTLEMENT AMOUNT *

(All amounts in ₹ lakh unless otherwise stated)

Balance as at 1st April 2020	Changes in Unit Capital During the year	Changes in Unit Capital due to prior period errors	Balance as at 31st March, 2021	Changes in Unit Capital During the year	Changes in Unit Capital due to prior period errors	Balance as at 31st March, 2022
-	0.10	-	0.10	-	-	0.10
-	0.10	-	0.10	-	-	0.10

B. UNIT CAPITAL *

Balance as at 1st April 2020	Changes in Unit Capital During the year	Changes in Unit Capital due to prior period errors	Balance as at 31st March, 2021	Changes in Unit Capital During the year	Changes in Unit Capital due to prior period errors	Balance as at 31st March, 2022
-	-	-	-	6,01,152.00	-	6,01,152.00
-	-	-	-	6,01,152.00	-	6,01,152.00

C. OTHER EQUITY **

(All amounts 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	Items that will be reclassified to profit or	
	Retained Earnings	Remeasurement of Defined Benefit Obligation/ Plan	Fair Value Gain on Preference Shares	
Balance as at 1st April 2020	-	-	-	-
Profit/ (Loss) for the year	(67.90)	-	-	(67.90)
Balance as at 31st March, 2021	(67.90)	-	-	(67.90)
Profit/ (Loss) for the year	6,836.33	-	-	6,836.33
One time unit issue expenses	1,709.18	-	-	1,709.18
	-	-	-	-
Balance as at 31st March, 2022	5,059.25	-	-	5,059.25

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

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

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

Sd/-
CA Naresh Kumar Karn
Partner
M.No.077887

Date : 23.05.2022

Sd/-
Suresh Krishan Goyal
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Sd/-
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Chief Financial Officer

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NATIONAL HIGHWAYS INFRA TRUST

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

Consolidated Statement of Net Distributable Cash Flows

(All amounts in ₹ lakh unless otherwise stated)

S. No.	PARTICULARS	YEAR ENDED 31st March, 2022	YEAR ENDED 31st March, 2021
1	**Profit after tax as per Statement of profit and loss/income and expenditure (Consolidated) (A)**	18,185.92	-
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.	-	
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	-	-
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.	(8,227.84)	
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	(5,204.50)	-
8	**Total Adjustment (B)**	(13,432.34)	-
9	**Net Distributable Cash Flows (C) = (A+B)**	4,753.58	-

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

This is the Statement of Net Distributable Cash Flows referred to in our report of even date.

NATIONAL HIGHWAYS INFRA TRUST

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

Statement of Net Distributable Cash Flows

National Highways Infra Projects Private Limited (Project SPV company)

(All amounts in ₹ lakh unless otherwise stated)

S. No.	PARTICULARS	YEAR ENDED 31-03-2022
1	**Profit after tax as per Statement of profit and loss/income and expenditure (standalone) (A)**	**(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.	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	-
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.	23,080.85
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	-
8	Total Adjustment (B)	24,136.50
9	Net Distributable Cash Flows (C) = (A+B)	12,780.61

Statement of Reconciliation of NDCF with distributions for FY 2021-22

(All amounts in ₹ lakh unless otherwise stated)

S. No.	PARTICULARS	YEAR ENDED 31-03-2022
1	Net Distributable Cash Flows for the year ended on 31st March, 2022	12,780.61
2	Amount distributed as Interest on borrowing from NHIT	12,192.00
3	Cash and Cash Equivalents at the end of the reporting period	588.61

NATIONAL HIGHWAYS INFRA TRUST

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

Consolidated Statement of Net Assets at Fair Value

(All amounts in ₹ lakh unless otherwise stated)

Particulars	As at 31st March, 2022		As at 31st March, 2021	
	Book value	Fair value^	Book value	Fair value^
A. Assets	7,54,898	7,54,898	-	-
B. Liabilities (at book value)	1,48,686	1,48,686	-	-
C. Net assets (A-B)	**6,06,211**	**6,06,211**	-	-
D. No of units	59,52,00,000	59,52,00,000	-	-
E. NAV (C/D)	**101.85**	**101.85**	-	-

^Fair values of total assets relating to the Trust as at 31 March, 2022 as disclosed above are based on the best estimates of the management.

Consolidated Statement of Total Return at Fair Value:

(All amounts in ₹ lakh unless otherwise stated)

Particulars	For the period ended 31st March, 2022	For the year ended 31st March 2021
Total comprehensive income for the year/period (As per the Consolidated Statement of Profit and Loss)	6,836.33	(67.90)
Add: Other changes in fair value for the year *	-	-
Total return	6,836.33	(67.90)

* In the above statement, other changes in fair value for the year ended 31 March, 2022 have been computed based on best estimates of the management.

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.

NATIONAL HIGHWAYS INFRA TRUST

NOTES FORMING PART OF CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED ON MARCH 31, 2022

1. GROUP INFORMATION AND NATURE OF OPERATIONS

The consolidated financial statements comprise financial statements of NHAI Infra Trust ("the Trust" or "InvIT") and its subsidiary (collectively, the Group).

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

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

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

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

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

The consolidated financial statements were authorised for issue in accordance with resolution passed by the board of directors of the Investment Manager on May 23, 2022.

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 March 31, 2022, the Statement of Profit and Loss for the year ended on March 31, 2022, the Statement of Cash Flows for the year ended on March 31, 2022, the Statement of Changes of Equity for the year ended on March 31, 2022 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 standalone financial statements have been prepared on a going concern basis.

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

2.2 Basis of Consolidation

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

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

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

The consolidated financial statements of the Group combine financial statements of the Trust and its subsidiaries on line-by-line basis by adding together the like items of assets, liabilities, income and expenses. All intra-group assets, liabilities, income, expenses and unrealised profits/losses on intra-group transactions are eliminated on consolidation unless the transaction provides evidence of an impairment of transferred asset. 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 and losses resulting 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. Profit or loss and each component of other comprehensive income are attributed to the unit holders of the Group and to the non-controlling interests, even if this results in the non-controlling interests having a deficit balance.

Non-controlling interest (if any) represents that part of the total comprehensive income and net assets of subsidiaries attributable to interests which are not owned, directly or indirectly, by the Group and are excluded in the consolidated financial statements from the total comprehensive income and net assets.

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.

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.
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.

Depreciation on Property, plant and equipment

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

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

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

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

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

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

2.7 Intangible assets

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

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

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

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

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

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, 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 i.e. 30 years.

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 liabilites 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 recorded in Other Equity, net of tax.

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 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.

NATIONAL HIGHWAYS INFRA TRUST

Consolidated Summary of significant accounting policies and other explanatory information

3. Property, Plant and Equipment

(All amounts in ₹ lakh unless otherwise stated)

Particulars	Computer	Total
Gross Carrying Amount		
Balance as at March 31, 2020	-	-
Additions	-	-
Less: Disposals	-	-
Balance as at March 31, 2021	-	-
Additions	0.50	0.50
Less: Disposals	-	-
Balance as at March 31, 2022	**0.50**	**0.50**
Accumulated Depreciation		
Balance as at March 31, 2020	-	-
Additions	-	-
Less: Disposals	-	-
Balance as at March 31, 2021	-	-
Additions	0.04	0.04
Less: Disposals	-	-
Balance as at March 31, 2022	**0.04**	**0.04**
Net Carrying Amount		
As at March 31, 2020	-	-
As at March 31, 2021	-	-
As at March 31, 2022	0.46	0.46

4. Goodwill arising on Consolidation

(All amounts in ₹ lakh unless otherwise stated)

PARTICULARS	AS AT 31st March, 2022	AS AT 31st March, 2021
Gross Carrying Amount		
Balance as at March 31, 2020	-	-
Additions	-	-
Less: Disposals	-	-
Less: Impairment	-	-
Balance as at March 31, 2021	-	-
Additions*	10,144.46	-
Less: Disposals	-	-
Less: Impairment	-	-
Balance as at March 31, 2022	10,144.46	-

The carrying amount relates to goodwill arising on acquisition of Project SPV company (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 approved financial budgets/strategic forecast which cover future periods of 30 years.

Based on a review of the future discounted cash flows of the intangible assets (Toll Collection Rights) held by the subsidiary (NHIPPL), the recoverable amount is higher than the carrying amount of the assets, and accordingly no impairment loss has been recognised in the statement of profit and loss for the year ended March 31, 2022.

*Refer Note 34

NATIONAL HIGHWAYS INFRA TRUST

Consolidated Summary of significant accounting policies and other explanatory information

5. Intangible Assets

(All amounts in ₹ lakh unless otherwise stated)

Particulars	License to charge users of Toll Road					
	Abu Road-Swaroopganj	Abu Road-Palanpur	Belgaum- Kagal	Chittorgarh- Kota	Kolthakota-Kurnool	Total
Gross Carrying Amount:						
Balance as at March 31, 2021	-	-	-	-	-	-
Additions	74,170.00	1,14,650.00	2,32,870.00	1,19,340.00	1,94,010.00	7,35,040.00
Less: Disposals	-	-	-	-	-	-
Balance as at March 31, 2022	**74,170.00**	**1,14,650.00**	**2,32,870.00**	**1,19,340.00**	**1,94,010.00**	**7,35,040.00**
Accumulated Amortization:		-				
Balance as at March 31, 2021	-	-	-	-	-	-
Additions	102.06	156.78	366.53	156.35	273.89	1,055.61
Less: Disposals	-	-				
Balance as at March 31, 2022	102.06	156.78	366.53	156.35	273.89	1,055.61
Net Carrying Amount						
Balance as at March 31, 2021	-	-	-	-	-	-
Balance as at March 31, 2022	74,067.94	1,14,493.22	2,32,503.47	1,19,183.65	1,93,736.11	7,33,984.39

Note:-

The Project SPV (NHIPPL) has acquired rights for Tolling, Operation, Maintenance and Transfer of five toll road projects for a period of 30 years from the appointed date of 16.12.2021 basis Toll Concession agreements with the NHAI, for a consideration of INR 7,350.40 Crore and the same have been recognised as Other Intangible Assets in financial statements.

Toll Collection Rights shall be amortized basis a Consumption based model (using Passenger Car Unit (PCU) projections) over the tenure of the Concession Agreement i.e. 30 years.

NATIONAL HIGHWAYS INFRA TRUST

Consolidated Summary of significant accounting policies and other explanatory information

6. Other Financial Assets: Non Current

(All amounts in ₹ lakh unless otherwise stated)

PARTICULARS	AS AT 31st March, 2022	AS AT 31st March, 2021
Investment in Fixed Deposits		
Fixed Deposits with banks*	3,170.81	-
	3,170.81	-

* The Fixed Deposits are earmarked for Debt Servicing Reserve Account (DSRA), to be utilized at the end of tenure of long term borrowings from Senior Lenders, hence classified as Other Financial Assets- Non Current irrespective of date of maturity.

7. Deferred Tax Assets (Net)

(All amounts in ₹ lakh unless otherwise stated)

PARTICULARS	AS AT 31st March, 2022	AS AT 31st March, 2021
Deferred Tax Assets arising on account of:		
- Expense disallowed as per Income Tax Act, 1961, allowable in future years	0.03	-
- Unabsorbed depreciation & Carried forward tax losses	23,124.38	-
Total (A)	**23,124.41**	-
Deferred Tax Liabilities arising on account of:		
- Difference between book & tax base related to Intangible assets	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)	**22,861.88**	-
Net Asset (A) - (B)	**262.53**	-

Reconciliation of Deferred Tax Asset/ (Liabilities)

(All amounts in ₹ lakh unless otherwise stated)

PARTICULARS	AS AT 31st March, 2022	AS AT 31st March, 2021
Opening Balance - Deferred Tax Asset	-	-
Deferred tax income/ (expense) during the period recognised in profit & loss	262.53	-
Deferred tax income/ (expense) during the period recognised in Other Comprehensive Income	-	-
Closing Balance - Deferred Tax Asset	262.53	-

8. Investments: Current

(All amounts in ₹ lakh unless otherwise stated)

PARTICULARS	AS AT 31st March, 2022	AS AT 31st March, 2021
In Mutual Funds - Quoted at FVTPL		
Overnight Mutual Funds (28,664.02 units @ NAV of Rs. 3,461.3538 per unit)	992.16	-
Total	992.16	-

NATIONAL HIGHWAYS INFRA TRUST

Consolidated Summary of significant accounting policies and other explanatory information

9. Trade Receivables: Current

(All amounts in ₹ lakh unless otherwise stated)

PARTICULARS	AS AT 31st March, 2022	AS AT 31st March, 2021
Outstanding for the following period from the due date of payment:		
Undisputed trade receivables- considered good* (Outstanding for less than 6 months from the due date of payment)	600.47	-
Disputed trade receivables- considered good	-	-
	600.47	-

* Undisputed Trade Receivables include unbilled receivables amounting to Rs. 401.12 Lakh

10. Cash and Cash Equivalents

(All amounts in ₹ lakh unless otherwise stated)

PARTICULARS	AS AT 31st March, 2022	AS AT 31st March, 2021
Cash & Cash Equivalents		
Balances with Banks		
In Current Accounts	1,004.69	-
In Escrow Accounts	35.09	-
Fixed Deposits (having original maturity of less than 3 months)	4,350.00	-
	5,389.78	-

11. Other Financial Assets: Current

(All amounts in ₹ lakh unless otherwise stated)

PARTICULARS	AS AT 31st March, 2022	AS AT 31st March, 2021
Interest receivable	-	-
Interest receivable on investment in Fixed Deposits	5.28	-
Other Financial Assets	0.10	-
Total	5.38	-

12. Other Current Assets

(All amounts in ₹ lakh unless otherwise stated)

PARTICULARS	AS AT 31st March, 2022	AS AT 31st March, 2021
Prepaid expenses	347.29	-
Total	347.29	-

NATIONAL HIGHWAYS INFRA TRUST

Consolidated Summary of significant accounting policies and other explanatory information

13. Unit Capital*

(All amounts in ₹ lakh unless otherwise stated)

PARTICULARS	AS AT 31st March, 2022		AS AT 31st March, 2021	
	NO. OF UNITS	AMOUNT	NO. OF UNITS	AMOUNT
Unit Capital	59,52,00,000	6,01,152.00	-	-

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 numbers of the units held by that unitholder to the total number of the 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 the 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; and

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 once every quarter of a 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.

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% SHARES IN THE COMPANY

NAME OF SHAREHOLDER	AS AT 31st March, 2022		AS AT 31st March, 2021	
	NO. OF UNITS	%	NO. OF UNITS	%
Ontario Limited	14,88,00,000	25.00%	-	-
CPP Investment Board Private Holdings Inc.	14,88,00,000	25.00%	-	-
SBI Balanced Advantage Fund	5,68,00,000	9.54%	-	-
National Highways Authority of India (NHAI)	9,56,00,000	16.06%	-	-

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

The Trust has issued 1,00,51,485 nos. of units at the rate of Rs. 101 per unit for consideration other than cash to the Sponsor (National Highways Authority of India), as consideration for purchase of 1,00,000 equity shares of Project SPV - NHIPPL.

No units were bought back since inception of the Trust.

THE RECONCILIATION OF THE NUMBER OF SHARES OUTSTANDING IS SET OUT BELOW:

PARTICULARS	AS AT 31st March, 2022		AS AT 31st March, 2021	
	NO. OF SHARES	AMOUNT	NO. OF SHARES	AMOUNT
Number of Units at the Beginning	-	-	-	-
Units issued during the year	59,52,00,000	6,01,152.00	-	-
Number of Units at the End	59,52,00,000	6,01,152.00	-	-

NATIONAL HIGHWAYS INFRA TRUST

Consolidated Summary of significant accounting policies and other explanatory information

14. Other Equity **

(All amounts 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	Items that will be reclassified to profit or loss	
	Retained Earnings	Remeasurement of Defined Benefit Obligation/ Plan	Fair Value Gain on Preference Shares	
Balance as at 1st April 2020	-	-	-	-
Profit/ (Loss) for the year	(67.90)	-	-	(67.90)
Balance as at 31st March, 2021	(67.90)	-	-	(67.90)
Profit/ (Loss) for the year	6,836.33	-	-	6,836.33
One time units issue expense	1,709.18	-	-	1,709.18
Balance as at 31st March, 2022	**5,059.25**	-	-	**5,059.25**

NATIONAL HIGHWAYS INFRA TRUST

Consolidated Summary of significant accounting policies and other explanatory information

15. Borrowings: Non Current

(All amounts in ₹ lakh unless otherwise stated)

PARTICULARS	AS AT 31st March, 2022	AS AT 31st March, 2021
Secured		
Term Loan:		
From Banks	1,46,998.41	-
From other parties	-	-
	1,46,998.41	-
Less: Current Maturities of Long Term borrowings (Refer Note 17)	980.86	-
Less: Unamortized Borrowing Cost	460.61	-
	1,45,556.94	-
Total	1,45,556.94	-

*Transaction Cost amounting to Rs. 1.18 Crore was not yet paid as at the end of reporting period to the Senior Lenders, however the same has been considered for the purpose of EIR in the forthcoming periods.

The Trust had availed loan cumulating to INR 1,480 Crore (sanctioned amount Rs. 2,000 Crore) from three banks at the rate of 7.20% p.a. via Facility Agreement dated 29.09.2021 for the purpose of investment of Trusts in Project SPV (NHIPPL).

The loan was disbursed on 14.12.2021 and is repayable on quarterly basis over 78 quarterly instalments of Principal and Interest up to 31st March 2041, and the next instalment due on 30th June 2022.

Security:

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.
- first pari Passu charge on the Senior Debt Service Account, Sub-Debt Servicing Account and Surplus/ Dividend Account or any other account of the Project SPV where free cash flows of the Project SPV are credited.
- pledge of 100% equity shares of Project SPV (NHIPPL) held by the Trust.
- assignment of loans advanced by the Trust to Project SPV (NHIPPL) and securities created by the Trust including the assignment of rights of submission, termination and invocation of provision of Escrow agreement in case of default.
- negative lien on immovable assets (including current assets and cash flows) of the Project SPV (NHIPPL) subject to sale of obsolete items or cars/ ambulances, old toll equipment etc., under normal business practice, subject to maximum cumulative value of INR 5 Crore in any financial year.

The senior lenders of the Trust have also been provided with a corporate guarantee from Project SPV (NHIPPL) to guarantee the repayment of senior debt by the Trust. The funds have been raised at Trust level by 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 to INR 2,000 Crore via Corporate Guarantee Deed dated 14.03.2022, valid across the tenure of the loan of the Trust i.e. up to 31.03.2041, has been provided by the Project SPV (NHIPPL) to the senior lenders of the Trust.

There have been no breaches in financial covenants with respect to the borrowings from Senior lenders.

NATIONAL HIGHWAYS INFRA TRUST

Consolidated Summary of significant accounting policies and other explanatory information

16. Provisions: Non Current

(All amounts in ₹ lakh unless otherwise stated)

PARTICULARS	AS AT 31st March, 2022	AS AT 31st March, 2021
Provision for employees benefits		
Gratuity	0.05	-
Compensated Absences	0.03	-
Provision for Major Maintenance*		
Abu Road- Swaroopganj	7.45	-
Abu Road- Palanpur	28.39	-
Belgaum- Kagal	30.36	-
Chittorgarh- Kota	264.32	-
Kothakota- Kurnool	72.78	-
Total	403.37	-

Provision for Major Maintenance*

The Company has a contractual obligation to maintain the performance standards of the Project Highways in respect of riding quality and allied measures as per the performance parameters stipulated under the respective Concession Agreements. Cost of such obligation is measured at the best estimate of the expenditure required to settle the obligation at the balance sheet date and recognised over the period at the end of which the overlay is estimated to be carried out using Discounted Cash Flows method with the discount rate taken as the risk free interest rate i.e. GOI 30 yr. Bond Yield. The next major overlay for one of the Project Highways is expected to be carried out in FY 2024-25.

Details of movement in Provisions

(All amounts in ₹ lakh unless otherwise stated)

PARTICULARS	AS AT 31st March, 2022	AS AT 31st March, 2021
Opening Balance	-	-
Add: Accretion during the year	403.29	-
Less: Utilized during the year	-	-
Closing Balance	**403.29**	-

17. Borrowings: Current

(All amounts in ₹ lakh unless otherwise stated)

PARTICULARS	AS AT 31st March, 2022	AS AT 31st March, 2021
Current Maturities of Long Term borrowings (Refer Note No. 15)	980.86	-
	-	
	980.86	-

18. Trade Payables: Current

(All amounts in ₹ lakh unless otherwise stated)

PARTICULARS	AS AT 31st March, 2022	AS AT 31st March, 2021
Total outstanding, dues of micro and small enterprises	-	-
Total outstanding, dues of creditors other than micro and small enterprises (Outstanding for less than 12 months from the due date of payment)	1,101.23	-
Total	**1,101.23**	-

19. Other Financial Liabilities: Current

(All amounts in ₹ lakh unless otherwise stated)

PARTICULARS	AS AT 31st March, 2022	AS AT 31st March, 2021
Others		
Cash Toll Collection payable to NHAI	97.85	-
Payables towards other expenses	143.56	67.81
Total	241.41	67.81

20. Other Current Liabilities

(All amounts in ₹ lakh unless otherwise stated)

PARTICULARS	AS AT 31st March, 2022	AS AT 31st March, 2021
Statutory Liabilities (GST, TDS, TCS and PF)	240.75	0.09
Total	240.75	0.09

21. Provisions: Current

(All amounts in ₹ lakh unless otherwise stated)

PARTICULARS	AS AT 31st March, 2022	AS AT 31st March, 2021
Provision for Employee Benefits		
Compensated Absences	0.03	-
Total	0.03	-

22. Current Tax Liabilities (Net)

(All amounts in ₹ lakh unless otherwise stated)

PARTICULARS	AS AT 31st March, 2022	AS AT 31st March, 2021
Provision for Income Tax	161.77	-
Total	161.77	-

Reconciliation of Current Tax Liabilities

(All amounts in ₹ lakh unless otherwise stated)

PARTICULARS	AS AT 31st March, 2022	AS AT 31st March, 2021
Opening Balance	-	-
Add: Income Tax Payable for the year	436.36	-
Less: Taxes Paid	274.59	-
Closing Balance	161.77	-

NATIONAL HIGHWAYS INFRA TRUST

Consolidated Summary of significant accounting policies and other explanatory information

23. Revenue from operations

(All amounts in ₹ lakh unless otherwise stated)

PARTICULARS	AS AT 31st March, 2022	AS AT 31st March, 2021
Sale of Services		
Revenue from Toll Collection	13,941.94	-
Other Operative Revenue		
Interest on delay in Toll Remittance	18.61	-
Total	13,960.55	-

24. Other Income

(All amounts in ₹ lakh unless otherwise stated)

PARTICULARS	AS AT 31st March, 2022	AS AT 31st March, 2021
Interest Income		
On fixed deposits with banks	5.86	-
Other non operating income		
Net Gain on fair valuation of investments designated at FVTPL	7.38	-
Gain on sale of investments	682.62	-
Other Income	318.67	-
Total	1,014.53	-

25. Operating Expenses

(All amounts in ₹ lakh unless otherwise stated)

PARTICULARS	AS AT 31st March, 2022	AS AT 31st March, 2021
Project Management Fees	290.43	-
Operation and Maintenance Expenses	446.48	-
Provision for Major Maintenance Obligation	403.29	
Total	1,140.21	-

26. Employee Benefit Expenses

(All amounts in ₹ lakh unless otherwise stated)

PARTICULARS	AS AT 31st March, 2022	AS AT 31st March, 2021
Salaries and wages	1.75	-
Contribution to provident and other funds	0.13	-
Gratuity	0.05	-
Compensated absences	0.06	-
Staff welfare expenses	0.13	-
Total	2.12	-

NATIONAL HIGHWAYS INFRA TRUST

Consolidated Summary of significant accounting policies and other explanatory information

27. Finance Charges

(All amounts in ₹ lakh unless otherwise stated)

PARTICULARS	AS AT 31st March, 2022	AS AT 31st March, 2021
Interest on Long Term Borrowings	3,149.19	-
Other Financial Charges	5.24	-
Total	3,154.43	-

28. Depreciation and Amortization Expenses

(All amounts in ₹ lakh unless otherwise stated)

PARTICULARS	AS AT 31st March, 2022	AS AT 31st March, 2021
Depreciation on Property, Plant and Equipment	3,730.59	-
Amortization on Intangible Assets	10,55,61,372.95	-
Total	10,55,65,103.54	-

29. Other Expenses

(All amounts in ₹ lakh unless otherwise stated)

PARTICULARS	AS AT 31st March, 2022	AS AT 31st March, 2021
Advertisement expenses	8.47	-
Professional fees	203.13	47.55
Fee, subscription & taxes	291.63	15.27
Insurance expenses	166.04	-
Bank charges	0.04	-
Auditors' remuneration:		
Statutory Audit fees	4.57	0.87
Tax Audit fees	0.30	-
Certification and other charges	0.52	-
Data Management Expenses	1.31	-
Miscellaneous expenses	0.87	-
Total	676.86	63.69

30. Tax Expense

(All amounts in ₹ lakh unless otherwise stated)

PARTICULARS	AS AT 31st March, 2022	AS AT 31st March, 2021
Current Tax	436.36	-
Provision for Taxation-Earlier years	-	-
	436.36	-
Deferred tax expense/(credit)	(262.32)	-
	174.04	-

NATIONAL HIGHWAYS INFRA TRUST

Consolidated Summary of significant accounting policies and other explanatory information

Effective tax Reconciliation:

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

(All amounts in ₹ lakh unless otherwise stated)

PARTICULARS	AS AT 31st March, 2022	AS AT 31st March, 2021
Accounting Profit before Income Taxes	7,010.37	
Tax at India's statutory income tax rate for Companies (25.17%)	(2,925.10)	
Tax at India's statutory income tax rate for Business Trusts - Maximum Marginal Rate (42.744%)	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	2,662.78	
Impact of exemption u/s 10(23FC) of the Indian Income Tax Act, 1961 available to the Trust	(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	174.04	

31. Earning per Unit

PARTICULARS	AS AT 31st March, 2022	AS AT 31st March, 2021
Basic and diluted EPU		
Net Profit/ loss available for unitholders (in ₹ lakh)	6,836.33	-
Weighted average number of units for EPU computation	59,52,00,000	-
EPU- Basic and diluted	1.15	-

32. Contingent Liabilities

(All amounts in ₹ lakh unless otherwise stated)

PARTICULARS	AS AT 31st March, 2022	AS AT 31st March, 2021
Contingent Liabilities:		
Corporate Guarantee issued by the Project SPV company (NHIPPL) to the lenders of NHIT	2,00,000.00	-
Total	2,00,000.00	-

The Project SPV company (NHIPPL) has issued a Corporate Guarantee amounting to INR 2,000 Crore on 14.03.2022 in favour of lenders of NHIT as part of debt covenants of the loan received from NHIT, to secure the term loan of INR 2,000 Crore availed by NHIT from external lenders. The Corporate Guarantee is valid across the tenure of the loan till March 31, 2047, till the external loans of the Trust are satisfied.

33. Revenue from contracts with customers

(All amounts in ₹ lakh unless otherwise stated)

1 **Disaggregation of revenue**

Revenue recognised mainly comprises of revenue from toll collections, claims with NHAI, contract revenue. Set out below is the disaggregation of the Trust's revenue from contracts with customers:

Description	For the year ended 31st March, 2022	For the year ended 31st March, 2021
Operating revenue		
(a) Toll income from Expressway	13,941.94	-
(b) Interest on delay in Toll Remittance	18.61	-
Total revenue	13,960.55	-

The table below presents disaggregated revenues from contracts with customers based on nature, amount and timing for the year ended 31 March 2022 and 31 March 2021:

S.No.	Types of Products by Nature	Types of Services by timing	For the year ended 31st March, 2022	For the year ended 31st March, 2021
1	Toll Income	Over the period of time	13,960.55	-

2 **Assets and liabilities related to contracts with customers**

The following table provides information about receivables, contract assets and contract liabilities from contract with customers:

Description	As at 31st March, 2022	As at 31st March, 2021
	Current	Current
Contract assets		
Trade receivables:		
Receivables under service concession arrangements	600.47	-
Total	600.47	-
Contract liabilities		
Trade Payables	1,101.23	-
Other Payables	241.41	-
Total	1,342.64	-

3 **Performance obligation**

Income from toll collection

The performance obligation in service of toll collection is recorded as per rates notified by NHAI and approved by management and payment is generally due at the time of providing service.

Contract revenue

The performance obligation under service concession agreements ('SCA') is due on completion of work as per terms of SCA.

4 **Disclosure under Appendix - C & D to Ind AS 115 - " Service Concession Arrangements"**

All the below service concession arrangement have been accounted under intangible asset model

Name of Concessionaire	Start of Concession period under concession agreement (Appointed Date)	End of Concession period under concession agreement	Period of Concession since the appointed date (in days)
National Highways Infra Projects Private Limited	16.12.2021	15.12.2051	106

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

34. DISCLOSURES PURSUANT TO IND AS 103 "BUSINESS COMBINATIONS"

(All amounts in ₹ lakh unless otherwise stated)

a) Acquisition of subsidiaries

i) Pursuant to the Share Purchase Agreement dated September 30, 2021, the Trust acquired the entire equity share capital of the the Project SPV company (NHIPPL) on December 14, 2021 for an equity consideration of Rs. 1,39,553.52 Lakhs. Accordingly, the financial statements of the subsidiary NHIPPL for the period from December 14, 2021 to March 31,2022 have been considered in the consolidated financial statements of the Trust. Funding for the said acquisition was raised through preferential issue of units of the Trust. The Group has carried out a fair valuation of the net assets of the Project SPV at the time of acquisition and accordingly the goodwill has been recorded in the consolidated financial statements.

ii) **Details of the purchase consideration:**

Particulars	Total
Cash Consideration	1,29,400.00
Unit capital issued	10,153.52
Total purchase consideration	**1,39,553.52**

The fair value of Rs 139,553.52 lakhs paid for acquisition of the above mentioned project SPVs includes consideration in cash amounting to Rs. 1,294 Crore and consideration in form of issuance of 10.05 Lakh units of Trust at the rate of Rs. 101 per unit. Issue costs of Rs 1.52 Lakh directly attributable to the issue of the units have been added to the purchase consideration.

ii) **Assets acquired and liabilities recognised on the date of acquisition are as follows:**

Particulars	Amount
Non - Current Assets:	
Intangible assets	7,35,040.00
Deferred Tax Assets (net)	0.21
Current Assets:	
Financial Assets	
Cash and Cash Equivalents	10.00
Total Assets	**7,35,050.21**
Current Liabilities:	
Financial liabilities	
Other financial liabilities	7,35,041.12
Other current liabilities	0.02
Total Liabilities	**7,35,041.14**
Net assets acquired	**9.07**

iii) **Calculation of Goodwill / (Capital Reserve)**

Particulars	Amount
Purchase Consideration	1,39,553.52
Less: Fair Value of Net Assets acquired	9.07
Less: Acquisition of fresh issue of shares of NHIPPL by the Trust	1,29,400.00
Goodwill	**10,144.46**

iv) Goodwill on acquisiion has been accounted for under Non Current Assets in the Balance Sheet.

v) **Entity wise Revenue and Profit after tax from the date of acquisition till March 31, 2022:**

Particulars	Amount
Revenue	13,960.55
Profit after Tax	**6,836.33**

vi) **Entity wise Revenue and Profit after tax for the financial year 2020-21**

Particulars	Amount
Revenue	-
Profit after Tax	(67.90)

35 **Related Party Disclosures**

A. 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

- President of India - Promoter of NHIIMPL
- IDBI Bank Limited (IDBI Bank) - Promoter of ITSL
- President of India - 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. Vivek Rae
Mr. Shailendra Narain Roy
Mr. Balasubramanyam Sriram
Mr. Mahavir Parsad Sharma
Mr. Pradeep Singh Kharola
Mr. Amit Kumar Ghosh
Mrs. Kavita Saha
Mr. Bruce Ross Crane
Mr. N.R.V.V.M.K. Rajendra Kumar

- **Directors of ITSL**

Mr. Padma Vinod Betai
Mr. Samuel Joseph Jebaraj
Ms. Madhuri Jayant Kulkarni
Mr. Pradeep Kumar Jain
Ms. Jayashree Ranade

- **Directors of NHIPMPL**

Mr. Ashish Asati
Mr. Muralidhara Rao Bugatha

B. Transactions with Related Parties during the period

(Amounts in ₹ lakh)

Name of Entity	Particulars	For the period ended March 31, 2022	For the period ended March 31, 2021
Parties to the Trust as per Regulation 2(1)(zv) of the SEBI InvIT Regulations			
National Highways Infra Investment Managers Private Limited (NHIIMPL)	Payment of Investment Manager Fee	1,931.71	-
	Reimbursement of Pre-Issue expenses of NHIT by NHIIMPL	214.80	-
National Highways Authority of India (NHAI)	Reimbursement of Pre-Issue expenses of NHIT by NHAI	578.02	67.03

	Purchase of equity shares of Project SPV (NHIPPL) by the Trust from NHAI	10,153.52	-
	Issue of units of Trust to NHAI	96,556.00	-
IDBI Trusteeship Services Limited (ITSL)	Payment of Trustee Fee	12.15	-
	Initial Settlement Amount	-	0.10

C. Closing Balance with Related Parties

(Amounts in ₹ lakh)

Name of Entity	Particulars	As on March 31, 2022	As on March 31, 2021
Parties to the Trust as per Regulation 2(1)(zv) of the SEBI InvIT Regulations			
National Highways Authority of India (NHAI)	Issue of units of Trust to NHAI (9,56,00,000 units)	96,556.00	-
IDBI Trusteeship Services Limited	Initial Settlement Amount	0.10	0.10
	Other Payables	2.77	-

36 **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.

(Amounts in ₹ lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Net Debt Components:		
Long Term Borrowings (Non-Current portion)	145,556.94	-
Current Maturities of Long-Term Borrowings	980.86	-
Less: Cash and Cash Equivalents	(5,389.79)	-
Less: Bank Balances other than cash and cash equivalents	(3,170.81)	-
Less: Current Investments	(992.16)	-
Net Debt (i)	**1,36,985.04**	-
Capital Components:		
Unit Capital	6,01,152.00	-
Initial Settlement Amount	0.10	-
Other Equity	5,059.25	-
Total Capital (ii)	**6,06,211.35**	-
Capital and Debt [(iii) = (i) + (ii)]	**7,46,363.55**	-
Gearing Ratio (i)/(iii)	**18.35%**	-

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 period.
No changes were made in the objectives, policies or processes for managing capital during the years ended March 31, 2022 and March 31, 2021.

37 **Financial Risk Management Objectives and Policies**

The Group is in the process of formulation of its risk management policies with an objective of identification and analysis of risks faced by the Group, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies shall be reviewed regularly to reflect changes in market conditions and the Group's activities.

The Board of Directors of Investment Manager has overall responsibility for the establishment and oversight of the Group's risk management framework.
In performing its operating, investing and financing activities, the Group is exposed to the Credit risk, Liquidity risk and Market risk.

Market Risk
Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. Financial instruments affected by market risk include loans and borrowings, Receivable and Payables and Investments measured at FVTPL.
The sensitivity analyses in the following sections relate to the position as at March 31, 2022 and March 31, 2021.
The sensitivity analyses have been prepared on the basis that the amount of net debt, the ratio of fixed to floating interest rates of the debt are all constant.

The following assumptions have been made in calculating the sensitivity analyses:
The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at March 31, 2022 & March 31, 2021.

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, 2022.

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

The following table provides a break-up of the Company's fixed and floating rate borrowings:

(Amounts in ₹ lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Floating Rate Borrowings	1,46,537.80	-

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

(Amounts in ₹ lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Term Loan from Bank	11,201.41	-

Sensitivity analysis based on average outstanding Debt:

(Amounts in ₹ lakh)

Particulars	As at March 31, 2022	As at March 31, 2021
Increase or decrease in interest rate by 25 basis points	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).
The Group is exposed to price risk due to investments in mutual funds and classified as fair value through profit and loss. The Group measures risk through sensitivity analysis.
The Group's risk management policy is to mitigate the risk by investments in mutual funds. The Group has investment in mutual funds amounting Rs 992.16 Lakh as at March 31, 2022 (March 31, 2021: Rs. Nil) and accordingly is expose to price risk.

Sensitivity analysis:

(Amounts in ₹ lakh)

Particulars	Impact on profit / (loss) before tax	
	As at March 31, 2022	As at March 31, 2021
Increase or decrease in NAV by 2%	19.84	-

Credit risk

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. With respect to credit risk arising from other financial assets of the Group, which comprise Balances with banks, Trade Receivables, Loans and Advances and Investments. The Group's exposure to credit risk arises from default of the counterparty, with maximum exposure equal to the carrying amount of these instrument.

The carrying value of financial assets represents the maximum credit risk. The maximum exposure to credit risk was Rs. 10,158.59 Lakh and Rs. 0.10 Lakh as at March 31, 2022 and March 31, 2021 respectively, being the total carrying value of Loans and Advances, Trade receivables, Investments, Balances with bank, bank deposits and other financial assets.

Liquidity Risk

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

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

The Group measures risk by forecasting cash flows.

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

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

The table below summarises the maturity profile of the group's financial liabilities based on contractual undiscounted payments.

(Amounts in ₹ lakh)

As at 31-03-2022	Carrying Amount	<1 Yr.	1-3 Yrs.	>3 Yrs.
Borrowings	1,46,537.80	1000.00	8,000.00	1,37,537.80
Trade Payables	1,101.23	1,101.23	-	-
Other Financial Liabilities	241.41	241.41	-	-
Total	1,47,880.44	2,342.64	8000.00	1,37,537.80

As at 31-03-2021	Carrying Amount	<1 Yr.	1-3 Yrs.	>3 Yrs.
Borrowings	-	-	-	-
Trade Payables	-	-	-	-
Other Financial Liabilities	67.81	67.81	-	-
Total	67.81	67.81	-	-

38 **Disclosure pursuant to IND AS 36 "Impairment of Assets"**

Based on management review on expected future cash flows and economic conditions of the assets of the Group, no indicators of impairment of assets exist as on the reporting date. In case of Goodwill, the recoverable amount is higher than the carrying amount as on reporting date. Hence no provision for impairment has been recognised in the books as on the reporting date.

39 **Disclosure of Financial Instruments by Category**

(Amounts in ₹ lakh)

Particulars	As at March 31, 2022			As at March 31, 2021		
	Amortized Cost	FTVPL		Amortized Cost	FTVPL	
		At Cost	At Fair Value		At Cost	At Fair Value
Assets:						
Cash and Cash Equivalents	5,389.78	-	-	-	-	-
Trade Receivables	600.47					
Other Financial Assets	3,176.18	-	-	-	-	-
Investments in Mutual Funds	-	-	992.16	-	-	-
Total	**9,166.43**	**-**	**992.16**	**-**	**-**	**-**
Liabilities:						
Borrowings	1,46,537.80	-	-	-	-	-
Trade Payables	1,101.23	-	-	-	-	-
Other Financial Liabilities	241.41	-	-	67.81	-	-
Total	1,47,880.44	-	-	67.81	-	-

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.

40 **Fair Values of Assets and Liabilities**

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

The Group is required to present the Statement of total assets at fair value and Statement of total returns at fair value as per SEBI Circular No. CIR/IMD/DF/114/2016 dated October 20, 2016 as a part of these financial statements - Refer Statement of Net assets at fair value and Statement of Total Returns at fair value.

41 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:

(Amounts in ₹ lakh)

Particulars	Fair Value Hierarchy Level	Carrying Value		Fair Value	
		As at March 31, 2022	As at March 31, 2021	As at March 31, 2022	As at March 31, 2021
Financial Assets at Amortized Cost:					
Cash and Cash Equivalents	Level 3	5,389.78	-	5,389.78	-
Trade Receivables	Level 3	600.47	-	600.47	-
Other Financial Assets	Level 3	3,176.18	-	3,176.18	-
Financial Assets at FVTPL:					-
Investments in Mutual Funds	Level 1	992.16	-	992.16	-

Total		**10,158.59**	-	**10,158.59**	-
Financial Liabilities at Amortized Cost:					
Borrowings	Level 3	1,46,537.80	-	1,46,537.80	-
Trade Payables	Level 3	1,101.23	-	1,101.23	-
Other Financial Liabilities	Level 3	241.41	67.81	241.41	67.81
Total		**1,47,880.44**	**67.81**	**1,47,880.44**	**67.81**

There are no transfers between level 1 and level 2 during the year.
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		
Investment in Mutual Funds	Market Approach	NAV
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

42 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.

43 Details of dues To Micro and Small Enterprises as per MSMED Act, 2006

There are no Micro and Small Enterprises as defined in the Micro and Small Enterprises Development Act, 2006 to whom the Group owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made. The above information regarding Micro and Small Enterprises has been determined to the extent such parties has been identified on the basis of information available with the Group.

44 Disclosure pursuant to IND AS 19 "Employee Benefits"

Defined contribution plan:
Contributions to Provident Fund scheme and the Employee Deposit Linked Insurance scheme of the government of India, as a specified percentage of monthly payroll costs comprise the only obligations of the Group with respect to defined contribution plans for the employees.
An amount of Rs. 0.13 Lakh for the reporting period (March 31, 2021: Rs. Nil), being contribution made to these funds is recognised as expense under Employee Benefit expense (Note 26) in the Consolidated Statement of Profit and Loss.

Defined Benefit Plan:

Gratuity:
The benefit is governed by Payment of Gratuity Act, 1972, and is calculated as follows:

Components	Particulars
Benefits offered	15/ 26 × Salary × Duration of Service
Salary Definition	Basic Salary including Dearness Allowance (if any)
Vesting Conditions	5 years of continuous service (Not applicable in case of death/disability)
Benefit Eligibility	Upon Death or Resignation / Withdrawal or Retirement
Retirement Age	58 years

45 Disclosure pursuant to IND AS 23 "Borrowing Costs"

Borrowing cost capitalised during the year Rs. Nil [March 31, 2021: Rs. Nil]

46 **Details of Project Management Fees and Investment Management Fees**

Details of fees paid to project manager and investment manager as required pursuant to SEBI Circular No. CIR/MD/DF/127/2016, dated November 29, 2016 are as under:

Project Management Fees

The Project Manager (NHIPMPL) for managing the initial portfolio of assets is entitled to a Project Management fee which is a percentage of the gross revenue earned by the project SPV (NHIPPL). The same is based on the Project Implementation and Management Agreement (PIMA) signed by both the parties dated 30th March, 2021.

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

Investment Management Fees

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

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

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

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

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

Fair valuation and disclosures

SEBI Circulars issued under the SEBI InvIT Regulations requires disclosures relating to net assets at fair value and total returns at fair value. In estimating the fair value of investments in subsidiaries (which constitute substantial portion of the net assets), the 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.

Major Maintenance Expenses / Resurfacing Expenses

As per industry practice, the company 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.

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.

48 Contingent Liabilities

The Project SPV company (NHIPPL) has issued a Corporate Guarantee amounting to Rs. 2,000 Crore on 14.03.2022 in favour of lenders of the Trust as part of debt covenants of the loan received from the Trust, to secure the term loan of Rs. 2,000 Crore availed by the Trust from external lenders. The Corporate Guarantee is valid till the external loans to the Trust are satisfied.

49 Subsequent Events

On May 23, 2022, the Board of Directors of the Investment Manager approved distribution of Rs. 0.79 per unit (Return on capital of Rs. 0.71 per unit, return of capital of Rs. Nil per unit, Dividend of Rs. Nil per unit and other income on surplus funds at Group of Rs. 0.08 per unit) for the period October 01, 2020 to March 31, 2021 to be paid on or before 15 days from the date of declaration.

50 Capital and Other Commitments

There are no capital and other commitments as at March 31, 2022 (March 31, 2021: Rs. Nil)

51 Distributions Made

(Amounts in ₹ lakh)

Particulars	FY 2021-22	FY 2020-21
Interest (Return on capital)	4,198.27	-
Return of capital	-	-
Dividend	-	-
Other income on surplus fund at Group	503.81	-
Total	**4,702.08**	-

52 Reconciliation of Financing Activities in Cash Flow Statement

Net Debt Recognition

(Amounts in ₹ lakh)

Particulars	31st March, 2022 (Long Term Borrowing)	31st March, 2021 (Long Term Borrowing)
Carrying amount of debt at the beginning of the year/period	-	-
Additional borrowings during the year/period	1,48,000.00	-
Repayments during the year/period	(1,001.59)	-
Other adjustments/settlements during the year/period	-	-
- Impact in equity	-	-
- Transaction Costs	(472.00)	-
- Unwinding of interest	11.39	
Carrying amount of debt at the end of the year/period	**1,46,537.80**	-

53 **Additional Regulatory Information**

Financial Ratios as on March 21, 2022

S. No.	Particulars	As on March 31, 2022	As on March 31, 2021
1	Current Asset ratio (Current Assets /Current Liability)	2.69	-
2	Debt- Equity ratio (Debt/ Equity)	0.24	-
3	Debt service coverage ratio (Net Operating Cash flow/ Debt Service Obligation)	2.58	-
4	ROE ratio (Net Profit/ Equity)	1.13%	-
5	Inventory turnover ratio	-	-
6	Trade receivable turnover ratio	-	-
7	Trade payable turnover ratio	-	-
8	Net Capital turnover ratio (Total Income / Net Working Capital)	3.25	-
9	Net profit ratio (Net profit / Total Income)	45.65%	-
10	Return on capital employed ratio ((Net Profit plus Finance Cost)/ (Equity + Debt))	1.35%	-
11	Return on investment (Income on Investment / Average Cost of Investment)	15.69%	-

54 **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":

(Amounts in ₹ lakh)

Particulars	FY 2021-22	FY 2020-21
Basic and Diluted		
Profit attributable to unit holders of the Fund (A)	6,836.33	-
Weighted average number of units (B)	5,952.00	-
Earnings Per Unit (In Rs.) (A/B)	**1.15**	-
Face value per Unit (In Rs.)	**101**	-

55 **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.

56 **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

Sd/-
CA Naresh Kumar Karn
Partner
M.No.077887
Date: 23.05.2022
Place: New Delhi

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

Sd/-
Suresh Krishan Goyal
Director
DIN: 02721580

Sd/-
Mahavir Parsad Sharma
Director
DIN: 03158413

Sd/-
Mathew George
Chief Financial Officer

Sd/-
Gunjan Singh
Compliance Officer

Annexure II

No. CARE/ARO/GEN/2022-23/1023

Shri Suresh Goyal
MD & CEO
National Highways Infra Trust
G-5, 6, NHAI Corporate Office, Sector-10
Dwarka
New Delhi
Delhi 110075

April 28, 2022

Confidential

Dear Sir,

Credit rating for bank facilities

This has reference to your email dated April 27, 2022 on the above subject.

2. In this connection, we invite your attention to our rating letter **no. CARE/ARO/RL/2021-22/5299** dated **January 25, 2022** assigning the rating to the long-term bank facilities and issuer rating of your Trust. We confirm that the following ratings are outstanding for your Trust.

Facilities	Amount (Rs. crore)	Rating[1]
Long Term Bank Facilities	**2000.00**	**CARE AAA; Stable (Triple A; Outlook: Stable)**
Issuer Rating#	**0.00**	**CARE AAA (Is); Stable (Triple A (Issuer Rating); Outlook: Stable)**
Total Instruments	**2000.00 (Rs. Two Thousand Crore Only)**	

#the above 'Issuer Rating' is subject to consolidated debt/enterprise value not exceeding 49%

Please refer to CARE's Rating symbols at Annexure 1

3. CARE Ratings Ltd. reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE Ratings Ltd. warrants such an action. CARE Ratings Ltd. shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.

4. All the other clauses vide our letter dated January 25, 2022 would continue to apply for the above rating(s).

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,

Nishid Khemka
Nishid Khemka
Analyst
nishid.khemka@careedge.in

M.D. Desai
Maulesh Desai
Associate Director
maulesh.desai@careedge.in

Encl.: As above

Disclaimer

The ratings issued by CARE Ratings Limited are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings Limited has based its ratings/outlooks based on information obtained from reliable and credible sources. CARE Ratings Limited does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings Limited have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings Limited or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE Ratings Limited is, inter-alia, based on the capital deployed by the partners/proprietor and the current financial strength of the firm. The rating/outlook may undergo a change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE Ratings Limited is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE Ratings Limited's rating.
Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

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Annexure 1

CARE Rating Symbols and Definitions for Long / Medium Term Debt Instruments

Symbols	Rating Definition
CARE AAA	Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.
CARE AA	Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.
CARE A	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.
CARE BBB	Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such instruments carry moderate credit risk.
CARE BB	Instruments with this rating are considered to have moderate risk of default regarding timely servicing of financial obligations.
CARE B	Instruments with this rating are considered to have high risk of default regarding timely servicing of financial obligations.
CARE C	Instruments with this rating are considered to have very high risk of default regarding timely servicing of financial obligations.
CARE D	Instruments with this rating are in default or are expected to be in default soon

Modifiers {"+" (plus) / "-" (minus)} can be used with the rating symbols for the categories CARE AA to CARE C. The modifiers reflect the comparative standing within the category.

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CIN-L67190MH1993PLC071691

Annexure III

India Ratings & Research
A Fitch Group Company

FitchGroup

Mr. Suresh Goyal
MD & CEO
National Highways Infra Investment Managers Pvt Ltd (On Behalf of National Highways Infra Trust)
G 5&6, Sector 10, Dwarka,
New Delhi - 110075

May 11, 2022

Dear Sir/Madam,

Re: Rating Letter for Bank Loan Ratings of National Highways Infra Trust

This is in reference to the rating action commentary released on 11th March 2022.

India Ratings and Research (Ind-Ra) is pleased to communicate National Highways Infra Trust's rupee term loan rating at 'IND AAA'. The Outlook is Stable.

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security.

The manner of India Ratings factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in India where the rated security is offered and sold, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors.

Users of India Ratings' ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

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Sincerely,

India Ratings

Abhishek Bhattacharya
Senior Director

Annexure: Facilities Breakup

Instrument Description	Banks Name	Ratings	Sanctioned Amount (INR million)	Outstanding/Rated Amount(INR million)
Term loan	State Bank of India	IND AAA/Stable	10000	10000
Term Loan	Axis Bank Limited	IND AAA/Stable	6000	1920
Term Loan	Bank of Maharashtra	IND AAA/Stable	4000	2880