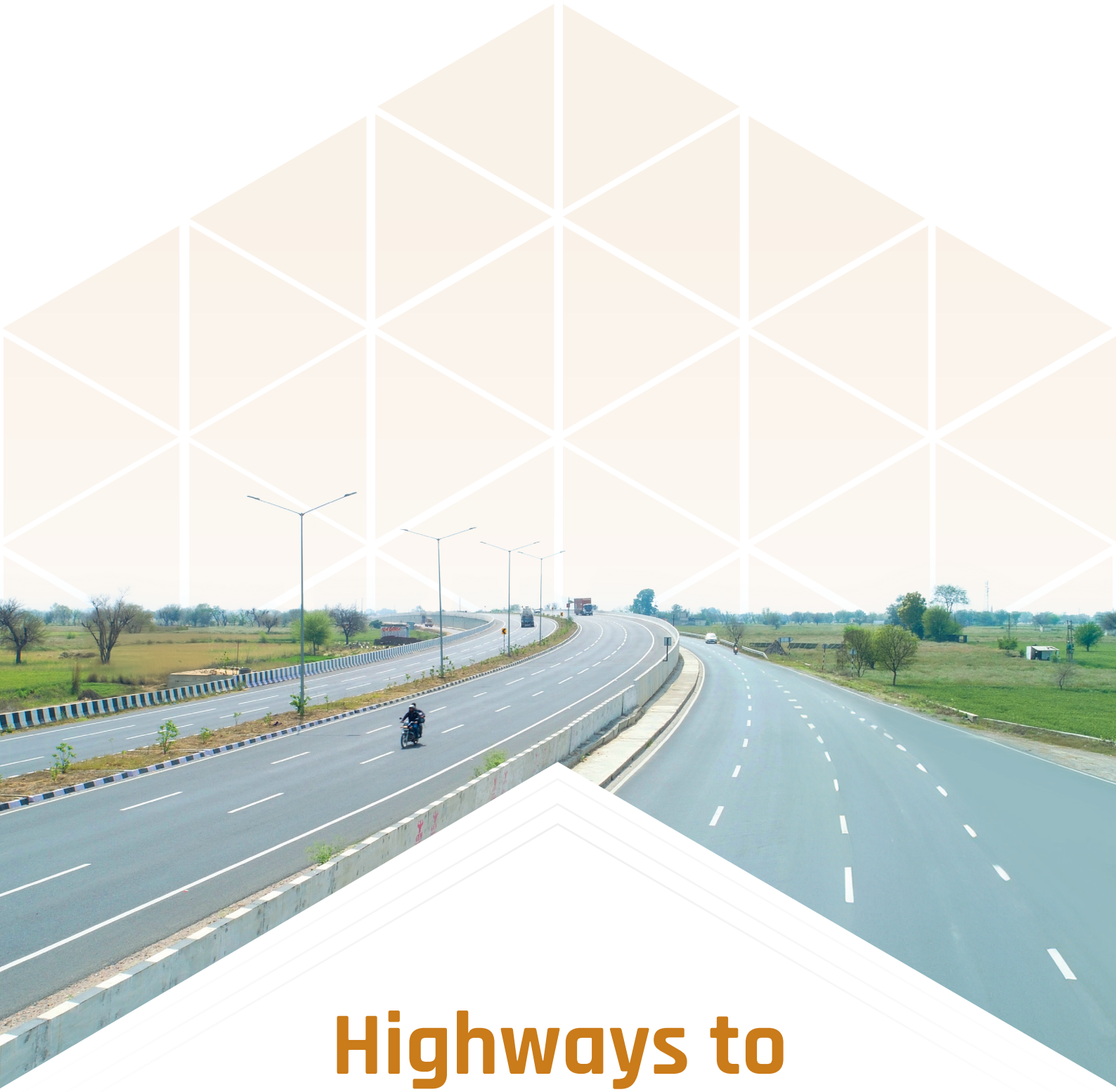
HIGHWAYS
INFRASTRUCTURE TRUST



Highways to Sustainable Growth

Annual Report 2023-24

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For more information about the Company, please visit:

https://highwaystrust.com/#

Investor Information	
SEBI Registration Number	IN/InvIT/21-22/0019
ISIN	INE0KXY23015
NSE Code	HIGHWAYS
Script Code	974227, 974228, 975333 & 725795
AGM Date	Thursday, July 25, 2024

Disclaimer :

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

From the CEOs' Desk

As we celebrate our first full year during which we doubled the Assets Under Management (AUM), we extend our deepest gratitude to the unitholders, employees, regulators, lenders and all stakeholders. Your unwavering belief in our vision and steadfast support have been the cornerstone of the Trust's growth journey. At Highways Infrastructure Trust, we are committed to consistent value creation, building a premier and sustainable yield platform. Thank you for being an integral part of the our success story.



Mr. Gaurav Chandna
Executive Director
and Joint CEO

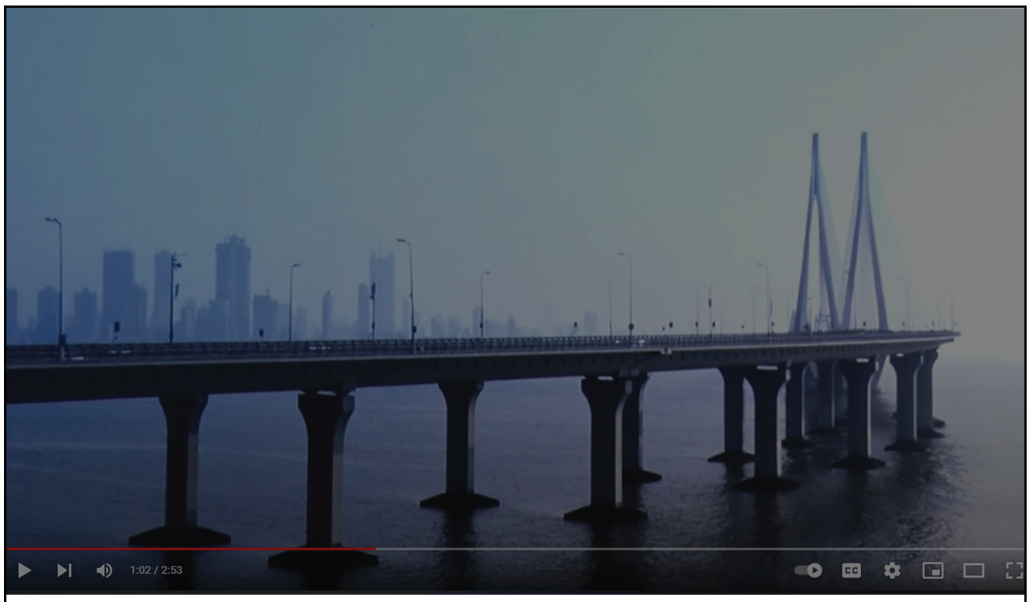
Dr. Zafar Khan
Joint CEO

Introducing Highways Infrastructure Trust

One of India's fastest growing highways platforms

Highways Infrastructure Trust ('HIT' or the 'Trust') was established in 2021 and listed in August 2022 with the mission of democratising ownership of transportation infrastructure across India. In its first full year of operations the Trust has more than doubled its AUM to ₹ 102 Bn. This success is built upon the foundation of our rich operational expertise, unwavering dedication towards our stakeholders, and accretive acquisition capabilities supported by transparency and governance.

These factors have enabled the Trust to deliver sustainable, predictable, and superior risk-adjusted returns through stable cash flows generated from its diverse portfolio of Toll, HAM and Annuity assets, backed by the Trust's AAA rating.



https://youtu.be/LXbzLxiZ1FA

Scan this QR code to navigate to our corporate video

Vision

To be the preferred InvIT vehicle in India, specialising in transportation infrastructure. We aspire to become the partner of choice for all our stakeholders while being committed to adhering to best practices in compliance, operations, financial management and environmental sustainability.

Mission

- Reaching AUM milestone of ₹ 300-400 Bn.
- Focussing on Time-Weighted Rate of Return (TWRR) while maintaining a stable distribution per unit (DPU).
- Acquiring high-quality, returns accretive assets.
- Prioritising safety and environmental, social, and governance (ESG) standards.
- Leveraging technology to optimise operational efficiency and elevate asset performance.



Performance Assessment and Future Outlook

In this new chapter, my primary focuss will be on ensuring a seamless transition, maintaining the momentum we have built, and steering HIT towards new heights. I am fortunate to have a talented and dedicated team that shares my commitment to our vision and values. Together, we will continue to build on our successes, embracing innovation and striving for excellence in everything we do.



Dear Stakeholders,

As we conclude a remarkable year marked by significant milestones, I am pleased to present the Trust's Annual Report for 2023-24. This report chronicles the Trust's extraordinary journey over the past year and allows me to share the vision for the future of HIT. It also highlights our financial achievements, strategic initiatives, and the innovative approaches we have adopted to remain competitive and forward-looking in the ever-evolving InvIT space. Additionally, it provides a comprehensive view of our operations, market dynamics, and our efforts to enhance our portfolio strength.

Transitioning Roles: A New Chapter Begins

As I step into the role of Joint CEO along with Zafar, I do so with a profound appreciation for the Trust and confidence our Board of Directors and stakeholders have placed in us. My tenure as of Head, Strategic Finance for HIT has equipped me with a deep understanding of our projects, our markets, and the strategic levers we can pull to drive growth. This experience will be invaluable as I take on this new role.

In this new chapter, my primary focuss will be on ensuring a seamless transition, maintaining the momentum we have built, and steering HIT towards new heights. I am fortunate to have a talented and dedicated team that shares my commitment to our vision and values. Together, we will continue to build on our successes, embracing innovation and striving for excellence in everything we do.

Reflecting on a Year of Growth and Achievement

The past year has been transformative for HIT. Our primary focuss over the last year has been to expand our asset base, diversify our portfolio, and enhance our capacity to generate stable, long-term returns for our investors. I am pleased to report that we have successfully acquired 8 projects and as a result our AUM increased from ₹ 54 Bn to ₹ 102 Bn.

These acquisitions have been meticulously planned, are aligned with our philosophy and with a keen eye on value creation and risk management. Our robust due diligence processes and disciplined investment approach have ensured that each transaction enhances our portfolio's quality and growth potential.

During the year, we ventured into the Hybrid Annuity Model (HAM) by acquiring operational projects from HG Infra. This strategic pilot acquisition paved the way for definitive agreements with PNC Infratech, where we signed definitive documents for additional Eleven HAM projects and one BOT Toll project. Once consummated, this will be one of the largest acquisitions in the highways sector, with an enterprise value of approximately ₹ 90 Bn.

These acquisitions have firmly established us as one of the fastest-growing highways InvIT in the country.

We strongly believe that our success is not just measured by the assets we acquire, but by how well we integrate and manage them. Over the past year, we have focussed on optimising the performance of our existing and newly acquired assets. This involved implementing best-in-class operational practices, leveraging technology to improve efficiency, and investing in our people to ensure we have the skills and expertise needed to drive our business forward.

Moreover, we have also concentrated on strengthening our relationships with key stakeholders, including local communities, government bodies, and industry partners. This involves active engagement and collaboration to ensure our projects not only meet but exceed regulatory and societal expectations. By building trust and fostering positive relationships, we are better positioned to navigate the complexities of the infrastructure sector and drive long-term value



Our vision for HIT is to become one of the leading and most trusted infrastructure investment Trust in the industry.

creation.

Financial Performance

Our financial performance this year has been outstanding, showcasing the resilience of our portfolio and the effectiveness of our management strategies. During the fiscal year, HIT distributed greater than ₹ 11 Bn to our unitholders, which was an impressive 67% increase over the previous fiscal. Cumulatively, we distributed ₹ 32.77 per unit since listing in August 2022. Our toll projects continue to witness robust traffic growth, having delivered 11.6% revenue growth over previous fiscal year.

Along with our growth objectives, we maintained a strong balance sheet with Net Debt to AUM ratio of approximately 36% while also maintaining AAA rating. Comfortable leverage and liquidity position provides us ample headroom for growth.

We remain committed to delivering value to all our stakeholders, ensuring that our financial health remains robust while pursuing strategic opportunities for expansion and innovation. In addition, we have been proactive in managing our financial risks through prudent capital management and disciplined investment strategies. We have also implemented rigorous financial controls and risk management practices to safeguard our assets and ensure long-term stability. These measures have been instrumental in maintaining investor confidence and positioning HIT as a reliable and resilient player in the InvIT space.

Vision to be the Leading and Most Trusted InvIT

Our vision for HIT is to become one of the leading and most trusted infrastructure investment trusts in the industry. Trust is the foundation of our business. We are committed to maintaining the highest standards of transparency and governance in all our operations. Achieving this vision will require a steadfast commitment to our core values, a relentless focuss on execution, and a willingness to adapt and innovate in response to changing market conditions.

Strategic Vision for the Future

Looking ahead, my strategic vision for our InvIT is sustainable growth centred around five core pillars: growth, sustainability, innovation, stakeholder engagement and organisational value system.

- **Sustained Growth through Strategic Investments**

  We will continue to pursue opportunities that enhance our portfolio's diversity and resilience with keen focuss on attractive risk-adjusted returns. Our approach will remain disciplined and focussed on long-term value creation. We will also continue to leverage our expertise and relationships to identify and secure high-quality assets that can deliver stable and sustainable returns.

- **Commitment to Sustainability**

  Sustainability is at the heart of our investment philosophy. We recognise that our responsibility extends beyond generating financial returns; we must also contribute positively to the environment and society. Our recent initiatives resulting in reduction of Scope 1 and 2 carbon emissions in the current portfolio is just the beginning. We will continue to integrate environmental, social, and governance (ESG) considerations into our investment decisions, ensuring that we support projects that promote sustainability and social well-being.



- **Driving Innovation**

  Innovation is a key driver of our future success. We are focussed and committed to use technology to enhance the performance and efficiency of our assets. This includes implementing SAP for financial controls, adopting digital solutions for asset management and utilising data analytics to inform decision-making. By fostering a culture of innovation, we will remain at the forefront of the industry, continuously improving our capabilities and offering superior returns to our investors.

- **Stakeholder Engagement**

  We recognise that our success is built on strong relationships with our stakeholders, including investors, employees, partners, and the communities in which we operate. We will continue to engage with our stakeholders through regular communication, collaboration, and consultation. By understanding their needs and priorities, we can better align our strategies and actions to deliver shared value. This approach involves fostering open dialogue and transparency, ensuring that stakeholders are well-informed and actively involved in our decision-making processes.

- **Organisational Culture and Values**

  Our organisational culture and values underpin everything we do. Upholding the highest standards of integrity and ethical conduct in all our operations is paramount. We foster a culture of collaboration and inclusivity, ensuring that every employee feels valued and empowered to contribute to our collective success. This includes investing in the development of our employees, promoting diversity and inclusion, and creating a work environment that supports their well-being and professional growth.

  As on end of the fiscal year, HIT's gender diversity in Highways Concessions One Pvt. Ltd. (Investment Manager) and HC One Project Manager Pvt. Ltd. (PM) stood at 18%. We have set internal goals to improve our diversity ratio in the near term. We are also in the process of revamping the current DE&I policy in the current year, in order to formalise our endeavours in ensuring promotion of equitable diversity across functions.

  By following these five core pillars, we are building pathways to long-term value creation, fostering positive environmental and social impact, driving continuous innovation, and strengthening stakeholder relationships. This comprehensive approach ensures our journey towards sustainable growth, guided by an inclusive, ethical culture, and positions us for a resilient and prosperous future.

Conclusion

As we reflect on our achievements over the past year and look forward to the future, I am filled with optimism and excitement. Our journey is just beginning, and the opportunities ahead of us are vast. With a clear strategic vision, a commitment to sustainability, and a relentless focuss on innovation, I am confident that we will continue to deliver exceptional value to our stakeholders.

I am grateful for your unwavering support and trust. Together, we will navigate the challenges and seize the opportunities that lie ahead, ensuring the continued growth and success of HIT.

I extend heartfelt thanks to our regulators, sponsors, unitholders, lenders, rating agencies and vendors for their unwavering support. I also wish to express gratitude to my fellow Board members and our dedicated employees for their tireless efforts. Your backing and trust fuel our determination as we chart our course for the future with a clear vision.

Warm regards,

Mr. Gaurav Chandna
Executive Director and Joint CEO



Performance Assessment and Future Outlook

At HIT, excellence and governance are not just aspirations, but guiding principles. Throughout 2023-24, our dedicated team has tirelessly upheld the highest standards of governance, quality, safety, and reliability across all facets of our operations.



Dear Stakeholders,

I am delighted to present to you our Annual Report for the financial year ending as on 31 March 2024, showcasing the significant milestones and achievements of Highways Infrastructure Trust (HIT). As we navigate the dynamic landscape of India's infrastructure sector, I take pride in our continuous growth and impactful leadership within the industry, positively influencing the communities we serve.

At HIT, excellence and governance are not just aspirations, but guiding principles. Throughout 2023-24, our dedicated team has tirelessly upheld the highest standards of governance, quality, safety, and reliability across all facets of our operations. From acquiring new assets to maintaining roads to the highest standards and implementing traffic management and safety measures, our unwavering commitment to excellence has been the foundation of our success.

Innovation lies at the heart of our business strategy. In 2023, we embraced emerging technologies and digital solutions to revolutionise road asset management. We introduced a Business Intelligence tool named 'PULSE' for live revenue reporting from each BOT project.

Additionally, our GPS-based asset management tool, 'RAMP', optimised asset performance, reduced maintenance costs, and enhanced operational efficiency. Another significant innovation was the remote operation of complete revenue collection via a handheld device, optimising manpower and increasing safety for employees while providing faster transactions for road users at revenue collection points.

As custodians of the environment, we acknowledge the importance of sustainable practices in all our endeavours. From adopting eco-friendly construction materials to implementing energy efficient processes, we are committed to minimising our environmental impact and fostering a greener future like seen in our recent maintenance endeavour in Ulunderpet.

We are proud to have published our inaugural sustainability report, 'Touching Lives', the first of its kind for any road InvIT in India. Furthermore, we remain steadfast in our commitment to corporate social responsibility, actively supporting initiatives that empower local communities through skill centres and promote road safety across our corridors.

We are proud to have published our inaugural sustainability report, 'Touching Lives', the first of its kind for any road InvIT in India.

Read more on: https://highwaystrust.com/esg/

I extend my heartfelt gratitude to our employees, whose dedication and hard work have been instrumental in our success. I also express my appreciation to our clients, partners, and stakeholders for their unwavering support and trust in our capabilities. Together, we have achieved remarkable milestones, and I am confident that, with our collective efforts, we will continue to drive progress and create value for all.

As we embark on another year filled with growth challenges and opportunities, I am excited about the journey ahead and the endless possibilities awaiting us. With confidence in our collective capabilities, I believe we will overcome obstacles, realise our vision, and leave a lasting legacy of excellence in India's road asset management landscape.

Warm regards,

Dr. Zafar Khan
Joint Chief Executive Officer

Financial Year 2024
A Year of Transformative Growth

Reflecting on the past year, the Trust's progress has been significant. From managing 6 project stretches as of 2022-23, we have expanded to 14 project stretches by 2023-24. This growth underscores the disciplined acquisition strategy, characterised by meticulous due diligence, strategic diversification, and continuous evaluation of our acquisition pipeline.

Key Highlights

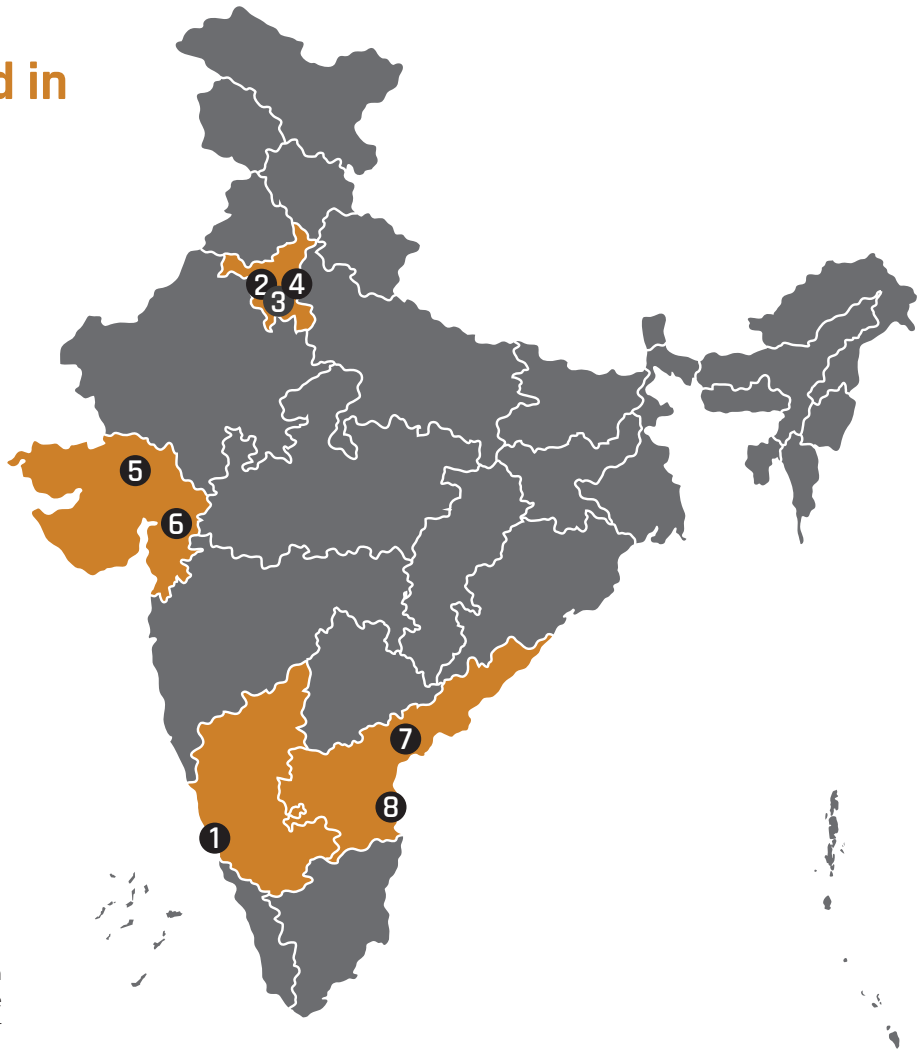
Growth in key statistics from Financial year 2023-24

₹ 54 Bn AUM	→	₹ 102 Bn AUM
1,712 Lane Kms	→	3,435 Lane Kms
6 Projects	→	14 Projects
6 States	→	9 States

Project Stretches acquired in 2023-24

Sr No.	Project	No of Lanes	Asset Type	Start	End	Kms
1	Udupi Tollway Private Limited (UTPL)	4	Toll	Kundapur	Surathkal	90.3 Kms
2	Ateli Narnaul Highway Private Limited (ANHPL)	4/6	HAM	Ateli Mandi	Narnaul	40.8 Kms
3	Gurgaon Sohna Highway Private Limited (GSHPL)	6	HAM	Bhondsi	Sohna	12.8 Kms
4	Rewari Ateli Highway Private Limited (RAHPL)	4	HAM	Maha Kharia, Rewari	Ateli Mandi	30.4 Kms
5	Gujarat Road Infrastructure Company Limited - Ahmedabad Mehsana section (GRICL-AM)	4	Toll	Ahmedabad	Mehsana	51.6 Kms
6	Gujarat Road Infrastructure Company Limited - Vadodara Halol Section (GRICL-VH)	4	Toll	Vadodara	Halol	31.7 Kms
7	Swarna Tollway Private Limited - Nandigama Ibrahimpatnam Section (STPL-NI)	4	Toll	Nandigama	Vijayawada	49.2 Kms
8	Swarna Tollway Private Limited - Tada Nellore Section (STPL-TN)	4	Toll	Tada	Nellore	110.8 Kms

Map of Project Stretches acquired in the 2023-24



Disclaimer: This map is a generalised illustration only for the ease of the reader to understand the locations, and it is not intended to be used for reference purposes.

(Note: GRICL and STPL have two project stretches housed under each SPV each)

Key Performance Metrics

14 Road Projects with **870** Kms **3,435** Lane Kms under Management

91% AUM Growth

15 Years of Operational History for Toll Assets

₹ 15,966 Mn Revenue from Operations in 2023-24*

*Considering full year of revenue of all the acquired assets.

9 States Presence

11.6% of Revenue Growth from Toll Operations*

*Considering full year revenue of all the past and acquired toll assets

₹ 102 Bn of Assets Under Management (AUM)

₹ 32.77 per Unit Distribution Since Listing

₹ 27 Bn of Equity Raise Since Listing

Fortifying Financial Foundations

HIT's Leveraging and Borrowing Strategy

HIT's leveraging and borrowing strategy is crafted to balance growth with preserving financial stability. This approach allows the Trust to manage liquidity efficiently, ensuring sufficient resources are available to meet its obligations while seizing growth opportunities.



Borrowing Strategy

- Well-diversified borrowing mix from banks, NBFCs, and mutual funds
- Longest available facility with a tenor of 16 years
- Mix of Repo, MCLR and Fixed rate borrowings
- Strategically structured repayment schedule, including bullet repayments

AAA Credit Excellence

- 'AAA/Stable' rating from Crisil and India Ratings
- Net Debt to AUM of 35.8% giving ample headroom for growth

Transparency in Operations

Stakeholder Management for Sustainable Success

In today's interconnected business landscape, effective stakeholder management is crucial for driving long-term growth and creating shared value. By cultivating strong relationships with key stakeholders, the Trust can align interests, leverage collective expertise, and unlock new opportunities for collective benefit.



HIT's Initiatives



Lender Conference

The 'Highways to Prosperity – Leveraging Investments in the Road Sector' conference aimed to strengthen relationships with current and prospective lenders. The event facilitated discussions on strategic investments, future plans, and encouraged collaboration between HIT and its financial partners, aligning their vision for growth in the road sector.

HC1 Partnership Meet

The 'Together We Grow – Together We Shine' Partnership Meet fostered collaboration among contractors, consultants, and designers. With around 100 participants from 26 partner organisations, the event emphasised shared values, HSE culture, safety expectations, and recognised outstanding HSE performance.





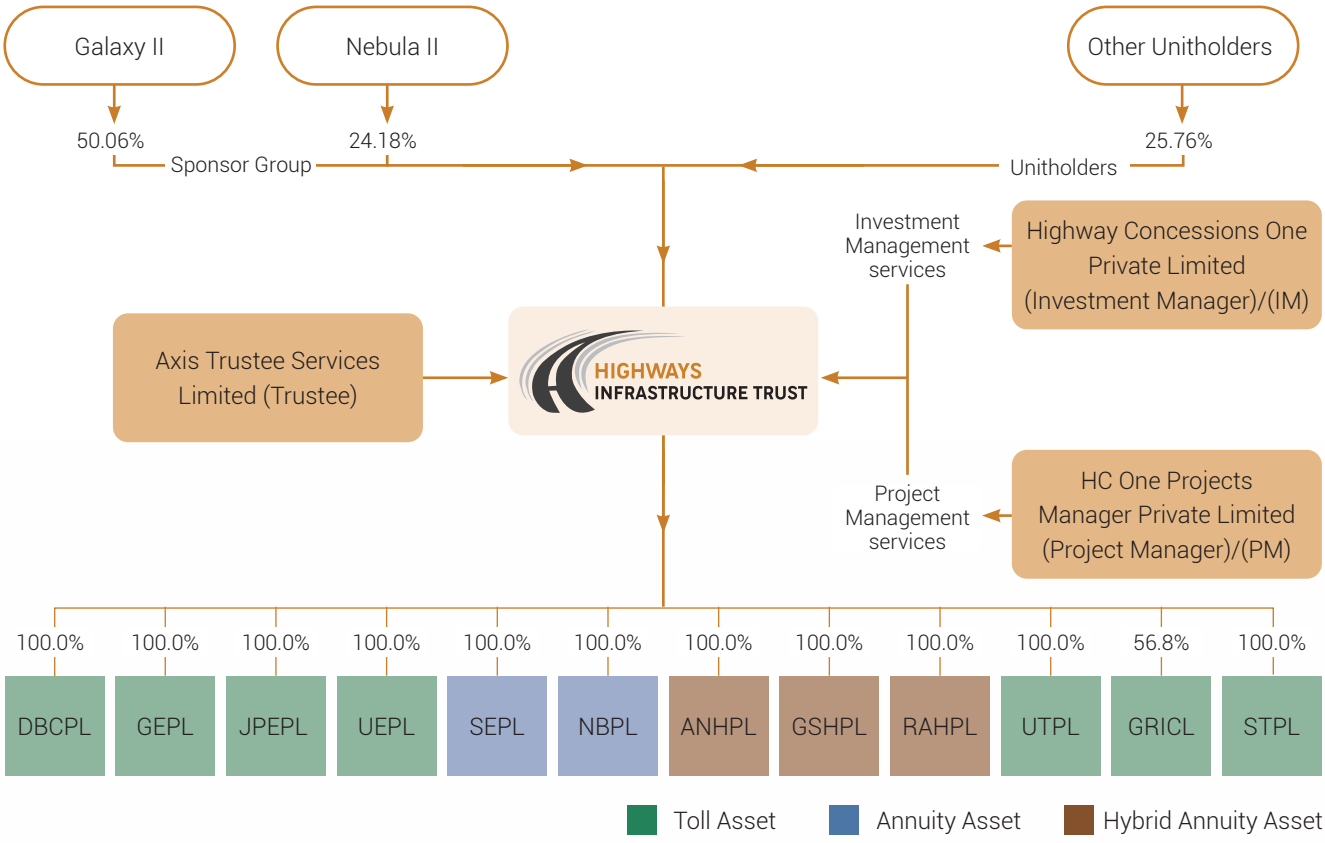
Annual Company Offsites

HIT organises yearly offsite events for employees at the head office and project sites to strengthen bonds and foster camaraderie. These events provide an opportunity for employees and their families to connect in a relaxed environment, nurturing lasting friendships beyond professional relationships.

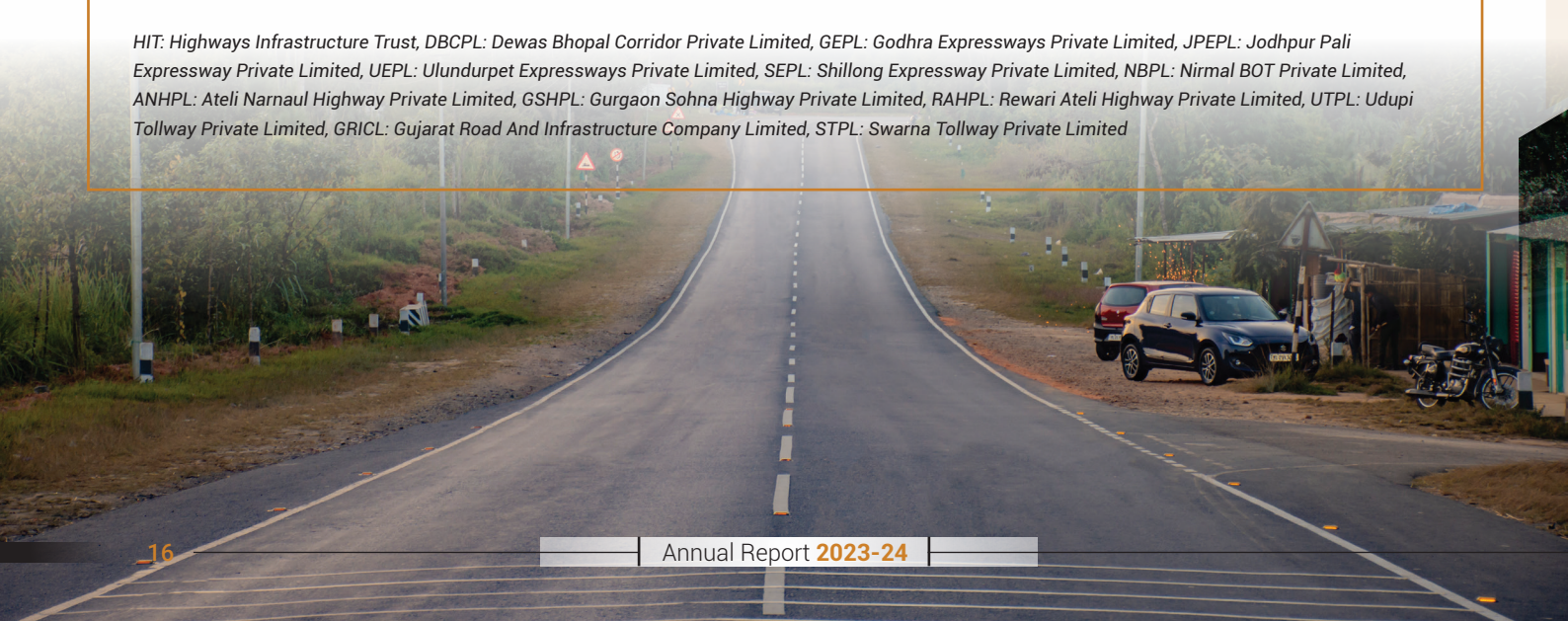
About Highways Infrastructure Trust (HIT)

Highways Infrastructure Trust (HIT) stands as India's premier infrastructure investment trust (InvIT) in the roads and highways sector. HIT has one of the most extensive asset portfolios, comprising 14 Project Stretches with a total length of 3435 lane Kms across 9 states. HIT is dedicated to generating long-term value for the investors, aiming to deliver consistent returns while fostering the growth and development of India's highway infrastructure.

HIT is sponsored by Galaxy Investments II Pte. Limited (the 'Sponsor'). The Sponsor is affiliated with funds, vehicles and/or entities managed and/or advised by affiliates of KKR. As on date, the Sponsor was a 100% subsidiary of Galaxy Investments Pte. Limited, which is majority owned and controlled by KKR Asia Pacific Infrastructure Holdings Pte. Limited.



HIT: Highways Infrastructure Trust, DBCPL: Dewas Bhopal Corridor Private Limited, GEPL: Godhra Expressways Private Limited, JPEPL: Jodhpur Pali Expressway Private Limited, UEPL: Ulundurpet Expressways Private Limited, SEPL: Shillong Expressway Private Limited, NBPL: Nirmal BOT Private Limited, ANHPL: Ateli Narnaul Highway Private Limited, GSHPL: Gurgaon Sohna Highway Private Limited, RAHPL: Rewari Ateli Highway Private Limited, UTPL: Udupi Tollway Private Limited, GRICL: Gujarat Road And Infrastructure Company Limited, STPL: Swarna Tollway Private Limited



Sponsor

Galaxy Investments II Pte. Limited is the Sponsor of the Trust. The Sponsor is a 100% subsidiary of Galaxy Investments Pte. Limited, which is majority owned and controlled by KKR Asia Pacific Infrastructure Holdings Pte. Limited. The Sponsor is crucial to setting up the Trust, transferring infrastructure assets, ensuring regulatory compliance, and making initial investments.

Investment Manager

Highway Concessions One Private Limited ('Investment Manager') is the Investment Manager of HIT with effect from November 22, 2022. The Investment Manager oversees asset and investment decisions, ensures regulatory compliance, manages unit issuance and transfers, and leads specialised teams in various areas including asset management, M&A, and finance.

Project Manager

HC One Project Manager Private Limited ('Project Manager') is the Project Manager of HIT since November 14, 2022, appointed pursuant to the project management agreement entered into amongst the Project Manager, the Trustee, and the Investment Manager. The Project Manager oversees compliance with InvIT Regulations, liaises with government agencies, mitigates risks for the Trust, and ensures that the project SPVs comply with laws.

Trustee

Axis Trustee Services Limited is the Trustee of HIT. The Trustee is a registered intermediary with Securities and Exchange Board of India (SEBI) under the SEBI (Debenture Trustees) Regulations, 1993, as a debenture trustee since January 31, 2014.



Board Members

For the Trust, governance serves as a cornerstone of its operations, ensuring transparency, accountability, and ethical conduct. The Board of Directors, composed of experienced professionals, oversees the strategic direction and risk management practices. HIT prioritises transparency and adheres to strict disclosure norms, providing timely and accurate information to shareholders and regulatory bodies. Upholding high ethical standards, HIT enforces a code of conduct that guides its employees and executives.



Mr. Hardik Bhadrik Shah
Non-Executive Director

Mr. Hardik Shah has been a Non-Executive Director on the Board of the Investment Manager since December 17, 2021. He brings extensive experience and expertise in infrastructure investments to his role. Throughout his career, Mr. Shah has been involved in transactions totaling approximately USD 5 Bn in India. His portfolio includes investments in telecom towers, toll roads, airports, energy transportation, and renewable energy sectors.

Mr. Shah joined KKR in 2018 and serves as a Partner in the Asia-Pacific Infrastructure team, focussing on infrastructure investments in South Asia. Prior to KKR, he spent over a decade at Macquarie Group, where he played a key role in establishing and growing their India infrastructure business across Sydney and Mumbai. Subsequently, he led Brookfield's India business, overseeing the establishment of its team and operations. Mr. Shah holds a Postgraduate degree from S. P. Jain Institute of Management and Research, Mumbai, and is a CFA Charterholder. His deep understanding of infrastructure sectors and extensive transaction experience make him a valuable asset to the Investment Manager's Board.



Ms Ami Momaya
Non-Executive Director

Ms. Ami Momaya has served as a Non-Executive Director on the Board of the Investment Manager since January 24, 2022.

Ms. Momaya joined KKR in 2022 as a senior member of the Asia-Pacific Infrastructure team, focussing on infrastructure investments in India. She began her career at Morgan Stanley, where she spent 17 years across their India and New York offices. At Morgan Stanley's Infrastructure Fund, Ms. Momaya played a pivotal role in building their India infrastructure business, leading transactions in transportation, logistics, and renewable energy sectors. Ms. Momaya's tenure at Morgan Stanley's Investment Banking Division in New York involved engagements in buyouts, mergers and acquisitions (M&A), initial public offerings (IPOs), and financing across services, outsourcing, and payment processing sectors.

Ms. Momaya holds a Bachelor's degree in Commerce from Mumbai University and a Postgraduate degree from Narsee Monjee Institute of Management Studies, Mumbai.





Mr. Gaurav Chandna
Executive Director and Joint CEO

Mr. Gaurav Chandna has been serving as an Executive Director on the Board of the Investment Manager since April 1, 2024.

Mr. Chandna played a pivotal role in establishing the InvIT and has been instrumental in driving substantial growth in AUM over the last two years. Prior to his current role, he was the Head of Strategic Finance, where he effectively oversaw critical functions such as M&A, fundraising, investor relations, and FP&A. With nearly two decades of experience spanning the infrastructure, logistics, and industrial sectors, Gaurav brings a wealth of expertise to the Trust.

Before his tenure at Highway Concessions One Pvt. Ltd. he garnered invaluable experience in the Corporate Finance Group at Piramal Capital and the investment banking unit of IDFC Capital. Gaurav holds a Bachelor of Technology degree in Civil Engineering from the Indian Institute of Technology (BHU) Varanasi and an MBA from the Faculty of Management Studies (FMS), University of Delhi.



Mr. Janakiraman Subramanian
Independent Director

Mr. Janakiraman Subramanian has served as an Independent Non-Executive Director on the Board of the Investment Manager since March 04, 2022.

Mr. Janakiraman's career spans over 30 years with significant expertise in road and airport infrastructure sectors, particularly in privatisation and InvIT platforms. Mr. Subramanian spent around 20 years with the Airports Authority of India and the Government, playing a crucial role in major airport privatisation programmes. He was instrumental in setting up the InvIT platform at IDPL, a L&T group company, where he successfully monetised 5 road Projects and oversaw the acquisition of 8 additional assets. In 2018, he was appointed CEO of the L&T-sponsored InvIT, attracting major investments from Canadian and German funds.

Mr. Subramanian holds a Bachelor's degree in Commerce from Delhi University. He is an Associate Member of ICMAI (Institute of Cost Accountants of India) and a certified Independent Director by the Indian Institute of Corporate Affairs.





Mr. Manish Agarwal
Independent Director

Mr. Manish Agarwal has served as an Independent Non-Executive Director on the Board of the Investment Manager since September 14, 2022.

With a career spanning over 25 years, Mr. Manish Agarwal has made significant contributions across energy, transport, and urban infrastructure sectors in India. Mr. Agarwal actively shares his insights through articles, discussion papers, and as a co-founder of AskHowIndia.org. He also contributes to academia, teaching infrastructure policy and project finance at esteemed institutions such as IIM Kozhikode, IIMC, and BITSOM. He began his career at CRISIL, advising developers, financiers, governments, and regulators on private sector infrastructure investment. He later served as the infrastructure sector leader at KPMG and PwC, where he represented India on PwC's Global Capital Projects and Infrastructure Network.

Mr. Agarwal is an alumnus of BITS Pilani and IIM Calcutta, with additional training from ISB, Harvard, and INSEAD.



Ms. Sudha Krishnan
Independent Director

Ms. Sudha Krishnan has been an Independent Non-Executive Director on the Board of the Investment Manager since September 14, 2022.

Her career spans nearly four decades with a distinguished background in public policy and finance. Ms. Krishnan joined the Indian Audit and Accounts Service in 1983. She retired as Member Finance to the Space Commission and Atomic Energy Commission, bringing extensive experience in managing finance and public administration roles at senior levels.

During her career, Ms. Krishnan has held diverse portfolios at the Ministry of Finance, including handling World Bank projects and serving as a financial advisor to the Ministry of Urban Development. Her tenure at the Comptroller and Auditor General's office involved leading and coordinating the production of significant audit reports. As Principal Director (International Cooperation), she advised and implemented international obligations for the CAG.

Ms. Krishnan holds a Master's in Public Administration from George Mason University, Virginia.





Mr. Rajesh Kumar Pandey
Independent Director

Mr. Rajesh Kumar Pandey has served as an Independent Non-Executive Director on the Board of the Investment Manager since May 16, 2024.

With a career spanning several decades in civil engineering and highway infrastructure, he joined the Ministry of Road Transport & Highways in 1986 and retired as Additional Director General. Mr. Pandey held various critical roles, including Deputy Secretary (Finance), and served at different levels within the NHAI.

With over seven years as a Member at NHAI, he significantly contributed to project preparations, approvals, contract implementations, conciliation, and procurement processes. He actively participates in the Indian Roads Congress and serves on committees for code-making authorities. Mr. Pandey is a fellow member of the Institute of Engineers, Vice President of the International Road Federation (IRF), and a member of ING-IABSE.

He graduated in Civil Engineering from Government Engineering College, Jabalpur, in 1983 and completed his post-graduation from Maulana Aazad College of Technology, Bhopal.



Stefano Ghezzi
Nominee Director

Mr. Stefano Ghezzi has served as a Nominee Director on the Board of the Investment Manager since May 16, 2024. He has a robust background in finance and economics, with over 10 years of experience in investing and managing private infrastructure companies, particularly in toll roads and other infrastructure projects.

Mr. Ghezzi joined Ontario Teachers' Pension Plan (OTPP) in August 2017, where he is a Director in the Infrastructure & Natural Resources Division in Singapore. He is responsible for identifying and managing investment opportunities in private infrastructure.

Before joining OTPP, Mr. Ghezzi worked with leading financial institutions, including Citi, Commerzbank AG, and UniCredit. His roles in these organisations involved significant responsibilities in finance, investment banking, and economic analysis.

Mr. Ghezzi holds a Master of Science degree in Finance and Economics from Warwick Business School and a Bachelor of Science degree in Economics from Università Cattolica del Sacro Cuore, Milan.

Management Team





Mr. Gaurav Chandna

Executive Director and Joint CEO

Mr. Gaurav Chandna has been serving as an Executive Director on the Board of the Investment Manager since April 1, 2024.

Mr. Chandna played a pivotal role in establishing the InvIT and has been instrumental in driving substantial growth in AUM over the last two years. Prior to his current role, he was the Head of Strategic Finance, where he effectively oversaw critical functions such as M&A, fundraising, investor relations, and FP&A. With nearly two decades of experience spanning the infrastructure, logistics, and industrial sectors, Gaurav brings a wealth of expertise to the Trust.

Before his tenure at Highway Concessions One Pvt. Ltd. he garnered invaluable experience in the Corporate Finance Group at Piramal Capital and the investment banking unit of IDFC Capital. Gaurav holds a Bachelor of Technology degree in Civil Engineering from the Indian Institute of Technology (BHU) Varanasi and an MBA from the Faculty of Management Studies (FMS), University of Delhi.



Dr. Zafar Khan

Joint CEO

Dr. Khan has played a pivotal role in establishing the InvIT, under his strategic leadership, the Trust has seen significant advancements in project execution efficiency, safety standards, and innovative infrastructure solutions. Before taking on the role of Joint CEO, Dr. Khan served as the Chief Operating Officer of the Investment Manager for over three years.

With over two decades of experience in heavy civil construction, project management, and operations in the infrastructure and oil & gas sectors, Dr. Khan currently serves as Vice President of the Association of Road Investment Companies (HOAI). His career includes key roles at Peak Infrastructure, G4S PLC, Leighton India, Hindustan Construction Company (HCC), and Nagarjuna Construction Company, covering projects in 6 countries.

Dr. Khan has completed a Doctorate from APS University in 'Air Pollution' and holds a Diploma in Construction Safety Management from NICMAR. He also has an MBA from Deakin University, Australia.





Mr. Abhishek Chhajer
Chief Financial Officer

Mr. Abhishek Chhajer has been the Chief Financial Officer of the Investment Manager since January 1, 2024.

Mr. Chhajer's expertise includes managing business growth, turnarounds, large-scale debt transactions, mergers and acquisitions, business control, governance, and compliance. He excels in financial planning and analysis, automation, credit rating, investor relations, regulatory compliance, secretarial duties, and audit oversight.

With over 18 years of experience in finance and strategy, Mr. Chhajer has worked across sectors such as metal & mining and airport management. Before joining Highway Concessions, he was the CFO of Mumbai International Airport Limited (Adani Group) from March 2021. Prior to this, he served at Vedanta Group as Deputy CFO and Chief Commercial Officer (CCO) of the Steel Business.

Mr. Chhajer is a qualified Chartered Accountant from ICAI and holds a commerce degree from the University of Jodhpur.



Ms. Meghana Singh
General Counsel

Ms. Meghana Singh has over nineteen years of experience in legal and compliance roles across complex sectors in multiple jurisdictions, she brings extensive expertise in managing both contentious and non-contentious issues.

Ms. Meghana has held leadership roles in the infrastructure and financial services sectors. Her notable positions include Group General Counsel with IL&FS during the debt resolution of the group, where she managed legal issues across all verticals and worked with the government-appointed board of directors. Before joining Highway Concessions One Private Limited, Meghana managed the legal and compliance function at Virescent, focussing on renewable energy assets in India.

Ms. Meghana is an alumna of the National Law Institute University, Bhopal, where she pursued her BA LLB (Hons).

HIT's Journey So Far

HIT's growth trajectory has been characterised by strategic acquisitions, diversification, and a proactive pursuit of opportunities. Its commitment to excellence and a forward-thinking approach have led to significant expansion in a relatively short period, laying the foundation for sustained growth and value creation.



2021
December
KKR acquired 100% stake in 6 project SPVs from GIP through Galaxy Investments II Pte. Limited (Sponsor Entity), with AUM of ₹ 58 Bn

2022
August
Transfer of assets from Sponsor to InvIT on August 24, 2022, and listing of the Trust's units

2023
March
Definitive agreements signed to acquire UTPL from Navayuga Engineering Company Limited and Navayuga Road Projects Private Limited

2023
May
Definitive agreements signed for the acquisition of HG Infra Engineering Limited's operational HAM portfolio

2024

January

- Closed acquisition of STPL and 56.8% stake in GRICL, taking the AUM to ₹ 102 Bn
- Executed definitive agreements for with PNC Infratech Limited for the acquisition of 11 HAM and 1 BOT toll asset for an Enterprise value of ₹ 90 Bn

2023

November

Completed acquisition of Udupi Tollway and three HAM assets from HG infra Engineering limited taking the AUM to ₹ 72 Bn

2023

August

Definitive agreement signed to acquire Swarna Tollway (STPL) and 56.8% stake in Gujarat Road Infrastructure Company Limited (GRICL) from MAIF Investments India Pte. Limited

2023

August

Definitive agreement signed to acquire Bangalore Elevated Tollway Private Limited from Galaxy Investments II Pte. Limited



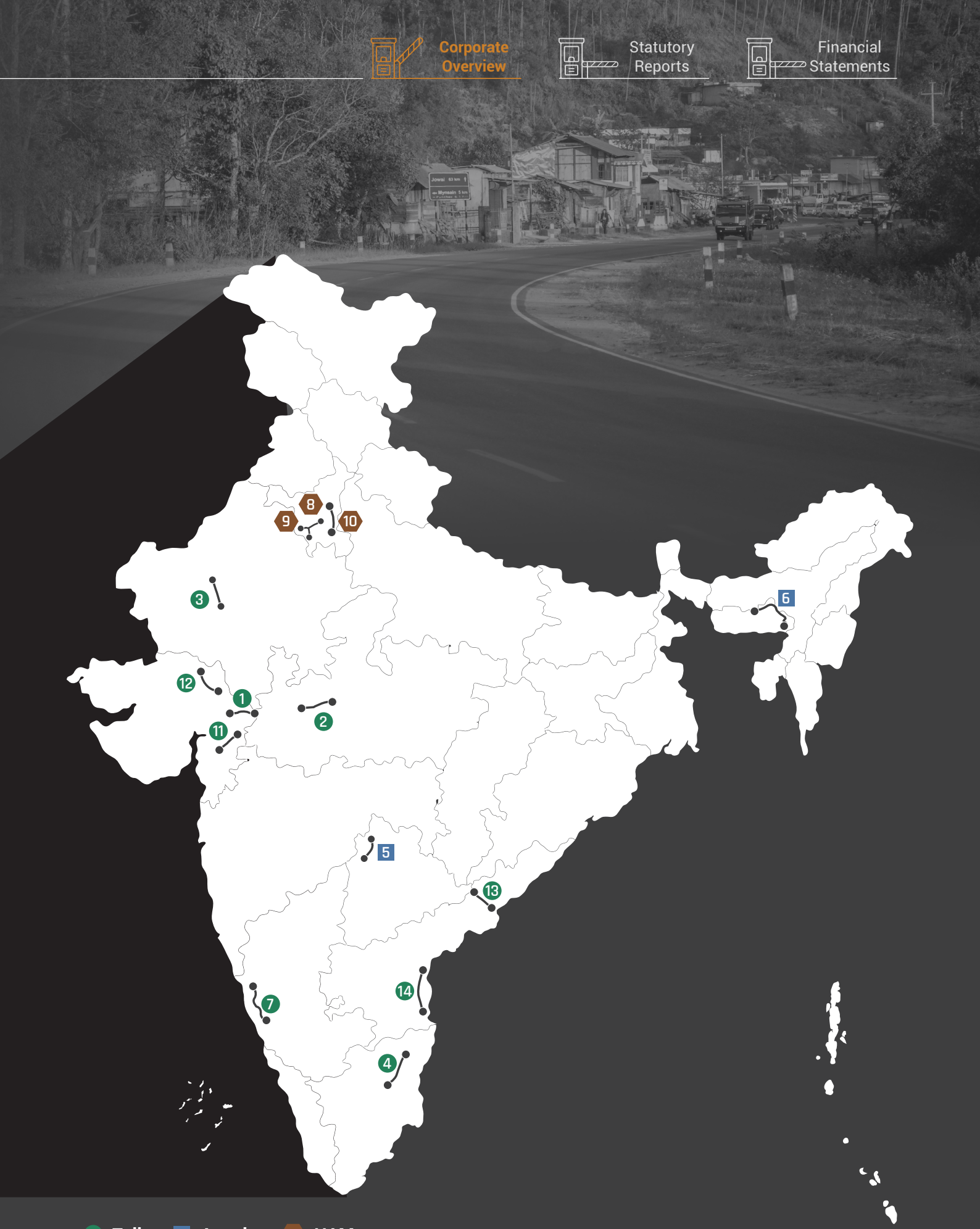
Our Asset Portfolio

Expanding Footprint across India

HIT is a pioneering transportation investment platform in India, overseeing a portfolio of 14 operational projects spanning an extensive network of approximately 870 Kms across 9 states.

	Project Name	State	Model	Lane Kms
1	GEPL	Gujarat	Toll	348
2	DBCPL	Madhya Pradesh	Toll	563
3	JEPL	Rajasthan	Toll	286
4	UEPL	Tamil Nadu	Toll	292
5	NBPL	Telangana	Annuity	124
6	SEPL	Meghalaya	Annuity	98
7	UTPL	Karnataka	Toll	361
8	RAHPL	Haryana	HAM	122
9	ANHPL	Haryana	HAM	191
10	GSHPL	Haryana	HAM	77
11	GRICL - Vadodara-Halol	Gujarat	Toll	127
12	GRICL - Ahmedabad-Mehsana	Gujarat	Toll	206
13	STPL - Nandigama-Ibrahimpatnam	Andhra Pradesh	Toll	197
14	STPL - Tada-Nellore	Andhra Pradesh	Toll	443

HIT: Highways Infrastructure Trust, DBCPL: Dewas Bhopal Corridor Private Limited, GEPL: Godhra Expressways Private Limited, JPEPL: Jodhpur Pali Expressway Private Limited, UEPL: Ulundurpet Expressways Private Limited, SEPL: Shillong Expressway Private Limited, NBPL: Nirmal BOT Private Limited, ANHPL: Ateli Narnaul Highway Private Limited, GSHPL: Gurgaon Sohna Highway Private Limited, RAHPL: Rewari Ateli Highway Private Limited, UTPL: Udupi Tollway Private Limited, GRICL: Gujarat Road And Infrastructure Company Limited, STPL: Swarna Tollway Private Limited



Disclaimer: This map is a generalised illustration only for the reader to understand the locations, and it is not intended to be used for reference purposes.

Detailed Asset Overview

Highway Projects and Characteristics

Godhra Expressways Private Limited (GEPL)



GEPL is an 87 Kms toll road located in Gujarat, forming part of NH-59 (currently NH-47), stretching from Piravdi near Godhra (129.30 Kms) to the Gujarat-Madhya Pradesh border (215.90 Kms). It is integral to the Kandla Sagar Economic corridor, offering direct connectivity to major economic centres such as Ahmedabad, Vadodara, Kandla, Hazira, and Rajkot, as well as industrial hubs like Indore, Pithampur, Dewas, and Bhopal. The toll plaza has been operational since November 2013. HIT acquired GEPL in 2022-23.

Short-Distance Trips

Facilitating passenger and freight travel between Godhra, Dahod, and nearby areas, with freight vehicles transporting food grains and agricultural goods, supported by the 'Dahod Anaj Mandi.'

Medium-Distance Trips

Connecting production and consumption hubs like Ahmedabad and Vadodara with Indore and Pithampur, for transporting food grains, cash crops, petroleum products, building materials, and manufactured goods.

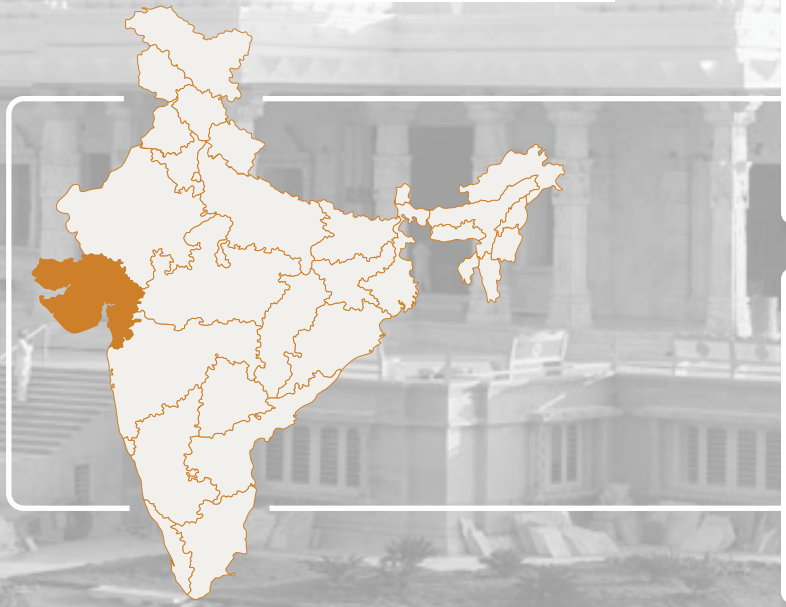
Long-Distance Trips

Travel routes between industrial nodes in western Gujarat (Vadodara, Surat, Haziara, Kandla, Rajkot, Ahmedabad) and consumption centres in the east (Indore, Bhopal, Lucknow, Kanpur).

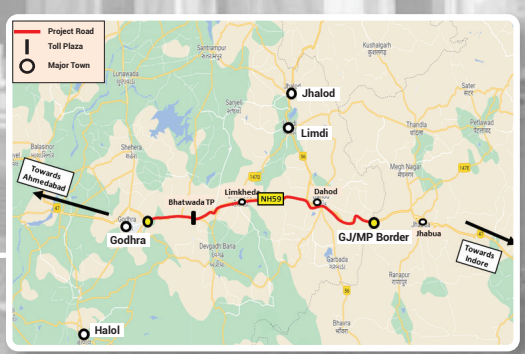
Project Highlights	Details
State	Gujarat
Concession Authority	NHAI
Lane Configuration	4 Lane
Toll Plaza (TP)	TP1 - Bhatwada @ Kms 146+500
Length (Kms)	87 Kms
Commencement of Operations	PCOD: October 31, 2013
Concession Period	32 Years
Concession End	2043-44*

Note: *Includes Extension of 5.4 years

Project Commercials	Toll Plaza Bhatwada
Tollable PCU 2023-24	~26k
5-year CAGR (2019-2024) PCU	~8.2%
Revenue 2023-24 (₹ Mn)	1,607







Background Image: Trimandir, Godhra

Dewas Bhopal Corridor Private Limited (DBCPL)



The project road, a segment of SH-18, extends from Bhopal (6.80 Kms) to the Dewas Bypass junction (151.60 Kms), covering approximately 140.79 Kms. This corridor connects cities of religious, tourist, agricultural, and industrial importance, including Bhopal, the capital of Madhya Pradesh. Dewas is known for its industrial and agricultural output, and Ujjain, a prominent Hindu pilgrimage destination. It serves as a crucial link between Bhopal & Pithampur which is an industrial centre, and Indore (the economic capital), Madhya Pradesh. The project corridor includes 3 toll plazas that have been operational since February 2009. HIT acquired DBCPL in 2022-23.

Short-Distance Trips

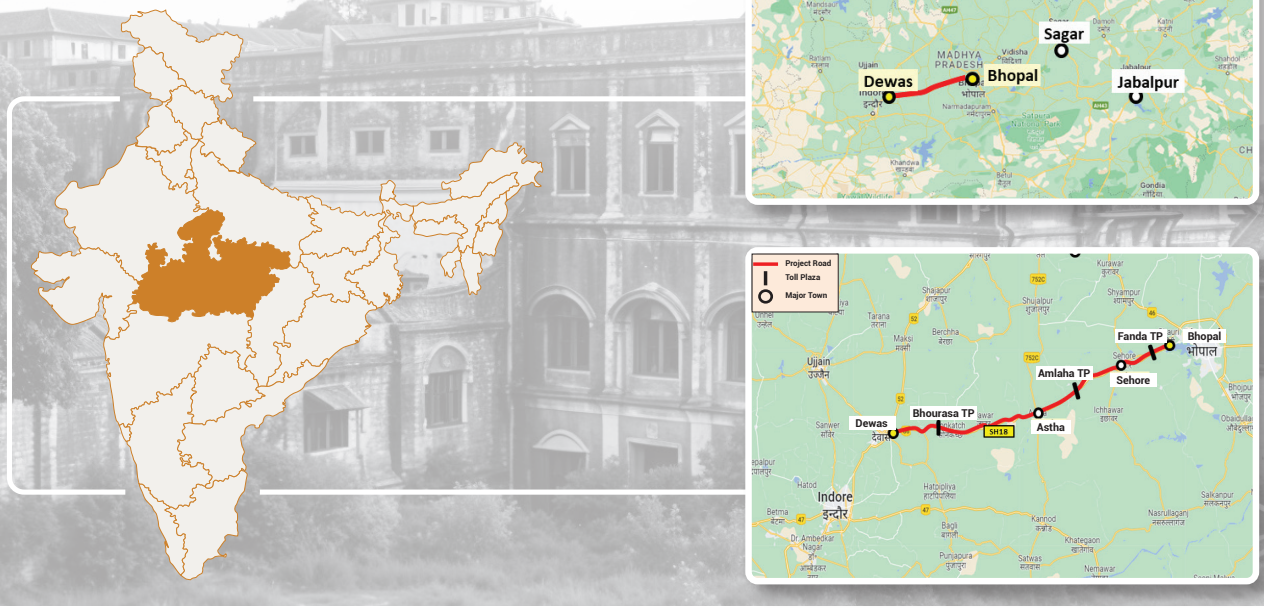
Passenger vehicles traveling primarily between Indore and Bhopal for work and business activities.

Medium- and Long-Distance Trips

Serving commercial purposes, the routes link production and consumption hubs. Medium-range routes connect Indore, Pithampur, and Dewas with Vidisha, Raisen, Sagar, and Jabalpur. Longer routes link Ahmedabad, Vadodara, Kandla, and Mumbai to Bhopal, Lucknow, and other centres, facilitating the transport of building materials, oil and gas, automobile parts, consumer items, and iron pipes for the Kandla–Gorakhpur pipeline project.

Project Highlights	Details
State	Madhya Pradesh
Concession Authority	MPRDC
Lane Configuration	4 Lane
Toll Plazas (TP)	TP1 - Fanda, TP2 - Amlaha, TP3 - Bhourasa
Length (Kms)	141 Kms
Commencement of Operations	PCOD for TP1: February 10, 2009 PCOD for TP2: September 17, 2009 PCOD for TP3: April 30, 2010
Concession Period	25 Years
Concession End	2033-34

	Toll Plaza		
Project Commercials	**Fanda**	**Amlaha**	**Bhourasa**
Tollable PCU 2023-24	~24k	~24k	~23k
5-year CAGR (2019-2024) PCU	~6.5%		
Revenue 2023-24 (₹ Mn)	2,265		



Background Image: Dewas Senior Rajwada, Dewas

Ulundurpet Expressways Private Limited (UEPL)



UEPL is a 73 Kms toll road located in Tamil Nadu, forming a part of National Highways NH-132 and NH-38 (formerly NH-45). It connects Tindivanam on NH-132 at 121.00 Kms to Ulundurpet at 193.90 Kms. This crucial corridor facilitates traffic flow between Chennai (the state capital) and major cities, economic hubs, and religious centres of Tamil Nadu, such as Tiruchirapalli, Madurai, and Tuticorin. Additionally, it offers connectivity to Salem, Erode, Coimbatore, and the eastern part of Kerala. The toll plaza has been operational since July 2009. HIT acquired UEPL in 2022-23.

Short-Distance Trips

Enables work and business travel between urban centres in Tamil Nadu, including Chennai, Kanchipuram, Villupuram, Cuddalore, Pondicherry, and Tindivanam.

Medium- and Long-Distance Trips

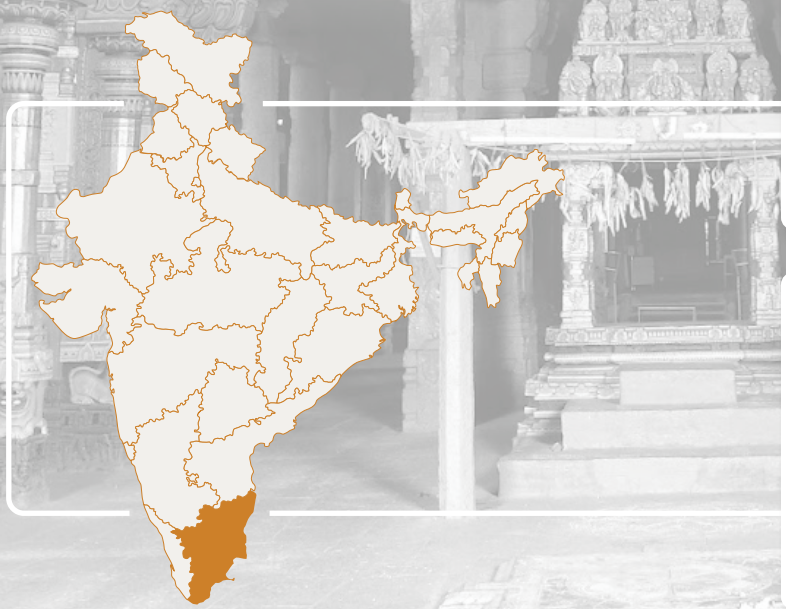
Links major urban zones like Chennai and northern Andhra Pradesh to pilgrimage sites in Madurai, Rameswaram, Kanyakumari, and Sabarimala.

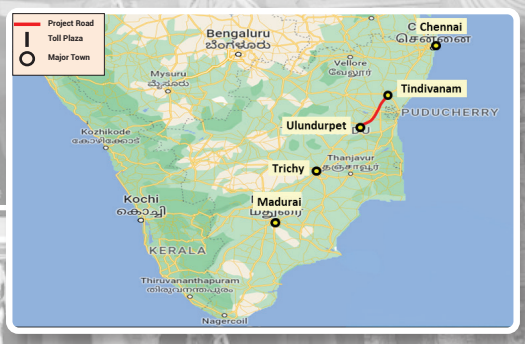
Long-Distance Freight Movements

Freight movements that mainly involve petroleum, oil, lubricant (POL) products, automobile parts, and manufactured components from Chennai port, serving locations across Tamil Nadu and Kerala.

Project Highlights	Details
State	Tamil Nadu
Concession Authority	NHAI
Lane Configuration	4 Lane
Toll Plazas (TP)	TP1 - Vikravandi @ Kms 150+400
Length (Kms)	73 Kms
Commencement of Operations	PCOD: July 23, 2009
Concession Period	20 Years
Concession End	2026-27

Project Commercials	Toll Plaza Vikravandi
Tollable PCU 2023-24	~53k
5-year CAGR (2019-2024) PCU	~2.4%
Revenue 2023-24 (₹ Mn)	1,832







Background Image: Shri Ulagalantha Perumal Temple, Tirukoilur

Jodhpur Pali Expressway Private Limited (JPEPL)



The project road section of NH-65 starts from Jodhpur (308.00 Kms) and extends to Pali (379.53 Kms) in Rajasthan. With a total length of approximately 72 Kms, it provides vital connectivity between states like Punjab and Gujarat via Rajasthan. The project road features two toll plazas, Nimbali Toll Plaza and Gajangarh Toll Plaza, which have been operational since November 2014. HIT acquired JPEPL in 2022-23.

Short-Distance Trips

Primarily involves work and business travel between locations along the project corridor, including Jodhpur and Pali.

Medium-Distance Trips

Covering areas from Jodhpur to western regions like Jaisalmer and Bikaner, and reaching further towards Jaipur, Ajmer, Udaipur, Rajsamand, Bhilwara, Chittorgarh, and Kota.

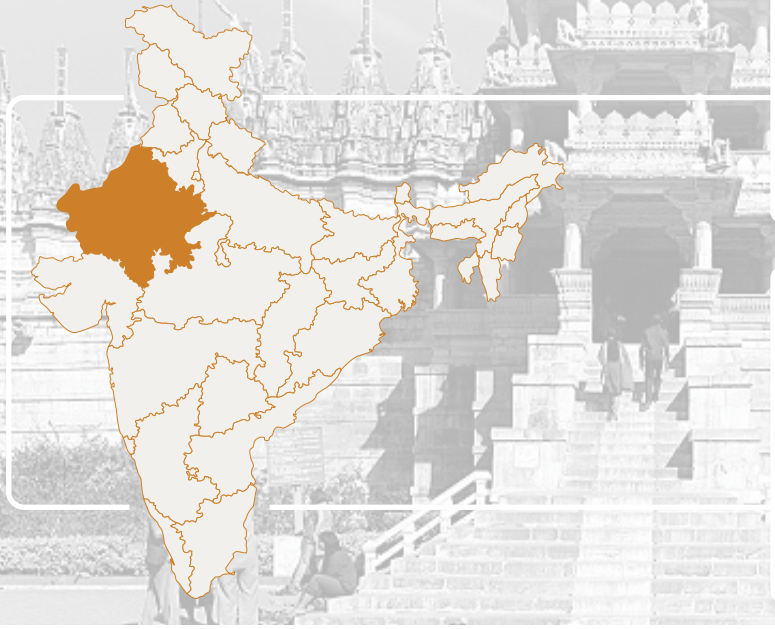
Long-Distance Trips

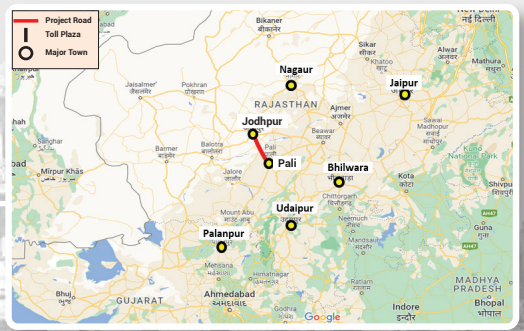
Includes routes between Punjab, Delhi, and Rajasthan in the north, and Gujarat, Maharashtra, and beyond towards the south. Major commodities that are transported include food grains, fruits and vegetables, petroleum products, chemicals, building materials, and miscellaneous items like parcels and medicines.

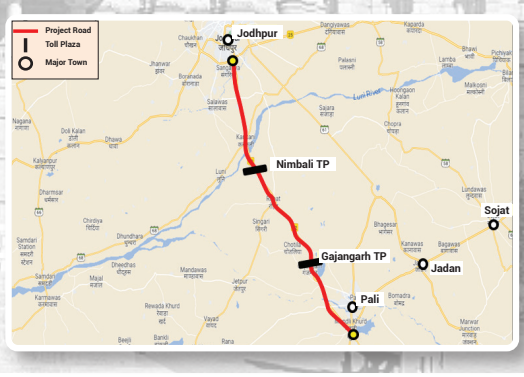
Project Highlights	Details
State	Rajasthan
Concession Authority	Rajasthan PWD
Lane Configuration	4 Lane
Toll Plazas (TP)	TP1 - Nimbali TP2 - Gajangarh
Length (Kms)	72 Kms
Commencement of Operations	PCOD: October 31, 2014
Concession Period	30 Years
Concession End	2043-44*

Note: *Includes Extension of 5 years

Project Commercials	Toll Plaza	
	Nimbali	Gajangarh
Tollable PCU 2023-24	~18k	~16k
5-year CAGR (2019-2024) PCU	~1.8%	
Revenue 2023-24 (₹ Mn)	692	







Background Image: Ranakpur Jain Temple, Sadri

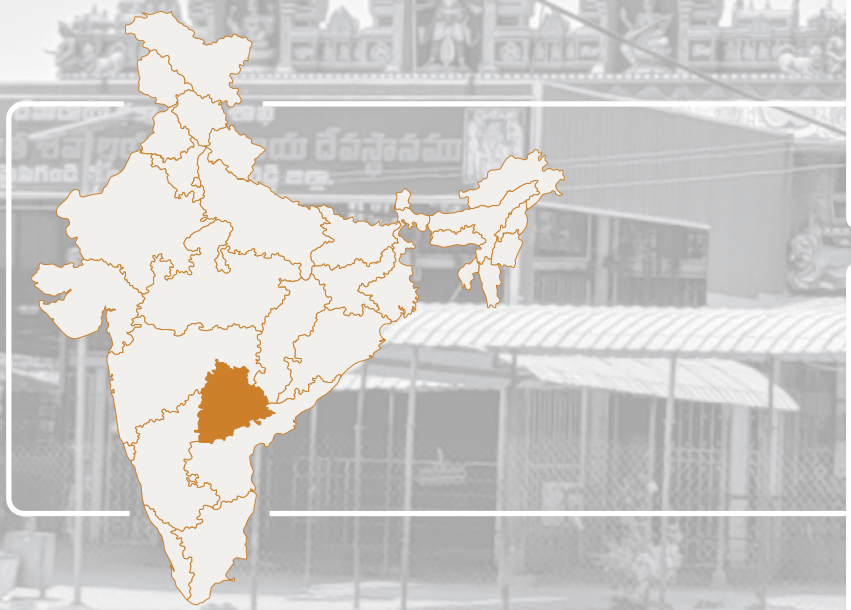
Nirmal BOT Private Limited (NBPL)



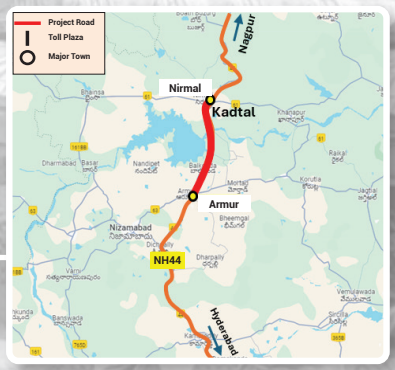
Nirmal BOT Private Limited (NBPL) is a 31 Kms 4 lane road between Kadtal and Armoor in the State of Telangana which is part the North–South corridor. NHAI awarded the project on Build, Operate and Transfer (BOT) – Annuity basis in May 2007. Project corridor caters to the long-distance trips mostly catering North – South movements coming from Delhi NCR, UP, MP, Nagpur towards Hyderabad, Chennai, Bengaluru and Kerala. HIT acquired NBPLin 2022-23.

Project Highlights	Details
State	Telengana
Concession Authority	NHAI
Lane Configuration	4 Lane
Length	31 Kms
Commencement of Operations	PCOD as on July 22, 2009
Concession Period	20 Years
Concession End	2027-28









Background Image: Maisigandi Maisamma Temple, Amangal

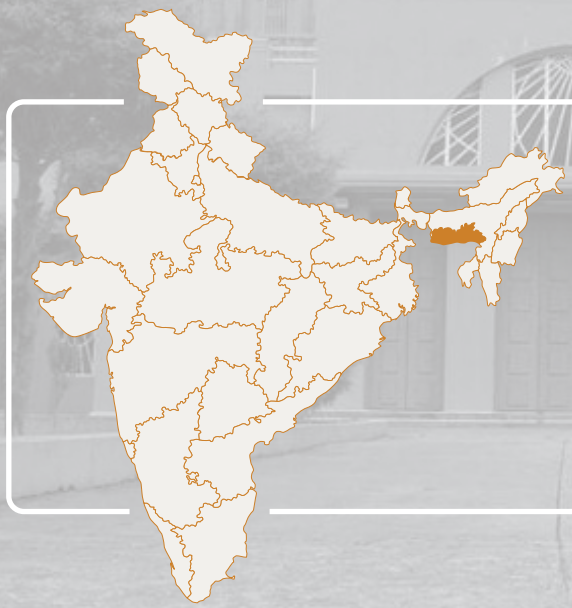
Shillong Expressway Private Limited (SEPL)



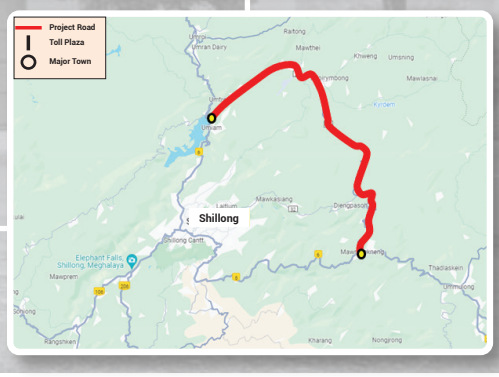
The project, part of National Highways 40 and 44 in Meghalaya, is a 49 Kms two-lane road facilitating essential connectivity for passenger and commercial traffic from Assam and other eastern states to consumption centres in Manipur, Tripura, and Mizoram. NHAI awarded the project on Build, Operate and Transfer (BOT) – Annuity basis. HIT acquired SEPL in 2022-23.

Project Highlights	Details
State	Meghalaya
Concession Authority	NHAI
Lane Configuration	2 Lane
Length	49 Kms
Commencement of Operations	PCOD as on February 28, 2013
Concession period	15 Years
Concession End	2025-26









Background Image: Don Bosco Church, Shillong

Udupi Tollway Private Limited (UTPL)



UTPL is a 90.3 Kms toll road located in coastal Karnataka, forming part of NH-66, which spans from Panvel to Kanyakumari across Maharashtra, Goa, Karnataka, Kerala, and Tamil Nadu. The asset connects the urban centre of Mangalore to Udupi, a popular tourist destination to the north, and extends across the state border into Kerala to the south. There are three toll plazas along the project corridor, operational since September 2010. HIT acquired UTPL in 2023-24.

Short-Distance Trips

Encompasses work, business, and educational travel between Kundapura, Udupi, Surathkal, and Mangalore.

Medium- and Long-Distance Trips

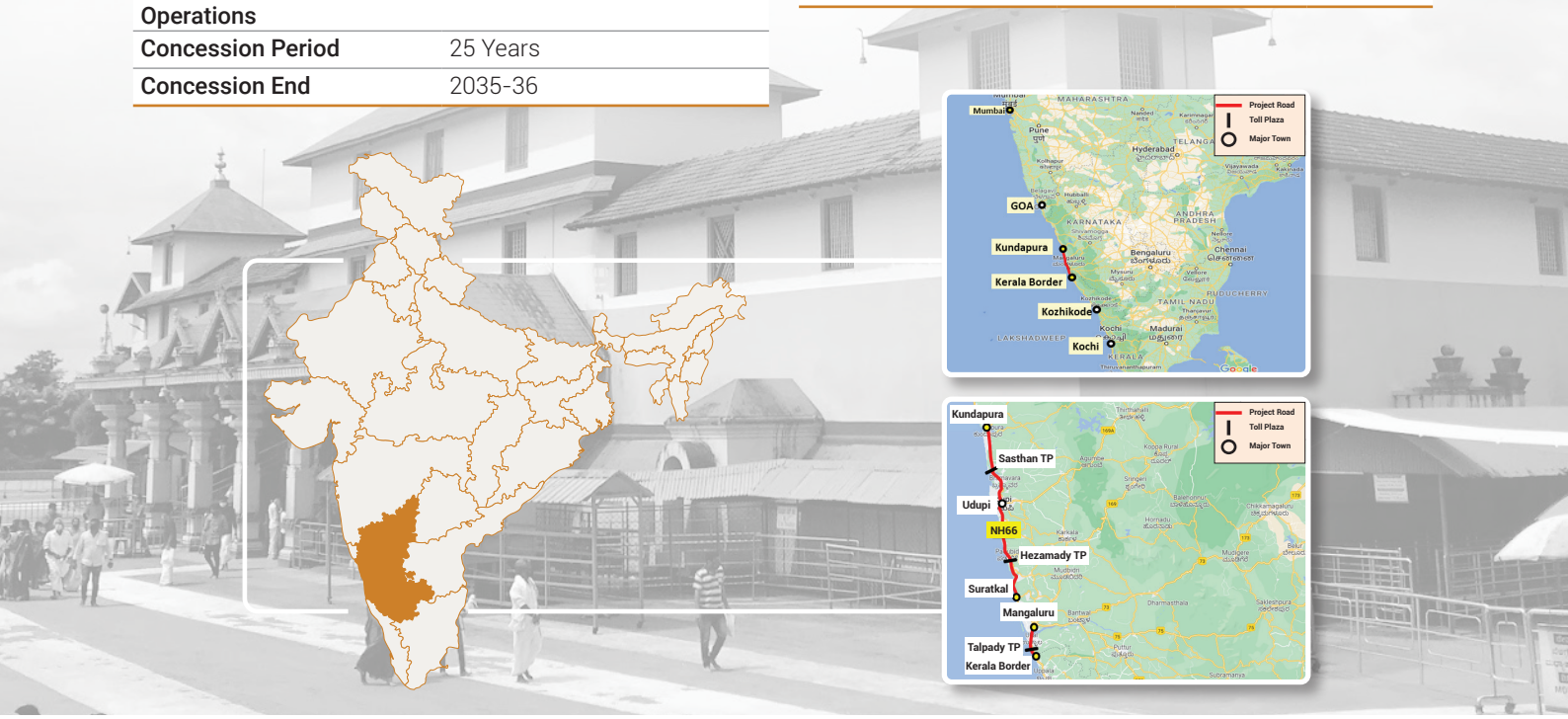
Includes spiritual pilgrimages to nearby temples and leisure trips to coastal beaches, these routes also facilitate commercial traffic driven by key industries like Mangalore Refinery, New Mangalore Port, and surrounding industrial zones. These routes connect Karnataka, Goa, and Kerala.

Long-Distance Freight Movements

Involving trade in groceries, construction materials, petroleum, and manufactured goods between Maharashtra/Goa and Kerala, with significant petroleum movements from Mangaluru to destinations like Kundapur, Udupi, Hubli, and various parts of Kerala, including Kochi and Kasargod.

Project Highlights	Details
State	Karnataka
Concession Authority	NHAI
Lane Configuration	4 Lane
Toll Plazas (TP)	TP 1 - Sastan TP2 - Hejamadi TP3 - Talapady
Length (Kms)	90 Kms
Commencement of Operations	PCOD: January 30, 2017
Concession Period	25 Years
Concession End	2035-36

	Toll Plaza		
Project Commercials	Sasthan	Hejamadi	Talapady
Tollable PCU 2023-24	~23k	~32k	~21k
5-year CAGR (2019-2024) PCU	~4.2%		
Revenue 2023-24 (₹ Mn)	1,324		

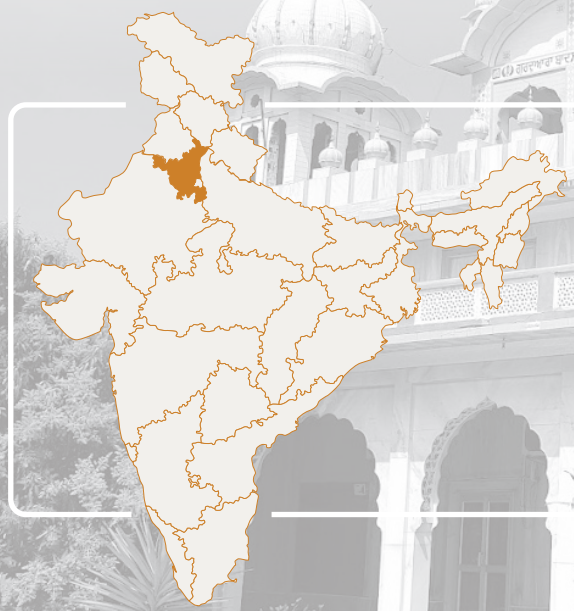


Background Image: Sri Kshetra Dharmasthala Manjunatha Swamy Temple, near Mangaluru

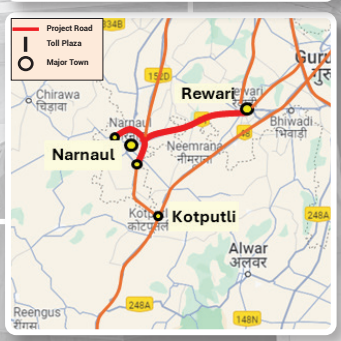
Rewari Ateli Highway Private Limited (RAHPL) and Ateli Narnaul Highway Private Limited (ANHPL)

RAHPL and ANHPL are two hybrid annuity assets that comprise a continuous stretch of 71 Kms from Rewari to Ateli Mandi, extending towards the industrial town Narnaul. This vital link connects the National Capital Region (NCR) to western areas of Rajasthan, including Sikar Project corridor that acts as an important connector for Punjab bound traffic towards Rajasthan via Trans Haryana Expressway (from Ambala to Narnual) and further connects at Kotputli on Gurgaon–Jaipur highway. The project corridor falls in Khushkhera Bhiwadi Neemrana Industrial region (KBNIR) of DMIC node. HIT acquired the entities in 2023-24.

Project Highlights	RAHPL	ANHPL
State	Haryana	Haryana
Concession Authority	NHAI	NHAI
Lane Configuration	4 Lane	4/6 Lane
Length	30 Kms	41 Kms
Commencement of Operations	PCOD as on November 15, 2021	PCOD as on March 11, 2022
Concession Period	15 Years	15 Years
Concession End	2036-37	2036-37

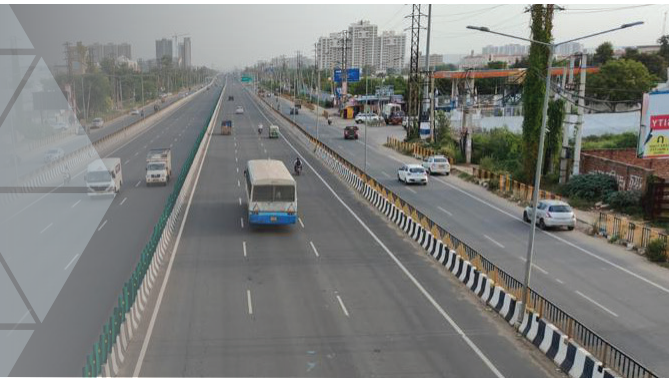






Background Image: Gurudwara Shri Badshahi Bagh, Ambala

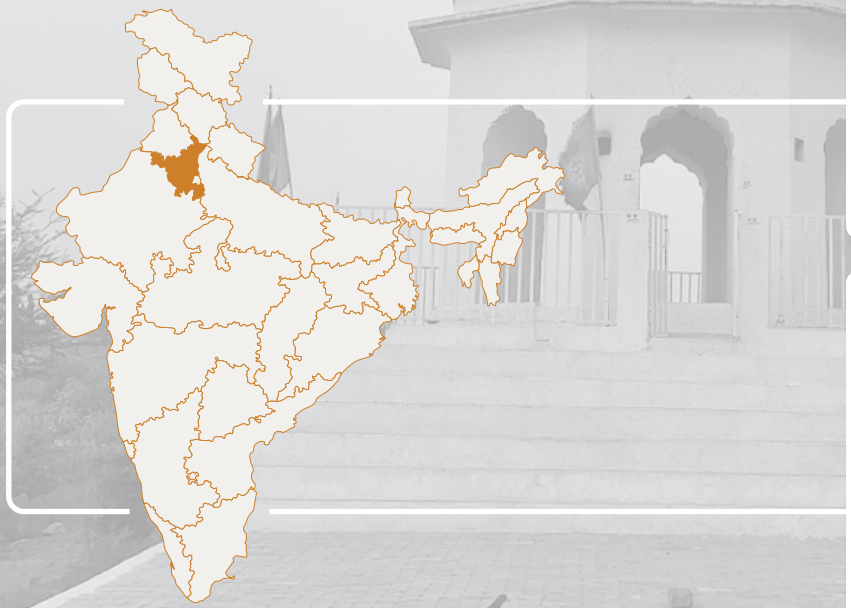
Gurgaon Sohna Highway Private Limited (GSHPL)

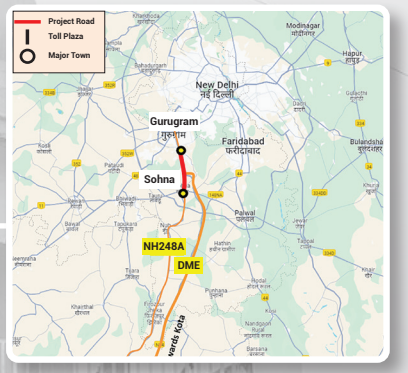


GSHPL is a Hybrid Annuity 6-lane project with a length of 13 Kms. The project road is a section of NH-248A, passing through the areas of Bhondsi, Ghamroj, Alipur, the university area, and Sohna in the district of Gurugram, Haryana. The entry into Delhi Mumbai Expressway (DME) is via the project stretch and thus the project corridor acts as an important feeder road for the traffic from Gurgaon and western portion of Delhi NCR towards Rajasthan, Madhya Pradesh and Maharashtra via DME. HIT acquired GSHPL in 2023-24.

Project Highlights	
State	Haryana
Concession Authority	NHAI
Lane Configuration	6 Lane
Length	13 Kms
Commencement of Operations	PCOD as on February 25, 2022
Concession Period	15 Years
Concession End	2036-37









Background Image: Manesar Chhatri, Gurugram

Swarna Tollway Private Limited - Tada Nellore (STPL-TN)



The project, STPL-Tada-Nellore section, is part of NH-16, the Chennai-Kolkata Golden Quadrilateral, linking major ports along the east coast from Chennai to Kolkata. Spanning 110.8 Kms in Andhra Pradesh, it features toll plazas at Venkatachalam/ Nellore, Budhanam, and Sullurpeta. Key traffic generators include Krishnapatnam port and Sri City. HIT acquired STPL in 2023-24.

Short-Distance Trips

Facilitating work, business, and religious travel between urban centres such as Ongole, Nellore, Gudur, Naidupeta, Tada, and Tirupati.

Medium-Distance Trips

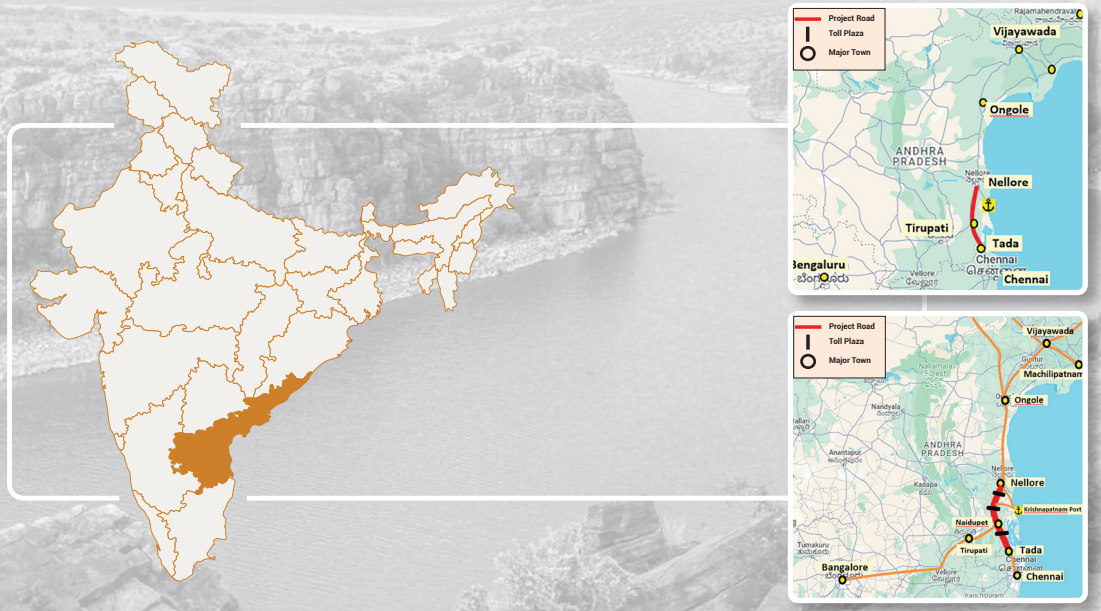
Dominated by traffic to Krishnapatnam port from Hyderabad, Nalgonda region, and the cement cluster near Jaggayyapet.

Long-Distance Trips

Connecting Chennai to Vijayawada, Visakhapatnam, Bhubaneswar, and Kolkata, with traffic from Vijayawada and north coastal Andhra to Tirupati and Bangalore. Major commodities include agricultural products, petroleum, and manufactured items, driven by Krishnapatnam port and Sri City industrial park.

Project Highlights	Details
State	Andhra Pradesh
Concession Authority	NHAI
Lane Configuration	4 Lane
Toll Plazas (TP)	TP1 - Sullurpet TP2 - Buddanam TP3 - Venkatachalam
Length (Kms)	110.8 Kms
Commencement of Operations	PCOD: May 21, 2004
Concession Period	30 Years
Concession End	2031-32

	Toll Plaza		
Project Commercials	Sullurpet	Buddanam	Venkatachalam
Tollable PCU 2023-24	~28k	~43k	~46k
5-year CAGR (2019-2024) PCU	~4.1%		
Revenue 2023-24 (₹ Mn)	2,601		



Background Image: Gandikota Fort, near Kadapa

Swarna Tollway Private Limited - Nandigama Ibrahimpatnam (STPL-NI)



The STPL-NI section forms part of NH-65, linking eastern Andhra Pradesh cities with Hyderabad, Mumbai, and Pune. It also serves as feeder traffic to the Tamil Nadu stretch on NH-16. The asset connects urban centres such as Ibrahimpatnam, Vijayawada, and Machilipatnam in the east to Nandigama, Kodad, Suryapet, Hyderabad, Pune, and Mumbai in the west. Major industries along the corridor include sand, cement manufacturing, stone crushing, chemicals, and iron and steel, contributing to high commercial traffic. HIT acquired STPL in 2023-24.

Short-Distance Trips

Trips along the project corridor, including Suryapet, Jaggayyapet, Nandigama, and Vijayawada, cater to work, business, and educational travel. Freight vehicles transport local sand and cement from Jaggayyapet to Vijayawada.

Medium-Distance Trips

Trips primarily occur between Hyderabad and Vijayawada/Guntur, focussed on work and business.

Long-Distance Trips

Journeys connect Hyderabad to eastern parts of Andhra Pradesh and eastern states of India. Major industries along the corridor, such as cement manufacturing, stone crushing, chemicals, and iron and steel, drive significant commercial traffic.

Project Highlights	Details
State	Andhra Pradesh
Concession Authority	NHAI
Lane Configuration	4 Lane
Toll Plazas (TP)	TP1 - Keesara
Length (Kms)	49 Kms
Commencement of Operations	PCOD: June 19, 2004
Concession Period	30 Years
Concession End	2031-32

	Toll Plaza
Project Commercials	Keesara
Tollable PCU 2023-24	~29k
5-year CAGR (2019-2024) PCU	~4.4%
Revenue 2023-24 (₹ Mn)	802







Background Image: Tirumala Temple, Tirupati

Gujarat Road & Infrastructure Company Limited - Ahmedabad Mehsana (GRICL-AM)

GRICL-AM is a 52 Kms 4-lane highway forming part of SH41 in Gujarat, linking Ahmedabad, Mehsana, and Palanpur. Passing through urban/semi-urban centres like Kalol, Chhatral, and Nandasan, it serves major traffic generators including industrial clusters comprising engineering, agricultural and food processing, pharmaceuticals, textiles, ceramics, and plastic goods manufacturing units. The asset features two mainline plazas (Adalaj and Mehsana) and two check plazas (Chhatral and Nandasan), with tolling operational since February 2000. HIT acquired GRICL in 2023-24.

Short-Distance Trips

Serves local commuting between Ahmedabad and Mehsana, including industrial centres in Kadi, Kalol, Chhatral, Nandasan, and nearby villages.

Medium-Distance Trips

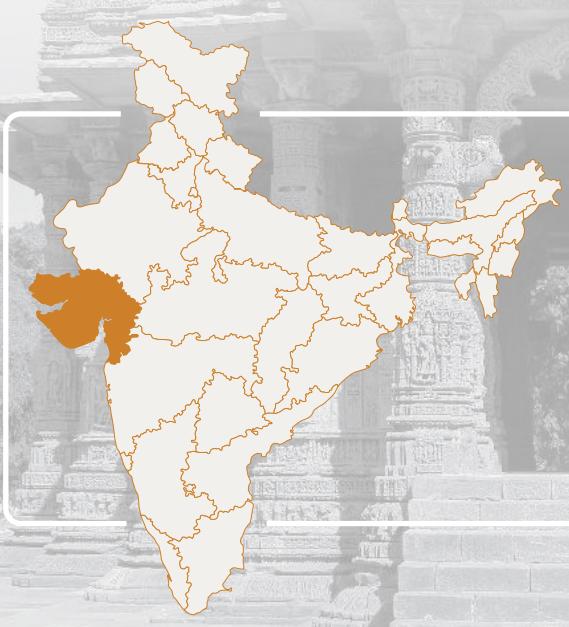
Helps connect northern places in Gujarat to locations such as Palanpur, Sidhpur, and Patan, heading towards Ahmedabad, Gandhinagar, and Vadodara.

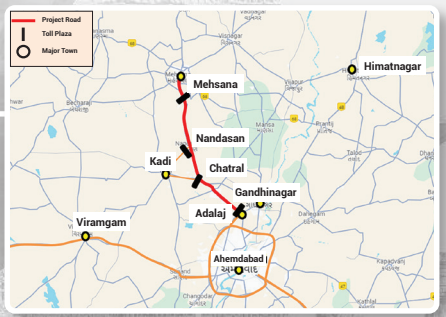
Long-Distance Trips

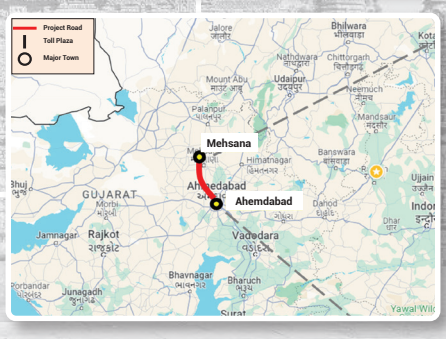
Involves through traffic for Industrial areas in South Gujarat, Maharashtra, and Rajasthan, transporting agricultural goods, manufacturing and engineering goods, ceramic tiles, dairy products, parcels, and construction materials.

Project Highlights	Details
State	Gujarat
Concession Authority	GRICL (GOG)
Lane Configuration	4 Lane
Toll Plazas (TP)	4 No. (Including 2 check Plazas)
Length (Kms)	52 Kms
Commencement of Operations	PCOD: November 20, 2002
Concession Period	30 Years
Concession End	2032-33

	Toll Plaza	
Project Commercials	Adalaj	Mehsana
Tollable PCU 2023-24	~41k	~31k
5-year CAGR (2019-2024) PCU	~7%	
Revenue 2023-24 (₹ Mn)	1,930	

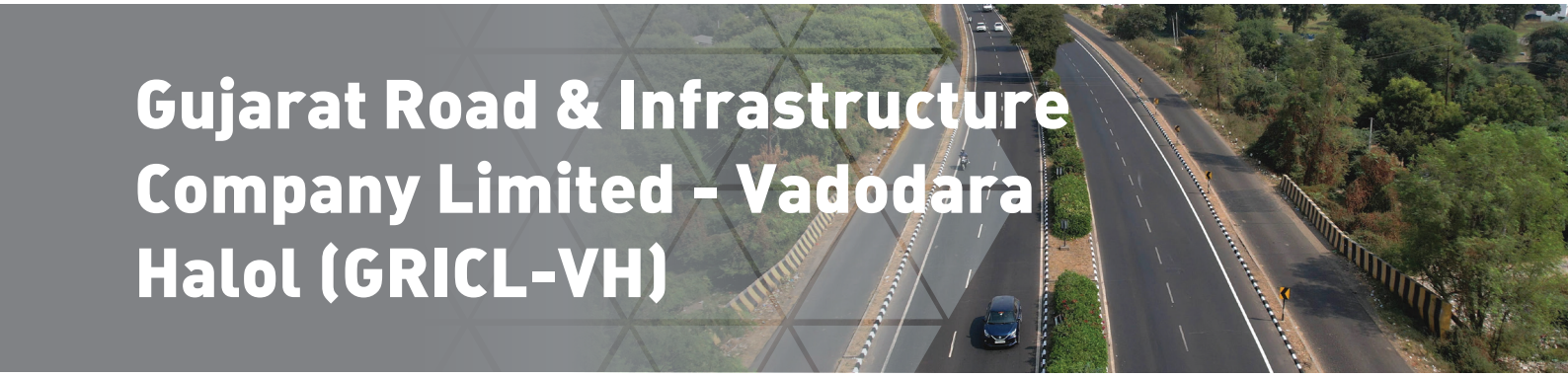






Background Image: Modhera, Mehsana

Gujarat Road & Infrastructure Company Limited - Vadodara Halol (GRICL-VH)



GRICL-VH is a 32 Kms state highway part of SH-87, stretching from Vadodara to Halol in Gujarat, spanning from 8/300 Kms near Vadodara Bypass to 40/000 Kms near Halol Bypass. This highway connects major economic centres like Mumbai, Surat, Baruch, and Vadodara to the west, and Godhra, Indore, and Bhopal to the east. Passing through industrial clusters with chemicals, pharmaceuticals, electricals, automobiles, and plastic goods manufacturing units, tolling on the project corridor has been operational since October 2000. HIT acquired GRICL in 2023-24.

Short-Distance Trips

Involves daily commuting between Vadodara and Halol industrial clusters for work and business.

Medium-Distance Trips

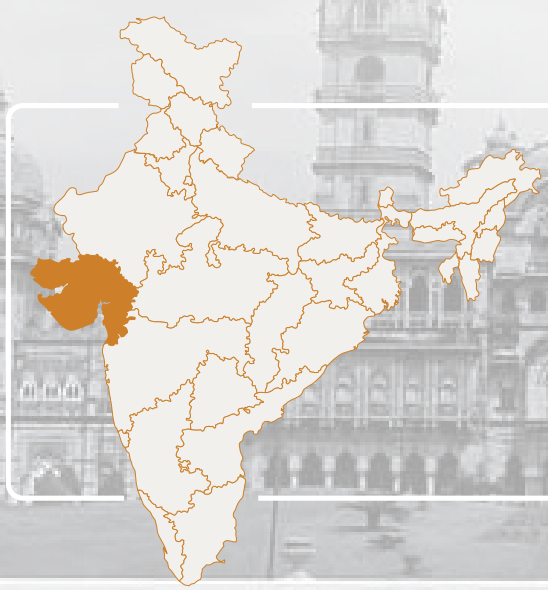
Connects industrial clusters from Hazira, Surat, Ankleshwar to Halol, Godhra, and Dahod.

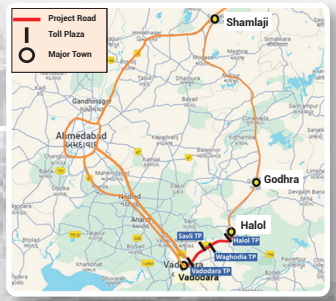
Long-Distance Trips

Facilitates vehicle movement between Madhya Pradesh, Rajasthan, Delhi, Gujarat and Maharashtra. Major commodities include chemicals, pharmaceuticals, electricals, automobiles, plastics, and manufacturing goods, with a significant portion carrying petroleum and chemical products from Gujarat's industrial clusters to Madhya Pradesh and Rajasthan.

Project Highlights	Details
State	Gujarat
Concession Authority	GRICL (GOG)
Lane Configuration	4 Lane
Toll Plazas (TP)	4 No. (Including 2 check Plazas)
Length (Kms)	32 Kms
Commencement of Operations	PCOD: 24th October 2000
Concession Period	30 years
Concession End	2030-31

	Toll Plaza	
Project Commercials	**Vadodara**	**Halol**
Tollable PCU 2023-24	~23k	~17k
5-year CAGR (2019-2024) PCU	~10%	
Revenue 2023-24 (₹ Mn)	1,333	







Background Image: Laxmi Vilas Palace, Vadodara

Awards and Accolades





UEPL and GEPL Projects won the prestigious International Safety Award (ISA) 2024 from the British Safety Council (BSC), a globally recognised and esteemed safety assessment body. We applied for this award through BSC's rigorous safety assessment process and evaluation exercise. Based on our assessment & performance, BSC honoured both projects with the ISA under the distinction category.



NBPL
Gold Award
Highway Safety
सड़क परिवहन एवं राजमार्ग मंत्रालय MINISTRY OF ROAD TRANSPORT AND HIGHWAYS
2018

NBPL
Silver Award Green
Highways
सड़क परिवहन एवं राजमार्ग मंत्रालय MINISTRY OF ROAD TRANSPORT AND HIGHWAYS
2019

SEPL
Silver Award Highway
Safety
सड़क परिवहन एवं राजमार्ग मंत्रालय MINISTRY OF ROAD TRANSPORT AND HIGHWAYS
2019

UEPL
Silver Award
O&M
सड़क परिवहन एवं राजमार्ग मंत्रालय MINISTRY OF ROAD TRANSPORT AND HIGHWAYS
2020

GEPL
Silver Award O&M –
Rigid Pavement
सड़क परिवहन एवं राजमार्ग मंत्रालय MINISTRY OF ROAD TRANSPORT AND HIGHWAYS
2021

Highway Concessions One
National Road
Safety Award
GSS GLOBAL SAFETY SUMMIT
2022

UEPL
ASSOCHAM
Award for O&M
ASSOCHAM INDIA
2023

UEPL
BRITISH SAFETY COUNCIL
2024

GEPL
BRITISH SAFETY COUNCIL
2024



GEPL Project received Silver Award for Operation & Maintenance – Rigid Pavement

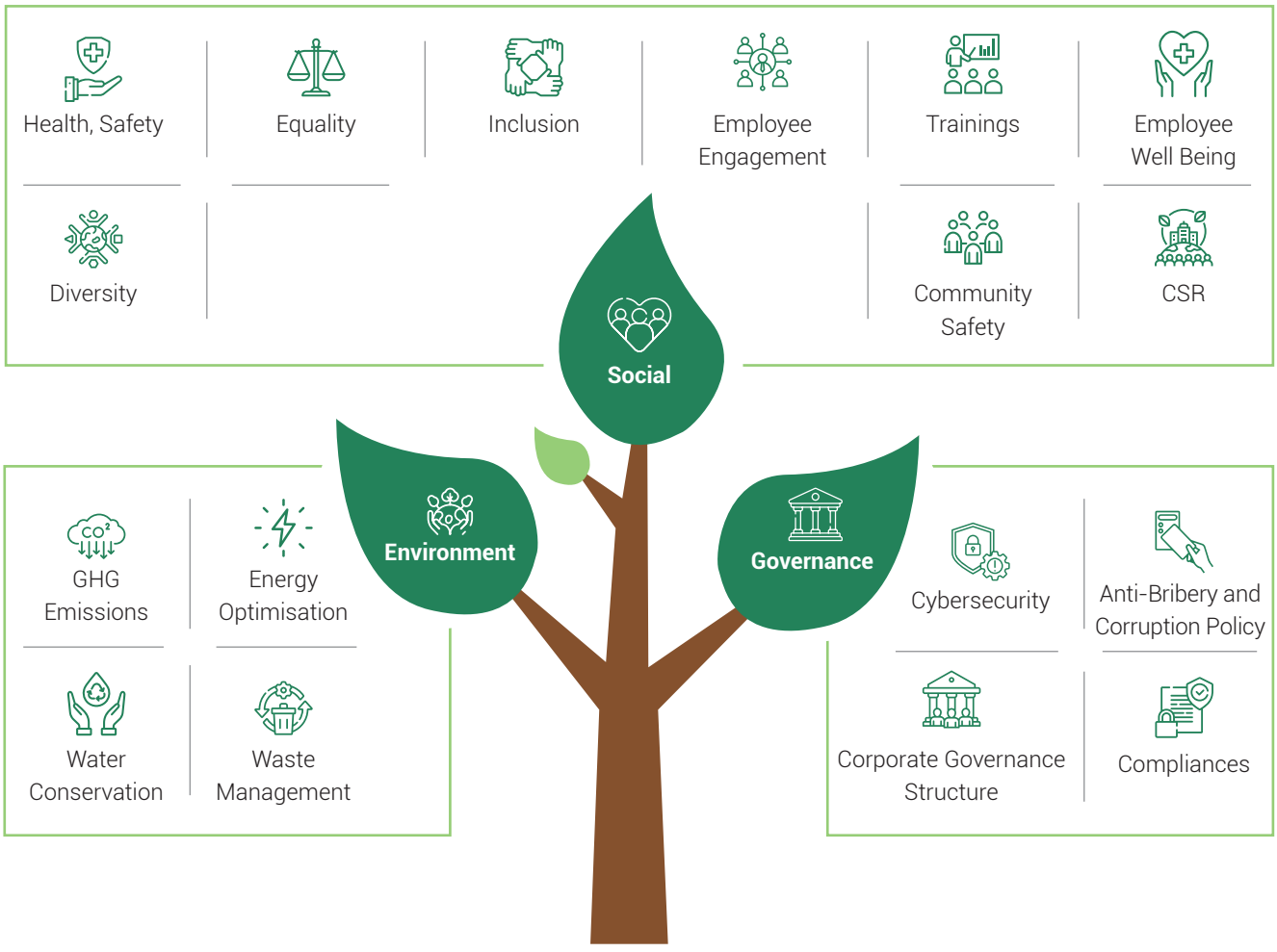


The Global Safety Summit (GSS) Awards celebrates the achievements of industries in the fields of environment, health, safety, and corporate social responsibility (CSR). GSS establishes specific assessment criteria for each relevant industrial sector. In 2022, Highway Concessions One Pvt. Ltd. was honoured with the National Road Safety Award in the large enterprise category at the Global Safety Summit.

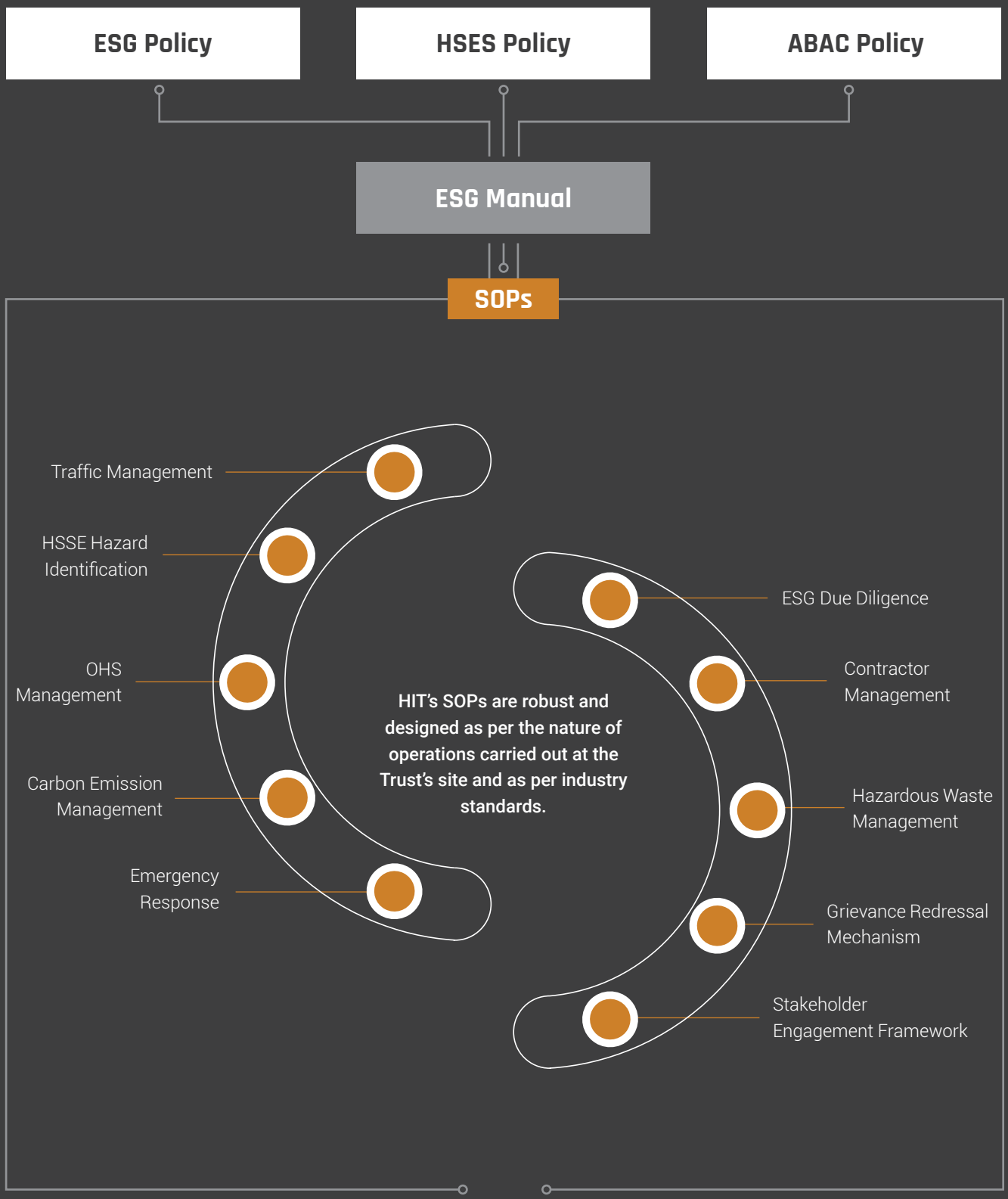
Environment, Social, and Governance (ESG)

HIT recognises that its business operations have a profound impact on the society and the environment. HIT is committed to integrating ESG considerations into its decision-making processes and business practices. This ESG approach reflects HIT's dedication to creating long-term value for stakeholders while contributing to the well being of society and preserving the planet for future generations.

ESG Tree



ESG Management System



Environment: Green Initiatives

Paving the Way for Sustainable Roads

As a leading Infrastructure Trust managing 14 project stretches across the country, HIT is committed to conducting operations with utmost regard for the environment. It is committed to adhering to all environmental compliances that the law of the land mandates and voluntarily going beyond the requirements of law.

In the environmental section, our focuss encompasses three critical aspects



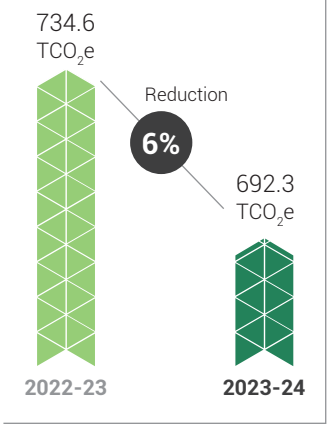


Emission Management

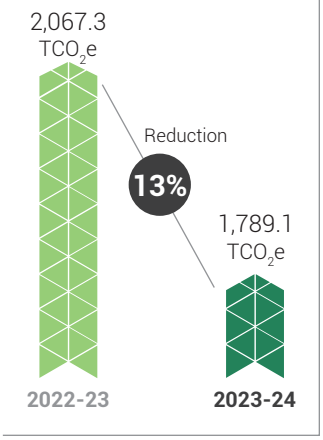
While the Trust's Scope 1 and 2 emissions are minimal, it is dedicated to making a meaningful contribution to addressing the climate change problem.

GHG Emissions

Scope 1 Emissions



Scope 2 Emissions



Focuss for Reduction in Scope 1 Emissions

Usage of Electric Vehicles (EVs) and Electric Scooters

HIT, as part of its efforts to gradually transition to green energy, procured an EV in June 2023 and three electric scooters in February 2023, both for use at the UEPL Project Site. On a yearly basis, this initiative is projected to save 13.9 TCO2e of Scope 1 emissions.



12.9 TCO_2e
of Scope 1 Emissions Reduced Since Deployment

Focuss for Reduction in Scope 2 Emissions

HIT has implemented many initiatives at the sites with a view to reducing non-renewable energy usage and for using optimised lights usage.

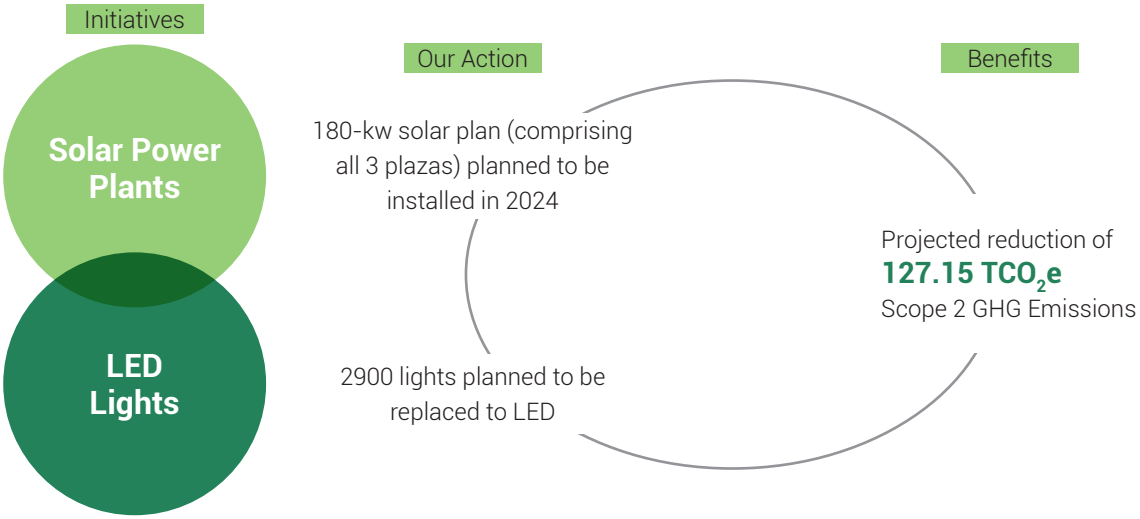
Initiatives	Benefits Incurred in 2023-24
Roof Top Solar NBPL, UEPL, BETPL, UTPL, GEPL	**579.09 TCO_2e** Total Scope 2 Emission Reduction
LED Lights DBCPL, UEPL, NBPL, JPEPL	

Fuel Optimisation

- Implemented GPS-enabled vehicle tracking system (VTS) for monitoring travel Kms and detecting over-speeding violations
- Defined operational area with geo-fencing feature, generating alerts for path deviations
- Generated comprehensive reports with VTS on events, mileage, and fuel usage
- Rationalised vehicle usage and optimised operational mobility costs
- Issued IOCL fuel fleet cards to monitor mileage and highlight fuel usage discrepancies



HIT is committed to reducing the emissions in 2024-25. With the same motive, HIT has planned following initiatives at the newly acquired project UTPL:



Negating the Impact of Major Maintenance (MM) Works in 2023-24

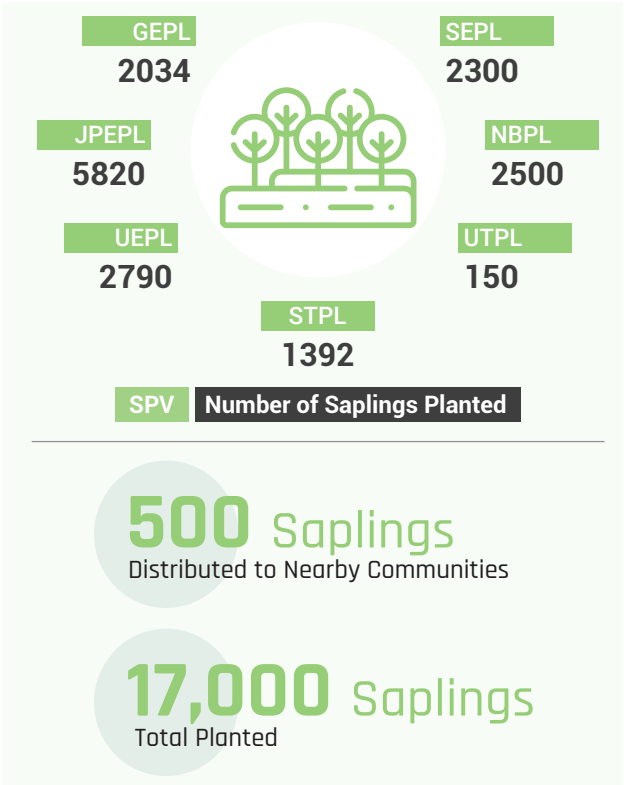
MM works were started in 4 of project SPVs. These totally contributed to emitting additional 1887.4 TCO_2e Scope 1 Emissions in 2023-24.

Carbon Neutrality Project

Carbon neutrality project was initiated to compensate (offset) for the increased Scope 1 emissions due to addition of new projects and MM Works.

This project was started with the aim of achieving a balance between the increased amount of Scope 1 emissions released by our operations and the amount of Scope 2 emissions removed or offset. The goal is to reduce the net GHG emissions to zero, thereby achieving carbon neutrality in near future. Our team is working on collaborating this programme with CSR Agency with a view to further offset our emissions by means of mangroves plantation at coastal areas, which will help in additional sequestration of carbon emissions.

Projects initiated by HIT for additional plantation of saplings at all the projects SPVs:



Plant Nursery Developed at UEPL

It consists of varieties plant species. Our site team maintains this nursery and ensures its upkeep. Saplings from these nurseries are distributed to nearby communities as well as planted on the roads.



Waste Management

HIT tries to reduce waste generation and recycle waste at source. Here are some of the waste and treatment methods being used at our project sites.

Reused bituminous material for major maintenance works

- Use of the material for shoulder repair thereby reducing the use of fresh soil from borrow area
- Use of material for fresh bituminous works by recovering the aggregate and bitumen
- Use of the material for developing village road to help local community

Metal beam crash barrier (MBCB)

- Recycling the damaged MBCB by cold re-shaping
- Use in vertical post for making safety delineators

Reuse of damaged sign board by applying reflective film

CASE STUDY

Waste Plastic Road

India generates around 3.5 Mn tonnes of plastic waste every year. Out of this, 60% is recycled at various factories. The remaining 40% is littered, thereby creating a lot of environmental problems. Under the guidance of Dr. Rajagopalan Vasudevan, a professor from Thiyagarajar College of Engineering and as per IRC SP 098-2013, UEPL laid a plastic road trial stretch of 10.5 Kms of bituminous concrete overlay in the year 2019. Over a period of 4 years, this pavement witnessed no rutting, bleeding, cracks, or potholes, and had a uniform and durable texture.

Considering the better results from the plastic-induced BC road in the past, the UEPL project has started executing its 3rd periodic overlay for the entire project highway. This consists of 72.9-Kms of four-lane main carriage way and 36.5 Kms of service road with plastic waste.

500 Tonnes
of Waste Plastic Utilised

As we pave the way to a greener future, plastic roads stand as a testament to our innovation, turning a global problem into a sustainable solution.



Water Conservation

In our operations, we use water for civil purposes and for maintaining our plantations along the stretch. Our approach to water conservation follows 3 Rs – Reduce, Reuse, and Recycle.

Reduction in Water Usage

Use of sprinkler for watering, moisture retaining techniques, and native species adapted to thrive in the local climate and soil conditions with minimal supplemental watering, thus reduce water requirement.

Reuse of Water

Rainwater harvesting structure installed at all projects (except the newly acquired ones)

Recycling Water

Using rainwater for plantation of nursery

Awareness

Creating awareness on environmental stewardship is of prime importance for us and for that we conduct numerous training for our employees as well as contractors. This training includes topics like Energy Conservation, Waste Management, Emission Reduction Methodologies.

In addition, HIT also celebrated World Environment Day 2023 on June 5 at the head office as well across all sites. HIT organised various engagement activities based on the theme of the event, in which it included families of employees too.

Celebrating World Environment Day has created a spirit of making sustainable choices among our people.





Our Social Responsibility

At HIT, social aspects are specially well developed and focussed upon. The Trust always strives to ensure the well being, development and safety of employees, contractors, communities and all stakeholders.

Health, Safety and Environment (HSE)

For HIT, HSE is of paramount importance. Ensuring that all staff and contractor workers return home safely without injury every day is a top priority. HIT has robust and well-developed safety standards. The Trust's approach to HSE revolves around making line management accountable for safety implementation. HSE leadership and ownership are deeply integrated into the Trust's culture.

ZERO Fatality is Our Goal

HIT has well-defined HSES Policy whose commitments are very well communicated to all workforce through periodic inductions and training. Working with Live Traffic is the biggest HSE risk for HIT. The Trust has safety controls in place which consists of

- Traffic Management Plans
- Well-Designed Training Modules
- Competent Team
- Adequate Emergency Response Systems

Leadership Commitment for HSE

HIT'S leadership team is fully committed to ensuring the safety and well being of every individual involved in our operations, from employees to contractors and beyond. Each leadership team member is committed to safety and leading by example. The Trust has also developed schedules for leadership-team safety walk for 2024-25.

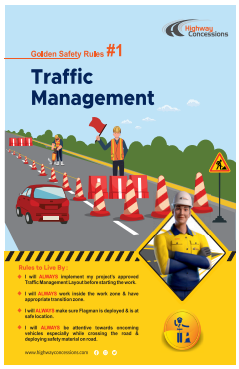
- Safety Walks at Site by Leadership Team
- Leading the HSE Summits and Conclaves
- Providing Insights on HSE to All Site Teams Frequently

HIT's commitment to safety isn't just a responsibility; it's a promise the Trust upholds every single day



At HIT, we implement various programmes on Health, Safety and Environment (HSE). Below are some key examples of our initiatives:

Golden Safety Rules





- Traffic Management
- Work at Height
- Line of Fire
- Induction and Training
- Driving Safety
- Use of PPEs
- Electrical Safety
- Lifting Safety

Based on the activities carried out at site, HIT has developed 8 Golden Safety Rules.

Each of these principles comprise of HIT's 'Rules to Live By.' To ensure better understanding at the sites, HIT translated these rules into local languages.

HSE Training

To increase HSE awareness and develop the competency of its team, HIT conducts frequent training sessions at all its sites and at the Head Office. These sessions include both classroom and on-the-job training. Examples of these training includes Traffic Management, Toll Operations Safety, Work at Height , and Emergency Response.

11,750
Person-Hours of HSE training completed in 2023-24

Hazard Reporter (HeRo) Programme



To encourage the team to identify and report hazards and near-misses, HIT has developed the Hazard Reporter (HeRo) Programme. The main purpose of this programme is to increase hazard and near-miss reporting from the line management team through target setting and teamwork. These targets are linked with incentives and the HeRo Award.

Outcomes of HeRo Programme

85%
Increase in Hazard Reporting

10%
Increase in Near Miss Reporting

70%
Increase in Hazard Closeout Percentage

Below are the key training conducted for our employees & contractors in 2023-24:

HSE Leadership Training

Traffic Management Training

HSE Incident Investigation Training

500
O&M Members from SPV and Contractors Trained

Diversity, Equality and Inclusion (DEI)

The Trust is committed to promoting DEI in all aspects of its work. The aim is to establish an inclusive culture that celebrates diversity and is free from discrimination. While this is a nascent start, the understanding is that DEI is an ongoing journey, and HIT is committed to taking concrete steps to promote a workplace culture that values and respects the differences among its employees.

3C's of HIT

Culture

Promoting the vision of DEI at all levels by taking actions to increase diversity and equity in workforce and maintain an inclusive workspace.

Career

Recruit/hire a high-performing workforce and work towards enhancing their career by providing equal opportunities for their competency development.

Communication

Set up an atmosphere where every employee feels free to put forward their opinion and develop a transparent communication at all levels. HIT monitors the implementation and objectives of this policy periodically for continual improvement.





Employee Engagement Programmes at HIT

Employee engagement is paramount at HIT. The Trust believes it plays an important role in organisational success.

Trainings at HIT

HIT has always strived to contribute towards enhancing the competency of its employees and proficiency in various aspects of professional development.

1. Business Etiquettes & Corp. Grooming
2. Yoga Session
3. Leading with EI for High Performance
4. Insider Trading
5. Interpersonal Skill
6. Gender Sensitisation & POSH
7. Problem Solving Technique
8. Advanced Excel
9. Ethics Line (ABAC)
10. Medic First Aid and CPR Training

Offsites

The Trust organises yearly offsite for employees at both, the head office and its sites. HIT believes that building bonds is essential, and one effective way to achieve this is by meeting in informal, relaxed environments. These bonds become stronger and many friendships extend to the family level since the offsites include family members.

Steps Highway

To promote fitness among employees, HIT launched the 'Steps Highway' initiative. This programme encourages consistent walking by forming teams within the employees to compete for achieving the maximum number of steps and eventually winning.

3G Gratitude Game

HIT implemented the 3G Gratitude Game, a simple interaction process among employees to recognise, greet, and express gratitude towards colleagues. This is done by exchanging messages through coupons, magic coupons, photographs or any other means that an employee would like to recognise for another employee.





Community Safety Programmes

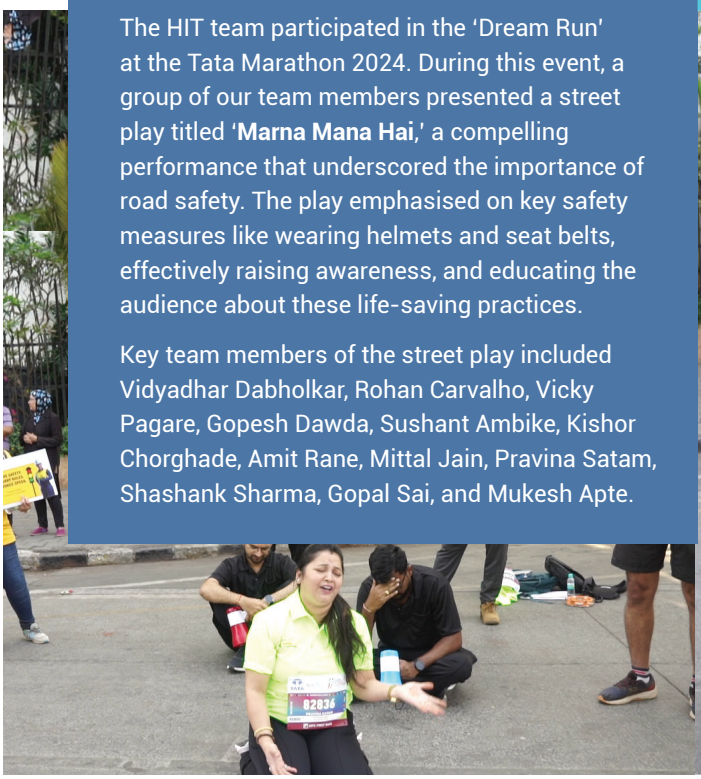
HIT cares deeply about the communities around its assets and considers itself a contributor to improving road safety. The Trust aims to promote road safety, reduce accidents, and enhance the well-being of communities served by its roads. To achieve this goal, the Trust conducts various large-scale community safety programmes at its sites.

What it Includes	Site Coverage 2023-24
Road safety briefings at local schools, villages, road side eateries	5,000+
Distributing road safety dos & don'ts pamphlets	10,000+
Displaying road safety posters at prominent locations	5,000+
Free eye check-up camps for road users	5,000+

Street Play (Nukkad Natak) - On Road Safety

The HIT team participated in the 'Dream Run' at the Tata Marathon 2024. During this event, a group of our team members presented a street play titled '**Marna Mana Hai**,' a compelling performance that underscored the importance of road safety. The play emphasised on key safety measures like wearing helmets and seat belts, effectively raising awareness, and educating the audience about these life-saving practices.

Key team members of the street play included Vidyadhar Dabholkar, Rohan Carvalho, Vicky Pagare, Gopesh Dawda, Sushant Ambike, Kishor Chorghade, Amit Rane, Mittal Jain, Pravina Satam, Shashank Sharma, Gopal Sai, and Mukesh Apte.





CSR: HIT's Responsibility towards the Communities

HIT's CSR initiatives demonstrate its commitment to making a positive impact on society while conducting its business operations. For these initiatives, HIT prioritises achieving meaningful outcomes over self-promotion or brand marketing. This approach, known as RIGHT INTENT has enabled HIT to spend in a way that creates a significant impact beyond mere value for money. These initiatives encompass a wide range of activities aimed at addressing social and economic challenges.

Goals



Philanthropy and Community Development

- Upgrade local community centres and common facilities
- Create awareness around social security system and government programmes

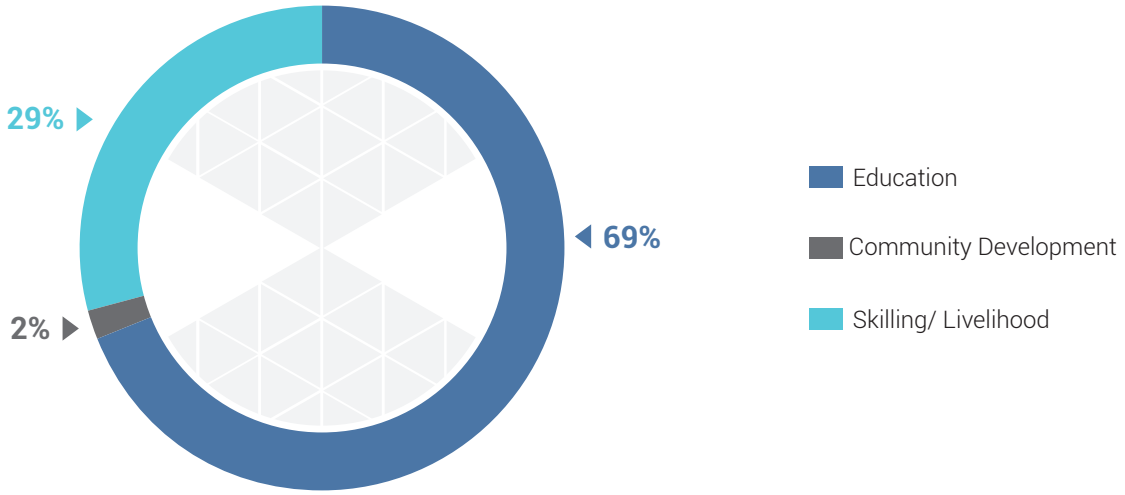
Education

- Support local schools and upgrade facilities for better infrastructure
- Improve the learning experience and enable a self-sustaining education system
- Skill young minds for employment

Livelihood and Skilling

- Skill the youth and facilitate employment opportunities

CSR Spend Category Breakup



CSR Budget and Expenditure for the Year

Name of SPV	Amount Spent (In ₹)	Thematic Area
BETPL	9,98,059	School Transformation Programme – Zariya Welfare (MP)
SEPL	10,42,707	Aide-et-Action- Vocational Skill Centre (Meghalaya)
DBCPL	1,65,72,412*	Skill Centre-3 Nos - 2 Nos MP (PTVPL) and 1 In Mumbai - (Magic Bus) Women Empowerment –SHG (PTVPL- Bihar)
GSHPL	12,21,111*	Skill Centre – Mumbai (Bright Future)
ANHP	12,21,111*	Skill Centre – Mumbai (Bright Future)
RAHPL	12,21,111*	Skill Centre – Mumbai (Bright Future)
STPL	2,97,48,045	Rural Development, School Transformation, Health
GRICL	2,15,73,098*	School Infrastructure Development

*Unspent amount is deposited in a separate bank account and will be spent on or before September 30, 2024 as per the Company's Act



CSR Initiatives Undertaken in 2023-24

Support to Schools

The Trust decided to spend CSR funds available at NBPL to build three classrooms and a dining hall at Zilla Parishad High School, Bussapur, Nirmal. These facilities were inaugurated on July 7, 2023 by our team members Mr. Vidyadhar Dabholkar – VP (HR & Admin), Mr. Annamalai Muthu – AVP (O & M), and Mr. Pranay Chandra – Project Manager - NBPL.



Skill Centres

Mira Road Skill Centre: DBCPL in partnership with M/s Magic Bus has been running a skill centre at Mira Road since June 2023. The curriculum has been designed to impart skills that support young people to provide sustainable livelihood opportunities in sectors such as Retail, ITeS, and Hospitality along with the life skills. It also provides youth with sector-specific training, job placements, and post-placement support.

Skill Centre Provided 6–8 weeks Training to About 35 Participants



Outreach

Young Person Outreach Snapshot 2023-24

Enrolled	Target for 2023-24	200
	Achievement	214
Trained	Target for 2023-24	200
	Achievement	214
Placed	Target for 2023-24	140
	Achievement	139

Dewas and Bhopal Skill Centre

During the year 2023, DBCPL along with M/s Pipal Tree Foundation founded a second Skill Development Centre at Dewas. The centre shapes young lives through CSR project in line with GOI's Skill India initiative.

Shillong Skill Centre

With the support of Shillong Expressway Private Limited, Aide et Action (AEA) implemented the project 'Empowering Youth for Sustainable Livelihoods: Promoting Vocational Skills and Entrepreneurship in Meghalaya.' Under this, youth were equipped with skills which would help them in starting units or seeking job placement. The units have been grounded either through self-finance or AEA helping them to access credit by linking them with financial institutions and nationalised banks. AEA has also provided post-establishment handholding support to the entrepreneurs and technical inputs through exposure visits. It has also organised sessions with guest faculties who are experts in the respective trades, enabling them to access market linkages for sustainability of their business.

474 Youths
Were Trained during the Project Period

CSR Batchwise Placement Status

Centre	Job Role	Batch	Gender	Batch Start Date	Batch End Date	Total Enrolled	Total Passed	Placed	Placement %
CSR Bhopal	CCE	CCE 1	Female	April 2023	June 2023	35	35	25	71
		CCE 2	Female	June 2023	July 2023	35	35	28	80
		CCE 3	Female	July 2023	August 2023	35	35	27	77
		CCE 4	Female	September 2023	October 2023	35	35	29	83
		CCE 5	Female	October 2023	November 2023	35	35	29	83
		CCE 6	Female	November 2023	December 2023	35	35	29	83
		CCE 7	Female	January 2023	February 2023	35	35	30	86
		CCE 8	Female	February 2023	March 2023	30	30	29	96
		Total				**275**	**275**	**226**	
CSR Dewas		GDA 1	Female	July 2023	August				
		GDA 2	Female	August 2023	September 2023	35	35	27	77
		GDA 3	Female	September 2023	October 2023	35	35	29	83
		GDA 4	Female	November 2023	December 2023	35	35	29	83
		GDA 5	Female	December 2023	January 2024	35	35	30	86
		GDA 6	Female	January 2024	February 2024	35	35	30	86
		GDA 7	Female	February 2023	March 2024	40	40	36	90
		Total				**205**	**205**	**209**	

CSR Funds of SEPL Were Utilised by way of Providing Skill Development Sessions to the Youth. Following is the Summary:

District	Beauty and Wellness	Fashion Designing and Tailoring	Electrical Repairs and House Wiring
East Khasi Hills	87	85	65
Ribhoi	65	87	85
Total	**152**	**172**	**150**

The youth were provided post-training handholding to promote entrepreneurship in the target districts. They were also provided with placement support.

Governance: Upholding Integrity and Transparency

At the heart of HIT's ESG efforts lies a well-defined governance structure designed to integrate environmental, social and economic considerations into its decision-making processes. Our Board of Directors provide oversight and strategic guidance, ensuring that all objectives are embedded into the corporate strategy and performance targets. Dedicated committees have been established to oversee key operational aspects and business practices.

Anti-Bribery and Anti-Corruption (ABAC) Module Rollout

HIT introduced a series of policies last year to reaffirm its pledge towards 'zero tolerance' towards unethical conduct at the workplace. These policies were updated on the HR Spine Portal. As part of this effort, an online learning module was launched to help the team refresh their understanding of the policies against unethical conduct. The module was made available in two languages (Hindi and English) and concludes by testing the candidates. All employees have completed this training within the given timelines and successfully passed the test.

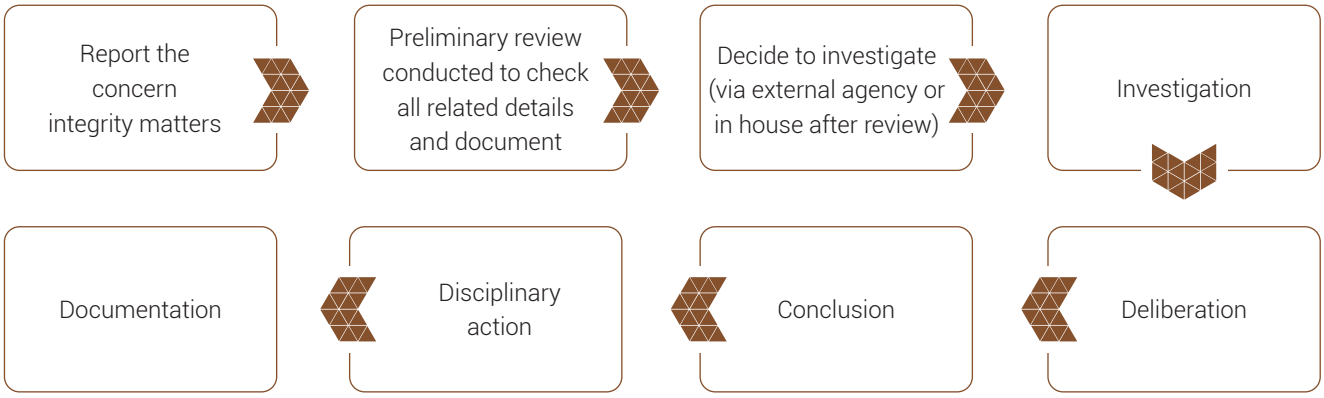
Ethics Line Launch

In line with the commitment to upholding the highest standards of integrity and ethical business conduct HIT launched an Ethics Line. This became operational on June 2, 2023. This provides an appropriate and anonymous channel for reporting concerns related to unethical or illegal practices.

The Ethics Line is a third-party hotline provided by M/s Integrity Matters, an ISO 27001 certified professional service provider assisting organisations in bridging communication gaps by facilitating secure, reliable, and confidential transfer of any concerns alleging unethical practices from reporters to the Board of Directors/Audit Committee. The Ethics Line further strengthens the Vigil Mechanism by ensuring a clear reporting mechanism while protecting the anonymity and confidentiality of the reporter's identity.



Process Flow of Ethicsline



Cyber Security

HIT completed a Cyber Security Assessment by a third-party consultant in 2023, addressing and closing all observed gaps immediately during January 2023. Additionally, following directives from the fund manager, another Cyber Security Assessment was recently conducted by OPTIV. The purpose of this assessment was to establish cyber security standards in alignment with KKR Group's recommendations. To meet these standards, a review was conducted by Optiv Security India Private Limited.

Findings and Remediation Overview

Based on the Review, Optiv identified 47 findings and recommended remediation activities be performed across 8 remediation focuss areas.

Cyber Risk Review

47 **Distinct Review Findings**

Across the review, 47 findings were determined

16 **Distinct Controls Targeted**

A total of 16 distinct controls are targeted to allow the desired baseline to be met

8 **Remediation Focuss Areas**

Remediation roadmap constitutes 8 distinct focuss areas

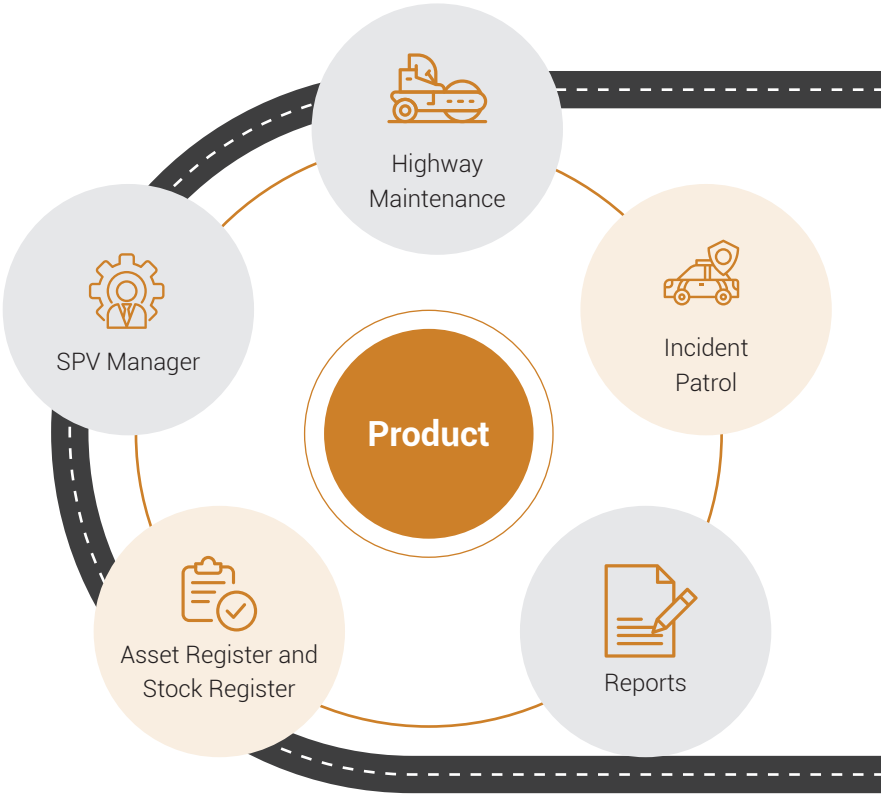


Integrating Technology for Enhanced Efficiency and Security

Road Asset Maintenance Portal (RAMP)

RAMP can make a significant impact by using data analytics. By collecting and analysing data from various sources such as sensors, cameras, and user feedback, RAMP can provide valuable insights into the condition of the road infrastructure and predict potential issues before they occur.

This would enable proactive maintenance activities that are more cost-effective and less disruptive than reactive maintenance. Moreover, it would also help to optimise the allocation of all the resources and prioritise maintenance activities based on their impact on road safety and user experience



Application Highlights

- Maintenance activities are captured with GPS coordinates
- Application supports offline mode in mobile when there is no network coverage and will sync when connectivity is established
- Bolted with approval mechanics in work assignment and closure



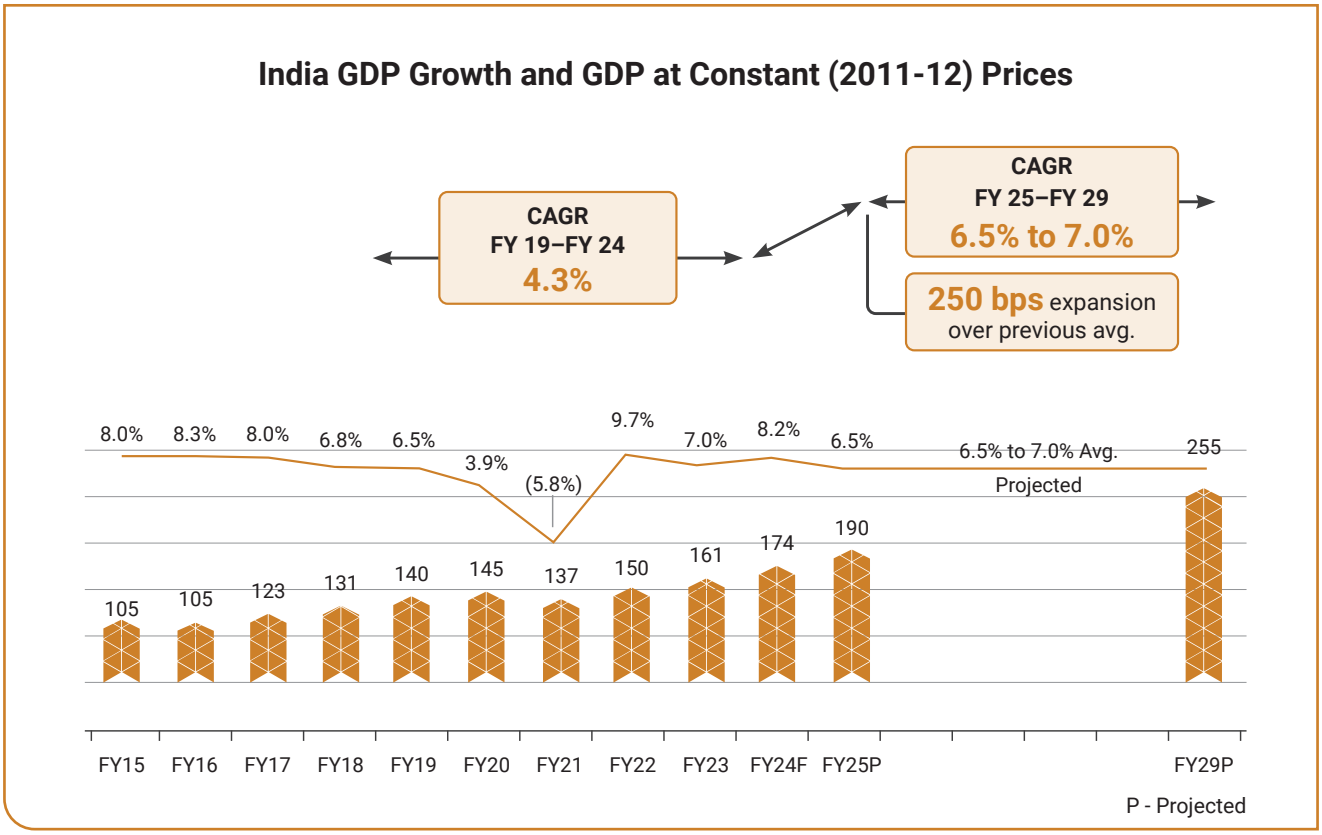
Management Discussion and Analysis

Indian economy growth outlook

Despite multiple global headwinds such as the Russia-Ukraine war, the Gaza crisis, and tightened monetary policies to combat inflation, India continues to exhibit robust growth momentum, driven by key sectors like infrastructure, information technology, services, agriculture, and manufacturing. For 2023-24, India's GDP grew at 8.2% y-o-y (estimated), significantly outpacing the global average of ~3.0% as per the IMF. (Source: National Statistical Office (NSO), IMF, Industry Reports)

https://www.mospi.gov.in/sites/default/files/press_release/PressNoteGDP31052024.pdf & https://www.imf.org/en/Publications/WEO/Issues/2023/10/10/world-economic-outlook-october-2023

This growth is supported by strong domestic consumption, substantial private investment, and strategic infrastructure developments. Additionally, India's economic outlook is buoyed by structural reforms, a resilient private sector, and increasing foreign direct investment as global supply chains diversify.



[Source: National Statistical Office (NSO), IMF, projections considered from Deloitte & RBI (GDP growth Numbers https://www2.deloitte.com/us/en/insights/economy/asia-pacific/india-economic-outlook.html Reserve Bank of India - Publications (rbi.org.in)]

India's infrastructure opportunity – Highways sector to continue to witness robust growth

India's infrastructure development is undergoing a transformative phase with the PM Gati Shakti National Master Plan. This plan aims to create a unified and efficient infrastructure ecosystem, paving the way towards the Amritkal Vision for 2047.

Management Discussion and Analysis (Contd.)

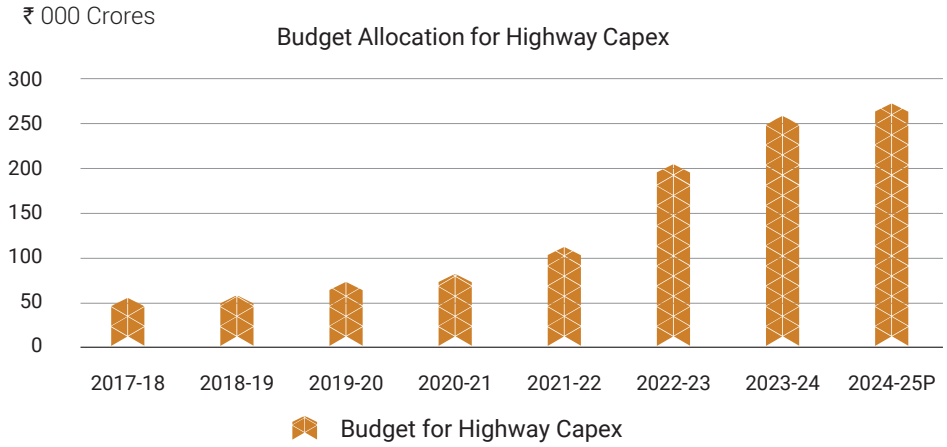
Under Gati Shakti, several key sectors work collaboratively to enhance multi-modal connectivity, which includes roadways, railways, airways, shipping, waterways and communications along with integrated Multi-Modal Logistics Parks (MMLPs). Gati Shakti aims to improve logistics efficiency, reduce transportation costs, and promote economic growth, making India an attractive investment destination.

Key initiatives like Bharatmala Pariyojana and Sagarmala exemplify the progress, highlighting substantial gains in logistics efficiency and connectivity. Successful endeavours such as the Mumbai-Delhi Expressway and the Dedicated Freight Corridors showcase significant improvements in transit times and logistics costs, underscoring the initiative's impact.

Road construction over the last ten years nearly equals what occurred over the previous 65 years. Growth in capex is to be supported by Bharatmala and NIP. The construction of national highways in India has shown a consistent rise, progressing from 98,000 km in 2014-15 to ~146,000 km in 2022-23. (Source: pib.gov.in/PressReleaseIframePage.aspx?PRID=1993425)

Over the past two years, road capital expenditure alone has accounted for around half of the Centre's total capital expenditure (excluding defence capex). Notably, the government's capital expenditure in road transport and highways has demonstrated a robust Compound Annual Growth Rate (CAGR) of approximately 40% over the last decade

Growth in Capex to be Supported by Bharatmala and NIP



As seen in the chart above roads & highways as a sector to remain in focus going forward.

[Source: NHAI, MoRTH, State budget documents, PMGSY, Ministry of Finance, Budget 2024: Focus on infra, capex allocation up for road transport ministry | Mint article (livemint.com)]



HAM and TOT models enhance visibility and monetisation of Indian highways, with BOT-Toll changes opening further opportunities

1. **Hybrid Annuity Model (HAM):** Was introduced to address the limitations and inefficiencies of BOT-Toll projects. HAM has significantly benefitted the industry by reducing capital requirements for PPP participation, thereby expanding the pool of eligible developers. This model has also expedited project development by ensuring 90% land availability prior to project initiation in most cases, and has protected developers from material cost escalations through inflation-linked grants and annuity payouts. Furthermore, it has bolstered lender participation by providing annuity-backed cash flows. Consequently, HAM has facilitated more rapid and efficient project execution, enhanced stakeholder confidence, and led to advancements in infrastructure development and economic growth. The model's success is evident in the increased number of highway projects completed on time and within budget, contributing to India's economic growth.
2. **Toll Operate Transfer (TOT) Model:** The Toll Operate Transfer (TOT) model has enabled efficient capital deployment by allowing large funds to bid on established highway stretches. This approach has attracted substantial investments and enabled the government to channel monetisation proceeds into new infrastructure projects. After facing challenges in 2021-22 and 2022-23, with only ₹ 9,500 Crores monetised due to project cancellations and non-awards, the model achieved 100% success in 2023-24 with no cancellations, monetising ₹ 16,000 Crores given enhanced investor participation and confidence in the model. This success underscores the model's potential to continue driving investment in the sector, providing a reliable revenue stream for the government and improving road infrastructure.
3. **Build-Operate-Transfer (BOT) - Toll Model:** With the authority (NHAI), introducing several significant changes to the model Concession Agreement to enhance its attractiveness, which include reimbursing toll revenue losses caused by reductions in tolling length attributable to the authority, linking change of scope costs to inflation, ensuring that design fees are payable and increased maintenance costs are reimbursed, providing clarity on buyback requirements due to the need for capacity augmentation on the stretch, delinking the punch list from the asset sale process in cases where land is unavailable from the authority, and reducing the bank guarantee amount from 5% to 3%, while promoting alternative forms of guarantees such as surety bonds. These updates ensure wider industry participation and add to the future pipeline for expansion, opening new avenues for monetisation. By addressing key concerns of investors, lenders, and developers, the NHAI is fostering a more favourable environment for infrastructure development and investment. These reforms are expected to drive increased participation and investment in the BOT-Toll model, enhancing the overall growth and sustainability of India's highway infrastructure.

These three models—HAM, TOT, and BOT-Toll—together create a robust framework for the development and monetisation of Indian highways, driving infrastructure growth and economic development.

Source: NHAI, MoRTH & Management estimates

Technology Adaptiveness Improving LOS, Reducing Costs and Improving Collection Efficiencies

The introduction of FASTag significantly improved the level of service (LOS) for toll users by streamlining the toll collection process. This electronic toll collection system reduced waiting times at toll plazas, ensuring a smoother and faster travel experience. Additionally, FASTag minimised cash handling, thereby reducing leakages and improving toll collection efficiency and accuracy.

Building on this success, the implementation of GNSS (Global Navigation Satellite Systems) by NHAI is set to further enhance the LOS for highway users. GNSS will eliminate the need for toll plazas altogether, enabling seamless and uninterrupted travel. This technology will ensure even faster transit times, completely removing the need for vehicles to stop for toll payments. Furthermore, GNSS will improve operational efficiency, save on operational costs, and significantly enhance the overall travel experience on Indian highways.

With such positive impetus, asset monetisation should take centre stage with increased investor participation aided by InvITs

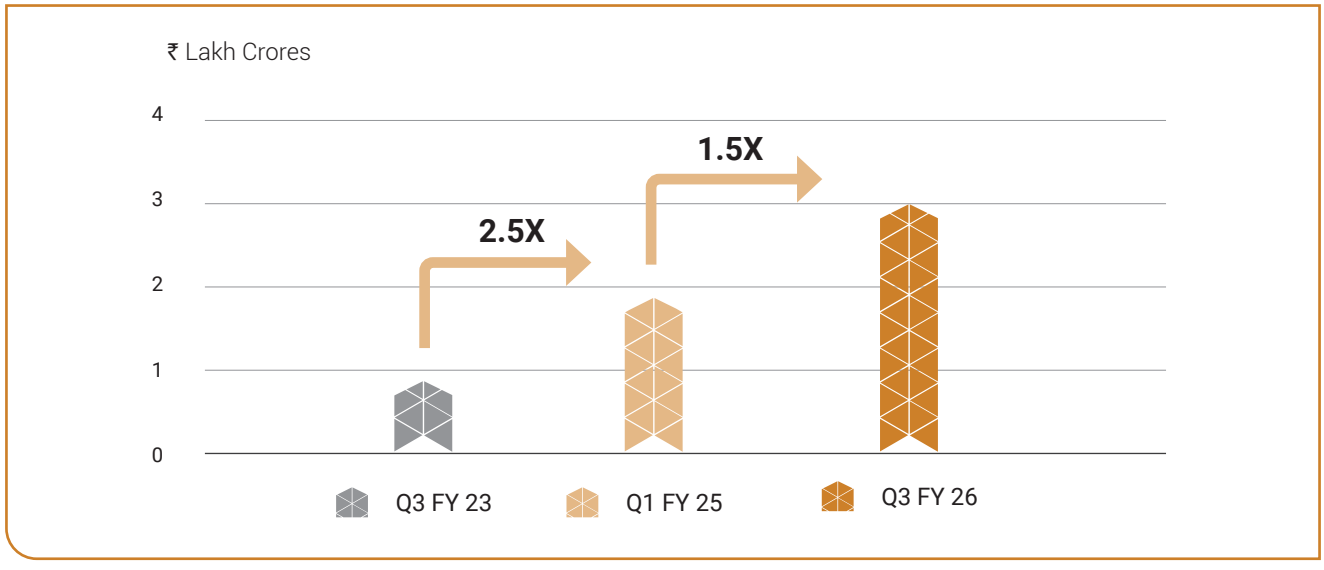
As NHAI is looking to accelerate asset development, asset monetisation will be crucial to maintaining or accelerating highway development. Considering the hugely successful outcomes so far, this programme should take centre stage with increased investor participation aided by InvITs. Asset monetisation is vital for NHAI in managing debt while funding new highway projects essential for expanding and modernising India's road network. By mobilising budgetary resources independently of government allocations, NHAI ensures continuous development. The structured categorisation of assets attracts diverse investors, bringing in capital and innovation. Additionally, transferring operational responsibilities to private entities through TOT and InvIT modes improves highway management and service quality while reducing NHAI's operational burden.

In the global and domestic fund landscape, the infrastructure asset class has emerged as a resilient and effective investment avenue in the post-pandemic era. For instance, in India, InvITs (Infrastructure Investment Trusts) have gained significant traction as a popular investment vehicle. Currently, there are 24 SEBI-registered InvITs, with over 50% (14 InvITs) focussed on the road sector.

As of Q1 2024-25, InvITs and REITs as an asset class, manage ₹ 5.5 Lakh Crores AUM (Assets Under Management), with road InvITs alone accounting for around ₹ 1.8 Lakh Crores. Supported by strong counterparties like NHAI, a long operational track record of Toll assets (under TOT), and the large capital deployment opportunity at hand, we believe the share of AUM under road InvITs is expected to grow to over ₹ 3 Lakh Crores in the short term.

Given these developments, roads stand out as the biggest asset class with the best performance, attracting both global and domestic funds. The success and reliability of the road sector make it an appealing investment choice, reinforcing the need for a robust asset monetisation strategy to drive future growth and development.

Highway-focussed InvITs have seen rapid growth in AUM over the past few years



Source: Management Estimates

Management Discussion and Analysis (Contd.)

Large pipeline exits for highway-oriented InvITs to grow without compromising on asset quality and standards

HAM

NHAI awarded HAM projects worth over ₹ 5.5 Lakh Crores up to March 2024, presenting a ₹ 3 Lakh Crores acquisition opportunity. Approximately ₹ 50,000 Crores of assets have already been transacted.

₹ 2 to 2.5 Lakh Crores
of Acquisition opportunity

TOT



ToT assets with a revenue potential of ~₹ 5,000 Crores are likely to be awarded by NHAI in the next 12 to 18 months, translating to an opportunity of ₹ 55K to ₹ 65k Crores.

Further, it is to be noted that, as per the data published by IHMCL, toll collections across India stood at ₹ 5,000 Crores in the month of March 2024. This translates to an annual revenue potential of around ₹ 55,000 to ₹ 60,000 Crores, indicating that over the next 5 years we will have a tentative acquisition pipeline of 3.5 to 4 Lakh Crores.

₹ 3.5 to 4 Lakh Crores
of Acquisition opportunity

BOT-Toll

EPC developers are likely to increase participation in BOT-Toll projects. Many industry players use an asset churn strategy, creating a long-term pipeline for InvITs. NHAI plans to award projects worth ~₹ 50,000 Crores in the next 12 months and the trend is likely to continue over the next 2 to 4 years.

₹ 2.5 to 3 Lakh Crores
of Acquisition opportunity



Investment Manager's Brief Report on Activities of the Trust

Period under coverage April 01 2023 to March 31, 2024

This report provides an overview of the key activities, performance, and strategic developments of the Highways Infrastructure Trust or the "Trust" during the reporting period. The Trust remains committed to achieving its investment objectives while managing risks and adhering to its investment philosophy. The Highways Infrastructure Trust is registered as an Infrastructure Investment Trust under the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 ("InvIT Regulations") on December 23, 2021, with registration number IN/InvIT/21-22/0019.

The Trust's principal investment objective is to operate as an Infrastructure Investment Trust (InvIT) under the InvIT Regulations. The Trust is permitted to undertake investments in any manner permissible under, and in accordance with, the InvIT Regulations and applicable laws. This includes investments in special purpose vehicles (SPVs) in India as allowed under the InvIT Regulations.

The Sponsor of the Trust is affiliated with funds, vehicles, and entities managed and/or advised by affiliates of KKR & Co Inc. Currently, the Sponsor is a 100% subsidiary of Galaxy Investments Pte. Ltd., which is majority-owned and controlled by KKR Asia Pacific Infrastructure Holdings Pte. Ltd. This year Nebula Asia Holdings II Pte. Limited ("Nebula") also invested in the Trust. Nebula is wholly owned by Nebula I Investments Pte. Limited, which is in turn majority-owned by KKR Asia Pacific Infrastructure Holdings II Pte. Limited, which is wholly owned by KKR Asia Pacific Infrastructure Investors II SCSp.

Asset Under Management

The Trust's assets under management (AUM) increased to ₹ 102 Bn as of March 31, 2024, up from ₹ 54 Bn as of March 31, 2023, due to significant investments in 2023-24. Eight new project stretches were added to the existing portfolio in 2023-24, increasing the total number of project stretches from 6 to 14. For more information, refer to page 99-101.

To fund these investments, the Trust engaged in various capital-raising activities as follows:

Type of Fund Raising	Number of Units Issued	Issue Price (in ₹)	Funds Raised (in ₹ Mn)
Rights issue	6,59,31,294	77.96	5,140.00
Preferential issue	26,54,54,540	82.50	21,900.00

A majority of this capital influx has been strategically utilised to acquire new assets and expand the portfolio.

Summary of Consolidated Financial Performance

Refer to page 210-321 for detailed financials.

₹ Mn

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Total income and gains	14,673.83	6,431.07
Total expenses and losses	12,785.08	5,466.59
Profit before exceptional items and tax for the year	1,888.75	964.48
Exceptional items	(3,689.54)	-
Total tax expense	209.20	622.49
Net (loss)/profit for the year	(2,009.99)	341.99
EBITDA	6,751.32	4,321.04

₹ Mn

Particulars	As on March 31, 2024	As on March 31, 2023
Total assets	82,983.85	23,635.57
Total equity	31,621.68	4,381.66

Report on Corporate Governance

Investment Manager of the Trust

Highway Concessions One Private Limited (**"Investment Manager"**), has been the investment manager of the Trust since November 23, 2022. Prior to such date, Virescent Infrastructure Investment Manager Private Limited acted as the investment manager of the Trust.

Corporate Governance Report as per 26K of InvIT regulation are attached on page no. 77-96 as Annexure A.

Board of Directors

As on date of this report, the Investment Manager has eight directors. The Board of Directors of the Investment Manager is duly constituted with four independent directors (including one woman director), two non-executive directors, one additional executive whole-time director and one unitholder nominee director. All Directors are astute professionals coming from varied backgrounds possessing rich experience and expertise.

The current composition of the board of directors is as follows:

Sr. No.	Name	DIN	Designation	Date of appointment
1	Mr. Hardik Bhadrik Shah	06648474	Non-Executive Director	December 17, 2021
2	Ms. Ami Vinoo Momaya	06836758	Non-Executive Director	January 24, 2022
3	Mr. Janakiraman Subramanian	05299205	Independent Non-Executive Director	March 04, 2022
4	Mr. Manish Agarwal	09730028	Independent Non-Executive Director	September 14, 2022
5	Ms. Sudha Krishnan	02885630	Independent Non-Executive Director	September 14, 2022
6	Mr. Rajesh Kumar Pandey	09428235	Additional Independent Non-Executive Director	May 16, 2024*
7	Mr. Gaurav Chandna	10312924	Additional Executive Whole-Time Director	April 01, 2024**
8	Mr. Stefano Ghezzi	10468375	Unitholder Nominee Director	May 16, 2024***

Notes:

**Mr. Rajesh Kumar Pandey was appointed as additional independent director at its meeting held on May 16, 2024. Such appointment is subject to approval from shareholders of the Investment Manager in accordance with Companies Act, 2013.*

***Mr. Gaurav Chandna was appointed as additional executive whole time director with effect from April 01, 2024. Such appointment is subject to approval from shareholders of the Investment Manager in accordance with Companies Act, 2013*

****Mr. Stefano Ghezzi was appointed as a unitholder nominee director on May 16, 2024 pursuant to provisions of the SEBI InvIT Regulations read with SEBI Circular bearing reference number SEBI/HO/DDHS-PoD-2/P/CIR/2023/153 dated September 11, 2023.*

Additional note: during the year, Mr. Neeraj Sanghi stepped down from the Board of Directors upon achieving superannuation. His details for notation by the unitholders is set out below:

Name	DIN	Designation	Date of Appointment	Date of Cessation
Mr. Neeraj Sanghi	05110400	Whole-Time Director	December 17, 2021	March 31, 2024

Meetings of the Board of Directors:

The meetings of the Board of Directors for the year ended March 31, 2024 were held on May 19, 2023, July 6, 2023, August 11, 2023, August 31, 2023, September 25, 2023, October 20, 2023, November 9, 2023, November 30, 2023, December 18, 2023 January 5, 2024, February 6, 2024 and March 22, 2024. The necessary quorum was maintained for all the meetings.

All directors attended majority of the meetings of the Board held during the period under review. The detailed profile of all directors can be viewed in this report and also on the Trust's website at https://highwaystrust.com/board-of-director/.

I. Statutory Committees of the Board of Directors of the Investment Manager in Relation to Trust

In order to efficiently manage the activities of the Trust, the Investment Manager has established sub-committees of the board and certain executive committees. Such committees are compliant with Regulation 26G of SEBI InvIT Regulations read with the relevant provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (**"SEBI LODR Regulations"**).

A brief outline of the committees is set out below:

A. Audit Committee:

The Audit Committee is a sub-committee of the Board of Directors established in accordance with Regulation 26G of SEBI InvIT Regulations read with Regulation 18 of SEBI LODR Regulations.

(i) Composition

The Audit Committee is a sub-committee of the Board of Directors of the Investment Manager, and

as per the terms of reference, at all times the Audit Committee is required to have minimum 3 (three) directors with at least two third independent directors. Further, the chairman of the Audit Committee is required to be an independent director. All members of the Audit Committee are financially literate, and the Chairperson of the Committee has accounting and related financial management expertise. The quorum shall be either 2 (two) members or one third of the members of the Audit Committee, whichever is greater, with atleast two independent directors present physically or through any audio visual means.

The current composition of the Audit Committee is as follows:

Name of Committee Members	CATEGORY
Mr. Janakiraman Subramanian	Independent Director (Chairman)
Ms. Sudha Krishnan	Independent Director
Mr. Hardik Shah	Non-Executive Director

(ii) Terms of reference of the Audit Committee

The main objective of the Audit Committee is to assist the Board of Directors in fulfilling its fiduciary responsibilities in connection with financial matters towards the Trust in the best interest of all stakeholders of the Trust, the Investment Manager and SPVs. The areas of work for the Audit Committee, inter alia include:

- Provide recommendations to the Board of Directors regarding any proposed distributions;
- Monitor the net distributable cashflows payable to the unitholders of the Trust;
- Overseeing Trust's financial reporting process and disclosure of its financial information to ensure that its financial statements are correct, sufficient and credible;
- To review the interim financial statements to be submitted by the Trust, the Company or the SPVs to any shareholders, unitholders and regulatory or statutory authorities;
- Giving recommendations to the Board of Directors regarding appointment, reappointment and replacement, remuneration and terms of appointment of the statutory auditor and internal auditor of the Trust and the audit fee, subject to the approval of the unitholders;
- Reviewing and monitoring the independence and performance of the statutory auditor of the Trust and effectiveness of the audit process;
- Approving payments to statutory auditors of the Trust for any other services rendered by such statutory auditors;
- Reviewing the annual financial statements and auditor's report thereon of the Trust, before submission to the board of directors for approval, with particular reference to changes, if any, in accounting policies and practices and reasons for such change; major accounting entries involving estimates based on the exercise of judgment by management; significant adjustments made in the financial statements arising out of audit findings; compliance with listing and other legal requirements relating to financial statements; disclosure of any related party transactions; and modified opinion in the draft audit report;
- Reviewing, with the management, all periodic financial statements, including but not limited to quarterly/ half-yearly and annual financial statements of the Trust before submission to the board of directors for approval as applicable;
- Reviewing, with the management, the statement of uses/ application of funds raised through an issue of units by the Trust (public issue, rights issue, preferential issue, etc.) and the statement of funds utilised for purposes other than those stated in the offer documents/ notice, and making appropriate recommendations to the board of directors for follow-up action;
- Approval or any subsequent modifications of transactions of the Trust with related parties including reviewing agreements or transactions in this regard;
- Scrutinising inter-corporate loans and investments of the Trust;
- Reviewing all valuation reports required to be prepared under applicable law, periodically, and as required, under applicable law;
- Reviewing and recommending the appointment (including terms thereof) of valuers to the board to undertake valuations

of the assets held by the SPVs and the Trust including appointment of registered valuer in terms of SEBI InvIT Regulations;

- Evaluating financial controls and risk management systems of the Trust;
- Reviewing, with the management, the performance of statutory auditors of the Trust, and adequacy of the internal control systems, as necessary;
- Reviewing the adequacy of internal audit function if any of the Trust, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Reviewing the findings of any internal investigations in relation to the Trust, into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board of directors;
- Reviewing the procedures put in place by the Investment Manager for managing any conflict that may arise between the interests of the unitholders, the parties to the Trust and the interests of the Investment Manager, including related party transactions, the indemnification of expenses or liabilities incurred by the Investment Manager, and the setting of fee or charges payable out of the Trust assets;
- Discussing with statutory auditors and valuers prior to commencement of the audit or valuation, respectively, about the nature and scope, as well as post-audit/ valuation discussion to ascertain any area of concern;
- Reviewing and monitoring the independence and performance of the valuer of the Trust;
- Evaluating any defaults or delay in payment of distributions to the unitholders or dividends by the SPVs to the Trust and payments to any creditors of the Trust or the SPVs, and recommending remedial measures;
- Reviewing management's discussion and analysis of financial condition and results of operations;
- Reviewing and overseeing the functioning of the whistle blower/ vigil mechanism;
- Discussion with internal auditors on any significant findings and follow up thereon;
- Noting the report of the compliance officer as per SEBI (Prohibition of Insider Trading) Regulations, 2015;
- Review compliance with the provisions of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time and verify that the systems for internal control are adequate and are operating effectively;
- Approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- To do all such acts, deeds and things as may be required to be undertaken in accordance with the applicable law, rules and regulations applicable to the Trust/SPVs;
- To consider any other additional matters, as may be delegated from time to time, by the Board; and
- To delegate to the officials such powers of the Committee as may be deemed fit by the Committee.

The full details of the terms of reference of the Committee are also available on the Trust' website on https://highwaystrust.com/board-committees

(iii) Meetings of the Audit Committee

Audit Committee meetings for the year ended March 31, 2024 were held on May 19, 2023, July 6, 2023, August 11, 2023, September 25, 2023, October 20, 2023, November 9, 2023, December 18, 2023 January 5, 2024, February 6, 2024 and March 22, 2024. The necessary quorum was maintained for all the meetings.

B. Nomination and Remuneration Committee

The Nomination and Remuneration Committee ("NRC") is a committee constituted in accordance with the Regulation 26G of SEBI InvIT Regulations read with Regulation 19 of SEBI LODR Regulations.

(i) Composition

The NRC is a sub-committee of the Board of Directors of the Investment Manager, and as per the terms of reference, the NRC shall comprise of all Independent Directors. The quorum of meeting of the NRC is either two (2) members or one third of the members of the NRC, whichever is greater.

The composition of the NRC is as follows:

Name of Committee Members	Category
Mr. Manish Agarwal	Independent Director (Chairman)
Ms. Sudha Krishnan	Independent Director
Mr. Janakiraman Subramanian	Independent Director

(ii) Terms of reference of the NRC Committee

The terms of reference of the NRC are as follows:

- Formulating the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board of Directors a policy relating to the remuneration of the directors, key managerial personnel and other employees.
- For every appointment of an independent director, the NRC shall evaluate the balance of skills, knowledge and experience on the Board of Directors and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board of Directors for appointment as an independent director shall have the capabilities identified in such description;
- For the purpose of identifying suitable candidates, the NRC may:
  a. use the services of external agencies, if required;
  b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  c. consider the time commitments of the candidates.
- Formulation of criteria for evaluation of performance of independent directors and the Board of Directors.
- Devising a policy on diversity for the Board of Directors.
- Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal.
- Recommend to the Board of Directors extension or continuation of the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
- Recommend to the Board of Directors, all remuneration, in whatever form, payable to senior management; and
- Performing such other activities as may be delegated by the board of directors of the Company and/or are statutorily prescribed under any law to be attended to by the NRC.

The full details of the terms of reference of the NRC are also available on the Trust's website on https://highwaystrust.com/board-committees/

(iii) Meetings of the NRC Committee

The NRC meetings for the year ended March 31, 2024 were held on August 31, 2023, September 25, 2023, February 6, 2024 and March 22, 2024. The necessary quorum was maintained for all the meetings.

C. Stakeholders' Relationship Committee:

The Stakeholders' Relationship Committee ("SRC") has been constituted pursuant to Regulation 26G of SEBI InvIT Regulations read with Regulation 20 of LODR Regulations.

(i) Composition

The SRC is a sub-committee of the Board of Directors of the Investment Manager, and as per the terms of reference, the SRC is required to comprise at least 3 (three) directors with at least one Independent Director. The Chairperson of the Committee is Independent Director. The quorum for meeting of the SRC is presence of at least 2 directors .

The composition of the SRC is as follows:

Name of Committee Members	CATEGORY
Mr. Janakiraman Subramanian	Independent Director (Chairman)
Ms. Ami Vinoo Momaya	Non-Executive Director
Mr. Gaurav Chandna*	Joint CEO & Additional Executive Director

*Note: *Mr. Neeraj Sanghi, the erstwhile CEO cum Whole-Time Director was a member of the SRC until March 31, 2024 (close of business hours) and in his place, Mr. Gaurav Chandna was inducted as a member of the SRC w.e.f. April 01, 2024.*

(ii) Terms of reference of the SRC

- Considering and resolving grievances of the unitholders, including complaints related

to the transfer of units, non-receipt of annual report and non-receipt of declared distributions;

- Considering and resolving grievances of the debenture holders;
- Review of measures taken for effective exercise of voting rights by unitholders.
- Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent;
- Reviewing of any litigation related to unitholders'/ debenture holders grievances;
- Undertaking all functions in relation to protection of unitholders' / debenture holders' interests and resolution of any conflicts, including reviewing agreements or transactions in this regard;
- Updating unitholders' / debenture holders' on acquisition / sale of assets by the Company and any change in the capital structure of the SPVs; and
- Reporting specific material litigation related to unitholders' / debenture holders' grievances to the board of directors;

The full details of the terms of reference of the SRC are also available on the Trust's website on https://highwaystrust.com/board-committees/

(iii) Meetings of the Stakeholders' Relationship Committee

The SRC meeting was held on May 19, 2023. The necessary quorum was maintained for the meeting.

D. Risk Management Committee:

The Risk Management Committee ("RMC") has been established in accordance with the Regulation 26G of SEBI InvIT Regulations read with Regulation 21 of the LODR Regulations.

(i) Composition

The Committee shall comprise of atleast 3 (three) members with majority of them being members of the Board of directors including atleast one Independent Director. Chairman of the Committee shall be a director and senior executives of the listed entity may be members of the committee. The quorum of meeting of the RMC is at least 2 (two) members or one third of the members of the RMC, whichever is higher, including at least one director.

The composition of the Risk Management Committee is as follows:

Name of Committee Members	CATEGORY
Mr. Manish Agarwal	Independent Director (Chairman)
Mr. Gaurav Chandna*	Joint CEO & Additional Executive Director
Mr. Abhishek Chhajer#	Member

Notes

**Mr. Neeraj Sanghi, the erstwhile CEO cum Whole-Time Director was a member of the RMC until March 31, 2024 (close of business hours) and in his place, Mr. Gaurav Chandna was inducted as a member of the RMC w.e.f. April 01, 2024.*

#Mr. Narayanan Doraiswamy, the erstwhile Chief Financial Officer was a member of the Risk Management Committee until December 31, 2023 and in his place, Mr. Abhishek Chhajer was inducted as a member w.e.f. January 1, 2024.

(ii) Terms of reference of the RMC

The RMC terms of reference are as follows:

- To formulate a detailed Risk Management Policy which shall include:
  a) A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the RMC.
  b) Measures for risk mitigation including systems and processes for internal control of identified risks
  c) Business continuity plan.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Trust;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;

- To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- To co-ordinate its activities with the Audit Committee in instances where there is any overlap with audit activities (e.g. internal or external audit issue relating to risk management policy or practice); and
- The appointment, removal and terms of remuneration of the chief risk officer (if any) shall be subject to review by the RMC period;

The full details of the terms of reference of the RMC is also available on the Trust's website on https://highwaystrust.com/board-committees/

(iii) Meetings of the RMC

RMC meetings was held on January 5, 2024 and February 6, 2024. The necessary quorum was maintained for the meeting.

II. Other Committees of the Board of Directors of the Investment Manager in Relation to Trust

A. InvIT Committee:

The InvIT Committee is a committee constituted by the Board of Directors to assist and advice the Board of Directors on matters in relation to capital raise for the Trust.

(i) Composition:

The composition of the InvIT Committee is as follows:

Name of Committee Members	CATEGORY
Mr. Gaurav Chandna*	Joint CEO & Additional Executive Director
Ms. Ami Momaya	Non-Executive Director

*Note: * Neeraj Sanghi the erstwhile CEO cum Whole-Time Director was a member of the InvIT Committee until March 31, 2024 (close of business hours) and in his place, Mr. Gaurav Chandna was inducted as a member of the InvIT Committee w.e.f. April 01, 2024..*

(ii) Terms of reference of the InvIT Committee

The terms of reference of the InvIT Committee are as follows:

- To do all acts and deeds in relation to any future issues that the Trust may undertake;
- To authorise and approve any amendments to documents in relation to any future issues that the Trust may undertake, including preliminary placement memorandum and placement memorandum;
- To decide and finalise the issue opening and issue closing dates of any future issues that the Trust may undertake;
- To decide and finalise the issue price in relation to any future issues that the Trust may undertake;
- To decide on all matters in relation to allotment of units to investors; and
- To decide on any other matter that may be routed through the InvIT Committee in relation to any fund raising by the Trust.

(iii) Meetings of the InvIT Committee

No InvIT Committee meeting was held during the year ended March 2024.

B. Investment Committee

The Investment Committee ("IC") has been established as a sub-committee of the Board of Directors to assist and recommend on matters in relation to investments and sale of assets by the Trust.

(i) Composition

The IC comprise of two independent directors and two non-independent directors.

The composition of the Investment Committee is as follows:

Name of Committee Members	CATEGORY
Mr. Gaurav Chandna*	Joint CEO & Additional Executive Director
Mr. Hardik Shah	Non-Executive Director
Mr. Manish Agarwal	Independent Director
Ms. Sudha Krishnan	Independent Director

*Notes: *Neeraj Sanghi the erstwhile CEO cum Whole-Time Director was a member of the IC until March 31, 2024 (close of business hours) and in his place, Mr. Gaurav Chandna was inducted as a member of the IC w.e.f. April 01, 2024.*

(ii) Terms of reference of the IC

The terms of reference of the IC are as follows:

- To review every investment and divestment transaction, including the terms of such transaction, with respect to the underlying assets or projects of the Trust and the SPVs including any further investment or divestment
- To evaluate, review and approve all non-binding offers and approve the due diligence and transaction budget for the various

Mergers and Amalgamations/ Takeover/ Acquisitions opportunities

- To evaluate, review and recommend to the Board the various Mergers and Amalgamations/ Takeover/ Acquisitions opportunities
- To review periodically the portfolio investments and monitor the assets of SPVs
- To receive reports from the valuers with respect to valuation of any assets or projects of the Trust

The full details of the terms of reference of the Committee is also available on the Trust's website on https:// highwaystrust.com/board-committees/

(iii) Meetings of the IC

IC meetings were held on April 20, 2023, April 26, 2023, May 19, 2023, June 29, 2023, July 24, 2023, August 11, 2023, September 25, 2023, October 25, 2023, November 28, 2023 and January 12, 2024. The necessary quorum was maintained for all the meetings.

In addition to the above committees, in order to have a robust governance structure, the Investment Manager also has (i) an ESG committee in charge of considering issues on matters falling under ESG domain and corporate social responsibility; and (ii) an Ethics and Compliance Committee in charge of implementation of policies in relation anti-bribery and for promoting ethical conduct.

Sponsor of the Trust

Galaxy Investments II Pte. Ltd. ("Galaxy") is the Sponsor of the Trust. The Sponsor was incorporated on June 11, 2021 in Singapore .

As on date, Galaxy is a 100% subsidiary of Galaxy Investments Pte. Ltd., which is majority owned and controlled by KKR Asia Pacific Infrastructure Holdings Pte. Ltd. Galaxy is affiliated with funds, vehicles and/or entities managed and/or advised by affiliates of KKR Co & Inc (together with its affiliates **"KKR"**). Founded in 1976, KKR is a leading global investment firm, with approximately US$553 billion of assets under management as of December 31, 2023, that offers alternative asset management as well as capital markets and insurance solutions. KKR sponsors investment funds that invest in private equity, credit and real assets and has strategic partners that manage hedge funds. KKR's insurance subsidiaries offer retirement, life and reinsurance products under the management of Global Atlantic Financial Group. KKR aims to generate attractive investment returns by following a patient and disciplined investment approach, employing world-class people and supporting growth in its portfolio companies and communities.

KKR's Business and Financial activities

In 2008, KKR established a dedicated infrastructure team and strategy focused on global investment opportunities. KKR has been one of the more active infrastructure investors globally over the past several years, having made approximately 75 infrastructure investments globally and ~US$59 billion in assets under management within infrastructure.

Today, KKR's Infrastructure platform has expanded to include approximately 90 dedicated investment professionals across 10 offices covering a broad spectrum of investment opportunities in various infrastructure subsectors, including: midstream energy, renewables, power & utilities, water and wastewater, waste, telecommunications and transportation, among others. KKR continually monitors infrastructure sectors and infrastructure-related investments for emerging trends, and may identify and prioritise investments in other sectors as conditions change or cycles evolve.

KKR has invested more than US$11 billion across all asset classes and strategies with over 20 investments made and more than a dozen active portfolio companies today. KKR believes the long-term economic outlook in India is positive given structural reforms, despite recent volatility and continue to see attractive investment opportunities in the country.

India is one of the key markets that KKR's Asia Pacific Infrastructure strategy will actively seek to invest in. KKR believes that population growth is expected to drive significant demand for infrastructure in India over the next 25 years. This, combined with stable macroeconomic indicators, structural reforms, thrust on infrastructure development, and constructive FDI regime will continue to result in high foreign capital inflows and provide the needed impetus to make India a favored infrastructure investment destination.

KKR's track record in India:

KKR's private equity current and past investments in India include, but are not limited to:

- Aricent Group (2009)
- Dalmia Cement (2010)
- Coffee Day Resorts Private Limited (2010)
- Magma Fincorp Limited (2011)
- TVS Logistics Services (2012)
- Alliance Tire Group (2013)
- Gland Pharma (2014)
- Emerald Media (2015)

- Max Financial Services (2016)
- Avendus Capital (2016)
- SBI Life Insurance (2016)
- Indus Towers Limited (f.k.a. Bharti Infratel) (2017 & 2008)
- Max Healthcare Institute (2017)
- Re Sustainability (f.k.a. Ramky Enviro Engineers) (2018)
- Lighthouse Learning (f.k.a. Eurokids) (2019)
- Reliance Jio Platforms (2020)
- Reliance Retail (2020)
- JB Chemicals (2020)
- Five-Star Business Finance (2021)
- Lenskart (2021)
- Vini Cosmetics (2021)
- Ness Digital Engineering (2022)
- Advanta Seeds (2022)
- Sriram Insurance (2022)

KKR's current Infrastructure investments in India include:

- IndiGrid (2019)
- Virescent Infrastructure (2020)
- Highway Concessions One (2021)
- Hero Future Energies (2022)
- Serentica Renewables (2022)
- LEAP India (2023)

Board of Directors of Sponsor

Sr. No.	Name	Date of appointment
1	Mr. Tang Jin Rong	June 11, 2021
2	Ms. Madhura Narawane	January 26, 2022
3	Mr. Goh Ping Hao	August 25, 2023

Trustee of the Trust

Axis Trustee Services Limited ("ATSL" or the "Trustee") is the trustee of the Trust. The Trustee is a registered intermediary with SEBI under the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, as a Debenture Trustee since January 31, 2014, having registration number IND000000494.

The Trustee has been promoted by Axis Bank Limited for providing corporate and other trusteeship services and is a wholly-owned subsidiary of Axis Bank Limited. The Trustee also acts as a security trustee and is involved in providing services in relation to security creation, compliance and holding security on behalf of lenders. The Trustee has confirmed to the Investment Manager that it has maintained and undertakes to ensure that it will at all times maintain, adequate infrastructure personnel and resources to perform its functions, duties and responsibilities with respect to the Trust, in accordance with the Trust Deed, the InvIT Regulations and other applicable laws.

Board of Directors of the Trustee

Sr. No.	Name	DIN	Designation	Date of appointment
1	Ms. Deepa Rath	09163254	Managing Director and Chief Executive Office	May 1, 2021
2	Mr. Prashant Joshi	08503064	Additional Non-Executive Director	January 16, 2024
3	Mr. Sumit Bali	02896088	Additional Non-Executive Director	January 16, 2024
4.	Mr. Arun Mehta	08674360	Additional Non-Executive Independent Director	May 03, 2024
5.	Pramod Kumar Nagpal	10041946	Additional Non-Executive Independent Director	May 03, 2024

Valuer of the Trust

Mr. S Sundararaman, Registered Valuer (IBB registration no. IBBI/RV/06/2018/10238) continues to act the valuer (the **"Valuer"**) to the Trust.

ANNEXURE A

Quarterly Compliance Report on Corporate Governance

1. **Name of InvIT – Highways Infrastructure Trust**
2. **Name of the Investment manager – Highway Concessions One Private Limited**
3. **Quarter ending – June 30, 2023**

I. Composition of Board of Directors of the Investment Manager

Title (Mr. / Ms.)	Name of the Director	DIN	Category (Chairperson / Non-Independent / Independent / Nominee) &	Initial Date of Appointment	Date of Reappointment	Date of Cessation	Tenure*	No. of directorships in all Managers / Investment Managers of REIT / InvIT and listed entities, including this Investment Manager	No of Independent directorships in all Managers / Investment Managers of REIT / InvIT and listed entities, including this Investment Manager	Number of memberships in Audit / Stakeholder Committee(s) in all Managers / Investment Managers of REIT / InvIT and listed entities, including this Investment Manager (Refer Regulation 26G of InvIT Regulations)	Number of posts of Chairperson in Audit / Stakeholder Committee(s) in all Managers / Investment Managers of REIT / InvIT and listed entities, including this Investment Manager (Refer Regulation 26G of InvIT Regulations)
Mr.	Neeraj Sanghi	05110400	CEO cum Whole-Time Director	17-12-2021	22-11-2022	-	-	1	0	1	0
Mr.	Hardik Bhadrik Shah	06648474	Non-Executive - Non Independent Director	17-12-2021	13-01-2022	-	-	3	0	3	0
Ms.	Ami Momaya	06836758	Non-Executive - Non Independent Director	24-01-2022	30-09-2022	-	-	2	0	3	0
Mr.	Janakiraman Subramanian	05299205	Non-Executive Independent Director	04-03-2022	30-09-2022	-	15.27 months	1	1	2	2
Mr.	Manish Agarwal	09730028	Non-Executive Independent Director	14-09-2022	30-09-2022	-	9.17 months	1	1	0	0
Ms.	Sudha Krishnan	02885630	Non-Executive Independent Director	14-09-2022	30-09-2022	-	9.17 months	1	1	1	0

Whether Regular chairperson appointed – **No**

Whether Chairperson is related to managing director or CEO – **No**

II. Composition of Committees

Name of Committee	Whether Regular chairperson appointed	Name of Committee members	Category (Chairperson/ Non-Independent/ Independent /Nominee)	Date of Appointment	Date of Cessation
1. Audit Committee	YES	Mr. Janakiraman Subramanian	Chairperson (Non-Executive - Independent Director)	15-11-2022	
		Ms. Sudha Krishnan	(Member) Non-Executive - Independent Director	15-11-2022	
		Mr. Hardik Bhadrik Shah	(Member) Non-Executive - Non-Independent Director	15-11-2022	
2. Nomination and Remuneration Committee	YES	Ms. Sudha Krishnan	(Member) Non-Executive Independent Director	15-11-2022	
		Mr. Manish Agarwal	(Chairperson) Non-Executive Independent Director	15-11-2022	
		Mr. Janakiraman Subramanian	(Member) Non-Executive Independent Director	31-03-2023	
3. Risk Management Committee	NO, Chairperson for the committee is elected at the committee meeting	Mr. Neeraj Sanghi	(Member) CEO cum Whole-Time Director	15-11-2022	
		Mr. Manish Agarwal	(Member) Non-Executive Independent Director	15-11-2022	
		Mr. Narayanan Doraiswamy	(Member) Chief Financial Officer	15-11-2022	
4. Stakeholders Relationship Committee	YES	Mr. Janakiraman Subramanian	Chairperson (Non-Executive Independent Director)	15-11-2022	
		Mr. Neeraj Sanghi	(Member) CEO cum Whole-Time Director	15-11-2022	
		Ms. Ami Vinoo Momaya	(Member) Non-Executive Non-Independent Director	15-11-2022	
5. InvIT Committee	NO; Chairperson for the committee is elected at the committee meeting	Mr. Neeraj Sanghi	(Member) CEO cum Whole-Time Director	15-11-2022	
		Ms. Ami Vinoo Momaya	(Member) Non-Executive Non-Independent Director	15-11-2022	
6. Investment Committee	NO; Chairperson for the committee is elected at the committee meeting	Mr. Neeraj Sanghi	(Member) CEO cum Whole-Time Director	15-11-2022	
		Mr. Hardik Bhadrik Shah	(Member) Non-Executive – Non-Independent Director	15-11-2022	
		Mr. Sudha Krishnan	(Member) Non-Executive Independent Director	15-11-2022	
		Mr. Manish Agarwal	(Member) Non-Executive Independent Director	15-11-2022	
7. ESG Committee	NO; Chairperson for the committee is elected at the committee meeting	Mr. Manish Agrawal	(Member) Non-Executive Independent Director	19-05-2023	
		Ms. Ami Vinoo Momaya	(Member) Non-Executive Non-Independent Director	18-08-2022	
		Mr. Neeraj Sanghi	(Member) CEO cum Whole-Time Director	18-08-2022	
8. Ethics Committee	NO; Chairperson for the committee is elected at the committee meeting	Ms. Meghana Singh	(Member) General Counsel	19-05-2023	
		Mr. Narayanan Doraiswamy	(Member) Chief Financial Officer	19-05-2023	
		Mr. Vidyadhar Dabholkar	(Member) Head of Human Resources	19-05-2023	

III. Meetings of Board of Directors

Date(s) of Meeting (if any) in the previous quarter	Date(s) of Meeting (if any) in the relevant quarter	Whether requirement of Quorum met*	Number of Directors present*	Number of independent directors present	Maximum gap between any two consecutive meetings (in number of days)*
08-02-2023	-	YES	5	3	-
-	19-05-2023	YES	6	3	99

* Excluding the date of meetings held

IV. Meetings of Committees

Date(s) of meeting of the committee in the relevant quarter	Whether requirement of Quorum met (details)*	Number of Directors present*	Number of independent directors present*	Date(s) of meeting of the committee in the previous quarter	Maximum gap between any two consecutive meetings (in number of days) **
Audit Committee					
19-05-2023	YES	3	2	08-02-2023	99
Nomination and Remuneration Committee					
No meeting held in the current quarter June 30, 2023				08-02-2023	-
-	-	-	-	24-03-2023	43
Risk Management Committee					
No meeting held in the current quarter ended June 30, 2023				08-02-2023	-
Stakeholder Relationship Committee					
19-05-2023	YES	3	1	08-02-2023	99
Investment Committee					
20-04-2023	YES	4	2	08-02-2023	26
26-04-2023	YES	3	2	17-03-2023	5
19-05-2023	YES	4	2	24-03-2023	22
29-06-2023	YES	4	2	-	40
ESG Committee					
19-06-2023	YES	3	1	-	-
Ethics Committee					
No meeting held in the current quarter June 30, 2023				-	-

* Representing for the current quarter meetings. –

** Excluding the date of meetings held

V. Affirmations

1. The composition of Board of Directors is in terms of the SEBI (Infrastructure Investment Trusts) Regulations, 2014.
2. The composition of the following Committees is in terms of the SEBI (Infrastructure Investment Trusts) Regulations, 2014;
   a. Audit Committee;
   b. Nomination and Remuneration Committee;
   c. Stakeholders Relationship Committee;
   d. Risk management Committee.
3. The Committee members have been made aware of their powers, role and responsibilities as specified in the SEBI (Infrastructure Investment Trusts) Regulations, 2014.
4. The meetings of the Board of Directors and the above Committees have been conducted in the manner as specified in the SEBI (Infrastructure Investment Trusts) Regulations, 2014.
5. This report and/or the report submitted in the previous quarter has been placed before of the Board of Directors of the Investment Manager i.e. Highway Concessions One Private Limited. Any comments/observations/advice of Board of Directors may be mentioned here: NIL

For **Highway Concessions One Private Limited**

(Acting in its capacity as Investment Manager of Highways Infrastructure Trust)

Name: Kunjal Shah
Designation: Company Secretary and Compliance Officer
ACS No. A27382

Place: Mumbai

1. **Name of InvIT – Highways Infrastructure Trust**
2. **Name of the Investment manager – Highway Concessions One Private Limited**
3. **Quarter ending – September 30, 2023**

I. Composition of Board of Directors of the Investment Manager

Title (Mr. / Ms.)	Name of the Director	DIN	Category (Chairperson / Non-Independent / Independent / Nominee)	Initial Date of Appointment	Date of Reappointment	Date of Cessation	Tenure*	No. of directorships in all Managers / Investment Managers of REIT / InvIT and listed entities, including this Investment Manager	No of Independent directorships in all Managers / Investment Managers of REIT / InvIT and listed entities, including this Investment Manager	Number of memberships in Audit / Stakeholder Committee(s) in all Managers / Investment Managers of REIT / InvIT and listed entities, including this Investment Manager (Refer Regulation 26G of InvIT Regulations)	Number of posts of Chairperson in Audit / Stakeholder Committee(s) in all Managers / Investment Managers of REIT / InvIT and listed entities, including this Investment Manager (Refer Regulation 26G of InvIT Regulations)
Mr.	Neeraj Sanghi	05110400	CEO cum Whole-Time Director	17-12-2021		-	-	1	0	1	0
Mr.	Hardik Bhadrik Shah	06648474	Non-Executive - Non Independent Director	17-12-2021		-	-	2	0	1	0
Ms.	Ami Momaya	06836758	Non-Executive - Non Independent Director	24-01-2022		-	-	2	0	3	0
Mr.	Janakiraman Subramanian	05299205	Non-Executive Independent Director	04-03-2022	04-03-2022	-	18.27 months	1	1	2	2
Mr.	Manish Agarwal	09730028	Non-Executive Independent Director	14-09-2022	14-09-2022	-	12.17 months	1	1	0	0
Ms	Sudha Krishnan	02885630	Non-Executive Independent Director	14-09-2022	14-09-2022	-	12.17 months	1	1	1	0

Whether Regular chairperson appointed – **No**

Whether Chairperson is related to managing director or CEO – **No**

* Tenure would mean total period from which Independent director is serving on Board of directors of the investment manager in continuity without any cooling off period.

II. Composition of Committees

Name of Committee	Whether Regular chairperson appointed	Name of Committee members	Category (Chairperson/Non-Independent/ Independent/Nominee)	Date of Appointment	Date of Cessation
1. Audit Committee	YES	Mr. Janakiraman Subramanian	Chairperson (Non-Executive - Independent Director)	15-11-2022	
		Ms. Sudha Krishnan	(Member) Non-Executive - Independent Director	15-11-2022	
		Mr. Hardik Bhadrik Shah	(Member) Non-Executive - Non-Independent Director	15-11-2022	
2. Nomination and Remuneration Committee	YES	Ms. Sudha Krishnan	(Member) Non-Executive Independent Director	15-11-2022	
		Mr. Manish Agarwal	(Chairperson) Non-Executive Independent Director	15-11-2022	
		Mr. Janakiraman Subramanian	(Member) Non-Executive Independent Director	31-03-2023	
3. Risk Management Committee	NO, Chairperson for the committee is elected at the committee meeting	Mr. Neeraj Sanghi	(Member) CEO cum Whole-Time Director	15-11-2022	
		Mr. Manish Agarwal	(Member) Non-Executive Independent Director	15-11-2022	
		Mr. Narayanan Doraiswamy	(Member) Chief Financial Officer	15-11-2022	
4. Stakeholders Relationship Committee	YES	Mr. Janakiraman Subramanian	Chairperson (Non-Executive Independent Director)	15-11-2022	
		Mr. Neeraj Sanghi	(Member) CEO cum Whole-Time Director	15-11-2022	
		Ms. Ami Vinoo Momaya	(Member) Non-Executive Non-Independent Director	15-11-2022	
5. InvIT Committee	NO; Chairperson for the committee is elected at the committee meeting	Mr. Neeraj Sanghi	(Member) CEO cum Whole-Time Director	15-11-2022	
		Ms. Ami Vinoo Momaya	(Member) Non-Executive Non-Independent Director	15-11-2022	
6. Investment Committee	NO; Chairperson for the committee is elected at the committee meeting	Mr. Neeraj Sanghi	(Member) CEO cum Whole-Time Director	15-11-2022	
		Mr. Hardik Bhadrik Shah	(Member) Non-Executive – Non-Independent Director	15-11-2022	
		Mr. Sudha Krishnan	(Member) Non-Executive Independent Director	15-11-2022	
		Mr. Manish Agarwal	(Member) Non-Executive Independent Director	15-11-2022	
7. ESG Committee	NO; Chairperson for the committee is elected at the committee meeting	Mr. Manish Agrawal	(Member) Non-Executive Independent Director	19-05-2023	
		Ms. Ami Vinoo Momaya	(Member) Non-Executive Non-Independent Director	18-08-2022	
		Mr. Neeraj Sanghi	(Member) CEO cum Whole-Time Director	18-08-2022	
8. Ethics Committee	NO; Chairperson for the committee is elected at the committee meeting	Ms. Meghana Singh	(Member) General Counsel	19-05-2023	
		Mr. Narayanan Doraiswamy	(Member) Chief Financial Officer	19-05-2023	
		Mr. Vidyadhar Dabholkar	(Member) Head of Human Resources	19-05-2023	

* Excluding the date of meetings held in previous quarter

III. Meetings of Board of Directors

Date(s) of Meeting (if any) in the previous quarter	Date(s) of Meeting (if any) in the relevant quarter	Whether requirement of Quorum met*	Number of Directors present*	Number of independent directors present	Maximum gap between any two consecutive meetings (in number of days)*
19-05-2023	-	-	-	-	-
-	06-07-2023	YES	5	3	47
	11-08-2023	YES	6	3	35
	31-08-2023	YES	5	3	19
	25-09-2023	YES	5	3	24

* Excluding the date of meetings held in previous quarter

IV. Meetings of Committees

Date(s) of meeting of the committee in the relevant quarter	Whether requirement of Quorum met (details)*	Number of Directors present*	Number of independent directors present*	Date(s) of meeting of the committee in the previous quarter	Maximum gap between any two consecutive meetings (in number of days) **
Audit Committee					
-	-	-	-	19-05-2023	-
06-07-2023	YES	3	2	-	47
11-08-2023	YES	3	2	-	35
25-09-2023	YES	2	2	-	44
Nomination and Remuneration Committee					
31.08.2023	YES	3	3	-	159
25.09.2023	YES	3	3		24
Risk Management Committee					
No meeting held in the current quarter ended September 30, 2023				-	-
Stakeholder Relationship Committee					
No meeting held in the current quarter ended September 30, 2023				19-05-2023	99
Investment Committee					
-	-	-	-	20-04-2023	26
-	-	-	-	26-04-2023	5
-	-	-	-	19-05-2023	22
-	-	-	-	29-06-2023	40
24-07-2023	YES	4	2	-	24
11-08-2023	YES	3	2	-	17
25-09-2023	YES	3	2	-	44

Date(s) of meeting of the committee in the relevant quarter	Whether requirement of Quorum met (details)*	Number of Directors present*	Number of independent directors present*	Date(s) of meeting of the committee in the previous quarter	Maximum gap between any two consecutive meetings (in number of days) **
ESG Committee					
-	-	-	-	19-06-2023	NA
06-07-2023	YES	2	1	-	16
				-	-
Ethics Committee					
18-08-2023	YES	3#	NA	-	-

* Representing for the current quarter meetings.
** Excluding the date of meetings held in previous quarter
# The ESG Committee consists of members other than Director

V. Affirmations

1. The composition of Board of Directors is in terms of the SEBI (Infrastructure Investment Trusts) Regulations, 2014.
2. The composition of the following Committees is in terms of the SEBI (Infrastructure Investment Trusts) Regulations, 2014;
   a. Audit Committee;
   b. Nomination and Remuneration Committee;
   c. Stakeholders Relationship Committee;
   d. Risk management Committee.
3. The Committee members have been made aware of their powers, role and responsibilities as specified in the SEBI (Infrastructure Investment Trusts) Regulations, 2014.
4. The meetings of the Board of Directors and the above Committees have been conducted in the manner as specified in the SEBI (Infrastructure Investment Trusts) Regulations, 2014.
5. This report and/or the report submitted in the previous quarter has been placed before of the Board of Directors of the Investment Manager i.e. Highway Concessions One Private Limited. Any comments/observations/advice of Board of Directors may be mentioned here: NIL

For **Highway Concessions One Private Limited**

(Acting in its capacity as Investment Manager of Highways Infrastructure Trust)

Name: Kunjal Shah
Designation: Company Secretary and Compliance Officer
ACS No. A27382

Place: Mumbai

1. Name of InvIT - Highways Infrastructure Trust

2. Name of the Investment Manager - Highway Concessions One Private Limited

3. Quarter ending - December 31, 2023

I. Composition of Board of Directors of the Investment Manager

Title (Mr. / Ms.)	Name of the Director	DIN	Category (Chairperson / Non-Independent / Independent / Nominee)	Initial Date of Appointment	Date of Reappointment	Date of Cessation	Tenure*	No. of directorships in all Managers / Investment Managers of REIT / InvIT and listed entities, including this Investment Manager	No of Independent directorships in all Managers / Investment Managers of REIT / InvIT and listed entities, including this Investment Manager	Number of memberships in Audit / Stakeholder Committee(s) in all Managers / Investment Managers of REIT / InvIT and listed entities, including this Investment Manager (Refer Regulation 26G of InvIT Regulations)	Number of posts of Chairperson in Audit / Stakeholder Committee(s) in all Managers / Investment Managers of REIT / InvIT and listed entities, including this Investment Manager (Refer Regulation 26G of InvIT Regulations)
Mr.	Neeraj Sanghi	05110400	CEO cum Whole-Time Director	17-12-2021	-	-	-	1	0	1	0
Mr.	Hardik Bhadrik Shah	06648474	Non-Executive Non-Independent Director	17-12-2021	-	-	-	2	0	1	0
Ms.	Ami Momaya	06836758	Non-Executive Non-Independent Director	24-01-2022	-	-	-	2	0	3	0
Mr.	Janakiraman Subramanian	05299205	Non-Executive Independent Director	04-03-2022	-	-	21.27 Months, i.e. 21 months and 27 days	1	1	2	2
Mr.	Manish Agarwal	09730028	Non-Executive Independent Director	14-09-2022	-	-	15.17 Months, i.e. 15 months and 17 days	1	1	0	0
Ms.	Sudha Krishnan	02885630	Non-Executive Independent Director	14-09-2022	-	-	15.17 Months, i.e. 15 months and 17 days	1	1	1	0

Whether Regular chairperson appointed – **No**

Whether Chairperson is related to managing director or CEO – **No**

* Tenure would mean total period from which Independent Director is serving on Board of directors of the investment manager in continuity without any cooling off period.

II. Composition of Committees

Name of Committee	Whether Regular chairperson appointed	Name of Committee members	Category (Chairperson/ Non-Independent/ Independent/Nominee)	Date of Appointment	Date of Cessation
1. Audit Committee	YES	Mr. Janakiraman Subramanian	Chairperson (Non-Executive - Independent Director)	15-11-2022	-
		Ms. Sudha Krishnan	(Member) Non-Executive - Independent Director	15-11-2022	-
		Mr. Hardik Bhadrik Shah	(Member) Non-Executive- Non-Independent Director	15-11-2022	-
2. Nomination and Remuneration Committee	YES	Ms. Sudha Krishnan	(Member) Non-Executive Independent Director	15-11-2022	-
		Mr. Manish Agarwal	(Chairperson) Non-Executive Independent Director	15-11-2022	-
		Mr. Janakiraman Subramanian	(Member) Non-Executive Independent Director	31-03-2023	-
3. Risk Management Committee	NO, Chairperson for the committee is elected at the committee meeting	Mr. Neeraj Sanghi	(Member) CEO cum Whole-Time Director	15-11-2022	-
		Mr. Manish Agarwal	(Member) Non-Executive Independent Director	15-11-2022	-
		Mr. Narayanan Doraiswamy	(Member) Chief Financial Officer	15-11-2022	09-11-2023#
		Mr. Abhishek Chhajer#	Member	09-11-2023	
4. Stakeholders Relationship Committee	YES	Mr. Janakiraman Subramanian	Chairperson (Non-Executive Independent Director)	15-11-2022	-
		Mr. Neeraj Sanghi	(Member) CEO cum Whole-Time Director	15-11-2022	-
		Ms. Ami Vinoo Momaya	(Member) Non-Executive Non-Independent Director	15-11-2022	-
5. InvIT Committee	NO; Chairperson for the committee is elected at the committee meeting	Mr. Neeraj Sanghi	(Member) CEO cum Whole-Time Director	15-11-2022	-
		Ms. Ami Vinoo Momaya	(Member) Non-Executive Non-Independent Director	15-11-2022	-
6. Investment Committee	NO; Chairperson for the committee is elected at the committee meeting	Mr. Neeraj Sanghi	(Member) CEO cum Whole-Time Director	15-11-2022	-
		Mr. Hardik Bhadrik Shah	(Member) Non-Executive – Non-Independent Director	15-11-2022	-
		Mr. Sudha Krishnan	(Member) Non-Executive Independent Director	15-11-2022	-
		Mr. Manish Agarwal	(Member) Non-Executive Independent Director	15-11-2022	-
7. ESG Committee	NO; Chairperson for the committee is elected at the committee meeting	Mr. Manish Agrawal	(Member) Non-Executive Independent Director	19-05-2023	-
		Ms. Ami Vinoo Momaya	(Member) Non-Executive Non-Independent Director	18-08-2022	-
		Mr. Neeraj Sanghi	(Member) CEO cum Whole-Time Director	18-08-2022	-
8. Ethics Committee	NO; Chairperson for the committee is elected at the committee meeting	Ms. Meghana Singh	(Member) General Counsel	19-05-2023	-
		Mr. Narayanan Doraiswamy	(Member) Chief Financial Officer	19-05-2023	09-11-2023#
		Mr. Abhishek Chhajer#	Member	09-11-2023	-
		Mr. Vidyadhar Dabholkar	(Member) Head of Human Resources	19-05-2023	-

Mr. Narayanan Doraiswamy, (Member) Chief Financial Officer has ceased as a member from the Risk Management Committee and Ethics Committee w.e.f. 09-11-2023. Further, Mr. Abhishek Chhajer was inducted in place of Mr. Narayanan Doraiswamy on the same date.

It may be noted that Mr. Narayanan Doraiswamy, Chief Financial Officer (CFO), of the Investment Manager the Trust, ceases to be the Chief Financial Officer (and a part of Key Managerial Personnel (KMP) and Senior Management) under the applicable provisions of the Companies Act, 2013, SEBI InvIT Regulations and SEBI LODR Regulations w.e.f. 31-12-23 (end of business hours). Mr. Abhishek Chhajer was appointed as the Chief Financial Officer (and a part of Key Managerial Personnel (KMP) and Senior Management) of the Investment Manager under the applicable provisions of the Companies Act, 2013, SEBI InvIT Regulations and SEBI LODR Regulations w.e.f. January 01, 2024.

III. Meetings of Board of Directors

Date(s) of Meeting (if any) in the previous quarter	Date(s) of Meeting (if any) in the relevant quarter	Whether requirement of Quorum met*	Number of Directors present*	Number of independent directors present	Maximum gap between any two consecutive meetings (in number of days)*
06-07-2023	-	-	-	-	-
11-08-2023	-	-	-	-	-
31-08-2023	-	-	-	-	-
25-09-2023	-	-	-	-	-
-	20-10-2023	YES	4	2	24
-	09-11-2023	YES	4	3	19
-	30-11-2023	YES	5	3	20
-	18-12-2023	YES	5	3	17

* Excluding the date of meetings held in previous quarter

IV. Meetings of Committees

Date(s) of meeting of the committee in the relevant quarter	Whether requirement of Quorum met (details)*	Number of Directors present*	Number of independent directors present*	Date(s) of meeting of the committee in the previous quarter	Maximum gap between any two consecutive meetings (in number of days) **
Audit Committee					
-	-	-	-	06-07-2023	-
-	-	-	-	11-08-2023	-
-	-	-	-	25-09-2023	-
20-10-2023	Yes	2	2		24
09-11-2023	Yes	2	2		19
18-12-2023	Yes	2	2		38
Nomination and Remuneration Committee					
-	-	-	-	31-08-2023	
-	-	-	-	25-09-2023	
No meeting held in the current quarter ended December 31, 2023					
Risk Management Committee					
No meeting held in the current quarter ended December 31, 2023				-	-
Stakeholder Relationship Committee					
No meeting held in the current quarter ended December 31, 2023				-	-
Investment Committee					
-	-	-	-	24-07-2023	-
-	-	-	-	11-08-2023	-
-	-	-	-	25-09-2023	-
25-10-2023	Yes	4	2	-	29
28-11-2023	Yes	4	2	-	33

Date(s) of meeting of the committee in the relevant quarter	Whether requirement of Quorum met (details)*	Number of Directors present*	Number of independent directors present*	Date(s) of meeting of the committee in the previous quarter	Maximum gap between any two consecutive meetings (in number of days) **
ESG Committee					
-	-	-	-	06-07-2023	-
No meeting held in the current quarter ended December 31, 2023				-	-
Ethics Committee					
-	-	-	-	18-08-2023	-
13-10-2023	Yes	NA	NA	-	55
Ethics Committee is an executive committee with no board members. However, chairman of the Audit Committee is invited as a special invitee on need basis.					

* Representing for the current quarter meetings.

** Excluding the date of meetings held in previous quarter.

V. Affirmations

1. The composition of Board of Directors is in terms of the SEBI (Infrastructure Investment Trusts) Regulations, 2014.
2. The composition of the following Committees is in terms of the SEBI (Infrastructure Investment Trusts) Regulations, 2014;
   a. Audit Committee;
   b. Nomination and Remuneration Committee;
   c. Stakeholders Relationship Committee;
   d. Risk management Committee.
3. The Committee members have been made aware of their powers, role and responsibilities as specified in the SEBI (Infrastructure Investment Trusts) Regulations, 2014.
4. The meetings of the Board of Directors and the above Committees have been conducted in the manner as specified in the SEBI (Infrastructure Investment Trusts) Regulations, 2014.
5. This report and/or the report submitted in the previous quarter has been placed before of the Board of Directors of the Investment Manager i.e. Highway Concessions One Private Limited. Any comments/observations/advice of Board of Directors may be mentioned here: NIL.

For **Highway Concessions One Private Limited**
(acting as an Investment Manager of Highways Infrastructure Trust)

Name: Kunjal Shah
Designation: Company Secretary & Compliance Officer
ACS No. A27382

Place: Mumbai
Date: January 17 ,2024

1. **Name of InvIT - Highways Infrastructure Trust**
2. **Name of the Investment Manager - Highway Concessions One Private Limited**
3. **Quarter ending - March 31, 2024**

PART-A

I. Composition of Board of Directors of the Investment Manager

Title (Mr. / Ms.)	Name of the Director	DIN	Category (Chairperson / Non-Independent / Independent / Nominee)	Initial Date of Appointment	Date of Re-appointment	Date of Cessation	Tenure*	No. of directorships in all Managers / Investment Managers of REIT / InvIT and listed entities, including this Investment Manager	No of Independent directorships in all Managers / Investment Managers of REIT / InvIT and listed entities, including this Investment Manager	Number of memberships in Audit / Stakeholder Committee(s) in all Managers / Investment Managers of REIT / InvIT and listed entities, including this Investment Manager (Refer Regulation 26G of InvIT Regulations)	Number of posts of Chairperson in Audit / Stakeholder Committee(s) in all Managers / Investment Managers of REIT / InvIT and listed entities, including this Investment Manager (Refer Regulation 26G of InvIT Regulations)
Mr.	Neeraj SanghiNote 1	05110400	CEO cum Whole-Time Director	17-12-2021	-	31-03-2024	-	1	0	1	0
Mr.	Hardik Bhadrik Shah	06648474	Non-Executive Non-Independent Director	17-12-2021	-	-	-	2	0	1	0
Ms.	Ami Momaya	06836758	Non-Executive Non-Independent Director	24-01-2022	-	-	-	2	0	3	0
Mr.	Janakiraman Subramanian	05299205	Non-Executive Independent Director	04-03-2022	-	-	24.27 Months, i.e. 24 months and 27 days	1	1	2	2
Mr.	Manish Agarwal	09730028	Non-Executive Independent Director	14-09-2022	-	-	18.17 Months, i.e. 18 months and 17 days	1	1	0	0

Title (Mr. / Ms.)	Name of the Director	DIN	Category (Chairperson / Non-Independent / Independent / Nominee)	Initial Date of Appointment	Date of Re-appointment	Date of Cessation	Tenure*	No. of directorships in all Managers / Investment Managers of REIT / InvIT and listed entities, including this Investment Manager	No of Independent directorships in all Managers / Investment Managers of REIT / InvIT and listed entities, including this Investment Manager	Number of memberships in Audit / Stakeholder Committee(s) in all Managers / Investment Managers of REIT / InvIT and listed entities, including this Investment Manager (Refer Regulation 26G of InvIT Regulations)	Number of posts of Chairperson in Audit / Stakeholder Committee(s) in all Managers / Investment Managers of REIT / InvIT and listed entities, including this Investment Manager (Refer Regulation 26G of InvIT Regulations)
Ms.	Sudha Krishnan	02885630	Non-Executive Independent Director	14-09-2022	-	-	18.17 Months, i.e. 18 months and 17 days	1	1	1	0
Mr.	Gaurav Chandna[Note1]	10312924	Joint CEO cum Additional Non-Independent Executive Director	01-04-2024	-	-	-	1	0	1	0

Whether Regular chairperson appointed – **No**

Whether Chairperson is related to managing director or CEO – **No**

* Tenure would mean total period from which Independent Director is serving on Board of directors of the investment manager in continuity without any cooling off period.

Note 1:- Mr. Neeraj Sanghi retired from the position of Chief Executive Officer and Wholetime Director of the Investment Manager with effect from March 31, 2024 (end of business hours) and on March 22, 2024, Mr. Gaurav Chandna was appointed by the Investment Manager as an Additional Non-Independent Executive Director with effect from April 1, 2024.

II. Composition of Committees

Name of Committee	Whether Regular chairperson appointed	Name of Committee Members	Category (Chairperson / Non-Independent / Independent / Nominee)	Date of Appointment	Date of Cessation
1. Audit Committee	YES	Mr. Janakiraman Subramanian	(Chairperson) Non-Executive - Independent Director	15-11-2022	-
		Ms. Sudha Krishnan	(Member) Non-Executive - Independent Director	15-11-2022	-
		Mr. Hardik Bhadrik Shah	(Member) Non-Executive- Non-Independent Director	15-11-2022	-
2. Nomination and Remuneration Committee	YES	Ms. Sudha Krishnan	(Member) Non-Executive Independent Director	15-11-2022	-
		Mr. Manish Agarwal	(Chairperson) Non-Executive Independent Director	15-11-2022	-
		Mr. Janakiraman Subramanian	(Member) Non-Executive Independent Director	31-03-2023	-

Name of Committee	Whether Regular chairperson appointed	Name of Committee Members	Category (Chairperson / Non-Independent / Independent / Nominee)	Date of Appointment	Date of Cessation
3. Risk Management Committee	YES	Mr. Manish Agarwal[Note2]	(Chairperson) Non-Executive Independent Director	15-11-2022	-
		Mr. Neeraj Sanghi[Note1]	(Member) CEO cum Whole-Time Director	15-11-2022	31-03-2024
		Mr. Abhishek Chhajer	(Member) Chief Financial Officer	09-11-2023	
		Mr. Gaurav Chandna[Note1]	(Member) Joint CEO cum Additional Non-Independent Executive Director	01-04-2024	
4. Stakeholders Relationship Committee	YES	Mr. Janakiraman Subramanian	(Chairperson) Non-Executive Independent Director	15-11-2022	-
		Mr. Neeraj Sanghi[Note1]	(Member) CEO cum Whole-Time Director	15-11-2022	31-03-2024
		Ms. Ami Vinoo Momaya	(Member) Non-Executive Non-Independent Director	15-11-2022	-
		Mr. Gaurav Chandna[Note1]	(Member) Joint CEO cum Additional Non-Independent Executive Director	01-04-2024	
5. InvIT Committee	NO; Chairperson for the committee is elected at the committee meeting	Mr. Neeraj Sanghi[Note1]	(Member) CEO cum Whole-Time Director	15-11-2022	31-03-2024
		Mr. Gaurav Chandna[Note1]	(Member) Joint CEO cum Additional Non-Independent Executive Director	01-04-2024	
		Ms. Ami Vinoo Momaya	(Member) Non-Executive Non-Independent Director	15-11-2022	-
6. Investment Committee	NO; Chairperson for the committee is elected at the committee meeting	Mr. Neeraj SanghiNote1	(Member) CEO cum Whole-Time Director	15-11-2022	31-03-2024
		Mr. Gaurav ChandnaNote1	(Member) Joint CEO cum Additional Non-Independent Executive Director	01-04-2024	
		Mr. Hardik Bhadrik Shah	(Member) Non-Executive – Non-Independent Director	15-11-2022	-
		Mr. Sudha Krishnan	(Member) Non-Executive Independent Director	15-11-2022	-
		Mr. Manish Agarwal	(Member) Non-Executive Independent Director	15-11-2022	-
7. ESG Committee	NO; Chairperson for the committee is elected at the committee meeting	Mr. Manish Agrawal	(Member) Non-Executive Independent Director	19-05-2023	-
		Ms. Ami Vinoo Momaya	(Member) Non-Executive Non-Independent Director	18-08-2022	-
		Mr. Neeraj Sanghi[Note1]	(Member) CEO cum Whole-Time Director	18-08-2022	31-03-2024
		Mr. Gaurav Chandna[Note1]	(Member) Joint CEO cum Additional Non-Independent Executive Director	01-04-2024	
8. Ethics Committee	NO; Chairperson for the committee is elected at the committee meeting	Ms. Meghana Singh	(Member) General Counsel	19-05-2023	-
		Mr. Abhishek Chhajer	(Member) Chief Financial Officer	09-11-2023	-
		Mr. Vidyadhar Dabholkar	(Member) Head of Human Resources	19-05-2023	-

Note 1: Mr. Neeraj Sanghi retired from the position of Chief Executive Office and Wholetime Director of the Investment Manager with effect from March 31, 2024 (end of business hours) and accordingly, stepped down from all committee. In place of Mr. Sanghi, on March 22, 2024 Mr. Gaurav Chandna was inducted in the following committee (i) Risk (ii) Stakeholders (iii) InvIT (iv) Investment (v) ESG which with effect from April 1, 2024.

Note 2: Manish Agarwal was appointed as the Chairperson of Risk Management Committee, with effect from April 1, 2024.

III. Meetings of Board of Directors

Date(s) of Meeting (if any) in the previous quarter	Date(s) of Meeting (if any) in the relevant quarter	Whether requirement of Quorum met*	Number of Directors present*	Number of independent directors present	Maximum gap between any two consecutive meetings (in number of days)*
20-10-2023	-	-	-	-	-
09-11-2023	-	-	-	-	-
30-11-2023	-	-	-	-	-
18-12-2023	-	-	-	-	-
-	05-01-2024	YES	6	3	17
-	06-02-2024	YES	5	3	31
-	22-03-2024	YES	5	3	44
-					

* Excluding the date of meetings held in previous quarter

IV. Meetings of Committees

Date(s) of meeting of the committee in the relevant quarter	Whether requirement of Quorum met (details)*	Number of Directors present*	Number of independent directors present*	Date(s) of meeting of the committee in the previous quarter	Maximum gap between any two consecutive meetings (in number of days) **
Audit Committee					
-	-	-	-	20-10-2023	-
-	-	-	-	09-11-2023	-
-	-	-	-	18-12-2023	-
05-01-2024	Yes	3	2	-	17
06-02-2024	Yes	2	2	-	31
22-03-2024	Yes	2	2	-	44
Nomination and Remuneration Committee					
06-02-2024	Yes	3	3	-	-
22-03-2024	Yes	3	3	-	44
No meetings were held in the previous quarter ended December 31, 2023					
Risk Management Committee					
05-01-2024	Yes	3	1	-	-
06-02-2024	Yes	3	1	-	31
No meetings were held in the previous quarter ended December 31, 2023					
Stakeholder Relationship Committee					
No meetings were held in the current quarter ended March 31, 2024					

Date(s) of meeting of the committee in the relevant quarter	Whether requirement of Quorum met (details)*	Number of Directors present*	Number of independent directors present*	Date(s) of meeting of the committee in the previous quarter	Maximum gap between any two consecutive meetings (in number of days) **
Investment Committee					
-	-	-	-	25-10-2023	-
-	-	-	-	28-11-2023	-
12-01-2024	Yes	3	1	-	44
ESG Committee					
05-01-2024	Yes	3	1	-	-
No meeting held in the previous quarter ended December 31, 2023					
Ethics Committee					
-	-	-	-	13-10-2023	-
24-01-2024	Yes	NA	NA	-	102
23-03-2024	Yes	NA	NA		58
Ethics Committee is an executive committee with no board members. However, chairman of the Audit Committee is invited as a special invitee on needs basis.					

* Representing for the current quarter meetings.

** Excluding the date of meetings held in previous quarter.

V. Affirmations

1. The composition of Board of Directors is in terms of the SEBI (Infrastructure Investment Trusts) Regulations, 2014. - Yes
2. The composition of the following Committees is in terms of the SEBI (Infrastructure Investment Trusts) Regulations, 2014; - Yes
   a. Audit Committee;
   b. Nomination and Remuneration Committee;
   c. Stakeholders Relationship Committee;
   d. Risk management Committee.
3. The Committee members have been made aware of their powers, role and responsibilities as specified in the SEBI (Infrastructure Investment Trusts) Regulations, 2014. - Yes
4. The meetings of the Board of Directors and the above Committees have been conducted in the manner as specified in the SEBI (Infrastructure Investment Trusts) Regulations, 2014. - Yes
5. This report and/or the report submitted in the previous quarter has been placed before of the Board of Directors of the Investment Manager i.e. Highway Concessions One Private Limited. Any comments/observations/advice of Board of Directors may be mentioned here: NIL.

ANNEXURE A
Quarterly Compliance Report on Corporate Governance (Contd.)

PART-B

I. Disclosure on website of InvIT

Item		Compliance status (Yes/No/NA)refer note below	If Yes provide link to website. If No / NA provide reasons
a)	Details of business	Yes	https://highwaystrust.com/about-hit/
b)	Financial information including complete copy of the Annual Report including Balance Sheet, Profit and Loss Account, etc.	Yes	https://highwaystrust.com/financial-results/
c)	Contact information of the designated officials of the company who are responsible for assisting and handling investor grievances	Yes	**Web portal-** https://highwaystrust.com/investors-relations-contacts/ Email- kunjal.shah@highwayconcessions.com
d)	Email ID for grievance redressal and other relevant details	Yes	
e)	Information, report, notices, call letters, circulars, proceedings, etc. concerning units	Yes	https://highwaystrust.com/outcome-of-board-meeting/ https://highwaystrust.com/m-a-updates/ https://highwaystrust.com/other-announcements/ https://highwaystrust.com/units-issue-2/
f)	All information and reports including compliance reports filed by InvIT with respect to units	Yes	https://highwaystrust.com/other-announcements/
g)	All intimations and announcements made by InvIT to the stock exchanges	Yes	https://highwaystrust.com/Investors/
h)	All complaints including SCORES complaints received by the InvIT	Yes Note3	https://highwaystrust.com/wp-content/uploads/2024/04/HITInvestorGrievance31032024signed.pdf
i)	Any other information which may be relevant for the investors	Yes	https://highwaystrust.com/Investors/

Note 3: No complaints were received by the InvIT and the status of SCORES complaint is disclosed on the website.

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

II Annual Affirmations

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

ANNEXURE A
Quarterly Compliance Report on Corporate Governance (Contd.)

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

Note

1 In the column "Compliance Status", compliance or non-compliance may be indicated by Yes/No/N.A. For example, if the Board has been composed in accordance with the requirements of InvIT Regulations, "Yes" may be indicated. Similarly, in case the InvIT has no related party transactions, the words "N.A." may be indicated.

2 If status is "No" details of non-compliance may be given here.

3 If the investment manager would like to provide any other information the same may be indicated here.

For **Highway Concessions One Private Limited**
(acting as an Investment Manager of Highways Infrastructure Trust)

Kunjal Shah
Company Secretary & Compliance Officer
ACS No. A27382

Place: Mumbai

ANNEXURE A
Quarterly Compliance Report on Corporate Governance (Contd.)

PART C

COMPLIANCE REPORT ON GOVERNANCE- AFFIRMATIONS

1. **Name of InvIT– Highways Infrastructure Trust**
2. **Name of the Investment manager – Highway Concessions One Private Limited**
3. **Year ending – March 31, 2024**

Affirmations

Broad heading	Regulation Number	Compliance status (Yes/No /NA)
Copy of annual report of the InvIT including balance sheet, profit and loss account, governance report, secretarial compliance report displayed on Website	26J, 26K and the Master Circular	Yes[1]
Presence of Chairperson of Audit Committee at the Annual Meeting of Unitholders	26G	Yes[2]
Presence of Chairperson of the Nomination and Remuneration Committee at the Annual Meeting of Unitholders	26G	Yes[2]
Presence of Chairperson of the Stakeholder Relationship Committee at the Annual Meeting of Unitholders	26G	Yes[2]
Whether "Governance Report" and "Secretarial Compliance Report" disclosed in Annual Report of the InvIT	26J and 26K	NA[3]

Note

1. The Annual Report (including balance sheet, profit and loss account is displayed on the website) for FY 2022-23 which was approved during FY 2023-24. Requirement of including Governance Report and Secretarial Compliance Report was not applicable for the said Annual Report. Further, the Annual Report of the InvIT including balance sheet, profit and loss account, governance report, secretarial compliance report for FY 2023-24 will be displayed on the website upon dispatch of the same to the Unitholders and submitting to the stock exchange.
2. For the annual meeting of the unitholders (first annual meeting) held during the financial year 2023-24.
3. Requirement of including Governance Report and Secretarial Compliance Report was not applicable for the Annual Report for FY 2022-23 as the provisions relating to same were applicable from April 1, 2023 and further the as the format for the same was made applicable vide SEBI Circular dated June 26, 2023, the same will be included in the Annual Reports from FY 2023-24 onwards.

For **Highway Concessions One Private Limited**
(acting as an Investment Manager of Highways Infrastructure Trust)

Kunjal Shah
Company Secretary & Compliance Officer

Place: Mumbai

Summary of Valuation Reports

1. Background

In accordance with the terms of the Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014, the Investment Manager appointed Mr. S. Sundararaman ("Registered Valuer"), holding registration number IBBI/RV/06/2018/10238 with IBBI to undertake fair valuation of the project SPVs. The Registered Valuer has undertaken a valuation of the project SPVs as on March 31, 2024 and the full valuation report is available on our website https://highwaystrust.com. Set out below is a summary of valuation:

1.1 Financial Assets to be Valued:

The financial assets valued at Enterprise Value and Adjusted Enterprise Value are as follows:

Sr. No.	Name of SPV
	Annuity Model Assets ("Annuity SPVs")
1	Nirmal BOT Private Limited ("NBPL")
2	Shillong Expressway Private Limited ("SEPL")
	Hybrid Annuity Model Assets ("HAM SPVs")
3	Ateli Narnaul Highway Private Limited ("ANHPL")
4	Gurgaon Sohna Highway Private Limited ("GSHPL")
5	Rewari Ateli Highway Private Limited ("RAHPL")
	Toll Model Assets ("Toll SPVs")
6	Dewas Bhopal Corridor Private Limited ("DBCPL")
7	Godhra Expressways Private Limited ("GEPL")
8	Jodhpur Pali Expressway Private Limited ("JPEPL")
9	Ulundurpet Expressways Private Limited ("UEPL")
10	Udupi Tollway Private Limited ("UTPL")
11	Gujarat Road & Infrastructure Company Limited – Vadodara Halol Section ("GRICL-VH")
11	Gujarat Road & Infrastructure Company Limited – Ahmedabad Mehsana Section ("GRICL-AM")
12	Swarna Tollway Private Limited – Nandigama Ibrahimpatnam Section ("STPL-NI")
12	Swarna Tollway Private Limited – Tada Nellore Section ("STPL-TN")

1.2. Scope of Valuation

1.2.1.Valuation Base

Fair Value basis for the valuation of the project SPV are as under:

(a) Fair Value - Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the valuation date. It is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction in the principal (or most advantageous) market at the measurement date under current market conditions (i.e. an exit price) regardless of whether that price is directly observable or estimated using another valuation technique. Fair value or market value is usually synonymous to each other except in certain circumstances where characteristics of an asset translate into a special asset value for the party(ies) involved.

(b) Valuation Date - The valuation date considered for the fair enterprise valuation of the SPVs is March 31, 2024 ("Valuation Date").

(c) Premise of Value - Premise of value refers to the conditions and circumstances under which an asset is deployed. The valuation has been undertaken on a going concern basis.

(d) The discount rate considered for the respective project SPVs for the purpose of this valuation exercise is based on the Weighted Average Cost of Capital ("WACC") for each of project SPVs. As all the project SPVs under consideration have executed projects under the BOT /DBFOT model, the operating rights of the underlying assets shall be transferred back to the appointing authority after the expiry of the concession period. At the end of the agreed concession period, the operating rights in relation to the roads, the obligation to maintain the road and the right to collect toll from the vehicles using the road revert to the government entity that granted the concession by the SPVs. Accordingly, terminal period value, i.e. value on account of cash flows to be generated after the expiry of concession period has not been considered.

Summary of Valuation Reports (Contd.)

Based on the methodology and assumptions discussed further, the Registered Valuer has arrived at the fair enterprise value of the project SPVs as on the valuation date:

₹ Mn

No.	SPVs	WACC	Enterprise Value	Adjusted Enterprise Value
1	NBPL	8.1%	944	1,128
2	SEPL	8.1%	189	542
3	ANHPL	7.4%	4,485	5,380
4	GSHPL	7.5%	2,957	3,333
5	RAHPL	7.4%	2,743	2,792
6	DBCPL	10.5%	16,858	17,084
7	GEPL	10.5%	22,793	22,871
8	JPEPL	10.5%	5,565	5,666
9	UEPL	10.1%	3,533	4,174
10	UTPL	10.6%	9,063	9,343
11	GRICL*	10.3%	12,312	17,100
12	STPL	9.9%	15,182	20,275
Total			**96,624**	**1,09,688**

**The trust holds 56.8% equity stake in GRICL, and upon adjustment of valuation to reflect such proportionate holing, the valuation of GRICL shall be ₹ 9,713 million and the aggregate valuation of the assets of the Trust shall be ₹ 1,02,301 million.*

Changes During the Year

Mandatory Disclosures as specified under Part-A of Schedule IV of Regulation 23(5) of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014

Details of Changes during the year pertaining to:

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

Sr. No	Seller	Project Name	Full SPV name	Description	Purchase Consid-eration (₹ Mn)	Valuer	Adj. EV (₹ Mn)	Valuation Description
1	1. Navayuga Engineering Company Ltd. 2. Navayuga Road Projects pvt ltd	UTPL	Udupi Tollway Private Limited (UTPL)	Four lane toll project starting at Kundapur – Surathkal & Mahavir circle to Kerala with a design length of 81.9kms	2,791	S. Sundararaman	8,777	Valuation represents the enterprise value (including cash & cash equivalent) of the asset undertaken by the InvIT valuer at the time of acquisition. The consideration represents (i) the equity consideration discharged for acquiring the assets; and (ii) the erstwhile promoter debt discharged at the time of acqusition. Additionally, the asset had external debt of ₹ 561.8 cr as on the date of acqusition.
2	H.G. Infra Engineering Limited	ANHPL	Ateli Narnaul Highway Private Limited (ANHPL)	Four to Six lane HAM project starting Ateli Mandi to Narnaul section of NH-11 in the state of Haryana with design length of 40.8kms	1,795	S. Sundararaman	5,434	Valuation represents the enterprise value (including cash & cash equivalent) of the asset undertaken by the InvIT valuer at the time of acquisition. The consideration represents (i) the equity consideration discharged for acquiring the assets; and (ii) the erstwhile promoter debt discharged at the time of acqusition. Additionally, the asset had external debt of ₹ 309.5 cr as on the date of acqusition.

Changes During the Year (Contd.)

Sr. No	Seller	Project Name	Full SPV name	Description	Purchase Consid-eration (₹ Mn)	Valuer	Adj. EV (₹ Mn)	Valuation Description
3	H.G. Infra Engineering Limited	GSHPL	Gurgaon Sohna Highway Private Limited (GSHPL)	Six lane HAM project starting Bhondsi to Sohna section of NH-248A in the state of Haryana with design length of 12.8kms	844	S. Sundararaman	3,545	Valuation represents the enterprise value (including cash & cash equivalent) of the asset undertaken by the InvIT valuer at the time of acquisition. The consideration represents (i) the equity consideration discharged for acquiring the assets; and (ii) the erstwhile promoter debt discharged at the time of acqusition. Additionally, the asset had external debt of ₹ 255.1 cr as on the date of acqusition.
4	H.G. Infra Engineering Limited	RAHPL	Rewari Ateli Highway Private Limited (RAHPL)	Four lane HAM project starting Maha Kharia, Rewari to Ateli Mandi section of NH-11 in the state of Haryana with design length of 30.4kms	1,085	S. Sundararaman	3,303	Valuation represents the enterprise value (including cash & cash equivalent) of the asset undertaken by the InvIT valuer at the time of acquisition. The consideration represents (i) the equity consideration discharged for acquiring the assets; and (ii) the erstwhile promoter debt discharged at the time of acqusition. Additionally, the asset had external debt of ₹ 194.0 cr as on the date of acqusition.

Changes During the Year (Contd.)

Sr. No	Seller	Project Name	Full SPV name	Description	Purchase Consid-eration (₹ Mn)	Valuer	Adj. EV (₹ Mn)	Valuation Description
5	MAIF Investments India Pte. Ltd.	GRICL-AM*	Gujarat Road and Infrastructure Company Limited - Ahmedabad Mehsana section	Four lane toll project from Ahmedabad to Mehsana section of the SH-41 in the state of Gujarat with design length of 51.6kms	5,651	S. Sundararaman	14,797	1) Valuation represents the enterprise value (including cash & cash equivalent) of the asset undertaken by the InvIT valuer at the time of acquisition. The consideration represents (i) the equity consideration discharged for acquiring the assets; and (ii) the erstwhile promoter debt discharged at the time of acqusition. Additionally, the asset had external debt of ₹ 120.9 cr as on the date of acqusition. 2) Acquired 56.8% equity stake/economic interest in GRICL.
6	MAIF Investments India Pte. Ltd.	GRICL-VH*	Gujarat Road and Infrastructure Company Limited - Vadodara Halol Section	Four lane toll project from Vadodara to Halol Section of the SH-87 in the state of Gujarat with design length of 31.7kms				
7	1. MAIF Investment India 3 Pte Limited 2. MAIF Investment India 4 Pte Limited	STPL-NI	Swarna Tollway Private Limited - Nandigama Ibrahimpatnam Section	Four lane toll project from Nandigama to Vijayawada Section of the NH-65 in the state of Andhra Pradesh with design length of 49.2kms	20,258	S. Sundararaman	19,027	1) Valuation represents the enterprise value (including cash & cash equivalent) of the asset undertaken by the InvIT valuer at the time of acquisition. The consideration represents (i) the equity consideration discharged for acquiring the assets; and (ii) the erstwhile promoter debt discharged at the time of acqusition. Additionally, the asset had external debt of ₹ 58.2 cr as on the date of acqusition. 2) 1 nomiee share was purchase on 20-Mar-2024.
8	1. MAIF Investment India 3 Pte Limited 2. MAIF Investment India 4 Pte Limited	STPL-TN	Swarna Tollway Private Limited - Tada Nellore Section	Four lane toll project from Tada to Nellore Section of the NH-16 in the state of Andhra Pradesh with design length of 110.8kms				

*The trust holds 56.8% equity stake in GRICL

2. Valuation of Assets and Net Asset Value ("NAV")

Pursuant to the provisions of Regulation 10 of the SEBI InvIT Regulations, the NAV of the Trust was computed based on the valuation done by the Valuer and the same has been disclosed as part of the Audited Financial Information of the Trust filed with National Stock Exchange of India Limited on May 16, 2024 and is also available on the website of the Trust at www.highwaystrust.com.

Changes During the Year (Contd.)

A. Consolidated Statement of Net Assets at Fair Value

₹ Mn

Particulars	As at March 31, 2024		As at March 31, 2023 ##	
	Book value	Fair value#	Book value	Fair value#
A. Assets	82,983.85	1,15,072.95	23,635.57	58,191.84
B. Liabilities (at book value)	51,362.17	51,362.17	19,253.91	19,253.91
C. Net Assets (A-B)	31,621.68	63,710.78	4,381.66	38,937.93
D. No of Units (in millions)	746.89	746.89	415.50	415.50
E. NAV (C/D)	42.34	85.30	10.55	93.71

#Fair values of total assets relating to the Trust as at March 31, 2024 and March 31, 2023 as disclosed above are primarily based on the fair valuation with adjustments and grouping undertaken in accordance with IndAS and audited by the statutory auditors of the Trust, and there may be certain presentation variations from the report obtained from the independent valuer under the InvIT Regulations on account of such grouping and adjustments.

The numbers from FY 2023 have been presented to align with the re-groupings and adjustments effected for FY 2024, and there may be variations in such numbers from the last disclosed information in FY 2023 on account of such presentation approach.

3. Details of Borrowings and Repayments:

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

Standalone:

₹ Mn

Particulars	March 31, 2023	Loan availed during the period	Loan repaid during the period	March 31, 2024
Borrowings from Domestic - Banks/ Financial Institutions (including term loans)	7,889.03	14,248.43	312.66	21,824.80
Non-Convertible Debentures (NCDs) (Note 1)	6,467.50	5,000.00	65.00	11,402.50
Non-Convertible Preference Shares (NCRPs)	-	-	-	-
External commercial borrowing (ECBs)	-	-	-	-
Commercial Papers	-	2,559.13	-	2,559.13
	14,356.53	**21,807.56**	**377.66**	**35,786.43**

Consolidated:

₹ Mn

Particulars	March 31, 2023	Loan availed during the period	Loan repaid during the period	March 31, 2024 (Note 4)
Borrowings from Domestic - Banks/ Financial Institutions (including term loans)	7,889.03	14,248.43	312.66	21,824.80
Non-Convertible Debentures (NCDs) (Note 1, Note 2)	6,467.50	5,695.80	136.00	12,027.30
Non-Convertible Preference Shares (NCRPs)	-	-	-	-
External commercial borrowing (ECBs)	-	-	-	-
Commercial Papers	-	2,559.13	-	2,559.13
	14,356.53	**22,503.36**	**448.66**	**36,411.23**

Notes:

1. NCD Series III were issued for ₹ 5,000.0 mn, however the issue was oversubscribed and actual amount received was ₹ 5,001.5 mn. Debt value considered above is ₹ 5,000.0 mn which is the maturity value.
2. HIT acquired GRICL during the year which had NCD of ₹ 1,100.0 mn outstanding as on the date of acquisition and as on March 31, 2024. The same has been considered as loan availed during the year to the extent of economic interest of HIT in GRICL i.e. (56.8%)

Changes During the Year (Contd.)

3. Amount outstanding provided above represents actual amount outstanding (adjusted for proportionate stake in case of GRICL (56.8%)) and may be different from those appearing in the financial statements due to IndAS adjustment.
4. Unsecured loan by GMR Highways Limited to Ulundurpet Expressways Private Limited has not been included above.

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

4.1 Changes in Highway Concessions One Private Limited, Investment Manager to the Trust

Highway Concessions One Private Limited ("Investment Manager") has been acting as the Investment Manager of the Trust since November 23, 2022. During the year, with effect from August 11, 2023, the Investment Manager changed its registered office to Unit No. 601-602, 6th Floor, Windsor House, Off CST Road, Kalina, Santacruz East, Vidyanagari, Mumbai, Maharashtra, India, 400098.

4.1.1 Board of Directors of Investment Manager of the Trust

As on date of this report, the Investment Manager has eight directors. The Board of Directors of the Investment Manager is duly constituted with four independent directors (including one woman director), two non-executive directors, one additional executive whole-time director and one unitholder nominee director. The Board is responsible for the overall management and governance of the Investment Manager.

The current composition of the board of directors is as follows:

Sr. No.	Name	Director Identification Number	Designation	Date of appointment
1	Mr. Hardik Bhadrik Shah	06648474	Non-Executive Director	December 17, 2021
2	Ms. Ami Vinoo Momaya	06836758	Non-Executive Director	January 24, 2022
3	Mr. Janakiraman Subramanian	05299205	Independent Non-Executive Director	March 04, 2022
4	Mr. Manish Agarwal	09730028	Independent Non-Executive Director	September 14, 2022
5	Ms. Sudha Krishnan	02885630	Independent Non-Executive Director	September 14, 2022
6	Mr. Rajesh Kumar Pandey	09428235	Additional Independent Non-Executive Director	May 16, 2024
7	Mr. Gaurav Chandna	10312924	Additional Executive Whole-Time Director	April 1, 2024
8	Mr. Stefano Ghezzi	10468375	Unitholder Nominee Director	May 16, 2024

All Directors are astute professionals coming from varied backgrounds possessing rich experience and expertise. All Directors attended majority of Board and Committee meetings held during the period under review. The detailed profile of all directors can be viewed in this report and also on the Trust's website at https://highwaystrust.com/board-of-director/.

Changes in the board of directors

1. Retirement of Mr. Neeraj Sanghi as the executive whole-time director: In terms of the provisions of the SEBI InvIT Regulations and Companies Act, 2013, Mr. Neeraj Sanghi, Whole-time Director of the Investment Manager of the Trust, retired from the position of Chief Executive Officer and Whole-time Director of the Investment Manager with effect from March 31, 2024 (end of business hours).
2. Appointment of Mr. Gaurav Chandna as additional executive whole-time director: Mr. Gaurav Chandna was appointed on the Board of Directors of the Investment Manager as an Additional Executive Director with effect from April 01, 2024. Such appointment is subject to approval from shareholders of the Investment Manager in accordance with Companies Act, 2013.
3. Appointment of Mr. Rajesh Kumar Pandey as additional independent director: The Board of Directors at its meeting held on May 16, 2024 has appointed Mr. Rajesh Kumar Pandey as an Additional Director in the category of Independent Director on the Board of the Investment Manager. Such appointment is subject to approval from shareholders of the Investment Manager in accordance with Companies Act, 2013.
4. Appointment of Mr. Stefano Ghezzi as a unitholder nominee director: The Board of Directors at its meeting held on May 16, 2024 has appointed Mr. Stefano Ghezzi as an unitholder's nominee director pursuant to provisions of the SEBI InvIT Regulations read with SEBI Circular bearing reference number SEBI/HO/DDHS-PoD-2/P/CIR/2023/153 dated September 11, 2023.

Changes During the Year (Contd.)

4.1.2 Retirement of earlier Chief Executive Officer ("CEO") and appointment of Joint CEOs of the Investment Manager

Mr. Neeraj Sanghi, the earlier Chief Executive Officer of the Investment Manager retired from his position on March 31, 2024 (end of business hours). With his retirement, the board of directors has appointed Mr. Gaurav Chandna and Dr. Zafar Khan as Joint Chief Executive Officer of the Investment Manager.

Brief profile of Mr. Gaurav Chandna:

Mr. Gaurav Chandna has been serving as an Additional Executive Director on the Board of the Investment Manager since April 1, 2024. Mr. Chandna played a pivotal role in establishing the InvIT and has been instrumental in driving substantial growth in AUM over the last two years. Prior to his current role, he was the Head of Strategic Finance, where he effectively oversaw critical functions such as M&A, fundraising, investor relations, and FP&A. With nearly two decades of experience spanning the infrastructure, logistics, and industrial sectors, Gaurav brings a wealth of expertise to the Trust. Before his tenure at HC1, he garnered invaluable experience in the Corporate Finance Group at Piramal Capital and the investment banking unit of IDFC Capital. Gaurav holds a Bachelor of Technology degree in Civil Engineering from the Indian Institute of Technology (BHU) Varanasi and an MBA from the Faculty of Management Studies (FMS), University of Delhi.

Brief Profile of Dr. Zafar Khan:

Dr. Khan has played a pivotal role in establishing the InvIT, under his strategic leadership, the Trust has seen significant advancements in project execution efficiency, safety standards, and innovative infrastructure solutions. Before taking on the role of Joint CEO, Dr. Khan served as the Chief Operating Officer of the Investment Manager for over three years. With over two decades of experience in heavy civil construction, project management, and operations in the infrastructure and oil & gas sectors, Dr. Khan currently serves as Vice President of the Association of Road Investment Companies (HOAI). His career includes key roles at Peak Infrastructure, G4S PLC, Leighton India, Hindustan Construction Company (HCC), and Nagarjuna Construction Company, covering projects in six countries. Dr. Khan has completed a Doctorate from APS University in "Air Pollution" and holds a Diploma in Construction Safety Management from NICMAR. He also has an MBA from Deakin University, Australia.

4.1.3 Resignation of earlier Chief Financial Officer ("CFO") and appointment of new CFO of the Investment Manager

Mr. Narayanan Doraiswamy, the earlier CFO of the Investment Manager ceased to be the CFO with effect from December 31, 2024. To fill the created vacancy, Mr. Abhishek Chhajer was appointed as the CFO of the Investment Manager with effect from January 01, 2024.

Brief Profile of Mr. Abhishek Chhajer:

Mr. Abhishek Chhajer has been the Chief Financial Officer of the Investment Manager since January 1, 2024. Mr. Chhajer's expertise includes managing business growth, turnarounds, large-scale debt transactions, mergers and acquisitions, business control, governance, and compliance. He excels in financial planning and analysis, automation, credit rating, investor relations, regulatory compliance, secretarial duties, and audit oversight. With over 18 years of experience in finance and strategy, Mr. Chhajer has worked across sectors such as metal & mining and airport management. Before joining Highway Concessions, he was the CFO of Mumbai International Airport Limited (Adani Group) from March 2021. Prior to this, he served at Vedanta Group as Deputy CFO and Chief Commercial Officer (CCO) of the Steel Business. Mr. Chhajer is a qualified Chartered Accountant from ICAI and holds a commerce degree from the University of Jodhpur.

4.1.4 Change in shareholding of the Investment Manager

During the period under review, on December 5, 2023, the Investment Manager has issued and allotted 91,19,530 Equity shares of face value ₹ 10/- each at a price of ₹ ~11.6452 aggregating to ₹ 10,61,98,854.45/- to 2743298 Ontario Limited on a private placement basis pursuant to Share Subscription Agreement (SSA) dated April 20, 2022 (further amended on July 29, 2023 and November 27, 2023) executed by and between 2452991 Ontario Limited (Investor) and the Investment Manager.

Changes During the Year (Contd.)

4.1.5 Alteration in Articles of Association

During the period under review the Investment Manager has amended its Articles of Association of the Company with the approval of its shareholders: (a) on August 25, 2023 for addition of new Article 128A to enable the Debenture Trustees to appoint their nominee on the Board of Investment Manager; (b) on December 1, 2023, amendments were made to regulate the appointment of directors by the shareholders in the Company as per the Qualifying Range and to amend the composition of the investment committee (for undertaking investment decisions of the Trust) of the Company, as specified in the Articles of Association of the Company.

4.1.6 Shifting of Registered Office of the Investment Manager

The Registered office address of the Investment Manager was shifted from Unit No. 316-317, 3rd Floor, C wing, Kanakia Zillion, L B S Road, BKC Annex, Kurla (West), Mumbai – 400070 to Unit No. 601-602, 6th Floor, Windsor House, Off CST Road, Kalina, Santacruz East, Vidyanagari, Mumbai – 400098, Maharashtra, India with effect from August 11, 2023.

4.1.7 Shifting of Principal Office of the Trust

The Trust has shifted its principal place of business from 2nd Floor, Piramal Tower, Peninsula Corporate Park, Lower Parel, Mumbai – 400 013, Maharashtra, India to Unit No. 601-602, 6th Floor, Windsor House, Off CST Road, Kalina, Santacruz East, Vidyanagari, Mumbai – 400098, Maharashtra, India with effect from March 22, 2024.

4.1.8 Reorganisation of the Committees of the Board of Directors of the Investment Manager

With the change in the board composition the committees of the board of directors of the Investment Manager have been reorganised. The current composition of the committees is set out below:

Name of the Committee	Current Composition		Remarks
Audit Committee	**Committee Members**	**Category**	- Audit Committee has been formed under Regulation 26G of SEBI InvIT Regulations read with Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations"). - The terms of reference of the Audit Committee are available on the Trust's website on https://highwaystrust.com/board-committees - No change in the composition of the Audit Committee was undertaken during the period under consideration.
	Mr. Janakiraman Subramanian	Independent Director (Chairman)	
	Ms. Sudha Krishnan	Independent Director	
	Mr. Hardik Shah	Non-Executive Director	
Nomination and Remuneration Committee ("NRC")	**Committee Members**	**Category**	- NRC has been formed under Regulation 26G of SEBI InvIT Regulations read with Regulation 19 of the LODR Regulations. - The terms of reference of the NRC are available on the Trust' website on https://highwaystrust.com/board-committees - No change in the composition of the NRC was undertaken during the period under consideration.
	Mr. Manish Agarwal	Independent Director (Chairman)	
	Ms. Sudha Krishnan	Independent Director	
	Mr. Janakiraman Subramanian	Independent Director	
Stakeholder Relationship Committee ("SRC")	**Committee Members**	**Category**	- SRC has been formed under Regulation 26G of SEBI InvIT Regulations read with Regulation 20 of the LODR Regulations. - The terms of reference of the SRC are available on the Trust' website on https://highwaystrust.com/board-committees - Mr. Neeraj Sanghi, erstwhile CEO and Whole-Time Director was the member of the SRC until March 31, 2024 (close of business hours). Upon Mr. Sanghi's retirement, Mr. Gaurav Chandna was inducted as a member of the SRC with effect from April 1, 2024.
	Mr. Janakiraman Subramanian	Independent Director (Chairman)	
	Ms. Ami Vinoo Momaya	Non-Executive Director	
	Mr. Gaurav Chandna	Joint CEO & Additional Executive Director	

Changes During the Year (Contd.)

Name of the Committee	Current Composition		Remarks
Risk Management Committee ("RMC")	**Committee Members**	**Category**	- RMC has been formed under Regulation 26G of SEBI InvIT Regulations read with Regulation 21 of the LODR Regulations. - The terms of reference of the SRC are available on the Trust' website on https://highwaystrust.com/board-committees - Mr. Narayanan Doraiswamy, erstwhile chief financial officer ("CFO") was the member of the RMC until December 31, 2023. Upon the end of his tenure, Mr. Abhishek Chhajer, the current CFO of the Investment Manager, was inducted into the RMC with effect from January 1, 2024. - Mr. Neeraj Sanghi, erstwhile CEO and Whole-Time Director was the member of the RMC until March 31, 2024 (close of business hours). Upon Mr. Sanghi's retirement, Mr. Gaurav Chandna was inducted as a member of the RMC with effect from April 1, 2024.
	Mr. Manish Agarwal	Independent Director (Chairman)	
	Mr. Gaurav Chandna	Joint CEO & Additional Executive Director	
	Mr. Abhishek Chhajer	Member	
InvIT Committee	**Committee Members**	**Category**	- InvIT Committee has been formed for reviewing and recommending to the board on matters in connection with proposed capital raise by the Trust. - Mr. Neeraj Sanghi, erstwhile CEO and Whole-Time Director was the member of the InvIT Committee until March 31, 2024 (close of business hours). Upon Mr. Sanghi's retirement, Mr. Gaurav Chandna was inducted as a member of the InvIT Committee with effect from April 1, 2024.
	Mr. Gaurav Chandna	Joint CEO & Additional Executive Director	
	Ms. Ami Momaya	Non-Executive Director	
Investment Committee ("IC")	**Committee Members**	**Category**	- IC has been formed for reviewing and recommending to the Board on matters in connection with investment by the Trust. The terms of reference of the InvIT Committee are available on the Trust's website on https://highwaystrust.com/board-committees. - Mr. Neeraj Sanghi, erstwhile CEO and Whole-Time Director was the member of the InvIT Committee until March 31, 2024 (close of business hours). Upon Mr. Sanghi's retirement, Mr. Gaurav Chandna was inducted as a member of the IC with effect from April 1, 2024.
	Mr. Gaurav Chandna	Joint CEO & Additional Executive Director	
	Mr. Hardik Shah	Non-Executive Director	
	Mr. Manish Agarwal	Independent Director	
	Ms. Sudha Krishnan	Independent Director	

4.2 Changes in connection with the Sponsor:

4.2.1 Change in the Board of Directors of the Sponsor

Mr. Goh Ping Hao was inducted into the board of directors of the Sponsor on August 25, 2023. Mr. Goh is part of the Asia Pacific Infrastructure team of KKR. Mr. Goh has been involved in a number of the firm's investments in APAC, including Pinnacle Towers, Virescent Infrastructure and Aster Renewable Energy. Prior to joining KKR, he was at Morgan Stanley and Moelis & Company in the investment banking division where he focused on M&A and capital market transactions across the real assets, digital infrastructure, transport and energy sectors. He holds a B-Com. in Finance with honors from the Sauder School of Business, University of British Columbia.

Changes During the Year (Contd.)

4.2.2 Details in connection with Sponsor Group

During the year, on account of subscription of units of the Trust by Nebula Asia Holdings II Pte. Ltd. ("Nebula"), the Sponsor Group of the Trust stands revised as follows:

Sr. No.	Name of the Entity
1.	Galaxy Investments II Pte. Ltd.
2.	Galaxy Investments Pte. Ltd
3.	KKR Asia Pacific Infrastructure Holdings Pte. Ltd.
4.	KKR Asia Pacific Infrastructure Investors SCSp
5.	KKR AP Infrastructure S.à r.l.
6.	KKR Associates AP Infrastructure SCSp
7.	Nebula Asia Holdings II Pte. Ltd.
8.	Nebula I Investments Pte. Ltd.
9.	KKR Asia Pacific Infrastructure Holdings II Pte. Ltd.
10.	KKR Asia Pacific Infrastructure Investors II SCSp
11.	KKR AP Infrastructure II S.à r.l
12.	KKR Associates AP Infrastructure II SCSp

Notes:

(a) *Galaxy Investments II Pte. Ltd. (**"Galaxy"** or the **"Sponsor"**), the Sponsor of the Trust, is wholly-owned by Galaxy Investments Pte. Ltd., which is in turn majority owned by KKR Asia Pacific Infrastructure Holdings Pte. Ltd., which is in turn wholly-owned by KKR Asia Pacific Infrastructure Investors SCSp (**"Asia Infrastructure Fund I"**). KKR AP Infrastructure S.à r.l. is the general partner of KKR Associates AP Infrastructure SCSp, which is in turn the general partner of Asia Infrastructure Fund I.*

(b) *Nebula is wholly-owned by Nebula I Investments Pte. Ltd., which is in turn majority owned by KKR Asia Pacific Infrastructure Holdings II Pte. Ltd., which is in turn wholly owned by KKR Asia Pacific Infrastructure Investors II SCSp (**"Asia Infrastructure Fund II"**). KKR AP Infrastructure II S.à r.l. (**"Nebula GP"**) is the general partner of KKR Associates AP Infrastructure II SCSp, which is in turn the general partner of Asia Infrastructure Fund II.*

(c) *It may be noted that both Nebula and Galaxy are affiliated with funds, vehicles and/or entities managed and/or advised by affiliates of KKR & Co. Inc. (collectively, **"KKR Group"**), despite their affairs being under the management and control of different general partners.*

(d) *Given Nebula's and Galaxy's affiliation with the KKR Group, Nebula (and entities / persons who control it, up to and including the Nebula GP) will be considered as part of the 'Sponsor Group' of the HIT and also as 'Associates' of Galaxy within the purview of and solely for the purpose of the SEBI (Infrastructure Investment Trusts) Regulations, 2014 (**"InvIT Regulations"**). Such inclusion is with the caveat that the control of each of Nebula and Galaxy, lie with their respective general partners, without intersection.*

4.3 Changes in connection with the Trustee

4.3.1 Changes in the Board of Directors

The board of directors of Axis Trustee Services Limited ("ATSL" or the "Trustee"), the trustee of the Trust was reconstituted during the year and the current composition is set out below:

Sr. No.	Name	Director Identification Number	Designation	Date of appointment
1	Ms. Deepa Rath	09163254	Managing Director and Chief Executive Office	May 1, 2021
2	Mr. Prashant Joshi	08503064	Additional Non-Executive Director	January 16, 2024
3	Mr. Sumit Bali	02896088	Additional Non-Executive Director	January 16, 2024

Changes During the Year (Contd.)

Sr. No.	Name	Director Identification Number	Designation	Date of appointment
4	Mr. Arun Mehta	08674360	Additional Non-Executive Independent Director	May 03, 2024
5	Mr. Pramod Kumar Nagpal	10041946	Additional Non-Executive Independent Director	May 03, 2024

Brief Profile of Directors of Axis Trustee Services Limited

(A) **Mr. Sumit Bali** is an Additional Director (Non-Executive) on the board of the ASTL and also the Chairman of Axis Trustee Services Limited. Mr. Bali is also the Group Executive and Head - Retail Lending Axis Bank. Sumit is a veteran in the banking industry with almost 3 decades of rich experience in Ret ail Banking. He was associated with Kotak Mahindra Bank for last 24 years, wherein he worked in multiple roles across Retail Lending. In his last role with Kotak Mahindra Bank, Sumit was overseeing the entire Ret ail Assets business including Home Loans, Loan against property (LAP), Personal Loans, SME Loans & Credit Cards. Sumit was also the Chief Executive Officer of Kotak Mahindra Prime Ltd. As part of Kotak Bank's Leadership Team he was involved in integration of ING Vysya Bank post the merger. Prior joining Axis Bank, he was working with IIFL Finance where he was driving the company's growth agenda as the Executive Director & Chief Executive Officer across the entire IIFL NBFC group. Sumit holds a graduate degree in BA (Hon) Maths from St. Stephen's College, Delhi & has completed his PGDM from IIM Ahmedabad.

(B) **Mr. Prashant Joshi** is an Additional Director (Non-Executive) on the board of the ASTL. Prashant Joshi is the Group Executive & Chief Credit Officer of the Bank since May 1, 2022. As the Chief Credit Officer, he is responsible for all underwriting functions across the Retail and Corporate segments. Prashant has nearly three decades of experience in financial services, primarily in project finance appraisals and credit functions. He has been with Axis Bank since September 2006 in roles related to Credit/ Underwriting and Risk across various segments. In his previous stint, he was with the Industrial Development Bank of India in the project finance department for nearly 13 years, with in-depth experience of working on proposals across sectors. He started his career in a private firm as a Project Engineer. Prashant is a Civil Engineer from Sardar Patel College of Engineering, Mumbai University.

(C) **Ms. Deepa Rath** is a Managing Director & CEO on the Board of Axis Trustee Services Limited. Ms. Deepa Rath is a Senior Banker with more than 20 years of experience in Corporate Banking, Fintech, Credit, Project Funding, MSME Financing, Retail Banking, Supply Chain Finance, Trade Finance etc. Ms. Deepa is known for her strategic leadership, customer centric approach, superior people & relationship management skills which have helped her set up and scale up New Businesses & High Impact Teams across domains. Prior to taking over as MD & CEO of Axis Trustee Services Ltd, Ms. Deepa was part of the founding leadership team and spearheaded TReDS (Trades Receivable Discounting System) platform business at INVOICEMART / A. TREDS LTD (JV of Axis Bank & Mjunction), a pioneer work in the space of Digital & Transparent Financing of MSMEs, Financial Inclusion, API Integration & Blockchain implementation. Previous to this, she led various business functions across geographies with Axis Bank Corporate Banking department. In the early part of her career, she took several roles with IDBI Bank and ICICI Bank Ltd within the Corporate Banking & Retail Banking franchise. She has been a speaker on various Finance & Fintech related forums and was a part of Axis Bank's Senior Business Leadership program initiatives pertaining to Ethics & sustainability (POSH), Recruitment & Employee Engagement, Corporate social responsibility etc. She is a panel /advisory member on the International Consulting/Advisory related to Supply Chain Finance, Fintech, Go-To-Market strategy & Corporate Banking practices. She holds a MBA- Finance from IMT Ghaziabad with Master's in Economics and an Advanced Diploma in Software Technology & Systems Management", NIIT. Apart from several certifications like Coursera, Axis Business Leadership Program - ISB Hyderabad, Ms. Deepa also has completed "Advanced Program in Fintech & Financial Blockchain" from IIM Calcutta to continue her strive for knowledge & learning.

Changes During the Year (Contd.)

(D) **Mr. Arun Mehta** is an Additional Director (Non-Executive Independent) on the board of the ASTL. Mr. Mehta is a Postgraduate in Economics and is a certified member of the Indian Institute of Bankers. He has over 38 years of experience, which includes Corporate Banking (Mid corporates as well as Large Corporates), International banking, ECBs and Loan syndication (heading the Merchant Banking Division), Investment Banking as well as Retail Banking. He has also had considerable International Exposure, having worked overseas in Hong Kong handling Loan Syndications and Investments. He has earlier held the position of MD & CEO of SBI Capital Markets, the Merchant Banking Arm of SBI. He was also the Non-Executive Chairman of SBICap Securities (Retail Broking arm), SBICap ventures Ltd and SBICap trustee Company Ltd. He was a Non-Executive Director in Investec Capital services India Pvt Ltd. Some of the other senior level assignments include Chief General Manager, Financial Control (ALM, Budgeting and Performance monitoring, Raising Equity and AT1 & Tier II debt).He has also chaired the Mid Corporates Credit Committee for Gujarat Diu and daman.

(E) **Mr. Parmod Kumar Nagpal** is an Additional Director (Non-Executive Independent) on the board of ASTL. Mr. Nagpal is a seasoned professional having more than 30+ years of work experience. In 1989 Mr. Nagpal Joined SEBI as Manager worked with SEBI for about 30.5 years. Before retirement in December 2019 Mr. Nagpal was Executive Director of SEBI for almost 13 years. Mr. Nagpal has versatile experience of working in all operational Departments of SEBI – Corporate Finance, Market Regulation, Mutual Funds, Venture Capital Funds, Market Intermediaries Supervision, Investigation and Foreign Portfolio Investors. He was also involved in policy formulation and implementation of Regulations, registration and supervision of market intermediaries, inspection of stock exchanges and market intermediaries, investigation of market manipulation and insider trading, Takeovers, IPOs, compliance of listing requirements by the companies, corporate governance, etc. Many of the notifications of regulations and guidelines were done under his supervision including Listing Regulations and Foreign Portfolio Investors Regulations. Mr. Nagpal was Chief Vigilance Officer of SEBI and in-charge of Internal Inspections Department, HRD, Finance and Audit, Establishment, Premises and Internal Security and acted as Disciplinary Authority for internal matters. While working with SEBI, he was assigned additional responsibilities of Director of its training institute - National Institute of Securities Markets (NISM) and CEO of Central Listing Authority. Was nominated on the boards of 3 stock exchanges and NISM. Mr. Nagpal acted as Enquiry and Adjudicating Authority for deciding quasi-judicial matters of market participants based on evaluation of facts and evidence. Conducted enquiries under High Court Orders in the functioning of stock exchanges and default by stockbrokers. Mr. Nagpal was a member of various Committees of SEBI, other financial sector regulators, Government and international bodies pertaining to disclosures, enactment of th Companies Act 2013, corporate governance, KYC, anti-money laundering, insolvency code, etc. Chaired the standing committee of financial sector regulators (SEBI, RBI, IRDA and PFRDA) on credit ratings and was Chair of Committees of International Organisation of Securities Commissions (IOSCO) on Issuer Accounting, Audit and Disclosures, comprising of 33 countries. Also worked on climate related disclosures and sustainability. Mr. Nagpal led a report on money laundering in securities markets in Eurosian Countries under international organisation FATF (Financial Action Task Force) and was a speaker at various national and international forums on securities markets.

Prior to SEBI Mr. Nagpal: Worked in senior positions with (I) Delhi Stock Exchange (ii) an investment banking firm involved in stock broking, merchant banking and equity research and (iii) Conducted training for officers of Insolvency and Bankruptcy Board of India (IBBI) on carrying out inspections and quasi-judicial proceedings. Subsequently, provided consultancy on the same subject and submitted a detailed report for further improvement of their systems and procedures.

4.4 Valuer:

Mr. S Sundararaman, Registered Valuer (IBB registration no. IBBI/RV/06/2018/10238) continues to act as the valuer (the **"Valuer"**) to the Trust. His reappointment is being presented to the unitholders in the Notice of Annual General Meeting.

Changes During the Year (Contd.)

5. Changes in Clauses in Trust deed, investment management agreement or any other agreement entered into pertaining to the activities of the InvIT

5.1 Amendment and restatement of the Investment Management Agreement:

During the period under review, pursuant to the SEBI (Infrastructure Investment Trusts) (Second Amendment) Regulations, 2023 (**"Second Amendment Regulations"**), the investment management agreement was required to be amended and restated to incorporate provisions in relation to the board nomination rights of eligible unitholder(s) in the manner as specified SEBI Circular bearing reference number SEBI/HO/DDHS-PoD-2/P/CIR/2023/153 dated September 11, 2023 (**"Unit Holder Nomination Circular"**). In order to comply with the above provisions, the Board at its meeting held on December 18, 2023, had considered and approved the amendment and restatement of Investment Management Agreement of the Trust dated October 22, 2022 (**"IMA"**) entered into amongst the Trustee and the Investment Manager to inter alia include the aforementioned provisions. Subsequently, for effectuating the aforesaid amendment in the IMA, the approval of the unitholders was also secured by way of Postal Ballot dated December 18, 2023, results of which were declared on the January 10, 2024.

Accordingly, the amended and restated Investment Management Agreement was executed on January 29, 2024 amending the original Investment Management Agreement dated October 20, 2022 with the inclusion of appropriate clause for "Reviewing and Monitoring Appointment of Unitholder Nominee Director" in the agreement.

There have been no other changes in the clauses in the IMA or any other agreement entered into pertaining to activities of the Trust.

5.2 Amendment and restatement of the Trust Deed:

During the period under review, pursuant to the Second Amendment Agreement, the trust deed was required to be amended and restated to incorporate provisions in relation to the board nomination rights of eligible unitholder(s) in the manner as specified in the Unit Holder Nomination Circular.

In order to comply with the above provisions, the Board at its meeting held on December 18, 2023, had considered and approved the amendment and restatement of Trust Deed of the Trust dated December 03, 2021 executed between Galaxy Investments II Pte Limited (sponsor of Trust), Virescent Infrastructure Investment Manager Private Limited (settlor of Trust) and Axis Trustee Services Limited ("Trustee") (**"Trust Deed"**). Subsequently, for effectuating the aforesaid provision in the Trust Deed, the approval of the unitholders was also secured by way of postal ballot dated December 18, 2023, results of which were declared on January 10, 2024.

Accordingly, the amended and restated trust deed was executed and registered on March 4, 2024 with the inclusion of appropriate clause for "Reviewing and Monitoring Appointment of Unitholder Nominee Director" in the deed.

There have been no other changes in the clauses in the Trust Deed or any other agreement entered into pertaining to activities of the Trust.

6. Any regulatory changes that has impacted or may impact cash flows of the underlying projects

There have been no regulatory changes that has impacted or may impact cash flows of the underlying projects save for the introduction of revised framework for calculation of net distributable cash flow prescribed by SEBI vide its circular SEBI/HO/DDHS/DDHS-PoD/P/CIR/2023/184 dated December 6, 2023.

7. Change in material contracts or any new risk in performance of any contract pertaining to the InvIT

i. The Trust has entered into a Share Purchase Agreement on March 30, 2023 which was amended on October 26, 2023 for acquisition of 100% (one hundred percent) shareholding in one or more tranches and management control of Udupi Tollway Private Limited (formerly known as Navayuga Udupi Tollway Private Limited) ("UTPL") a special purpose vehicles owned by Navayuga Engineering Company Limited and Navayuga Road Projects Private Limited. The acquisition of UTPL was completed on November 2, 2023.

ii. The Trust has entered into a Share Purchase Agreement on May 03, 2023 for acquisition of 100% (one hundred percent) shareholding in one or more tranches and management control in four special purpose vehicles owned by H.G. Infra Engineering Limited i.e. (i) Ateli Narnaul Highway Private Limited (formerly known as H.G. Ateli Narnaul Highway Private Limited), (ii) Rewari Ateli Highway Private Limited (formerly known as H.G. Rewari Ateli Highway Private Limited), (iii) Gurgaon Sohna Highway Private Limited; and (iv) H.G. Rewari Bypass Private Limited. The target

Changes During the Year (Contd.)

entities hold concession agreements under Hybrid Annuity Model granted by National Highways Authority of India ("NHAI") for projects situated in Haryana with a total length of ~ 100 km. Acquisition of (i) Ateli Narnaul Highway Private Limited (formerly known as H.G. Ateli Narnaul Highway Private Limited), (ii) Rewari Ateli Highway Private Limited (formerly known as H.G. Rewari Ateli Highway Private Limited) and (iii) Gurgaon Sohna Highway Private Limited was completed on November 21, 2023. However, acquisition of H.G. Rewari Bypass Private Limited is yet to be completed and is anticipated to be completed during the financial year 2024-2025.

iii. The Trust has entered into a Share Purchase Agreement on July 28, 2023 for the acquisition of: - (i) Up to 56.8% of equity share capital in M/s. Gujarat Road and Infrastructure Company Limited ("GRICL") owned by M/s. MAIF Investments India Pte. Ltd ("MAIF 1") and other shareholders of GRICL (as applicable); and (ii) 100% of equity share capital in M/s. Swarna Tollway Private Limited ("STPL"), owned by M/s. MAIF Investments India 3 Pte. Ltd ("MAIF 2"). The said acquisition was completed on January 24, 2024.

iv. The Trust has entered into a Securities Purchase Agreement on August 30, 2023 for acquisition of one hundred (100%) percent equity shareholding and economic interest, in one or more tranches in Bangalore Elevated Tollway Private Limited from Galaxy Investments II Pte. Ltd. ("Galaxy" or the "Sponsor"). The consideration for the acquisition is to be discharged by way of issuance of units of the Trust to the Sponsor in accordance with the SEBI (InvIT) Regulations, 2014 and other applicable regulations. The unitholders of the Trust have approved the said transaction vide the resolution dated June 10, 2024 passed through postal ballot. Accordingly, the transaction was completed on June 12, 2024.

v. The Trust has entered int a Securities Purchase Agreement on January 15, 2024 for acquisition of 100% (one hundred percent) shareholding in one or more tranches and management control in twelve special purpose vehicles owned by PNC Infratech Limited and PNC Infra Holdings Limited. The completion of acquisition would depend upon receipt of relevant approvals and completion of contractual obligations.

8. Legal Proceedings

During the reporting period, there have been no legal proceedings which may have significant bearing on the activities or revenues or cash flows of the Trust. A summary of material litigations is set out on page no. 136-141.

9. Financial Information of Investment Manager:

The financial information of Investment Manager is not disclosed because of the fact that there is no material erosion in the net worth as compared to the net worth as per the last disclosed financial statements.

Policies of the Board of Directors of the Investment Manager in Relation to Trust

In order to adhere to the good governance practices, the Investment Manager has adopted the following policies in relation to Highways Infrastructure Trust (**"Trust"**) in accordance with Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended or supplemented, including any guidelines, circulars, notifications and clarifications framed or issued thereunder (**"SEBI InvIT Regulations**".)

During the previous financial year:

(a) on May 19, 2023, the board of directors of the Investment Manager passed the resolution to adopt the Vigil Mechanism Policy, Anti-Bribery and Corruption Policy, Code of Conduct, Corporate Social Responsibility Policy, Diversity, Equity and Inclusion Policy, ESG Policy, and Third Party Code of Conduct;

(b) on October 09, 2023, the board of directors of the Investment Manager passed the resolution to adopt the policy on qualifications and criteria for appointment of unitholders nominee directors on the board;

(c) on March 22, 2024, the board of directors of the Investment Manager passed the resolution to amend the Distribution Policy with effect from April 01, 2024 to adopt the framework prescribed by Securities and Exchange Board of India ("SEBI") vide its circular dated December 6, 2023 for calculating net distributable cash flow;

Brief Outline of Key Policies

Sr. No.	Name of the Policy	Coverage
1	Distribution policy	The Policy on distribution of the net distributable cash flows of the Trust aims at formulating a structure for timely declaration of distribution of such distributable income to the unitholders of the Trust. The Policy has been further amended by the Board of Directors of the Investment Manager in their meeting held on March 22, 2024 in line with the SEBI Circular dated December 06, 2023 with effect from April 01, 2024.
2	Borrowing policy	Borrowing Policy aims to outline the borrowing strategy and limitations in relation to Trust.
3	Code of Conduct for Employees	The code of conduct is applicable to all employees and directors of the Investment Manager to ensure ethical conduct while dealing with business of the Trust and to ensure compliance with policies adopted against corrupt and unethical policies.
4	Related Party Policy	The Related Party policy is framed based on the provisions of (i) the Companies Act, 2013 read with rules made thereunder and (ii) the InvIT Regulations. The Policy intends to ensure governance and reporting of transactions between the Company, the Trust and their Related Parties. The objective of this Policy is: to ensure transparency and fairness of Related Party transactions; and to ensure proper approval, supervision and reporting of the transactions and regulate the manner of dealing with the transactions between the Company, the Trust and their Related Parties.
5	Policy for determining Materiality of Information	The policy for determining materiality of information for periodic disclosures aims to outline process and procedures for determining materiality of information in relation to periodic disclosures required to be made on the website of the Trust, to the stock exchanges and to all stakeholders at large, in relation to the Trust. The purpose of the Policy is also to ensure that the Trust complies with Applicable Law, including the SEBI InvIT Regulations and the listing agreements to be entered into with the stock exchanges.
6	Policy on UPSI and dealing in units by the parties	The policy aims to outline process and procedures for dissemination of information and disclosures in relation to the Trust on the website of the Trust, to the stock exchanges and to all stakeholders at large. The purpose of the Policy is also to ensure that the Trust and Investment Manager comply with applicable law, including the SEBI InvIT Regulations, or such other Indian laws, regulations, rules or guidelines prohibiting insider trading and governing disclosure of material, unpublished price sensitive information.

Policies of the Board of Directors of the Investment Manager in Relation to Trust (Contd.)

Sr. No.	Name of the Policy	Coverage
7	Policy on appointment of Auditors and Valuers	The policy aims at formulating a structure for ensuring compliance by the Trust, in appointment of its auditor and the auditing standards followed and the appointment of its valuer, with Applicable Law as applicable to an investment infrastructure trust, including the SEBI InvIT Regulations
8	Risk Management Policy	The policy is to ensure sustainable business growth with stability and to promote a pro-active approach in reporting, evaluating and resolving risks associated with the Trust's business.
9	Nomination & Remuneration Policy	The policy is to enhance integrity, ethics & transparency in governance of Investment Manager in connection with appointment and remuneration of senior officials of the Investment Manager.
10	Investment Policy (treasury)	The policy has been adopted ensure effective management of the investment of surplus cash balances with the Trust and special purpose vehicles owned by the Trust in accordance with the provisions of SEBI InvIT Regulations.
11	Policy on preservation of documents and archival	The policy has been adopted under provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), for preservation of documents and records to help ensure the authenticity, reliability and accessibility of such documents.
12	Policy for Diversity, Equality & Inclusion (DEI)	The policy has been adopted for embracing diversity, equity and inclusion in all practices and to establish an inclusive culture, that celebrates diversity, and is free from discrimination.
13	Anti-Bribery and Corruption Policy	The policy is to establish the highest standard of business conduct and to prevent direct or indirect involvement in acceptance or payment of bribes or use of funds or assets for any other illegal, improper, or unethical purpose. The policy has certain other related policies like Gifts and Hospitality Policy outlining the thresholds to be observed while undertaking any dealings with third party.
14	Vigil Mechanism Policy	The policy establishes the vigil mechanism for reporting, monitoring and investigating any complaints alleging unethical conduct or breach of certain policies in connection with business of the Trust or its SPVs or investment manager or project manager.
15	Conflict of Interest Policy	The policy provides guidance to the employees on standards of conduct with respect to Conflict of Interest while performing their entrusted roles and responsibilities, executing business decisions and treating business opportunities, in the best interest of the Trust.
16	ESG Policy	This policy intends to define clear framework enabling the Trust in considering ESG factors in its business.
17	Policy on qualifications and criteria for appointment of unitholders nominee directors on the Board	The policy has been formulated for specifying the criteria for appointment, qualifications and evaluation parameters for the individuals proposed to be nominated as a nominee director by unitholders who have the right to undertake such appointment under the SEBI InvIT Regulations.
18	Code of Conduct for InvIT Parties	This Policy on code of conduct required for Parties to the Trust aims at formulating a framework for ensuring protection of interest of all the Unitholders of the InvIT and proper conduct and carrying out of the business and affairs of the Trust in accordance with applicable law, as amended or supplemented, including any guidelines, circulars, notifications and clarifications framed or issued thereunder
19	Corporate Social Responsibility ("CSR") Policy	Policy for establishing a framework for identification of contribution and post contribution monitoring to ensure appropriate deployment of funds earmarked for CSR.

All key policies are available on the website of the Trust at https://highwaystrust.com/key-policies/. Further, the terms of appointment of Non-Executive Independent Director is available on the website of the Trust at https://highwaystrust.com/wp-content/uploads/2023/04/HIT-Terms-of-Appointment.pdf

Policies of the Board of Directors of the Investment Manager in Relation to Trust (Contd.)

Disclosure of Sexual Harassment of Women at Workplace

The Investment Manager provides equal opportunities and is committed for creating a healthy working environment that enables employees to work with equality and without fear of discrimination, prejudice, gender bias or any form of harassment at workplace.

The Investment Manager has in place an Anti-Harassment Policy/ Prevention of Sexual Harassment (POSH) Policy in accordance with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 including necessary filings with the office of Collector & District magistrate, Mumbai. The policy is communicated at regular intervals to all employees (permanent, contractual, temporary, trainees) through programs conducted at the registered office.

The Investment Manager has complied with the provisions relating to the constitution of Internal Complaints Committee (ICC) under the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The ICC of the Investment Manager comprises the following members:

Sr. No.	Name	Designation
1	Ms. Komal Dhamecha	Presiding Officer
2	Dr. Deepa Sharma	Member from (Non-Government Organisation)
3	Ms. Meghana Singh	Member
4	Mr. Vidyadhar Dabholkar	Member

During 2023-24, no complaints were received by the ICC of the Investment Manager .

Vigil Mechanism Reporting

During the year under review, the Trust has received four complaints under the Vigil Mechanism Policy. These complaints were reviewed by the Ethics and Compliance Committee under supervision of the chairperson of the Audit Committee, and necessary steps were undertaken basis outcome of investigation.

SEBI Complaints Redressal System (SCORES)

The Trust has been registered on SCORES and SCORES ver.2.0 (w.e.f. April 1, 2024) and all investor complaints are processed through the centralised web based complaints redressal system. The salient features of this system are centralised database of all complaints, online upload of Action Taken Reports (ATRs) by the concerned companies and online viewing by investors of actions taken on the complaint and its current status. Investment Manager makes every effort to resolve all investor complaints received through SCORES or otherwise within the statutory time limit from the receipt of the complaint. During the previous year no complaints were received.

SEBI Online Resolution of Dispute (ODR)

SEBI vide its circular no. SEBI/HO/OIAE/OIAE_IAD-1/P/CIR/2023/131 dated July 31, 2023 and no. SEBI/HO/OIAE/OIAE_IAD-3/P/CIR/2023/195 dated December 20, 2023, had introduced an "Online Resolution of Disputes in the Indian Securities Market". The Online Dispute Resolution Portal ("ODR Portal") is designed to enhance investor grievance redressal which harnesses online conciliation and online arbitration for resolution of disputes arising in the Indian Securities Market has been established, wherein all market intermediaries are mandatorily required to register. The implementation of Online Dispute Resolution Portal ("ODR Portal") is through SMART ODR Portal (Securities Market Approach for Resolution through ODR Portal). The Trust in compliance of above circular had registered itself on the SMARTODR and the same can be accessed at https://highwaystrust.com/online-dispute-resolution-portal/

Risk Factors

1. **The Trust is a newly settled Trust with limited established operating history, financial information, and as a result, investors may not be able to assess its prospects based on past records**

   Highways Infrastructure Trust ("The Trust" or "Highways Trust") was established on December 3, 2021 and registered with SEBI on December 23, 2021. It completed the listing of its units on August 22, 2022. Accordingly, the Highways Trust, as an infrastructure investment trust, has a limited operating history and historical financial information by which Trust's past performance may be judged. There can be no assurance that the Trust will be able to generate sufficient cashflows from its operations or that the special purpose vehicles owned by the Trust (**"SPVs"**) will be able to generate sufficient cash flows from the operations of their projects to make regular and timely distributions to the Trust's unitholders.

2. **The SPVs may be subject to penalties and claims from the concessioning authorities and third parties during the course of operations of their projects and may not be able to recover all operational losses from the Erstwhile Project Manager, Project Manager and/ or other contractors providing operations and maintenance services to the projects**

   The SPVs may receive notices from concessioning authorities or other parties imposing penalties for deficiencies or non-compliance with concession agreements. They may contest these claims or seek indemnification from the Erstwhile Project Manager, Project Manager or O&M contractor. However, an adverse decision would negatively affect the SPVs' operations and finances. The Project Manager's/ Erstwhile Project Manager's liability for breaches is limited to the service fee for that year. Claims exceeding this limit would adversely affect the SPVs' financial performance. Similarly, the O&M Contractors' liability would typically be limited in the range of 10-12% of the annual fee, or 5% for major maintenance contracts. Overall such claims can and limited ability to recover from third parties, can adversely impact the cash flow available for distribution.

3. **Acquisitions by Trust of economic interest less than 100% leads to reliance on the other shareholders in the SPVs on operational and financial decisions**

   The Trust may from time to time acquire less than 100% equity interest in SPVs and in such cases, there will be reliance on other shareholders of the SPV to agree on key operational and financial decisions. In this regard, one of the SPVs of the Trust, Gujarat Road and Infrastructure Company Limited (**"GRICL"**), has two other major shareholders, being Government of Gujarat (**"GOG"**); and two entities belonging to the IL&FS group. Such other shareholder have nominee directors on the board of GRICL and the decisions in connection with the operation of the projects owned by GRICL requires discussion and consensus from such nominees.

4. **The SPVs acquired from third parties by the Trust may result in damages and losses. The Trust may not be able to recover losses arising from the acquisition of the SPV under relevant contractual arrangements**

   The Trust and the Investment Manager rely on the information and management representations from the respective sellers of such SPVs until their acquisition by the Trust. Any lack of clear information or false or misrepresentation could adversely affect the Trust's earnings and cashflows. There is no assurance the Trust can raise claims or recover losses from the seller in a timely manner, or at all. Although reasonable care is taken while technically assessing SPVs, but unknown or unquantified defects may exist on the project requiring additional capital expenditure or obligations to third parties, affecting the Trust's earnings, cash flows, and distributions to Unitholders. Full understanding of an asset typically requires extended operation, so acquiring SPVs may involve integration challenges, diverting management resources from ongoing business development.

5. **Lack of certainty of completion of acquisition of assets for which binding documentation has been executed**

   The Trust has entered into binding agreement for acquiring assets (such assets being referred to as **"Target SPVs"**) from H.G. Infra Engineering Limited (and its group companies) and PNC Infratech Limited (and its group companies) (the sellers of the Target SPVs being referred to as the **"Sellers"**). The Sellers have applied for consents from concessioning authorities for transfer of the Target SPVs to the Trust, but there's no assurance these will be granted or without additional conditions. The Target SPV also has borrowings requiring lender consents for the transfer. If such conditions are not met or disputes arise with lenders, the Trust may not acquire the Target SPVs, adversely affecting the Trust's business and operations. Furthermore, the Target SPV requires consents from other third parties, including regulatory authorities, for the transfer. Without these consents, the Trust may not acquire the Target SPVs from the Sellers, impacting the Trust's business and results. Further, until such

transfer is completed, the Target SPVs continue to be under the control of the Sellers and the Trust has no clear control over day to to day operations. Any action by the Sellers until acquisition which may not be in line with the assumptions made at the time of entering into definitive document or otherwise not in line with the policies adopted by Trust for its SPVs, may make it challenging for the Trust to complete the acquisition and would result in reduction in cash available to the Trust.

6. **The accuracy of statistical and other information with respect to the MD&A section of this annual report and Technical Reports and Traffic Reports published from time to time for the SPVs, commissioned by the Investment Manager cannot be guaranteed.**

   Statistical and other information in this Annual Report are from reliable government publications and research reports. However, their quality or reliability cannot be guaranteed.

   The Technical and Traffic Reports published from time to time include forecasts and forward-looking statements that are subject to risks and uncertainties like GDP growth, traffic mix, and income changes, which could cause actual traffic volumes to differ from the forecasts. While reasonable care has been taken in reproducing this information, accuracy cannot be assured. Statistics may be inconsistent with other data within or outside India due to varying collection methods or discrepancies between published information and market practices. Thus, statistics in the Technical and Traffic Reports may be inaccurate or incomparable to those from other economies and should not be unduly relied upon. There is no assurance that the statistics are compiled on the same basis or with the same accuracy as elsewhere.

   Further, the opinions in the reports, based on estimates and assumptions, may be incorrect. The Technical and Traffic Reports are not investment recommendations. Prospective investors should not unduly rely on these reports when making investment decisions.

7. **The Audited Financial Statements presented in this Annual Report may not be indicative of the future financial condition and results of operations of the Trust.**

   The Audited Financial Statements the Trust may not necessarily reflect or give an indication of the financial position, results of operations or cash flows of the Trust or the SPVs in the future.

8. **The SPVs have entered into concession agreements which contain certain onerous provisions and any failure to comply with such provisions of the concession agreements could result in adverse consequences, including penalties and the substitution of the concessionaire.**

   The SPVs have limited negotiation ability with their concessioning authorities, resulting in potentially onerous terms within the concession agreements, particularly regarding compliance and monitoring of O&M requirements. Failure to meet these requirements could lead to penalties or termination, with the concessioning authorities able to step in or substitute the SPV in case of financial default.

   Such terms require SPVs to indemnify concessioning authorities for various losses, including non-compliance with laws, taxes, or non-payment for materials or services. Additionally, changes in laws may impose financial burdens, allowing SPVs to seek amendments or compensation, however the grant of such compensation typically takes time and is without certainty of outcome. Lockdowns or toll exemptions, as seen during the COVID-19 pandemic, can lead to revenue loss for SPVs. There's no assurance of successful revenue claims in such situations. The evolving nature and ambiguity of concession agreements pose interpretation challenges, potentially impacting SPVs' business, financial condition, and results of operations adversely.

9. **The flexibility of the Trust and the SPVs to utilise available funds generated at the SPVs may be restricted by the escrow arrangements they are required to maintain under the concession agreements.**

   Under concession agreements, SPVs must establish escrow accounts and deposit all cash inflows, including tolls and concessioning authority payments. These funds can only be used as per the escrow and concession agreements. Withdrawals during the concession period must adhere strictly to these agreements, limiting SPVs' flexibility in reacting to business changes, potentially impacting their business, financial condition, and results. Access to termination payments by the Highways Trust is subordinate to outstanding fees, lender dues, and damages. Shortfalls in termination payments may hinder investment recovery. Upon termination or default, withdrawals from SPVs' escrow accounts may be controlled entirely by concessioning authorities or lenders.

Risk Factors (Contd.)

10. The concession agreements may be terminated prematurely under certain circumstances.

Under the concession agreements, SPVs must maintain the stretch in an acceptable condition with periodic maintenance. Quality assessments by concessioning authorities may result in defaults resulting in penalties, withheld annuity payments etc. and necessary remedies to cure such defaults are to be complied. Failure to promptly cure defaults can lead to termination of the agreement. Premature termination of a concession agreement can adversely affect the business, financial condition, and operations of the relevant SPV. The SPVs are entitled to termination payments per the agreement terms, however there is uncertainty about authorities' recognition of these amounts and their approval for security interest creation/enforcement over SPVs' assets/shares. Termination due to SPVs' default can lead to additional liabilities. SPVs must rectify defects identified by the independent engineer at their own cost for a specified period after termination. Termination payments may be less than actual costs, affecting Trust's financial performance. Without approval, these payments may be contested as loans/advances by SPVs' shareholders without recognising the Trust as a senior lender.

Separately, there have been instances in India where concession agreements were terminated to facilitate capacity augmentation for projects, entitling the concessionaire to compensation. However, these payments may not match the projected cash flows, potentially affecting the Trust's ability to service financing agreements and deliver returns to Unitholders.

Finally, from time to time, third parties have challenges allocation of concessions before courts in India and there have been instances where reliefs such as stoppage of toll collection have been granted. In GRICL, such petition is pending and it is not possible to predict the outcome of such petition. In the event such petition is determined against GRICL, the cash flows of the Trust will be adversely impacted and will adversely impact the ability to service debt and provide distributions.

11. The Trust, and the SPVs' financing agreements may entail interest at variable rates, and any increases in the interest rates may adversely affect its results of operations, financial condition and cash flows. Further, the Trust and the SPVs may be subject to restrictive covenants under their financing agreements that could limit the Trust's flexibility in managing its business or to use cash or other assets.

The Trust expects that rupee loan financing agreements/bonds of the Trust entail interest at variable rates with a provision for the periodic reset of interest rates. Under the said financing agreements, the lenders may be entitled to change the applicable rate of interest on any date and accordingly, the Trust may be susceptible to changes in interest rates and the risks arising therefrom. Any increase in interest rates may have an adverse effect on the Trust's results of operations, financial condition and cash flows. The financing agreements with banks and financial institutions impose restrictive covenants and cross-default provisions. These covenants limit actions such as incurring debt, making capital expenditures, or changing ownership without lender approval. Breaching these covenants may impact the Trust's ability to conduct business and pay dividends, affecting results and financial condition. In case of breach, the security trustee may enforce security, requiring immediate repayment of borrowings, potentially leading to lenders taking over project SPVs. the Trust's ability to meet debt service obligations depends on cash generated by its business. Financing arrangements may require reserves, affecting cash flow distribution to Unitholders. the Trust can't guarantee sufficient cash for servicing borrowings or liquidity needs, impacting its business and results. Future refinancing is uncertain and may affect the Trust negatively.

12. The SPVs acquired by the Trust from the Sellers are subject to certain risks, which may result in damages and losses. The Trust may not be able to recover these losses from the Sponsor or third parties under relevant contractual arrangements

All SPVs have been acquired by the Trust from the Sponsor or other Sellers. The Sponsor or Sellers might have previously acquired these assets from other entities, referred to as "Original Sellers", with the terms of the previous SPA agreements novated to us, if any. The Trust has relied on information and representations from the Original Sellers as well as the Sponsors and Sellers until the acquisition date. Any adverse impact from this information may affect the Trust's earnings and cash flows. There is no assurance of recovering losses from defects or deficiencies from the Original Sellers. The Sponsor has not provided representations for the period between its acquisition of the SPVs by the Sponsor and the Trust's acquisition. There is no assurance that the Trust can recover losses from the Sponsor in case of defects or deficiencies in a timely manner, or at all.

Risk Factors (Contd.)

Additionally, SPVs may have unknown defects or deficiencies requiring extra capital expenditure or obligations to third parties, adversely affecting the Trust's earnings, cash flows, and distributions to Unitholders. Integrating and managing these assets involves realising economies of scale, controlling costs, and managing other risks, including diverting management resources from ongoing business development.

The SPVs may also have unknown or contingent liabilities, such as tax liabilities and other obligations incurred in the ordinary course of business, for which the Trust may have limited or no recourse against the Sponsor or the Seller.

13. **The acquisition of the Target SPV and other future acquisitions may expose the Trust to risks and have an adverse impact on the Trust's operations.**

The acquisition of the Target SPV and other future assets may require integration and management to realise economies of scale and control costs, posing risks such as diverting management resources from the Trust's ongoing business development. These acquisitions may disrupt operations and require significant management attention. Despite pre-acquisition due diligence, fully understanding an asset before long-term ownership is challenging. Expected benefits, synergies, or efficiencies from these acquisitions may take longer to achieve or may not be achieved at all.

Additionally, such acquisitions may expose the Trust to unanticipated business uncertainties or legal liabilities, including defects in title and lack of necessary approvals or licenses, for which the relevant parties may or may not provide indemnification.

14. **The Trust may enter into share purchase agreements for acquisition of the other future assets. The Trust may not be able to complete such acquisitions or arrange for all amounts required in a timely manner to fund such acquisitions.**

The Trust will continue to enter into SPAs for the acquisition of future assets. However, there may be challenges in completing these acquisitions or arranging the necessary funds in a timely manner. If such acquisitions are not completed due to funding issues or lack of approvals, this may adversely affect the Trust's business and operational results.

15. **Lower than expected returns on the Trust's investment in the Projects SPVs may adversely affect its financial results**

In the annuity-based projects, revenue depends on fixed amounts paid semi-annually by the concessioning authority, as specified in the concession agreements. In toll-based projects, toll revenue depends on rates set by the concessioning authority and actual traffic volume. The Trust's decisions to undertake BOT – Toll or TOT (Toll operate transfer) road projects are based on expected toll revenue estimates, which depend on traffic volume predictions. Traffic volume can be influenced by various factors beyond the Trust's control, such as economic conditions, alternative routes, transportation methods, toll plaza locations, weather, demographic changes, fuel prices, regional commercial or industrial activity, and natural disasters. Lower than expected traffic volumes could significantly reduce toll revenue. Additionally, concession agreements typically limit toll rate increases, which are set and revised by authorities, possibly preventing the Trust from covering rising operational costs. The Trust may also face competition from new roads developed by NHAI or State Governments.

NHAI can construct competing roads after a certain period, as per concession agreements, potentially affecting the Trust's projects' competitiveness. Significant decreases in traffic volume compared to forecasts could adversely impact cash flows from tolling projects, affecting its business, financial condition, and operational results. Concession agreements do not protect the Trust against rising interest rates or raw material costs. Lenders can adjust the Trust's interest rates based on credit profile reviews, and operational costs may rise due to raw material shortages or price increases beyond permitted adjustments in the agreements. Factors causing these changes are often beyond the Trust's control, and the trust cannot always increase toll fees accordingly.

In case of annuity projects (including in case of hybrid annuity projects), shortfall in meeting authority expectations on operations and maintenance, may result in reduction or suspension of such annuities. Alternatively, the financial health of the authorities may affect the timelines of annuity payments. The project SPVs require significant capital investment with potential returns over a long period. Inadequate toll revenues and annuities may result in low returns or losses on the Trust's investments, adversely affecting its liquidity, business, financial condition, and operational results.

Risk Factors (Contd.)

16. **The projects' revenues from tolls are subject to significant fluctuations due to changes in traffic volumes and the mix of traffic and a decline in traffic volumes could adversely affect their business prospects, financial condition, results of operations and their ability to make distributions. Further, the projects' revenues from tolls are subject to regulatory restrictions.**

Seven of the Trust's Project SPVs are exclusively toll-based. Toll revenues depend on toll receipts, which are influenced by changes in traffic volumes and the mix of traffic. Traffic volumes can be affected by various factors outside the Project SPVs' control, including toll rates, fuel prices, automobile affordability, the quality and convenience of alternate routes, industrial growth, and the availability of alternative transportation such as rail networks and air transport. Additionally, seasonal factors, such as monsoon rains in India, can reduce traffic volumes and affect cash flows, as operating expenses continue despite reduced toll revenues. These fluctuations can adversely affect the SPVs' business, financial condition, and operational results.

Toll revenues are also subject to regulatory and statutory conditions. For example, NHAI guidelines issued on May 26, 2021, require a maximum service time of 10 seconds per vehicle at toll plazas, with queues not exceeding 100 meters. Vehicles are allowed to pass without paying tolls if queues exceed this limit until they are reduced. Such regulations can adversely impact toll revenues and the financial health of the Project SPVs. Moreover, the National Highways Fee (Determination of Rates and Collection) Rules, 2008, stipulate a minimum distance of 60 km between toll plazas on the same section of a national highway, with some exceptions. These conditions can impact toll fee collection from established plazas.

Traffic volumes are also influenced by the toll road's connections with other parts of the state and national highway network, as well as the cost, convenience, and availability of alternative transportation and routes. Future changes in India's road network, such as road additions, closures, or traffic diversions, and the development of other transportation modes, may negatively affect traffic volumes on toll roads. High traffic levels and congestion at certain times can also be an issue. Although solutions may be considered to ease traffic flow, there is no assurance that congestion problems will be resolved satisfactorily, which could lead to user dissatisfaction and potentially reduced traffic volumes.

17. **Leakage of the tolls collected on the toll-linked projects may adversely affect the relevant SPVs' revenues and earnings.**

Seven of the Trust's SPVs are exclusively toll-based. Toll receipts are primarily dependent on the integrity of toll collection systems. The SPVs that have a toll component generate revenues from the projects through the collection of tolls. On Indian toll roads, each motorist generally pays a one-time entry tariff to the toll operator at the point of entry to the toll road based on the average trip distance calculated for all users of the toll road. These SPVs employ toll management software to monitor their operations.

There may be occasions where political parties and local communities protest against the collection of tolls on roads, limiting a SPV's ability to collect tolls. Under the terms of the SPVs' concession agreements, if the concession agreement is terminated due to a political event, the relevant concessioning authority is required to compensate the affected SPV. However, timely compensation is not assured.

Toll revenues can also be affected by reductions in toll rates set by concessioning authorities, toll evasion, theft, fraud, technical faults in toll systems, or forced violations by road users. Heavy traffic buildup, political protests, or agitations can necessitate allowing users to pass without paying tolls. Government authorities or Indian courts might suspend toll collection for certain periods, reducing revenues. While concession agreements include provisions for compensation, delays in receiving it can be considerable. Although SPVs have systems in place to minimise leakage through fraud and pilfering, any significant failure to control leakage in toll collection systems could adversely affect the business, prospects, financial condition, and results of operations of the SPV.

18. **The Trust's operating expenses are dependent on the routine and periodic major maintenance obligations contained in the concession agreements and are subject to fluctuations.**

The SPVs are required to operate and maintain the projects in accordance with the respective concession agreements. This includes preparing a maintenance manual and program in consultation with an independent engineer appointed by the NHAI or other concessioning authority. The maintenance obligations primarily involve ensuring the safe, smooth, and uninterrupted flow of traffic, including the repair of wear and tear on roads and overlaying the road surface.

Risk Factors (Contd.)

Routine and periodic major maintenance costs include raw materials, fuel, equipment, labor, maintenance and replacement of hardware and software, tolling expenses, and equipment. The prices and supply of raw materials are influenced by factors beyond the Trust's control, such as economic conditions, transportation costs, market prices, competition, production levels, and import duties, which can be cyclical. Unanticipated increases in the price of materials, fuel, labor, or other inputs will affect the SPVs' operational results, especially if major work is required due to significant wear and tear. The SPVs have limited ability to absorb these cost increases. Additionally, operational costs may increase substantially if the relevant O&M Contractors fail to perform their duties as per the O&M Agreements.

19. **The Trust may be subject to inflation/deflation and interest rate risks.**

There are no specific provisions in the concession agreements protecting the Trust against increases in interest rates or the cost of raw materials. The lenders may periodically adjust the Trust's interest rates based on their review of the Trust credit profile and perceived risks in our operations, potentially increasing our applicable interest rates. Many factors causing these adverse changes are beyond the Trust's control, and the Trust generally cannot demand matching increases in its tolling fees or annuities.

While the tolling rates may increase with an increase in the Wholesale Price Index (WPI), such increases may not be adequate to offset the negative impact of rising interest rates or higher operation and maintenance (O&M) costs. Conversely, the tolling rates may decrease with a decrease in WPI. As a result, the business, financial condition, and operational results of the Trust may be adversely affected.

20. **The SPVs have a limited period to operate the projects as the concession periods granted to the SPVs are fixed.**

Each of the concession agreements entered by the SPVs provides for a fixed term concession, subject to some variations and extension as permitted under the concession agreements or as may be granted by the concessioning authorities, at the end of which the operation of the relevant project will be transferred to the relevant concessioning authority. The Trust has, in the past, sought and been granted extensions for the concession periods which may not be received in future. In addition, there can be no assurance that the Highways Trust will be able to successfully acquire new assets to replenish its portfolio once the existing concession agreements expire. Further, if the operating periods of the Projects are shortened or disrupted or rights to operate the Projects are terminated before the expiration of the concessions, the business, financial condition and results of operations of the Trust may be adversely affected.

21. **The SPVs, which are responsible for the operation and maintenance of the projects under the respective concession agreements, may be directed by the relevant concessioning authority to undertake, and the SPVs will be obliged to perform, additional construction work.**

Under the terms of the concession agreements, the SPVs are responsible for the operation and maintenance of the projects during the applicable concession periods. A concessioning authority may require a Project SPV to provide additional work and services not included in the original scope of the concession agreement. There is no assurance that the money spent on complying with change of scope orders will be reimbursed in a timely or complete manner by the concessioning authority.

Further, in accordance with the concession agreement, the concessioning authorities may require the SPVs to procure capacity augmentation which may result in significant capital expenditure. On refusal or non-acceptance by the SPVs to undertake such augmentation, or on the failure to undertake such augmentation as per the timelines set out by the concessioning authority, the concessioning authorities may in their discretion terminate the concession agreement. As a result, the business, financial condition, and operational results of the Trust may be adversely affected.

22. **Systems failures, cyber security breaches and attacks and resulting interruptions in the toll-linked project could adversely affect our business, financial condition, cash flows and results of operations.**

The proper functioning of technology infrastructure is essential to the conduct of the Trust's business. As the SPVs rely on an electronic toll collection system, transaction-processing systems and network infrastructure are critical to the Trust's success. The Trust's electronic toll collection systems may experience service interruptions, degradation, or other performance issues due to hardware and software defects, unexpected high transaction volumes, cyberattacks, cybersecurity breaches, infrastructure changes, human error, natural disasters, power losses, telecommunications disruptions, unauthorised access,

Risk Factors (Contd.)

fraud, military or political conflicts, terrorist attacks, legal or regulatory takedowns, computer viruses, ransomware, malware, or other events. Sometimes, identifying the cause of these performance problems may not be possible within an acceptable time frame. Additionally, as techniques for unauthorised access or sabotage frequently evolve and may not be known until they occur, the Trust may be unable to anticipate or implement adequate protective measures against these attacks. The Trust's insurance coverage may not be sufficient to cover all losses resulting from service interruptions due to system failures and similar events. The Trust may need to expend significant financial and development resources to analyse, correct, or eliminate errors or defects and to address and eliminate vulnerabilities. Failure to timely and effectively resolve such errors, defects, or vulnerabilities could adversely affect the business, financial condition, cash flows, and results of operations of the Trust.

23. An inability to obtain, renew or maintain the required statutory and regulatory permits and approvals or to comply with the applicable laws may have an adverse effect on the business of the SPVs.

The SPVs require various approvals, licenses, registrations, and permissions regulated by Indian authorities. There is no assurance that these will be issued or renewed in a timely manner, or at all. Compliance with a wide variety of Indian laws and regulations is also required, and there is no guarantee of continuous compliance or obtaining necessary approvals. Non-compliance may lead to cancellation, revocation, or suspension of relevant permits, licenses, or approvals, interrupting operations and adversely affecting business, financial condition, and results. Certain terms in the SPVs' concession agreements, financing agreements, and other approvals require prior written consent from concessioning authorities for actions such as: 1) Amendment, modification, or replacement of project agreements if these changes increase or impose financial liability on the authorities, 2) Creation of encumbrances or security interests over, or transfer of rights under, the concession agreements or project agreements & 3) Selection or replacement of EPC or O&M contractors, and execution of related agreements. These restrictions may limit the Trust's flexibility to conduct business. If the Trust cannot pursue favorable actions or respond to unfavorable events due to these restrictions, the Trust's business, financial condition, and results of operations may be materially and adversely affected.

24. Failure to comply with and changes in, safety, health and environmental laws and regulations in India may adversely affect the business, prospects, financial condition and results of operations of the SPVs.

The Project SPVs must adhere to various environmental, health, safety, and labor laws and regulations in India as per their concession agreements. Failure to meet these requirements could result in administrative, civil, and criminal proceedings, substantial fines, penalties, and orders that could limit or halt operations. The Trust cannot assure continuous compliance with all such laws and regulations. Any changes or amendments to these standards or regulations could further regulate operations and require additional, unanticipated expenses for compliance. The impact of new regulations on operations and cash flows is unpredictable, and compliance costs could be significant. Measures taken to comply may not be deemed sufficient by authorities, potentially exceeding cost estimates. There is no assurance that the SPVs will not be involved in future litigation or proceedings related to safety, health, and environmental matters.

25. The current insurance coverage for the projects may not protect the SPVs from all forms of losses and liabilities associated with their businesses.

Road infrastructure development project contracts face several risks, including:

- Political, regulatory, and legal changes
- Shifts in government policies
- Design and engineering defects
- Equipment failure or substandard performance
- Improper installation or operation
- Labor disturbances
- Terrorism and acts of war
- Inclement weather and natural disasters
- Adverse economic and financing conditions in India
- Regulatory non-compliance

The SPVs have various insurance policies covering material damage, burglary, terrorism, fire, and natural calamities. Some also have management plus liability insurance. However, not all risks can be fully insured, and obtaining adequate insurance at reasonable rates may be challenging. Future natural disasters may disrupt traffic, affecting toll collections and operations, and causing significant damage to the projects and the environment.

Risk Factors (Contd.)

Under concession agreements, SPVs must maintain road quality and repair damages, which can incur significant costs, especially for major or uninsured damages. Insurance policies have deductibles, exclusions, and coverage limits, and their renewal is not guaranteed. Any loss not covered by insurance would need to be borne by the Project SPVs. Pending insurance claims may also fall short due to inflation, regulatory changes, and other factors, potentially impacting the Trust's business, prospects, financial condition, or results of operations. There is no assurance that future losses will not exceed insurance proceeds.

26. The cost of repairing and refurbishing existing equipment for operating, maintaining and monitoring the Projects could be significant and could adversely affect the results of operations, cash flows and financial condition of the SPVs.

Some equipment used by the SPVs has pre-determined useful lives and requires periodic repair or refurbishment as per concession agreements. These tasks may be handled by contractors under O&M agreements. However, there is no guarantee that these replacements or refurbishments will be done timely or efficiently. Any increased costs due to these activities by O&M contractors could impact the profit margins and cash flows of the SPVs.

27. The cost of implementing new technologies for collection of tolls and monitoring the Trust's projects could materially and adversely affect its business, financial condition and results of operations.

The future success of the SPVs depends partly on our ability to adapt to technological advances and emerging standards cost-effectively and timely. Rapid technology and market changes can render existing technologies and equipment obsolete, necessitating significant new capital expenditures or asset write-downs. Concessioning authorities may require implementing certain technologies in the Projects, and there is no assurance the Trust can do so timely or at all. Failure to adopt these technologies effectively could increase operational costs.

The implementation of new technologies, such as Global Navigation Satellite System-based Tolling, may lead to increased leakages in toll revenue in the short term until stabilisation is achieved. There is no guarantee that the concessioning authority will fully reimburse the cost of new technologies, which may adversely affect the Trust's business, operations, and financial condition.

28. The business and financial performance of the Trust, the operations of the projects and any future projects that the Trust may acquire, are significantly dependent on the policies of, and relationships with, various government entities in India and could be affected if there are adverse changes in such policies or relationships.

The operations of the projects and any future projects acquired by the Trust are heavily dependent on central and state government entities. These dependencies include policies, incentives, budgetary allocations, and other resources for the surface transportation industry, as well as the terms of contractual arrangements and concessions from these government entities. Continued increases in budgetary allocations by the Government of India (GoI) and various state governments for infrastructure investments, along with the development of comprehensive policies encouraging private sector participation and increased funding by international and multilateral development financial institutions, have led to and are expected to continue increasing transportation infrastructure projects in India. Any adverse change in the focus or policy framework regarding infrastructure development or the surface transportation industry, or a change in the Trust's relationships with the GoI or various government entities, could negatively impact the Projects, reduce opportunities for new projects, and harm the business, financial condition, and results of operations of the Highways Trust. Additionally, government-involved projects may face delays, extensive internal processes, policy changes, political pressures, budgetary changes, and funding insufficiencies. As government entities are responsible for awarding concessions and are integral to the development and operations of projects, their support is crucial. Any withdrawal of support or adverse policy changes may lead to renegotiation of agreements, affecting financing, capital expenditure, revenues, and operations of the projects.

29. The SPVs and projects may be subject to legal or regulatory action and the Trust may be required to incur substantial expenses in defending any such actions and there is no assurance that the SPVs will be successful in defending such action.

Certain SPVs are involved in ongoing legal proceedings at various levels before courts, tribunals, and regulatory authorities. Arbitration and litigation in India can be time-consuming and costly, requiring significant resources for defense. There is no assurance that these proceedings will be decided in favor of the SPVs,

Risk Factors (Contd.)

and they may face adverse outcomes due to changes in laws and regulations. Any significant costs incurred by a SPV in defending these legal proceedings, or any unfavorable outcomes, could adversely affect the Trust's business, financial condition and operations.

30. The Sponsor, Investment Manager, Project Manager and/or their respective Associates, the Sponsor Group and the Trustee are or may, from time to time, be involved in legal proceedings, which if determined against such parties, may have an adverse effect on the reputation, business and results of operations of the Trust.

The Sponsor, Investment Manager, Project Manager, their respective Associates, the Sponsor Group, and the Trustee may be involved in legal proceedings related to criminal, tax, civil, and arbitration matters. These cases, pending at various levels before courts, tribunals, and appellate authorities, may not be decided in their favor. Adverse decisions in any of these proceedings could negatively impact the Highways Trust's or Project SPVs' business, financial performance, and operations.

31. The SPVs depend on the O&M contractors to operate and maintain the projects. Any delay, default or unsatisfactory performance by the O&M contractors could adversely affect the SPVs' ability to effectively operate or maintain the Projects.

The SPVs must uphold concession agreement standards, delegated to O&M contractors through O&M agreements. The SPVs' control over service quality and timing may be limited, leading to inefficiencies or failures, potentially resulting in increased costs, revenue loss, and penalties, impacting financial standing. Risks include O&M contractors' inability to secure approvals or provide satisfactory services, with limited liability under contracts. Concession agreements often require concessioning authority consent for contractor selection or replacement, and any issues with contractors could hinder effective project operation or maintenance, increasing costs and revenue losses, thus affecting the Highways Trust's financial condition and operational results.

32. The SPVs may be held liable for the payment of wages to the contract labourers engaged indirectly in the operations of the Trust.

The SPVs or O&M contractors may hire independent contractors who then engage on-site contract labor. Some SPVs have obtained necessary registrations under the Contract Labour (Regulation and Abolition) Act, 1970 (the "Contract Labour Act") for locations where workmen are employed through licensed contractors or agencies. Although the SPVs do not directly employ these laborers, they may be held responsible for wage payments and other statutory benefits if an independent contractor defaults. Violations of the Contract Labour Act by a SPV could result in penalties. If any SPV is required to pay the wages of contracted workmen or faces penalties under the Contract Labour Act, it could negatively impact the reputation, operations, cash flows, and financial condition of the Trust.

33. The results of operations of the SPVs could be adversely affected by strikes, work stoppages or increased wage demands by the employees of the SPV, O&M Contractors or other sub-contractors.

Under the O&M Agreements, the SPVs engage O&M contractors to perform all required O&M activities. Strikes or work stoppages by employees of the SPV, O&M contractors, or subcontractors due to wage demands or recruitment challenges can adversely affect the ability of the SPVs to collect tolls and operate the projects. Disruptions in services provided by these employees or contractors will negatively impact SPV operations. There is no assurance that future disruptions due to workforce disputes or other issues will not occur, potentially harming the business and results of operations of the SPVs.

34. The SPVs may have experienced losses in previous years and any losses in the future could adversely affect the Trust's business, financial condition and the results of its operations, its ability to make distributions and the trading price of the Units.

The SPVs may have experienced losses in one or more of the last three fiscals. Under the Companies Act, 2013, companies without "distributable profits" cannot pay dividends. Therefore, any SPV that fails to generate distributable profits cannot pay dividends to the Trust, reducing the distributions made by the SPVs to the Trust. This reduction may adversely affect the Trust's ability to make distributions to Unitholders.

35. The Project SPVs may be required to pay additional stamp duty if any concession agreement is subject to payment of stamp duty as a deed creating leasehold rights, or as a development agreement.

Currently, concession agreements are treated as non-lease deeds, and a stamp duty ranging from ₹ 100 to ₹ 500 is typically paid. However, stamp duty authorities in certain Indian states have issued notices to some concessionaires alleging inadequate stamp duty, claiming that these agreements should be treated as

leases or development agreements, which require higher stamp duties ranging from 1.0% to 11.0% of the annual rent, premium payable, or the market value of the property. The High Courts of Allahabad and Madhya Pradesh have upheld this view. If concession agreements are found to be inadequately stamped, they would be inadmissible as evidence in legal actions until the deficient stamp duty and any penalties are paid. These documents can be impounded, and penalties may extend up to 10 times the stamp duty payable. Additionally, the person who signs an inadequately stamped instrument is subject to a fine. Concession agreements include change in law provisions, allowing concessionaires to seek amendments or compensation if a financial burden exceeding a certain threshold is imposed due to a change in law or its interpretation. However, there is no assurance that additional stamp duty will be considered a change in law by the concessioning authority. Disagreements may lead to arbitration, increasing costs. Any demand for higher stamp duty or penalties would increase project costs, potentially adversely affecting the business, operations, and prospects of the SPVs if such costs are not recoverable from the concessioning authorities.

36. The Trust has entered into material related party transactions and may continue to do so in the future, which may potentially involve conflict of interests with the Unitholders.

The transactions resulting from the Project Management Agreement and Investment Management Agreement are related party transactions. Their terms may not be as favorable as those negotiated solely among unaffiliated third parties. Additionally, the Trust is likely to enter into more related party transactions in the ordinary course of business, which may also not be as favorable and could involve conflicts of interest. These transactions, individually or collectively, could materially and adversely affect the Trust's business, prospects, financial condition, results of operations, and cash flows.

37. There may not be any eligible acquisition opportunities from the Sponsor or third parties in the future, which may adversely affect the Trust's business, financial condition, results of operations and prospects.

The Highways Trust aims to achieve portfolio growth through its acquisition strategy, relying on third parties for attractive opportunities and potentially acquiring assets from the Sponsor. However, there is no assurance that such opportunities will materialise or be offered by the Sponsor. Additionally, any acquisition will require necessary regulatory approvals, which are not guaranteed. Eligible acquisition opportunities from third parties may not materialise, and increased competition from other InvITs and third parties may result in financially undesirable acquisition prices. An inability to grow through prudent acquisitions may adversely affect the Trust's business, financial condition, and results of operations.

38. The Trust may not be able to successfully fund future acquisitions of new projects due to the unavailability of equity financing on acceptable terms, which could impede the implementation of its acquisition strategy and negatively affect its business.

The Trust may fund future acquisitions by issuing additional units, potentially diluting the interests of existing Unitholders. There is no assurance that the required number of units can be issued on short notice or at all due to possible lack of investor demand at acceptable prices. This lack of funding could hinder the Trust's ability to pursue its acquisition strategy successfully. Potential vendors may also view the prolonged timeframe and uncertainty of raising equity capital negatively, preferring other buyers. Furthermore, compliance with SEBI InvIT Regulations and foreign exchange regulations is necessary, especially since the Sponsor is a non-resident entity. Future investments in holding companies or SPVs may be subject to additional conditions prescribed for infrastructure sector investments.

39. The use of additional leverage by the Investment Manager and the Trust carries inherent risks. Moreover, the Trust may face challenges in funding future acquisitions of new projects due to the unavailability of debt financing. This could impede the implementation of its acquisition strategy and have a negative impact on its business.

Although the Investment Manager aims to use leverage prudently, it magnifies both gains and losses. Leverage costs and availability vary, potentially limiting distributions and investment appreciation. Rising interest rates can decrease profitability and exacerbate losses in adverse conditions. If a SPV can't generate enough cash flow to meet debt obligations, the Trust may lose its investment. Debt financing for acquisitions may be unavailable or come with unfavorable terms due to legal restrictions and Reserve Bank of India limits on borrowing. Regulatory approvals for foreign currency borrowing are not guaranteed. Additional conditions apply due to the Sponsor's and Investment Manager's foreign status. Financing agreements

Risk Factors (Contd.)

may allow lenders to change interest rates, affecting profitability. Existing agreements impose constraints like maintaining a minimum credit rating and certain financial ratios. Noncompliance can limit further borrowing.

Restrictive covenants and cross-default provisions in financing agreements may limit business operations and any breaches can have severe consequences, including enforcement of security. Debt financing increases vulnerability to economic conditions, limits operational flexibility, and may restrict the ability to acquire new projects or make distributions to Unitholders due to cash flow commitments to debt service.

40. The ability of the Trust to make or maintain consistency in distributions to Unitholders depends on the financial performance of the SPVs and their profitability.

Distributions by the Trust depend on various factors such as earnings, financial condition, cash flows, working capital, and capital expenditures of the SPVs. Income from projects relies on toll receipts, annuities, and operating expenses. Insufficient operating profit from these projects will negatively impact the Trust's income, cash flows, and distributions to Unitholders. Dividend payments by SPVs are subject to Indian laws, regulations, and contractual restrictions. Under InvIT Regulations, if asset sale proceeds are reinvested, the Trust is not required to distribute these proceeds to Unitholders. The InvIT Regulations mandate that the Trust distribute at least 90% of net distributable cash flows from each SPV. Distributions must be declared and made at least once per financial year within 15 days of declaration. There is no guarantee that distributions will be made consistently. Changes in the method of calculating net distributable cash flows or applicable laws (including not having adequate distributable profits or means of distributing under Companies Act, 2013) may affect the ability to maintain consistent distributions. Expanding the Trust's portfolio does not guarantee increased cash flows or higher distributions to Unitholders.

41. The Trust has its credit ratings re-affirmed by credit rating agencies

The credit ratings of the Trust have been reaffirmed by rating agencies (CRISIL and India Ratings). The details of the same are as follows:

Nature of Instrument	Amount (₹ Million)	CRISIL Ratings		India Ratings	
		Rating	Date of Rating	Rating	Date of Rating
Rupee Term Loan	26,800	AAA/Stable	January 24, 2024[3]	AAA/Stable	February 08, 2024
Non-Convertible Debentures	13,618[1]	AAA/Stable	January 24, 2024[3]	AAA/Stable[1]	February 08, 2024
Commercial Papers	2,750	A1+/Stable	January 24, 2024[3]	A1+/Stable	February 08, 2024
Bank Guarantee	750[2]	-	-	AAA/Stable	February 08, 2024

[1]Includes proposed NCDs of ₹ 2,200 million. Provisional AAA for proposed NCDs of ₹ 2,200 million.

[2]Undrawn as on date

[3]factors in announcement on January 15, 2024, by HIT to acquire 12 road special purpose vehicles (SPVs) owned by PNC Infratech Limited and PNC Infra Holdings Limited

Further, the Trust has received letters from CRISIL Ratings and India Ratings dated April 02, 2024 and April 01, 2024 respectively stating revalidation of ratings as per table above.

There is no assurance that CRISIL Ratings or India Ratings will continue to provide a Stable outlook along with credit rating of AAA to the Highways Trust or that the agencies will provide a rating without covenants. A negative or lower rating may adversely affect the Trust's ability to raise additional financing, and the interest rates and other terms at which such additional financing is available. This in turn could materially and adversely affect the Trust's business, prospects, financial condition, results of operations and cash flows.

42. The Trust does not own the trademark "Highways Infrastructure Trust" and the associated logo to be used by it for its business and its ability to use the trademark may be impaired.

The Trust has not made an application for the use of the trademark "Highways Infrastructure Trust" and the associated logo. Trust's ability to use the trademark and the associated logo may be impaired if it does not make a trademark application, or if such an application is made and the application is rejected. Consequently, Trust could be required to cease using "Highways Infrastructure Trust" and the associated logo, which may have an adverse effect on its operations.

Risk Factors (Contd.)

Risks Relating to the Trust's Organisation and Structure

43. The Trust depends on the Investment Manager, the Project Manager, and the Trustee to manage its business and assets, and its financial condition, results of operations and cash flows and its ability to make distributions may be harmed if the Investment Manager, Project Manager or the Trustee fail to perform satisfactorily. The rights of the Trust and the rights of the Unitholders to recover claims against the Project Manager, the Investment Manager or the Trustee may be limited.

The success of Trust's business and growth strategy relies heavily on the satisfactory performance of services by the managers. However, Trust's recourse against the Project Manager, Trustee, and Investment Manager is limited. The Project Manager's maximum liability under the Project Management Agreement is limited to the service fees payable in each financial year, except in cases of gross negligence, willful default, or fraud. The Trustee is not liable to Unitholders for providing information in good faith as required by InvIT Regulations or law, even if the request was not enforceable. The Trustee is also not liable for actions taken in good faith based on the Investment Manager's advice or requests. Trustee's liability is limited to the fees received, except in cases of fraud, gross negligence, or misconduct as determined by a competent court. The Investment Manager's liability to the Trustee and its directors, employees, and officers for breach of obligations is limited to the fees paid under the Investment Management Agreement for that financial year. The Investment Manager is not personally liable for indirect or consequential losses, costs, damages, or expenses, except for losses resulting from disabling conduct. As a result, Unitholders may not be able to recover claims against the Project Manager, Trustee, or Investment Manager. Termination or alteration of management agreements could adversely affect the Trust's business, as replacing these services might not be immediate or may come with less favorable terms than those currently provided.

44. The Trust's success depends in large part upon the Investment Manager and Project Manager, the management and personnel that they employ, and their ability to attract and retain such persons.

The Trust's ability to make consistent distributions to Unitholders depends on the continued service of management teams and personnel of the Investment Manager and Project Manager. Both managers may face challenges in recruiting and retaining skilled personnel due to significant competition in this findustry in India. Attracting and retaining the necessary talent may be difficult, and there could be issues with re-deploying and re-training employees to meet evolving industry standards and changing customer preferences. The loss of key personnel from either manager could materially and adversely affect the business, prospects, financial condition, results of operations, and cash flows of the Trust.

45. The Investment Manager has limited experience in investment management activities for an InvIT and may not be able to successfully implement its investment strategy for and Investment Objectives of the Trust or to manage the Trust's growth effectively.

The Investment Manager, along with its directors and employees, has limited experience in managing investments for an InvIT. There is no assurance that the Investment Manager will successfully implement it's investment strategy or objectives, expand the Trust's portfolio, or meet distribution projections. The Trust's performance will depend on factors such as efficient project management, regulatory changes, competition for assets, and macroeconomic conditions, all of which influence the availability of road asset acquisitions and financing options.

The Trust relies on external funding to expand its asset portfolio, which may not always be available on favorable terms, or at all. Even with successful acquisitions, managing an expanded portfolio could strain the Investment Manager's management and administrative resources and the Trust's capital. There is no guarantee that the Trust will manage these assets efficiently or achieve the intended returns. The Investment Manager can resign with notice as per the Investment Management Agreement, or the Trust may replace the Investment Manager according to the Trust Deed. The appointment of a new investment manager could potentially impact the financial performance of the Trust.

46. The Investment Manager is required to comply with certain ongoing reporting and management obligations in relation to the Trust. The Trust cannot assure you that the Investment Manager will be able to comply with such requirements.

The Investment Manager must adhere to ongoing reporting and management obligations for the Trust as mandated by SEBI InvIT Regulations. These obligations include:

1. Making investment decisions for the Highways Trust's assets or projects.

Risk Factors (Contd.)

2. Overseeing the Project Manager's activities.
3. Investing and declaring distributions per SEBI InvIT Regulations.
4. Submitting reports to the Trustee.
5. Ensuring the audit of the Highways Trust's accounts.

The Trust cannot guarantee that the Investment Manager will meet these requirements promptly, or at all. Non-compliance could subject the Investment Manager, the Trust, or involved parties to penalties under SEBI InvIT Regulations, SEBI Intermediaries Regulations, and the SEBI Act. Such penalties could adversely affect the Trust's business, financial condition, and operations.

Additionally, SEBI has the authority to inspect documents, accounts, and records related to the Highways Trust, Project SPVs, or involved parties from time to time. SEBI may issue directives such as:

1. Requiring the Highways Trust to surrender its registration certificate.
2. Mandating the winding up of the Trust.
3. Ordering the sale of the Trust's assets.
4. Directing actions in the interest of investors.
5. Prohibiting the Trust or involved parties from operating or accessing the capital markets for a specified period.

Failure to comply with these directives can have severe consequences for the Trust's business and financial performance.

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

The Highways Trust, an irrevocable trust registered under the Indian Registration Act, 1908, can only be extinguished under certain conditions: (i) if it becomes impossible or impracticable to continue; (ii) with written recommendation from the Investment Manager and consent from the required number of Unitholders under InvIT Regulations; (iii) if its units are delisted from the Stock Exchange; (iv) if SEBI directs it to wind up or delist; or (v) if its activities become illegal. Upon dissolution, there is no assurance that Unitholders will recover their investment.

In case of default under financing documents, the Trustee will try to cure the default or repay the lender by divesting assets or raising additional funds. If the default is not cured and the lender initiates proceedings, the Highways Trust will be terminated. Upon termination, net assets paid to Unitholders will consider the Trust's debt and liabilities, with no assurance of recovering the full investment.

48. As a shareholder of the SPVs and a proposed shareholder of the Target SPV, the Trust's rights are subordinated to the rights of creditors, debt holders and other parties specified under Indian law in the event of insolvency or liquidation of the SPVs or any Target SPVs.

To the extent the senior debt at any of the SPV is not refinanced by loan from the Trust, in the event of liquidation of such SPVs or Target SPVs acquired by the Trust, secured and unsecured creditors will have priority over the Trust as an equity shareholder in receiving payment from the liquidation proceeds. Under the Insolvency and Bankruptcy Code, 2016, during the winding-up of any SPV or Target SPVs, the payment priority is as follows: workmen's dues and secured creditors' debts (pari passu), wages and salaries of employees, unsecured creditors' debts, amounts due to the central or state government, other debts, preference shareholders, and finally equity shareholders. Additionally, any unsecured debt issued by the SPV or Target SPVs to the Trust will be subordinated as outlined above.

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

The Trust Deed and various provisions of Indian law govern the Trust's affairs. Legal principles relating to these matters and the validity of procedures, fiduciary duties and liabilities, and Unitholders' rights may differ from those that would apply to a company in India or a trust in another jurisdiction. Unitholders' rights and disclosure standards under Indian law may also differ from the laws of other countries or jurisdictions.

50. The Trust is governed by the provisions of, amongst others, the InvIT Regulations and the Securities Contracts (Regulation) Act, 1956 ("SCRA"), the implementation and interpretation of which, is evolving. The evolving regulatory framework governing infrastructure investment trusts in India may have a material adverse effect on the ability of certain categories of investors to invest in the Units, the Trust's business, financial condition and results of operations and its ability to make distributions to the Unitholders.

The Trust operates under the InvIT Regulations, issued in 2014, which include additional guidelines and

Risk Factors (Contd.)

circulars. The regulatory framework for infrastructure investment trusts in India is still evolving, leading to uncertainties in interpretation and enforcement. Some aspects, such as follow-on public offers, bonus issues, unitholder liabilities, and dissolution procedures, remain unclear. Infrastructure investment trusts are not classified as "companies" or "bodies corporate" under the Companies Act, 2013 and various SEBI regulations. SEBI has released consultation papers in 2023 regarding unitholding of sponsors and rights of unitholders, which could lead to regulatory changes. The InvIT Regulations and related laws are largely untested, and any amendments or new interpretations could be time-consuming and costly to resolve, potentially impacting its business viability and ability to grow or make distributions to Unitholders. Changes in regulations or interpretation thereof or enforcement practices may require alterations to the Trust's structure, agreements, or operations, incurring costs, fines, legal fees, or business interruptions. SEBI can inspect the Trust's books and operations, and based on findings, it can take actions such as requiring surrender of its registration, winding up operations, selling assets, restricting capital market access, or other measures deemed appropriate. Such actions could materially affect the Trust's business and financial condition. Since April 1, 2021, units and other instruments issued by an InvIT are considered 'securities' under section 2(h) of the SCRA. The implementation and interpretation of this amendment are still evolving, making the applicability of various regulations to the Trust unclear. There is no assurance that future legal frameworks will not impose additional regulations affecting the Trust's operations. New laws or amendments could adversely impact the Trust's business if the Trust cannot comply. Compliance with new regulations may incur significant costs and resources, and failure to comply could adversely affect the Trust's business and financial results.

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

The InvIT Regulations, along with SEBI's guidelines and circulars, govern infrastructure investment trusts in India. Unlike the well-established framework for companies listed on Indian stock exchanges, the regulatory framework for infrastructure investment trusts is still evolving. Disclosures made to the Unitholders under the InvIT Regulations may differ from those made to shareholders of listed companies under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("LODR Regulations"). A specific governance framework for InvITs and REITs was prescribed by SEBI through an amendment on February 14, 2023. The rights of the Unitholders may not be as extensive as those of shareholders in listed companies, offering potentially less protection.

52. It may be difficult for the Unitholders to remove the Trustee or the Investment Manager.

Under the InvIT Regulations, removing the Trustee or Investment Manager requires prior approval from Unitholders, with at least one and a half times more votes in favor than against. This makes it difficult for Unitholders to remove and replace them. Additionally, any change in the Investment Manager requires prior SEBI approval.

53. Unitholders will have no vote in the election or removal of Directors in the Investment Manager and will be able to remove the Investment Manager and Trustee only pursuant to a majority resolution.

The Investment Manager is responsible for managing the Trust, and Unitholders cannot vote to elect or remove its Directors. Unitholders can only remove the Investment Manager with a resolution approved by holders of at least 60% of the Units. In comparison, the Companies Act, 2013 requires only a simple majority for the removal of a public company director. Unitholders can remove the Trustee only if they believe the Trustee's actions are detrimental to their interests and by meeting the required voting percentage set out in the InvIT Regulations. The Investment Manager and Trustee cannot be discharged until a suitable replacement is appointed, which may not happen promptly or at all. Thus, unlike shareholders of a public company, Unitholders may face significant challenges in removing the Investment Manager or Trustee.

Risks Relating to the Units

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

Under current foreign exchange regulations in India, unit transfers between non-residents and residents are allowed if they comply with RBI's pricing and reporting requirements. Non-compliant transfers require RBI's

Risk Factors (Contd.)

prior approval. Unitholders wishing to convert sale proceeds into foreign currency and repatriate them need a no-objection or tax clearance certificate from Indian income tax authorities. There is no assurance that required approvals from RBI or other governmental agencies will be obtained in a timely manner, or at all. Unitholders cannot redeem units while listed on the Stock Exchange. Redemption is only possible through a buyback or delisting, subject to additional Indian regulatory conditions and restrictions.

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

Movements in domestic and international securities markets, economic conditions, foreign exchange rates and interest rates may affect the market price of and demand for the Units. In particular, an increase in market interest rates may have an adverse impact on the market price of the Units if the annual yield on the price paid for the Units gives investors a lower return as compared to other investments.

56. Any future issuance of Units by the Trust may dilute investors' Unitholding. The sale or possible sale of a substantial number of Units by the Sponsor or another significant Unitholder could adversely affect the price of the Units.

Where new Units are issued at less than the market price of the Units, the value of an investment in the Units may be affected. In addition, Unitholders who do not, or are not able to, participate in the new issuance of Units may experience a dilution of their interest in the Highways Trust.

Further, under the InvIT Regulations, the Sponsor and Sponsor Group, collectively, are required to lock-in units from the date of listing pursuant to the initial offer in a manner as described at Regulations 12(3) and 12(3A) of the InvIT Regulations. If the Sponsor/ significant unitholder sells or is perceived as intending to sell a substantial number of its Units, the market price for the Units could be adversely affected.

Risks Relating to India

57. The Trust are exposed to risks associated with the road sector in India.

The Trust derives and expects to continue to derive in the foreseeable future, most of the revenues and operating profits from India. Changes in macroeconomic conditions generally impact the road industry and could negatively impact the Trust's business. Accordingly, the business is highly dependent on the state of development of the Indian economy and the macroeconomic environment prevailing in India. Since the use of the Trust's Projects, its expansion plans and future projects depend or will depend on macroeconomic factors that may negatively impact demand the development of road infrastructure projects in India, or the timely commencement of their operations could in turn have a material adverse effect on our growth prospects, business and cash flows. Any of these factors and other factors beyond our control could have a material adverse effect on our business, prospects, financial condition, results of operations and cash flows.

58. The Trust's performance and growth are dependent on the factors affecting the Indian economy.

The Trust's performance and growth are closely tied to the Indian economy, which is influenced by various factors. The Indian economy has been impacted by global economic uncertainties, interest rate volatility, currency exchange rates, commodity and electricity prices, and adverse agricultural conditions. External conditions, such as the Ukraine / Gaza crisis and economic slowdowns in major regions like the U.S., Europe, and China, affect India's growth and may prompt changes in Government of India (GoI) policies.

Although recent Indian governments have promoted private sector participation, any adverse policy changes could further slow the economy. Reduced economic liberalisation and changes in laws affecting foreign investment and currency exchange rates could also occur. Additionally, an increase in the trade deficit or a decline in India's foreign exchange reserves could negatively impact interest rates and liquidity, further affecting the economy and the Trust's business. Any downturn in India's macroeconomic environment could materially and adversely affect the Trust's business, prospects, financial condition, results of operations, and cash flows.

The Indian economy is heavily influenced by global economic conditions and relationships, particularly with the U.S., Europe, Canada, and emerging Asian economies. Financial turmoil in regions such as Asia and Russia has negatively impacted the Indian economy, causing increased market volatility. Economic instability in one country can spread, affecting investor confidence and causing further volatility in India.

Risk Factors (Contd.)

59. Changing laws, rules and regulations, including changes in legislation or the rules relating to tax regimes, legal uncertainties and the political situation in India may adversely affect the Trust's business, financial condition, results of operations and ability to make distributions to our Unitholders.

The Trust's business, financial condition, and results of operations could be adversely affected by changes in laws, interpretations of existing laws, or the introduction of new regulations applicable to the Trust. The Trust cannot assure you that the Government or state governments will not implement new regulations and policies requiring the Highways Trust and Project SPVs to obtain additional approvals and licenses or imposing onerous requirements on its operations.

Regulatory changes in India, particularly regarding the InvIT Regulations and taxation laws such as the Finance Act, 2020, could result in a higher tax liability than projected. The application of various Indian sales, value-added, and other tax laws to the Trust's services may be subject to stricter interpretations by authorities, potentially increasing its tax payments (both prospectively and retrospectively) and subjecting the Trust to penalties. These developments could impact its business operations and our ability to make distributions to its Unitholders.

60. The Trust may be exposed to variations in foreign exchange rates. Fluctuations in the exchange rate of the Indian Rupee with respect to the U.S. Dollar or other currencies could affect the foreign currency equivalent of the value of the Units and any distributions.

The Trust's revenues are in Indian rupees, and currently, the Trust has no interest or loan repayments in foreign currency for debt utilised by the SPVs. However, the Indian rupee has depreciated in recent years and may continue to depreciate against the U.S. dollar, which could increase the cost of servicing and repaying any future foreign currency borrowings. Additionally, in the event of disputes under any future foreign currency borrowings, the Trust might be required to defend itself in foreign courts or arbitration proceedings, incurring additional costs.

A depreciation of the Indian rupee would also raise the costs of imports, potentially having a material adverse effect on the Trust's business, financial condition, results of operations, and cash flows. Exchange rate fluctuations between the Indian rupee and other currencies could impact the foreign currency equivalent of the Indian rupee price of the Units. These fluctuations might also affect the amount Unitholders receive in foreign currency when converting cash distributions or other payments made in Indian rupees by the Trust, as well as any proceeds from the sale of Units in the secondary market.

61. Social, economic and political conditions and natural disasters could have a negative effect on the Trust's business.

Each of the SPVs is incorporated in India and they derive all of their revenue from India. In addition, all of the Trust's assets are located in India. Consequently, its business and the trading price of its Units may be adversely affected by the social, economic and political conditions in India and its neighbouring countries. Specific risks, such as the following could adversely influence the Indian economy, thereby having a material adverse effect on the Trust's business, financial condition, results of operations and cash flows:

- political instability, riots or other forms of civil disturbance or violence;
- War, terrorism, invasion, rebellion or revolution;
- Government interventions, including expropriation or nationalisation of assets, increased protectionism and the introduction of tariffs or subsidies;
- changing regulatory regimes;
- underdeveloped industrial and economic infrastructure;
- changes in exchange rates and controls, interest rates, government policies, taxation and economic and political developments;
- changes in policies such as, the fiscal and economic policy, industrial policy, direct and indirect taxes and the export-import policy; and
- changes in state specific regulation and conditions.

Pandemics, such as the outbreak of the COVID-19, and natural disasters such as floods, earthquakes or famines, events and conditions linked to climate change have in the past had a negative impact on the Indian economy. Potential effects may include damage to infrastructure and the loss of business continuity and business information. If the Trust's facilities are affected by any of these events, its operations may be significantly interrupted, which could materially and adversely affect its business, prospects, financial condition, results of operations and cash flows.

Risk Factors (Contd.)

62. Any downgrading of India's debt rating by rating agencies could have a negative impact on the Trust's business.

India's sovereign rating increased from a Baa3 with a "negative" outlook in 2020 to a Baa3 with a "stable" outlook in 2021 by Moody's and from BBB- with a "negative" outlook in 2021 to BBB- with a "stable" outlook in 2022 by Fitch. India's sovereign rating could be downgraded due to various factors, including changes in tax or fiscal policy or a decline in India's foreign exchange reserves, which are outside the Trust's control. Any adverse revisions to India's credit ratings by rating agencies may adversely affect the Trust's ability to raise additional financing, and the interest rates and other terms at which such additional financing is available. This could materially and adversely affect the Trust's ability to obtain financing for capital expenditure, which could in turn materially and adversely affect its business, prospects, financial condition, results of operations and cash flows.

63. Significant differences exist between Ind AS and other accounting principles, such as IFRS, Indian GAAP and U.S. GAAP, which may be material to investors' assessments of the Trust's financial condition, result of operations and cash flows.

The Audited Financial Statements included in this Annual Report are prepared and presented in conformity with Ind AS differs from other accounting principles with which prospective investors may be familiar in, such as IFRS, Indian GAAP and U.S. GAAP. In addition, as the mandated transition to Ind AS is very recent, there is no significant body of established practice from which the Trust can draw on in forming judgments regarding the implementation and application of Ind AS, as compared to established IFRS or Indian GAAP generally, or in respect of specific industries. Accordingly, the degree to which the Audited Financial Statements included in this Annual Report will provide meaningful information is entirely dependent on the reader's level of familiarity with Indian accounting practices.

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

Enforcing civil liabilities for overseas investors in the Units encounters various challenges due to jurisdictional constraints and the legal framework in India. The Trust and Investment Manager, along with their assets and personnel, are all based in India, making it problematic to serve legal documents or enforce judgments outside the country. India lacks international treaties for recognising foreign judgments, and while certain countries are designated as reciprocating territories under Section 44A of the Civil Procedure Code, the United States is notably absent from this list. Moreover, legal proceedings in India may be subject to delays, and judgments from foreign courts might not be enforceable if deemed excessive or inconsistent with Indian public policy. Any attempt to enforce a foreign judgment in India requires prior approval from the Reserve Bank of India and may incur income tax liabilities. Additionally, foreign judgments are converted into Indian Rupees at the time of payment, exposing parties to foreign exchange risks. Further complicating matters, the incorporation of the Sponsor in Singapore adds another layer of complexity. Enforcement against the Sponsor is subject to Singaporean laws, making it subject to a separate legal jurisdiction. Overall, these factors contribute to the uncertainty and challenges faced by investors seeking recourse outside of India.

65. The Trust may be affected by competition law in India and any adverse application or interpretation of the Competition Act, 2002 ("Competition Act") could adversely affect the Trust's business.

The Competition Act in India governs practices that could negatively impact competition, rendering arrangements void if they cause appreciable adverse effects. It prohibits agreements among competitors that directly or indirectly fix prices, control production, supply, or markets, or engage in bid-rigging or collusive bidding. Additionally, it prevents enterprises from abusing dominant positions in the market. The Competition Commission of India (CCI) has jurisdiction beyond India's borders, enabling investigations into agreements or conduct abroad that affect Indian competition adversely. Future acquisitions by the Highways Trust may necessitate approval from the CCI if they exceed specified thresholds. While there are currently no ongoing compliance proceedings, any adverse application or interpretation of the Competition Act, enforcement actions by the CCI, or associated penalties could significantly impact the business, financial condition, and operations of the Trust.

Risks Relating to Taxation

66. Changes in legislation or the rules relating to tax regimes could materially and adversely affect the Trust's business, prospects and results of operations.

Tax and other levies imposed by the Government and state governments include income tax, excise duty, VAT/ GST, service tax, stamp duty, and other temporary or

permanent taxes. These may change yearly, and courts may apply retrospective interpretations. The Finance Act 2023, effective April 1, 2023, taxes unitholders on distributions not covered under sections 10(23FC), 10(23FCA), or 115UA(2) of the IT Act as income. Amounts exceeding the unit issuance cost, minus previously taxed amounts, will be taxed under section 56(2)(xii). Specified persons under section 10(23FE) are exempt under certain conditions. Distributions not taxed under sections 56(2)(xii) and 115UA(2), nor covered by sections 10(23FC) or 10(23FCA, will reduce the cost of units. The Finance Act also exempts tax deducted at source on dividends paid to InvITs.

Major tax reforms include GST and GAAR. GST, effective from July 1, 2017, combines various taxes into a unified rate. Future amendments may affect tax efficiency and increase payable taxes. GAAR, effective from April 1, 2017, allows authorities to invalidate arrangements primarily aimed at tax benefits if they meet specified tests, impacting tax benefits and treaty claims. FIIs are exempt from GAAR under certain conditions. Finance Act 2022 extends section 94(7) of the IT Act to business trust units, ignoring losses from sale and purchase around dividend dates for tax computation. Section 94(8) extends to business trust units, ignoring losses from sale and purchase of bonus units, with the ignored loss deemed as the cost of additional units. The Investment Manager has not assessed the impact of these legislations. Compliance may increase costs, require management resources, and any non-compliance may adversely affect the Trust's business. Uncertainty in law interpretation or changes may impact business viability and growth.

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

Under current Indian tax laws, business trust units held for more than 36 months are long-term capital assets. If sold through a recognised stock exchange with STT paid, gains over ₹ 0.10 million are taxed at 10% (plus surcharge and cess). If sold otherwise, they are taxed at 20% with indexation (plus surcharge and cess). Non-resident holders may benefit from tax treaties. The Finance Act 2020 shifted dividend tax incidence to shareholders. Dividends from business trusts are tax-free for unitholders if the SPV hasn't opted for the corporate tax regime under Section 115BAA. Otherwise, dividends are taxed at 20% for non-residents or treaty rate and ordinary rates for residents, with business trusts required to withhold tax. Interest and dividend income distributed to residents and non-residents from SPVs under Section 115BAA are taxed at 10% and 5%-10% respectively (plus surcharge and cess). The Finance Act 2021 defines "pooled investment vehicles" to include business trusts, recognising their units and instruments as "securities." This affects regulations under SEBI. The Finance Act also exempts tax deducted at source on dividends paid to InvITs from April 1, 2020. The Highways Trust may face challenges in maintaining or increasing distributions, potentially affecting unit market prices.

68. Tax laws are subject to changes and differing interpretations, which may adversely affect the Trust's operations

Tax laws and regulations can be interpreted differently by tax authorities, creating uncertainty and potential unexpected results. This uncertainty, combined with significant penalties and the risk of aggressive actions, including retrospective legislation, may increase tax risks. While the Investment Manager aims to comply with all relevant tax laws, there's no assurance that tax authorities won't take a different position on the Trust's tax treatment. Such events could adversely affect our business, financial condition, results, and prospects. Additionally, new regulations could be introduced that negatively impact the Trust's business and profitability. the Trust's SPVs face tax assessments and notices that, if unfavorable, may adversely impact its financial position and prospects.

69. The Trust and the SPVs may be subject to certain tax related risks under the provisions of the IT Act.

Shortfall in the determination of fair market value of the equity shares at the time of transfer of the Target SPV to the Highways Trust, may be subject to taxation in the hands of the acquirer. The equity shares of the Target SPV are proposed to be transferred to the Highways Trust. Under the provisions of section 56(2)(x) of the IT Act, where a purchase of shares is undertaken at a value which is lower than the fair market value of the shares, such shortfall in value is subject to be taxed as income from other sources in the hands of the acquirer. The manner of determination of fair market value as provided under the Income Tax Rules, 1962, includes the value determined by net asset method, subject to the prescribed adjustments.

Risk Factors (Contd.)

70. Certain SPVs enjoy certain benefits under Section 80-IA of the IT Act and any change in these tax benefits applicable to the Trust may adversely affect its results of operations.

Under section 80-IA of the IT Act, certain SPVs can enjoy a tax holiday for 10 consecutive years out of 20 years from the start of their operations. During this period, profits from developing, operating, and maintaining infrastructure facilities (including toll roads) are tax-exempt. Other income, such as interest or profit from mutual funds, remains taxable. Project SPVs are subject to MAT if they have book profits as per section 115JB of the IT Act. Changes in tax benefits under section 80-IA or MAT provisions may affect the tax liability and distributions to the Trust. Non-compliance with section 80-IA conditions could result in additional taxes and adversely impact the Trust's business and distributions. Benefits under section 80-IA are unavailable if Project SPVs opt for the tax regime under section 115BAA, in which case MAT provisions also do not apply.

71. The income of the Trust in relation to which pass through status is not granted under the IT Act may be chargeable to Indian taxes.

Under the IT Act, the total income of the Highways Trust, excluding capital gains, interest, and dividends from Project SPVs, is taxed at the Maximum Marginal Rate (MMR), defined as the highest income tax rate plus surcharge. According to section 115UA, the MMR for the Highways Trust is 30% (plus surcharge and cess). However, if viewed as a "pass-through" entity, the tax rate applied to the Highways Trust's income will depend on its beneficiaries' MMR. For instance, if a Unitholder is a non-resident, the applicable MMR is 40% (plus surcharge and cess).

72. Depreciation may not be claimed on the capitalised cost of a road constructed on a BOT basis.

The SPVs classify BOT projects as capital assets and claim depreciation on their capitalised costs. Under the IT Act, depreciation claims require the asset to be a capital asset, owned by the claimant, and used for business. For BOT projects, developers lease land from the GoI without ownership transfer. Judicial decisions suggest depreciation is allowed if the developer has dominant control over the asset during the concession period. The SPVs may be considered owners of BOT-constructed roads. However, unlike leasehold buildings explicitly allowed for depreciation, BOT projects lack specific IT Act provisions. The Apex Court has ruled ownership is necessary for depreciation claims. The Central Board of Direct Taxes' Circular No. 9 of 2014 states that project costs should be amortised, not depreciated, impacting the Trust's financials. The SPVs can claim a tax deduction under section 80-IA(4)(i) of the IT Act, meaning depreciation adjustments don't affect income tax during the tax holiday. However, if higher depreciation is allowed during the tax holiday, post-holiday tax liability will increase

73. The Ministry of Finance, GoI, has constituted a task force to draft new direct tax legislation, the provisions of which may have an unfavourable implication for us.

The Ministry of Finance, GoI, has set up a panel to review the IT Act and draft new direct tax legislation. This aims to align India's tax regime with international best practices and ensure compliance. The Panel's report and proposed legislation could have unfavorable implications for us. As the Panel's findings and recommendations are not yet released, the impact on the Trust is unknown. Any new direct tax legislation may materially and adversely affect the Trust's business, prospects, financial condition, results of operations, and cash flows.

Unit Price Performance and Distribution

Units represent an undivided beneficial interest in Highways Infrastructure Trust (the **"Trust"** or the **"Highways Trust"**). The initial offer of Units was undertaken by way of private placement, in accordance with the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended, read together with the circulars and guidelines issued thereunder (**"SEBI InvIT Regulations"**). The Units have been listed on the National Stock Exchange (**"Designated Exchange"**) since August 25, 2022.

Securities information in connection with the Units on the Designated Exchange:

Board Status	Trading Status	Trading Segment	Session No.	SLB	Class of Units	Derivatives	Issued Capital (Units)	Surveillance Indicator
MAIN	ACTIVE	NORMAL MARKET	-	NO	HYBRID	NO	74,68,85,834	NA

Past performance of the Trust with respect to unit price for the last 5 years, and price quoted on Designated Strock Exchange at the beginning and the end of the year and the highest and the lowest unit price and the average daily volume traded during the financial year

Based on the information available on the Designated Exchange website, there has been nil trading of the Units on the Designated Exchange since the initial date. Accordingly, there is no relevant information for the Trust for the past performance of the unit price for the last 5 years or the highest and lowest unit price and the average daily volume traded during the financial year. To ensure full disclosure the Trust is setting out below the price at which issuance has been undertaken since listing:

Sr. No.	Type of issue	Date of Listing	Price of Issuance	NAV on such date	No. of Securities
1	Initial Offer	August 25, 2022	₹100.00/- each fully paid up	100.00	41,55,00,000
2	Rights Issue	October 17, 2023	₹77.96/- each fully paid up	77.96	6,59,31,294
3	Preferential Issue	January 20, 2024	₹82.50/- each fully paid up	82.50	26,54,54,540
TOTAL (as on March 31, 2024)					**74,68,85,834**

Past performance of the Trust with respect to the distribution for the last 5 years

The Investment Manager on behalf of the Trust has made 8 (Eight) distributions since formation. Out of these, 4 (Four) distribution(s) were undertaken during the financial year ended March 31, 2024.

Set our below are the distribution details:

Distribution Period	Date of approval of distribution	Record date of distribution	Interest per unit	Return of Capital per unit	Dividend per unit	Other Income	Total Distribution per unit
Q2 of FY 2023	November 11, 2022	November 19, 2022	1.49	0.86	2.49	-	4.84
Q3 of FY 2023	February 8, 2023	February 15, 2023	1.99	1.45	1.36	0.03	4.84
Q3 of FY 2023	March 8, 2023	March 19, 2023	-	4.84	-	-	4.84
Q4 of FY 2023	May 19, 2023	May 27, 2023	0.70	0.69	0.30	-	1.69
Q1 of FY 2024	August 11, 2023	August 19, 2023	1.01	1.01	0.63	-	2.65
Q2 of FY 2024	November 9, 2023	November 18, 2023	0.51	0.08	0.28	-	0.87
Q3 of FY 2024	February 6, 2024	February 14, 2024	0.82	2.32	0.48	0.05	3.66
Q4 of FY 2024	May 16, 2024	May 24, 2024	1.02	0.25	7.48 (Old Regime) 0.58 (New Regime)	0.05	9.38
Total distributions since listing (₹ per unit)							**32.77**

Note: Rounded off up to two decimal

The detailed policy and the history of the distribution to the unitholders are also available on the website of the trust at www.highwaystrust.com.

Unit Price Performance and Distribution (Contd.)

Past performance of the Trust with respect to yield for the last 5 years

Given the Units are thinly/ nil trades, the Trust undertakes the calculation of yield in the following manner for reporting under Annual and Half Yearly Report:

Yield = (Total Distribution/ NAV) x 100

Where 'NAV' will reflect the most recent net asset value determined on the basis of full valuation of the assets of the Trust. Further, for yield calculation: (i) on half yearly basis, total distributions pertaining to April – Sep are taken into account (without being annualised); and (ii) on yearly basis, total distributions pertaining to April – March are taken into account.

Based on the above the yield for the Yield since the listing is as follows:

Reference Period	Yield
Yearly Yield for FY 2023	17.30%
Half-yearly Yield for FY 2024 (as of September 30, 2023)	3.76%
Yearly Yield for FY 2024	19.41%

Note: the Trust had not undertaken disclosure of the 'yield' in the previous half yearly and annual report given lack of clarity on the manner of calculation of yield in case of InvITs with thinly traded units. However, on account of advisory from SEBI, the Trust is presenting the calculations set out above. In the above presentation, it may be noted that for the half year ending September 2023, the latest available NAV as on March 31, 2023 has been used for calculating the yield in line with the formula set out above.

Legal Proceedings and Material Litigations

1. Brief details of material litigations and regulatory actions, which are pending, against the InvIT, sponsor(s), Investment Manager, Project Manager(s), or any of their associates , sponsor group(s) and the Trustee if any, as at the end of the year

1.1 Proceedings against the Trust

During the reporting period, there have been no legal proceedings which may have significant bearing on the activities or revenues or cash flows of the Trust.

1.2 Proceedings against the Investment Manager

For the purpose of disclosures under the current section, materiality threshold of 1.5% of total revenue of the Investment Manager (translating to ₹ 7.05 Mn being 1.5% of the total revenue of ₹ 470.14 Mn) has been considered for mandatory disclosure. Further, all other litigations which are otherwise considered material by the management, have been disclosed as well.

(a) There are no material litigations pending against the Investment Manager or its associates save as disclosed in connection with special purpose vehicles (**"SPVs"**) of the Trust.

(b) The Investment Manager has been in receipt of certain letters from Securities and Exchange Board of India (**"SEBI"**) in connection with thematic inspection undertaken in connection with calculation of net distributable cash flows. The Investment Manager has undertaken necessary steps as required by SEBI under such letter.

1.3 Proceedings against the Project Manager

There are no litigations pending against the Project Manager.

1.4 Proceedings against the SPVs

For the purpose of disclosures under the current section, materiality threshold of 1.5% of total revenue of the SPVs (translating to ₹ 211.92 Mn being 1.5% of the total revenue of ₹ 14,127.92 Mn) has been considered for mandatory disclosure. Further, all other litigations which are otherwise considered material by the management of the Investment Manager, have been disclosed as well.

The material litigation for the associates are as follows:

(a) Dewas Bhopal Corridor Private Limited (**"DBCPL"**)

Proceedings against DBCPL

(i) A former employee of DBCPL, has filed a complaint before the Labour Court, Bhopal, under the Industrial Disputes Act, 1947, regarding the wrongful termination of his employment. DBCPL position is that the termination of the complainant was due to (i) the complainant's involvement in stopping toll collection at DBCPL's toll plazas and allowing vehicles to cross without payment of toll on December 30, 2015, and (ii) the complainant's misbehavior with other senior employees of DBCPL. The matter is currently pending.

(ii) DBCPL received an assessment order under section 143(3) of the Income Tax Act 1965 in December 2019, together with a notice of demand of ₹ 103.08 Mn for the financial year 2016-17. The key grounds of the demand order are (i) Major Maintenance Expenses of ₹ 359.4 Mn claimed as deduction disallowed; and (ii) Disallowance of ₹ 0.82 Mn under section 14A of the Income Tax Act 1965 (Expenses incurred to earn exempt income). The company has filed an appeal with CIT(A) against the demand order, and the hearing of the same is awaited.

Proceedings by DBCPL

(i) DBCPL has filed a criminal complaint before the court of L.D. Judicial Magistrate, First Class, Sonkutch (Dist. Dewas) against its former employee under sections 408 and 420 of the Indian Penal Code, 1860, read with section 200 of the Code of Criminal Procedure, 1973, in relation to unauthorised absence from service and misappropriation of an amount of approximately ₹ 0.09 Mn. The matter is currently pending.

(ii) DBCPL had filed a writ petition (**"Stamp Act WP"**) before the High Court of Madhya Pradesh , against the Department of Commercial Taxes and Madhya Pradesh Road Development Corporation Limited (**"MPRDC"**) challenging the constitutionality of proviso (c) to Entry No. 33 of Schedule 1-A of the Indian Stamp Act, 1899 (**"Act"**) as amended by the Indian Stamp Act (M.P Amendment) Act, 2002 (Act No. 12 of 20220) which provides for levy of a stamp duty at 2% on the amount likely to be spent under a B.O.T agreement by a lessee. The alleged deficit stamp duty payable by DBCPL is ₹ 89.00 Mn. The High Court by its order dated February 11, 2010, dismissed the Stamp Act WP. Subsequently, the Petitioner filed a

Legal Proceedings and Material Litigations (Contd.)

Special Leave Petition before the Supreme Court of India challenging the High Court's order. The matter is currently pending before the Supreme Court and is reserved for orders.

(iii) DBCPL filed a writ petition before the High Court of Madhya Pradesh (**"BOCW WP"**) against, amongst others, the State of Madhya Pradesh, challenging the constitutionality of Rule 14(2)(b) of the Building and Other Construction Workers Cess Rules, 1988 (**"Cess Rules"**). DBCPL has challenged (i) the inspection report issued by the Labour Inspector; and (ii) the show cause notices issued to it by the Labour Commission, Madhya Pradesh, in respect of submission of the project cost for assessment of cess and alleged non-payment of labour cess. The Petitioner submitted that the Cess Rules are not applicable to the Petitioner. The High Court, by way of its order dated September 09, 2015 (as modified by way of order dated September 30, 2015), directed that, pending disposal of the writ petition, no coercive steps for the recovery of cess shall be taken against the Petitioner. The estimated amount involved in this matter is ₹ 47.78 Mn. The matter is currently pending.

(b) Nirmal BOT Private Limited (formerly known as Nirmal BOT Limited) (**"NBPL"**)

Proceedings by NBPL

NBPL has filed a writ petition (**"NBPL Stamp Duty WP"**) before the High Court of Andhra Pradesh, against the District Registrar and the Inspector General of Stamps and Registration regarding the demand for payment of ₹ 135.86 Mn as stamp duty on the NBPL Concession Agreement. The High Court by way of its order dated June 09, 2011, has granted a stay in respect of all further proceedings. The matter is currently pending.

(c) Shillong Expressway Private Limited (**"SEPL"**)

Proceedings by SEPL

SEPL is involved in certain claims against the National Highway Authority of India (**"NHAI"**) whereby it was awarded ₹ 274.20 Mn (**"Award"**). SEPL filed an execution petition dated October 26, 2018 under Section 36 of the Arbitration & Conciliation Act 1996 before the High Court of Delhi. Simultaneously, NHAI filed an application before the High Court for setting aside the Award, which was dismissed by the Court by its order dated November 2, 2018. Thereafter, NHAI filed an appeal dated January 7, 2019 challenging the Court Order. The appellate bench by way of an interim order dated January 22, 2019 upheld the partial Award and directed NHAI to deposit the amount to additional bonus annuity i.e. ₹ 106.30 Mn with an additional interest amount of ₹ 37.20 Mn. The matter is currently pending.

Further, on October 03, 2023, SEPL has submitted its application for settlement under Vivad se Vishwas II Scheme announced by the Ministry of Finance by OM no. F.1/7/2022-PPD dated 29 May 2023 and NHAI Policy guidelines dated July 04, 2023. The proceeding is currently pending.

(d) Ulundurpet Expressways Private Limited (**"UEPL"**)

Proceedings by UEPL

UEPL has filed a petition dated December 2, 2022 before the NCLT, Mumbai for reduction in its paid-up equity share capital to ₹ 968,559,830 divided into 96,855,983 equity shares of ₹ 10 each. This matter was rejected by the Hon'ble NCLT and the UEPL has filed an appeal against it before the National Company Law Appellate Tribunal.

(e) Swarna Tollway Private Limited (**"STPL"**)

Proceedings against STPL

(i) A writ petition has been filed against STPL by a local individual seeking the removal of the toll plaza at Keesara, recovery, and deposit of toll collection. The writ petition was filed on the grounds that as per National Highways Fee (Determination of Rates and Collection) Rules, 2008, the minimum distance between two adjacent toll plazas should be 60 kilometers. However, the distance between the toll plaza at Keesara village and another toll plaza named Vijayawada Expressways Private Limited at Chillakallu village, on the NH-65, is less than 35 kilometers. Since the toll plaza at Keesara village is in contravention of the NH Rules, 2008, the sum collected by STPL from the public is against the law. NHAI has filed its response indicating that since the concession agreement with respect to STPL was entered into on March 27, 2001, it is regulated by the National Highway (Collection of Fee by any person for the use of NHAI Fee Rules, 1997, and not the NH Rules, 2008, and accordingly there is no breach. The matter is currently pending.

Legal Proceedings and Material Litigations (Contd.)

(ii) Petitions have been filed against STPL before Central Government Industrial Tribunal by 17 dismissed employees claiming wrongful dismissal and claiming an aggregate compensation of approx. ₹ 6,00,00,000 and reinstatement of employment. The matters are pending.

(iii) There are 7 matters pending before High Court of Andhra Pradesh for AY 2005-06 to AY 2011-12 in connection with disallowance by Income Tax authority of depreciation on toll road as deduction. The aggregate amounts involved in these appeals are ₹ 2908.53 Mn.

(iv) There is a matter pending before Commissioner of Income Tax (Appeals) for AY 2017-18 against the decision of by income tax authorities of disallowing deduction under section 80-IA. The aggregate amounts involved in these appeals are ₹ 121.42 Mn.

(v) There is a matter pending before Commissioner of Income Tax (Appeals) for AY 2018-19 against the Income Tax authority's decision of disallowance of (i) service fees paid to group entity; and (ii) disallowing deduction under section 80-IA. The aggregate amounts involved in these appeals are ₹ 250.37 Mn.

Proceedings by STPL

STPL has filed a complaint under the Consumer Protection Act, 2019, before District Consumer Dispute Redressal Commission, Hyderabad against United India Insurance Company Limited claiming deficiency of services by them and underpayment of claim amount lodged by the STPL. STPL prayed for payment of ₹ 337.7 Mn.

(f) Gujarat Road and Infrastructure Company Limited (**"GRICL"**)

Proceedings against GRICL

(i) A writ petition has been filed against GRICL by Akhil Gujarat Truck Transport Association before the High Court of Gujarat claiming the toll collection under the concession agreements for the projects operated by the GRICL should be suspended since the GRICL has recovered the total cost of the project and reasonable return. As an alternate prayer, the petitioner has sought relief for the stoppage of toll on per axle basis. The petitioners have claimed the issue at hand to be similar to the issues present in Noida Tollway Bridge Company Limited ("NTBCL"), which has been objected to by GRICL. Further, GRICL has presented before the court, the legal and factual position to differentiate the concession and issued from those at NTBCL. The matter is currently pending before the High Court for filing of counter affidavit by the petitioner and other respondents.

(j) There are currently 19 matters pending before the High Court of Gujarat covering the following areas for AY 2002-03 to AY 2015-16: (i) disallowance by Income Tax authority of depreciation on toll road as deduction; (ii) disallowance by Income Tax authority of interest on Deep Discount Bonds as deduction; (iii) disallowance by Income Tax authority of MAT credit entitlement while computing book profit u/s 115JB; and (iv) disallowance of carry forward of losses. The aggregate amounts involved in these appeals are ₹ 4,821.40 Mn.

(k) There are 4 matters pending before Income Tax Appellate Tribunal and 1 matter before Commissioner of Income Tax (Appeals) for AY 2012-13 to AY 2022-23 for the following areas: (i) disallowance by Income Tax authority of depreciation on toll road as deduction; (ii) disallowance by Income Tax authority of interest on Deep Discount Bonds as deduction; (iii) disallowance by Income Tax authority of MAT credit entitlement while computing book profit u/s 115JB; and (iv) disallowance of carry forward of losses. The aggregate amounts involved in these appeals are ₹ 1,323.90 Mn.

(g) Rewari Ateli Highway Private Limited (**"RAHPL"**)

Proceedings by RAHPL

RAHPL has filed an application under Section 66 of Companies Act, 2013 for reduction of share capital. The matter is currently pending before National Company Law Tribunal, Mumbai.

Proceedings against RAHPL

RAHPL has received an assessment order on March 20, 2024, passed under section 143 (3) of the Income Tax Act 1965, together with a notice of demand passed under section 156 of the Income Tax Act 1965 of ₹ 54.92 Mn for the financial year

Legal Proceedings and Material Litigations (Contd.)

2021-22. The major grounds of the demand order are disallowance reduction of finance income of ₹ 206.05 Mn from its income. The company has recognised the said income in accordance with IND AS 109 whereas income for income tax computation is offered based on actual receipts. The company has filed an appeal with CIT(A) against the demand order, and the hearing of the same is awaited.

(h) Gurgaon Sohna Highway Private Limited (**"GSHPL"**)

Proceedings by RAHPL

GSHPL has filed an application under Section 66 of Companies Act, 2013 for reduction of share capital. The matter is currently pending before National Company Law Tribunal, Mumbai.

(i) Ateli Narnaul Highway Private Limited (**"ANHPL"**)

Proceedings by ANHPL

ANHPL has filed an application under Section 66 of Companies Act, 2013 for reduction of share capital. The matter is currently pending before National Company Law Tribunal, Mumbai.

1.5 Proceedings against the Sponsor and its associates

The disclosures with respect to material litigations and non-ordinary course regulatory actions relating to the Sponsor and its Associates and the Sponsor Group (other than the Highways Infrastructure Trust and its Associates, the Project SPVs, the Investment Manager, and the Project Manager and their Associates), have been made solely on the basis of the public disclosures made by KKR & Co. Inc. ("KKR & Co.") in the most recent annual report on Form 10-K filed with U.S. Securities and Exchange Commission on February 29, 2024 relating to the year ended December 31, 2023 with respect to all entities, which are consolidated for financial reporting purposes with KKR & Co., which is listed on the New York Stock Exchange. In accordance with applicable securities law and stock exchange rules, KKR & Co., is required to disclose material litigations through applicable securities filings and KKR & Co., and has made no public filings with the SEC after February 29, 2024 which materially changes the disclosures made in that regard in such annual report. The threshold for identifying material litigations in such disclosures is based, among other considerations, on management judgment and periodically reviewed thresholds applied by the independent auditor of KKR & Co., in expressing its opinion on the financial statements.

In accordance with the abovementioned, except as stated below, there are no pending material litigation and regulatory action, which are not in the ordinary course of business against the Sponsor solely on the basis described above.

From time to time, KKR (including Global Atlantic) is involved in various legal proceedings, requests for information, lawsuits, arbitration and claims incidental to the conduct of KKR's businesses. KKR's asset management and insurance businesses are also subject to extensive regulation, which may result in regulatory or other legal proceedings against them. Moreover, in the ordinary course of business, KKR is and can be both the defendant and the plaintiff in numerous lawsuits with respect to acquisitions, bankruptcy, insolvency and other events. Such lawsuits may involve claims that adversely affect the value of certain investments owned by KKR's funds and Global Atlantic's insurance companies.

Kentucky Matter

In December 2017, KKR & Co. L.P. (which is now KKR Group Co. Inc.) and its then Co-Chief Executive Officers, Henry Kravis and George Roberts, were named as defendants in a lawsuit filed in Kentucky state court (the "2017 Action") alleging, among other things, the violation of fiduciary and other duties in connection with certain separately managed accounts that Prisma Capital Partners LP, a former subsidiary of KKR, manages for the Kentucky Retirement Systems. Also named as defendants in the lawsuit are certain current and former trustees and officers of the Kentucky Retirement Systems, Prisma Capital Partners LP, and various other service providers to the Kentucky Retirement Systems and their related persons. The 2017 Action was dismissed at the direction of the Supreme Court of Kentucky for lack of Kentucky constitutional standing. This dismissal became final on February 16, 2024.

On July 21, 2020, the Office of the Attorney General, on behalf of the Commonwealth of Kentucky, filed a new lawsuit in the same Kentucky state court (the "2020 AG Action") making essentially the same allegations as those raised in the 2017 Action, including against what was then KKR & Co. Inc. (now KKR Group Co. Inc.) and Messrs. Kravis and Roberts. On September 14, 2023, KKR & Co. Inc., Messrs. Kravis and Roberts and other defendants moved to dismiss the 2020 AG Action. Oral arguments on the motion to dismiss the 2020 AG Action are scheduled for February 29, 2024.

Legal Proceedings and Material Litigations (Contd.)

In January 2021, some of the attorneys for the plaintiffs in the 2017 Action filed a new lawsuit on behalf of a new set of plaintiffs, who claim to be "Tier 3" members of Kentucky Retirement Systems (the "Tier 3 Plaintiffs"), alleging substantially the same allegations as in the 2017 Action. On July 9, 2021, the Tier 3 Plaintiffs served an amended complaint, which purports to assert, on behalf of a class of beneficiaries of Kentucky Retirement Systems, direct claims for breach of fiduciary duty and civil violations under the Racketeer Influenced and Corrupt Organisations Act ("RICO"). This complaint was removed to the U.S. District Court for the Eastern District of Kentucky, which has entered an order staying this case until the completion of the 2020 AG Action. On August 20, 2021, the Tier 3 Plaintiffs and other individual plaintiffs filed a second complaint in Kentucky state court (the "Second Tier 3 Action"), purportedly on behalf of Kentucky Retirement Systems' funds, alleging the same claims against what was then KKR & Co. Inc. (now KKR Group Co. Inc.) and Messrs. Kravis and Roberts as in the July 9th amended complaint but without the RICO or class action allegations. KKR and the other defendants have moved to dismiss the Second Tier 3 Action. On October 26, 2023, the trial court heard oral arguments on these motions to dismiss.

On March 24, 2022, in a separate declaratory judgment action brought by the Commonwealth of Kentucky regarding the enforceability of certain indemnification provisions available to what was then KKR & Co. Inc. (now KKR Group Co. Inc.) and Prisma Capital Partners LP, the Kentucky state court concluded that it has personal jurisdiction over KKR & Co. Inc. in that action, and that the indemnification provisions violated the Kentucky Constitution and were therefore unenforceable. On December 01, 2023, the Kentucky Court of Appeals reversed the trial court's summary judgment on the issue of personal jurisdiction over KKR & Co. Inc., but affirmed the trial court's rulings that the indemnification provisions violated the Kentucky Constitution and were unenforceable. On February 05, 2024, the Kentucky Court of Appeals denied the petitions of KKR & Co. Inc. and others for rehearing. The deadline to file a motion with the Supreme Court of Kentucky for discretionary review of the Court of Appeals' December 01, 2023 decision is March 06, 2024.

KKR intends to continue to vigorously defend against these claims against KKR and Messrs. Kravis and Roberts.

Regulatory Matters

KKR currently is, and expects to continue to become from time to time, subject to various examinations, inquiries and investigations by various U.S. and non-U.S. governmental and regulatory agencies. Such examinations, inquiries and investigations may result in the commencement of civil, criminal or administrative proceedings, or the imposition of fines, penalties, or other remedies, against KKR and its personnel. KKR is subject to periodic examinations of its regulated businesses by various U.S. and non-U.S. governmental and regulatory agencies, including but not limited to the Securities and Exchange Commission ("SEC"), Financial Industry Regulatory Authority ("FINRA"), the U.K. Financial Conduct Authority, Central Bank of Ireland, Monetary Authority of Singapore, U.S. state insurance regulatory authorities, and the Bermuda Monetary Authority. KKR may also become subject to inquiries or investigations (through a request for information, civil investigative demand, subpoena or otherwise) by any of the foregoing governmental and regulatory agencies as well as by any other U.S. or non-U.S. governmental or regulatory agency, including but not limited to the SEC, U.S. Department of Justice ("DOJ"), U.S. state attorney generals, and similar non-U.S. governmental or regulatory agencies. KKR is currently subject to investigations by the Antitrust Division of the DOJ related to antitrust matters, including civil investigative demands and a grand jury subpoena seeking information with respect to the accuracy and completeness of certain filings made by KKR pursuant to the premerger notification requirements under the Hart-Scott-Rodino Act of 1976 for certain transactions in 2021 and 2022. In addition, KKR is currently subject to an investigation by the Antitrust Division of the DOJ related to the restrictions on interlocking directorates under Section 8 of the Clayton Act. KKR is also currently subject to investigations by the SEC related to business-related electronic communications, including with respect to the preservation of text messages and similar communications on electronic messaging applications under the Investment Advisers Act of 1940. KKR is currently cooperating with each of these named investigations.

Loss Contingencies

KKR establishes an accrued liability for legal or regulatory proceedings only when those matters present loss contingencies that are both probable and reasonably estimable. KKR includes in its financial statements the amount of any reserve for

Legal Proceedings and Material Litigations (Contd.)

regulatory, litigation and related matters that Global Atlantic includes in its financial statements. No loss contingency is recorded for matters where such losses are either not probable or reasonably estimable (or both) at the time of determination. Such matters also have the possibility of resulting in losses in excess of any amounts accrued. To the extent KKR can in any particular period estimate an aggregate range of reasonably possible losses, these decisions involve significant judgment given that it is inherently difficult to determine whether any loss for a matter is probable or even possible or to estimate the amount of any loss in many legal, governmental and regulatory matters.

Estimating an accrued liability or a reasonably possible loss involves significant judgment due to many uncertainties, including among others: (i) the proceeding may be in early stages; (ii) damages sought may be unspecified, unsupportable, unexplained or uncertain; (iii) discovery may not have been started or is incomplete; (iv) there may be uncertainty as to the outcome of pending appeals or motions; (v) there may be significant factual issues to be resolved; (vi) there may be novel legal issues or unsettled legal theories to be presented or a large number of parties; or (vii) the proceeding relates to a regulatory examination, inquiry, or investigation. It is not possible to predict the ultimate outcome of all pending litigations, arbitrations, claims, and governmental or regulatory examinations, inquiries, investigations and proceedings, and some of the matters discussed above seek or may seek potentially large or indeterminate relief. Consequently, management is unable as of the date of filing of this report to estimate an amount or range of reasonably possible losses related to matters pending against KKR. In addition, any amounts accrued as loss contingencies or disclosed as reasonably possible losses may be, in part or in whole, subject to insurance or other payments such as contributions and indemnity, which may reduce any ultimate loss.

As of the date of filing this report, management does not believe, based on currently available information, that the outcomes of the matters pending against KKR will have a material adverse effect upon its financial statements. However, given the potentially large and/or indeterminate relief sought or that may be sought in certain of these matters and the inherent unpredictability of litigations, arbitrations, claims, and governmental or regulatory examinations, inquiries, investigations and proceedings, it is possible that an adverse outcome in certain matters could have a material adverse effect on KKR's financial results in any future period. In addition, there can be no assurance that material losses will not be incurred from claims that have not yet been asserted or those where potential losses have not yet been determined to be probable or possible and reasonably estimable.

1.6 Proceedings against the Trustee

We have been informed by the Trustee that as of March 31, 2024, the Trustee does not have any pending criminal matters or material civil/commercial litigation pending against it. For the purpose of pending material civil/ commercial litigation against the Trustee, matters involving amounts exceeding being 5% of the profit after tax of the Trustee for Financial Year 2023-24 have been considered material.

Related Party Transactions

1 Update on the details of all related party transactions during the year, value of which exceeds five percent of the value of the InvIT, if any :

Please refer note no. 34 of the Standalone Financial Statements and note no. 46 of Consolidated Financial Statements of the Trust for the March 31, 2024 which forms part of the Annual Report.

2 The details of all Related Party Transactions during the year, value of which exceeds five percent of value of InvIT (assets) :

A summary of the related party transactions exceeding 5% of total book value of assets is tabulated as under:

The details of all Related Party Transactions during the year, value of which exceeds five percent of value of InvIT (assets)

₹ Mn

Particulars	01 April 2023 to 31 March 2024 (Audited)
Galaxy Investment II Pte. Ltd	
Balance outstanding at the end of the year	
Unit capital	37,390
Nebula Asia Holdings II Pte. Ltd.	
Transaction during the year	
Issue of unit capital	14,900
Balance outstanding at the end of the year	
Unit capital	14,900

3 Details regarding the monies lent by the InvIT to the holding company or the special purpose vehicle (SPVs), in which, it has invested :

Balance outstanding as on March 31, 2024

₹ Mn

SPV	Secured	Unsecured	Total Loan	Type of Loan	
				Secured	Unsecured
UEPL	56.15	-	56.15	RTL	RTL
NBPL	675.93	272.79	948.72	RTL	RTL
GEPL	3,988.57	6,065.25	10,053.82	RTL	RTL & OCD
DBCPL	2,699.94	600.14	3,300.08	RTL	RTL
JPEPL	2,434.89	2,724.44	5,159.33	RTL	RTL
UTPL	5,233.39	3,236.01	8,469.41	RTL	RTL
GHSPL	2,480.13	-	2,480.13	RTL	RTL
ANHPL	3,113.82	283.32	3,397.14	RTL	RTL
RAHPL	1,890.05	190.20	2,080.25	RTL	RTL
SEPL	-	227.47	227.47	RTL	RTL
STPL	-	1,115.34	1,115.34	RTL	RTL
Total	**22,572.87**	**14,714.96**	**37,287.84**		

Credit Ratings and Investor Relations

The Trust has been rated **"AAA/Stable"** by CRISIL Ratings and India Ratings for its debt facilities and debt securities. The credit ratings along with rating rationale are available at the following links:

CRISIL Ratings: https://www.crisilratings.com/mnt/winshare/Ratings/RatingList/RatingDocs/HighwaysInfrastructureTrust_January%2024,%202024_RR_335680.html

India Ratings: https://www.indiaratings.co.in/pressrelease/68367

List of Rated facilities and securities

Nature of Instrument	Amount (₹ Mn)	CRISIL Ratings		India Ratings	
		Rating	Date of Rating	Rating	Date of Rating
Rupee Term Loan	26,800	AAA/Stable	January 24, 2024#	AAA/Stable	February 08, 2024
Non-Convertible Debentures	13,618*	AAA/Stable	January 24, 2024#	AAA/Stable*	February 08, 2024
Commercial Papers	2,750	A1+/Stable	January 24, 2024#	A1+/Stable	February 08, 2024
Bank Guarantee	750@	-	-	AAA/Stable	February 08, 2024

*includes proposed NCDs of ₹2,200 Mn. Provisional AAA for proposed NCDs of ₹2,200 Mn.
@undrawn as on date

#factors in announcement on January 15, 2024, by HIT to acquire 12 road special purpose vehicles (SPVs) owned by PNC Infratech Limited and PNC Infra Holdings Limited

Further, the Trust has received letters from CRISIL Ratings and India Ratings dated April 02, 2024 and April 01, 2024 respectively stating revalidation of ratings as per table above. The copy of these letters can be viewed on the following links:

CRISIL Ratings: https://highwaystrust.com/wp-content/uploads/2024/04/IntimationofCreditRatingofHITfinalsigned.pdf

India Ratings: https://highwaystrust.com/wp-content/uploads/2024/04/IntimationofCreditRatingofHITfinal.pdf

The rating rationale, as periodically reviewed by rating agencies, has been communicated to the stock exchanges (BSE and NSE) on an immediate basis and the same is also placed on the website of the Trust (www.highwaystrust.com)

Other Mandatory Disclosures

Update on development of under-construction projects, if any

All the project assets of the Trust and its SPVs are operational, hence, there is no reporting applicable under this head.

Revenue of the InvIT for the last 5 years, project-wise- Accounts

The Trust was formed on December 03, 2021 and was registered as an Infrastructure Investment Trust under the SEBI InvIT Regulations on December 23, 2021. In FY 22-23, 6 project SPVs were acquired from a related party. Hence the take over transaction was classified as 'Common control transaction' as per IndAS. In compliance with the same, revenue for FY 22-23 is reported for the full year instead of from the date of acquisition.

₹ Mn

SPV	FY24	FY23
UEPL	1,832	1,641
GEPL	1,607	1,435
JPEPL	692	670
DBCPL	2,265	1,892
SEPL	497	497
NBPL	476	476
UTPL	566	-
GRICL	372	-
STPL	682	-
ANHPL	442	-
GSHPL	294	-
RAHPL	227	-
Total	**9,952**	**6,611**

Note:

1. Revenue of assets acquired during the year is disclosed from the date of acquisition.
2. Revenue of GRICL is considered proportionate to the economic interest held by HIT in GRICL i.e. 56.8%

Details of issue and buyback of units during the year, if any

During the year under review, The Trust has further issued units in the following manner:

i) Issued 6,59,31,294 units on a rights basis for cash at a price of ₹ 77.96 per unit aggregating to approximately ₹ 5,140.00 Mn, in accordance with (i) the letter of offer dated September 25, 2023 read with the addendum thereof, and (ii) the basis of allotment finalised in consultation with the Lead Manager (Axis Capital Limited), the Registrar to the rights issue (Link Intime India Private Limited) and the NSE. The issue for the rights issue opened on October 09, 2023 and closed on October 12, 2023. The issue process was completed on October 16, 2023 and the Trust received the listing approval in respect of the units issued on the rights basis from NSE on October 17, 2023.

ii) Issued 26,54,54,540 units on a preferential basis for cash at a price of ₹ 82.50 per unit for an aggregate amount of up to ₹ 21,900 Mn. The Trust received the listing approval in respect of the units issued on the preferential basis from NSE on January 20, 2024.

Total number of Units held by the Trust is 74,68,85,834 Units.

Past performance of the Trust with respect to unit price, distributions made and yield for the last 5 years, as applicable.

The details of the yield and distributions made since listing are set out in page no. 134-135.

The total operating expenses of the InvIT along with detailed break-up, including all fees and charges paid to the Investment Manager and any other parties, if any during the year.

The details of total operating expenses of the InvIT along with detailed break-up, including all fees and charges paid to the Investment Manager and any other parties are disclosed in note no. 23, 24, 34 and 40 of the standalone financial statements of the Trust for the financial year ended March 2024.

Brief details of material and price sensitive information

During the period, the Investment Manager, from time to time, has been providing price sensitive details of material and price sensitive information to the stock exchanges in relation to the Trust by the Investment Manager, in accordance with the provisions of the SEBI InvIT Regulations and other applicable laws. The submitted announcements in relation to material and price sensitive information can be viewed on the Trust's website at www.highwaystrust.com.

Material Information and Events - Except otherwise specified or disclosed to the exchanges from time to time, during the period under review, there were no material changes, events or material and price sensitive information to be disclosed for the Trust. The Trust has devised and maintained a Structured Digital Database (SDD) in compliance with Regulation 3(5) and 3(6) of SEBI (PIT) Regulations, 2015.

The policy on UPSI and dealing in units by the parties are available on the website of the Trust at: https://highwaystrust.com/pdf/policies/Policy%20on%20UPSI%20and%20Dealing%20in%20Units%20by%20the%20Parties.pdf

Other Mandatory Disclosures (Contd.)

Details of outstanding borrowings and deferred payments of InvIT including any credit rating, debt maturity profile, gearing ratios of the InvIT on a consolidated and standalone basis.

Details of outstanding borrowings: The details of outstanding borrowings are disclosed in page no. 102-103 of the Annual Report.

The details of debt maturity profile: Please refer to note no. 32(B)(b) of Standalone and note no. 43(B)(b) of Consolidated Financial Statements.

Details of deferred payment: ₹ 578.09 Mn are payable to the seller by the Trust in respect of acquisition of (i) RAHPL - Rewari Ateli Highway Private Limited (formerly known as 'H.G Rewari Ateli Highway Private Limited), (ii) ANHPL - Ateli Narnaul Highway Private Limited (formerly known as 'H.G Ateli Narnaul Highway Private Limited'), (iii) GSHPL - Gurgaon Sohna Highway Private Limited subject to satisfaction of the terms/ milestones agreed and set out in the relevant acquisition agreement.

Details of Credit Rating: Please refer the section on Credit Rating page no. 143.

The details of Gearing Ratios: Please refer to note no. 37 of Standalone and note no. 44 of Consolidated Financial Statements.

Investor Complaints

In compliance with Regulation 23 of Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, read with Circular No. CIR/IMD/DF/127/2016 dated November 29, 2016, and SEBI/HO/DDHS/DDHS_Div3/P/CIR/2021/600 dated July 22, 2021 and pursuant to Regulation 13(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the Statement of Investor Complaints for the Trust, issued by Link Intime India Private Limited, Registrar & Share Transfer Agent of the Trust, was submitted to the stock exchange on a quarterly basis and the can be viewed on the Trust's website at www.highwaystrust.com.

Table I Details of investor complaints received and redressed during the year ended March 31, 2024 are as follows:

Particulars	All complaints including SCORES complaints	SCORES complaints
Number of investor complaints pending at the beginning of the year.	0	0
Number of investor complaints received during the year	0	0
Number of investor complaints disposed off during the year	0	0
Number of investor complaints pending at the end of the year.	0	0
Average time taken for redressal of complaints	0	0

Table II For Quarter Ending (QE) 31-MAR-2023

Particulars	All complaints including SCORES complaints	SCORES complaints
Number of investor complaints pending at the beginning of the quarter.	0	0
Number of investor complaints received during the quarter	0	0
Number of investor complaints disposed off during the quarter	0	0
Number of investor complaints pending at the end of the quarter.	0	0
Average time taken for redressal of complaints	0	0

Table III For Complaints pending during Financial Year Ended (FYE) 31-MAR-2024

	Less than 1 month	1–3 Months	3-6 Months	6-9 Months	9-12 Months	Greater than 12 Months	Total
All complaints including SCORES complaints	0	0	0	0	0	0	0
SCORES complaints	0	0	0	0	0	0	0

Other Mandatory Disclosures (Contd.)

Table IV For Complaints pending during Quarter Ending (QE) 31-MAR-2024

	Less than 1 month	1–3 Months	3-6 Months	6-9 Months	9-12 Months	Greater than 12 Months	Total
All complaints including SCORES complaints	0	0	0	0	0	0	0
SCORES complaints	0	0	0	0	0	0	0

Table V For complaints disposed off during Financial Year Ended (FYE) 31-MAR-2023

	Less than 1 month	1–3 Months	3-6 Months	6-9 Months	9-12 Months	Greater than 12 Months	Total
All complaints including SCORES complaints	0	0	0	0	0	0	0
SCORES complaints	0	0	0	0	0	0	0

Table VI For complaints disposed off during Quarter Ending (QE) 31-MAR-2023

	Less than 1 month	1–3 Months	3-6 Months	6-9 Months	9-12 Months	Greater than 12 Months	Total
All complaints including SCORES complaints	0	0	0	0	0	0	0
SCORES complaints	0	0	0	0	0	0	0

Investor Relations Contacts

Ms. Kunjal Shah,
Company Secretary & Compliance Officer
ACS No. A27382
Unit No. 601-602, 6th floor, Windsor House, Off CST Road,
Kalina, Santacruz(E), Mumbai-400098, Maharashtra, India.
Phone: +91 7506333447
Email: kunjal.shah@highwayconcessions.com

Registrar and Transfer Agent:
Link Intime India Private Limited
247 Park C-101, 1st Floor, LBS Marg, Vikhroli (West),
Mumbai 400 083, Maharashtra, India.
Contact person: Ajit Patankar
Phone: +91 22 4918 6000
Email: ajit.patankar@linkintime.co.in

Information of the contact person of the InvIT

Ms. Kunjal Shah, Company Secretary & Compliance Officer
ACS No. A27382
Unit No. 601-602, 6th floor, Windsor House, Off CST Road,
Kalina, Santacruz(E), Mumbai-400098, Maharashtra, India.
Phone: +91 7506333447
Email: kunjal.shah@highwayconcessions.com

Other Mandatory Disclosures (Contd.)

Listing details of all listed instruments of the Trust

Name and address of the stock exchange	Security Type (privately placed)	Issue Size (No of Units/Debentures)	Scrip Code/ Symbol	ISIN
National Stock Exchange of India Limited Exchange Plaza, C-1, Block-G Bandra Kurla Complex, Bandra (E), Mumbai-400051.	Units	74,68,85,834	HIGHWAYS	
Bombay Stock Exchange Limited Phiroze Jeejeebhoy Towers, Dalal Street, Fort, Mumbai-400001.	Non Convertible Debenture	4,000	Series I - 974228	INE0KXY07018
	Non Convertible Debenture	2,500	Series II - 974227	INE0KXY07026
	Non Convertible Debenture	50,000	Series III - 975333	INE0KXY07034
	Commercial Paper	5,500	725795	INE0KXY14014

Additional Debt Raised During FY 2024

A. Listed of Non-Convertible Debentures & Commercial Paper

During the period under review, the Board of Directors of Highway Concessions One Private Limited (acting as an Investment Manager of the Trust)

(i) on January 18, 2024, has approved the allotment 50,000 senior, secured, taxable, rated, listed, redeemable, non-convertible debt securities having a face value of ₹ 1,00,000/- (Rupees One Lakhs only) each, aggregating up to ₹ 5,00,00,00,000/- (Rupees Five Hundred Crores only) (the **"Series III Debt Securities"**) by way of private placement. Series III Debt Securities were listed with BSE Limited on the BSE Debt segment on January 19, 2024.

(ii) on October 31, 2023, has approved the allotment of 5,500 commercial papers having maturity of ₹ 5,00,000/- each and aggregate maturity value of ₹ 275,00,00,000/- at issue price of ₹ 465,295.50/- only each aggregating to ₹ 2,55,91,25,250/- by way of private placement. The Commercial Paper was on listed with BSE Limited on the BSE Debt segment on October 31, 2023.

B. Rupee Term Loan

During the period under review, the Trust availed a rupee term loan with a sanctioned facility of maximum amount of ₹ 19,000 Mn and has entered into a Rupee Term Loan Agreement dated October 30, 2023 (**"RTL Facility II"**). The Trust has drawn an amount of ₹ 14,248 Mn under the RTL Facility II.

Credit Ratings

Please refer the section on Credit Rating page no. 143.

Details of Intermediaries for Listed Instruments

Debenture Trustee of Debt Securities
Catalyst Trusteeship Limited
Address: 901, 9th Floor, Tower B, Peninsula Business, Park, Senapati Bapat Marg,
Lower Parel, Mumbai-400013, Maharashtra, India.
Phone N: 022-49220548
Website: www.catalysttrustee.com
Email: hussain.pittalwala@ctltrustee.com
Contact Person: Hussain Pittalwala

Registrar of the Trust for Units and Debt Securities:
Link Intime India Private Limited
Address: 247 Park, C-101Ist Floor, L B S Marg,
Vikhroli (West), Mumbai - 400083.
Phone No.: +91 22 4918 6000
Website: www.linkintime.co.in
Email: ajit.patankar@linkintime.co.in
Contact Person: Ajit Patankar

Other Mandatory Disclosures (Contd.)

Issuing and Paying Agent for Commercial Papers

ICICI Bank Limited,

Address: ICICI Bank Ltd ,ICICI Bank Towers,

Bandra Kurla Complex, Bandra (East),

Mumbai-400051, Maharashtra, India.

Website: www.icicibank.com

Email: anant.misra@icicibank.com

Contact Person: Anant Misra

Statement of deviation/ variation in use of Issue proceeds:

Initial Issue

At the time of undertaking the initial offer of units of the Trust (**"Initial Offer"**), it was estimated that the expenses for the issue (consisting of fee and commissions payable to the lead managers, fee payable to legal counsels, fee and commission payable to escrow collection bank, banks, registrar and other advisors or arrangers and all other incidental and miscellaneous expenses for undertaking the formation transactions and for listing the units on the Stock Exchange(s)) (**"Issue Expenses"**) will be upto ₹ 138.50 Mn. Accordingly, appropriate amounts were stated in the 'Use of Proceeds' section of the Placement Memorandum dated August 08, 2022 and Final Placement Memorandum dated August 22, 2022 (together the **"Placement Documents"**).

Whilst the Investment Manager (on behalf of the Trust) had made best efforts to utilise the issue proceeds as per the 'Use of Proceeds' set out in the Placement Documents, however, as on March 31, 2023, the Trust has an un-utilised sum of ₹ 26.88 Mn under the head of Issue Expenses on account of reduction in actual issue expenses incurred (**"Unutilised Issue Proceeds"**).

Accordingly, The Trust, though the Investment Manager, had sought approval from its unitholders (as of the cut-off date of June 09, 2023), through postal ballot notice dated June 12, 2023, for a change in the utilisation of the issue proceeds whereby Unutilised Issue Proceeds was proposed to meet the interest payment/principal repayment (including creation of Debt Service Reserve), for Non-Convertible Debentures issued /to be issued by the Trust or loans raised by the Trust, and in each case, top-up thereof. The voting period on the proposed resolution ended on 17:00 hours (IST) on July 03, 2023, and the results of the Postal Ballot was declared on July 04, 2023 indicating that requisite majority for the change was achieved.

As on March 31, 2024, ₹ 26.88 Mn was fully utilised for the purpose as mentioned above.

Right Issue

At the time of undertaking the Rights Issue, the Investment Manager had in good faith estimated that ₹ 3,495.00 Mn from the issue proceeds will be utilised for partial or full repayment of the outstanding debt of the Ateli Narnaul Highway Private Limited (earlier known as H.G. Ateli Narnaul Highway Private Limited) (**"Target SPV"**), including the debt availed by the Target SPV from certain external lenders and its current shareholders (**"Target SPV Debt Utilisation"**), and the same was disclosed in the Letter of Offer dated September 25, 2023 (**"LOF"**):

Whilst the Investment Manager (on behalf of the Trust) has made best efforts to utilise the issue proceeds as per the terms set out in the LOF, however, since the repayment of external debt of Target SPV was achieved in March, 2024, the sums required for repayment of the outstanding external debt of the Target SPV underwent a change, and accordingly, the Trust has an un-utilised sum of ₹ 97.86 Mn (**"Unutilised Rights Issue Proceeds"**) under the head of Target SPV Debt Utilisation. The Trust, though the Investment Manager, has sought approval from its unitholders (as of the cut-off date of May 10, 2024), through postal ballot notice dated May 17, 2024, for a change in the utilisation of the issue proceeds from the rights issue whereby Unutilised Rights Issue Proceed are proposed to be utilised for the interest payment/principal repayment (including creation of Debt Service Reserve and other reserves required under arrangement with lenders), for Non-Convertible Debentures issued /to be issued by the Trust or loans raised or to be raised by the Trust, and in each case, top-up thereof. The voting period on the proposed resolution ended on 17:00 hours (IST) on Monday, June 10, 2024, and the results of the Postal Ballot was declared on Tuesday, June 11, 2024 indicating that requisite majority for the change was achieved.

Secretarial Audit Report

For the year ended March 31, 2024

To,

Highways Infrastructure Trust

(Acting through its Investment Manager – Highway Concessions One Private Limited)

2nd Floor, Piramal Tower, Peninsula Corporate Park, Lower Parel, Mumbai - 400013

We have conducted the review of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **Highways Infrastructure Trust** (hereinafter referred as "the InvIT"), acting through its Investment Manager – Highway Concessions One Private Limited) (hereinafter referred as "the investment manager"), (having its registered office at 2nd Floor, Piramal Tower, Peninsula Corporate Park, Lower Parel, Mumbai - 400013. Secretarial Review was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing our opinion thereon.

Based on our verification of the Investment Manager books, papers, minutes books and other records maintained by the Investment Manager and also the information provided by the Investment Manager, its officers, agents and authorized representatives during the conduct of Secretarial Review, we hereby report that the InvIT has, during the review period covering the financial year ended on March 31, 2024, complied with the statutory provisions listed hereunder in the manner and subject to the reporting made hereinafter:

We, MMJB & Associates LLP, Practicing Company Secretaries, have examined:

(a) all the documents and records made available to us and explanation provided by Highway Concessions One Private Limited.

(b) the filings/submissions made by the investment manager to the Stock Exchanges,

(c) website of the **Highways Infrastructure Trust** ("the InvIT"),

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

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

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

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

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

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

(c) Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

(d) Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and circulars/ guidelines issued thereunder;

Based on above examination, we hereby report that, during the review period:

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

Sr. No.	Compliance Requirement (Regulations/ circulars/ guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
Nil			

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

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

Sr. No.	Action taken by	Details of violation	Details of action taken E.g. fines, warning letter, debarment, etc.	Observations/ remarks of the Practicing Company Secretary, if any.
Nil				

Secretarial Audit Report
For the year ended March 31, 2024 (Contd.)

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

Sr. No.	Observations of the Practicing Company Secretary in the previous reports	Observations made in the secretarial compliance report for the year ended	Actions taken by the Investment Manager, if any	Comments of the Practicing Company Secretary on the actions taken by the InvIT
Nil				

For **MMJB & Associates LLP**
Company Secretaries

Sd/-
Bhavisha Jewani
Designated Partner
Membership No.: F8503
CP. No. 9346
PR. No. 2826/2022
UDIN: F008503F000380369

Date: May 16, 2024
Place: Mumbai

Independent Auditor's Report

To the Unitholders' of **Highways Infrastructure Trust**

Report on the Audit of the Standalone Financial Statements

Opinion

1. We have audited the accompanying standalone financial statements of Highways Infrastructure Trust ('the Trust'), which comprise the Standalone Balance Sheet as at March 31, 2024, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Cash Flows and the Standalone Statement of Changes in Unit Holders Equity for the year then ended, the Standalone Statement of Net Assets at Fair Value as at March 31, 2024, the Standalone Statement of Total Returns at Fair Value and the Standalone Statement of Net Distributable Cash Flows for the year then ended, and notes to the standalone financial statements, including material accounting policy information and other explanatory information.

2. 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 Trust) Regulation, 2014 as amended from time to time ('SEBI Regulations') including SEBI Master Circular SEBI/HO/DDHS-PoD-2/P/CIR/2023/115 dated 06 July 2023 (hereinafter referred to as 'SEBI Master Circular') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards as defined in the Rule 2(1)(a) of the companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the state of affairs of the Trust as at March 31, 2024 and its loss (including other comprehensive income), its cash flows and the changes in unitholder's equity for the year ended on that date, the net assets at fair value as at March 31, 2024 the total returns at fair value and net distributable cash flows for the year then ended.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') and other pronouncements issued by the Institute of Chartered Accountants of India ('ICAI'). 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 ICAI and we have fulfilled our ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. 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.

Independent Auditor's Report (Contd.)

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

Key audit matters	How our audit addressed the key audit matters
A. Impairment assessment of non-current investments in and loans given to subsidiaries Refer note 2(B)(g) for material accounting policy information and note 3,4,7,10 and note 25 of the standalone financial statements of the Trust for the year ended March 31, 2024. The Trust has aggregate investment (net) in equity instruments of subsidiaries of ₹ 52,632.69 Mn carried at cost in accordance with Ind AS 27, Separate Financial Statements ('Ind AS 27'), investment in preference shares and optionally convertible debentures (OCDs) aggregating to ₹ 207.90 Mn and loans given to subsidiaries amounting to ₹ 37,897.98 Mn outstanding as at March 31, 2024 carried at amortised cost in accordance with IND AS 109, Financial Instruments ('Ind AS 109'). The Trust has assessed impairment of these investments and loans since recoverability of the investments and loans is significantly dependent upon valuations of the assets held and cash flow projections of these investee companies. The recoverable amount of the aforesaid investments in and loans given to subsidiaries has been determined by the management using discounted cash flow ('DCF') valuation method. The key assumptions underpinning management's assessment of the recoverable amounts includes but are not limited to projections of future cash flows, revenue growth rates, external market conditions and the discount rates, which involves estimation and significant management judgment. Changes to these assumptions could lead to material changes in estimated recoverable amounts, resulting in impairment of the carrying value of such assets. Accordingly, considering the materiality, complexity and significance of judgement involved, impairment assessment of investments in and loans given to subsidiaries has been considered as a key audit matter for the current year audit.	**Our key procedures included, but were not limited to, the following:** a) Obtained an understanding of the Trust's policies and procedures to identify impairment indicators for investments and loans, and process for fair valuation of investments and loans; b) Evaluated the design and tested the operating effectiveness of key controls for identification of impairment indicators, and for fair valuation of investments and loans including controls around cash flow projections; c) Verified underlying supporting documents for all significant investments made and loans given during the year to ensure that the transaction have been accurately recorded in the standalone financial statements in accordance with Ind AS 27 and Ind AS 109, as applicable; d) Assessed the objectivity, experience and competency of the management's experts involved for performing required valuations to estimate the recoverable value of the investment in and loans given to subsidiaries; e) Involved auditor's expert to assess the appropriateness of the valuation methodology and assumptions used by management's expert in determining the recoverable amount such as weighted average cost of capital (in particular, the underlying parameters such as risk-free return, market return, risk premium and beta); f) Assessed the reasonableness of the key assumptions and appropriateness of the key drivers of the cash flow forecasts as approved by the Investment Manager considered in aforesaid valuations (in particular, revenue projections based on the independent expert's traffic study report, routine maintenance projections and growth of recurring operating and capital expenditure amongst other inputs); g) Discussed and evaluated potential changes in key drivers as compared to previous year / actual performance with management to test consistency and historical accuracy of such assumptions used in cash flow forecasts; h) Evaluated management's assumptions by performing sensitivity analysis around the key assumptions to ascertain estimation uncertainty involved; i) Tested arithmetic accuracy of cash flows projections and sensitivity analysis; and j) Evaluated the appropriateness and adequacy of disclosures made in the standalone financial statements in relation to impairment of non-current investments in and loans given to subsidiaries in accordance with the requirement of the applicable accounting standard.

Independent Auditor's Report (Contd.)

Key audit matters	How our audit addressed the key audit matters
B. Computation and disclosures in Statement of Net Assets at Fair Value and Statement of Total Returns at Fair Value ("the Statement") as per SEBI Regulations Refer the Statements disclosed in the accompanying standalone financial statements pursuant to SEBI Circular No. SEBI/HO/DDHS-PoD-2/P/CIR/2023/115 dated 06 July 2023 issued under the SEBI Regulations, which requires fair valuation of the net assets and total returns of the Trust carried out by an independent valuer appointed by the Trust. For the above purpose, fair value is determined by the management using discounted cash flow ('DCF') valuation method which involves significant management judgement in respect of various estimates used as inputs such as determination of future cash flows, discount rates, revenue growth rates, inflation rates, tax rates, amongst others. The determination of fair value involves judgement due to inherent high estimation uncertainty in the underlying assumptions. Considering the importance of the disclosure required under the SEBI Regulations to the users of the standalone financial statements, significant management judgement involved in determining the fair value of the assets of the Trust, the aforesaid computation and disclosure has been considered as a key audit matter for the current year audit.	**Our procedures included, but were not limited to, the following:** a) Obtained an understanding of regulatory requirements by reading the requirements of SEBI Regulations along with the relevant SEBI Master circulars, pursuant to which the Statements are prepared by the Investment Manager; b) Obtained an understanding of the Trust's policies and procedures adopted by the Investment Manager for computation and disclosure of the Statements; c) Assessed the objectivity, experience and competency of the management's experts involved for performing required valuations to estimate the fair value; d) Involved auditor's expert to assess the appropriateness of the valuation methodology and assumptions used by management's expert in determining the recoverable amount such as weighted average cost of capital (in particular, the underlying parameters such as risk-free return, market return, risk premium and beta); e) Assessed the reasonableness of the key assumptions and appropriateness of the key drivers of the cash flow forecasts as approved by the Investment Manager considered in aforesaid valuations (in particular, revenue projections based on the independent expert's traffic study report, routine maintenance projections and growth of recurring operating and capital expenditure amongst other inputs); f) Discussed and evaluated potential changes in key drivers as compared to previous year / actual performance with management to test consistency and historical accuracy of such assumptions used in cash flow forecasts; g) Evaluated management's assumptions by performing sensitivity analysis around the key assumptions to ascertain estimation uncertainty involved; h) Tested arithmetic accuracy of cash flows projections and sensitivity analysis; and i) Evaluated the appropriateness and adequacy of disclosures for compliance with the relevant requirements of SEBI regulations.

Information other than the Financial Statements and Auditor's Report thereon

6. The Board of Directors of the Highway Concessions One Private Limited (The 'Investment Manager' of the Trust) are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the standalone financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

   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 identified as above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statement or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the Annual Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Investment Manager and Those Charged with Governance for the Standalone Financial Statements

7. The accompanying standalone financial statements have been approved by the Board of Directors of Investment Manager of the Trust. The Investment Manager of the Trust is responsible for the matters with respect to the preparation and presentation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, statement of cash flows, changes in unitholders' equity, net assets at fair value, total returns at fair value and net distributable cash flows of the Trust in accordance with accounting principles generally accepted in India including the Ind AS and SEBI Regulations read with the SEBI Master Circular. This responsibility also includes maintenance of adequate accounting records 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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

8. In preparing the standalone financial statements, the Board of Directors of Investment Manager of the Trust 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 of the Trust either intend to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.

9. Those Board of Directors of Investment Manager of the Trust is also responsible for overseeing the Trust's financial reporting process.

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

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

11. As part of an audit in accordance with SAs issued by ICAI, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

    - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
    - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for

the purpose of expressing an opinion on whether the Trust has in place adequate internal financial controls with reference to standalone financial statements and the operating effectiveness of such controls;

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Investment Manager of the Trust;
- Conclude on the appropriateness of use of the going concern basis of accounting by the Board of Directors of Investment Manager of the Trust 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 standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern; and
- 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.

12. 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.

13. 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.

14. 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 of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Report on Other Legal and Regulatory Requirements

15. Based on our audit, and as required by the SEBI Regulations, we report that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;

    b) the Standalone Balance Sheet and the Standalone Statement of Profit and Loss (including Other Comprehensive Income) are in agreement with the books of account of the Trust; and

    c) in our opinion, the aforesaid standalone financial statements comply with Ind AS.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Manish Agrawal
Partner
Membership No.: 507000
UDIN: 24507000BKDHOG9774

Place: New Delhi
Date: 16 May 2024

Standalone Balance Sheet

as at March 31, 2024

(All amounts in ₹ Mn unless otherwise stated)

Particulars	Note	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
Financial assets			
Investments	3	52,665.68	36,159.46
Loans	4	35,685.92	11,450.25
Other financial assets	5	0.50	-
Non-current tax assets (net)	6	-	1.16
Total non-current assets		**88,352.10**	**47,610.87**
Current assets			
Financial assets			
Investments	7	174.91	292.52
Cash and cash equivalents	8	461.18	265.54
Bank balances other than cash and cash equivalents above	9	953.02	976.43
Loans	10	2,212.06	1,006.61
Other current assets	11	64.73	3.02
Total current assets		**3,865.90**	**2,544.12**
Total assets		**92,218.00**	**50,154.99**
EQUITY AND LIABILITIES			
EQUITY			
Unit capital	12	68,590.00	41,550.00
Other equity	13	(12,771.18)	(5,715.12)
Total equity		**55,818.82**	**35,834.88**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	14	32,460.75	14,024.18
Total non-current liabilities		**32,460.75**	**14,024.18**
Current liabilities			
Financial liabilities			
Borrowings	15	3,177.65	225.00
Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	16	3.96	1.54
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	16	138.41	50.49
Other financial liabilities	17	584.11	2.49
Other current liabilities	18	26.09	16.41
Current tax liabilities (net)	19	8.21	-
Total current liabilities		**3,938.43**	**295.93**
Total liabilities		**36,399.18**	**14,320.11**
Total equity and liabilities		**92,218.00**	**50,154.99**
Summary of material accounting policy information	2B		

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

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

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Manish Agrawal
Partner
Membership No.: 507000

Place: New Delhi
Date: May 16, 2024

For and on behalf of Board of Directors of
Highway Concessions One Private Limited
(as Investment Manager of Highways Infrastructure Trust)

Dr. Zafar Khan
Joint CEO
DIN: 07641366

Place: Mumbai
Date: May 16, 2024

Abhishek Chhajer
Chief Financial Officer

Place: Mumbai
Date: May 16, 2024

Gaurav Chandna
Executive Director and Joint CEO
DIN: 10312924

Place: Mumbai
Date: May 16, 2024

Standalone Statement of Profit and Loss

for the year ended March 31, 2024
(All amounts in ₹ Mn unless otherwise stated)

Particulars	Note	For the year ended March 31, 2024	For the year ended March 31, 2023
Income and gains			
Revenue from operations			
Dividend income from subsidiaries		1,576.22	1,642.21
Interest income on loans from subsidiaries	20	3,487.69	1,581.93
Other income			
Interest on bank deposits		151.53	42.75
Others	21	8.46	-
Total income and gains		**5,223.90**	**3,266.89**
Expenses and losses			
Finance costs			
Interest on borrowings	22A	1,725.43	584.13
Other finance costs	22B	1.22	0.57
Valuation expenses		3.12	1.78
Audit fees	23	25.21	17.38
Insurance expense		1.82	-
Investment manager fees	40	74.64	24.87
Trustee fees		3.81	2.69
Rating fee		18.97	0.49
Legal and professional fees		368.54	129.33
Other expenses	24	19.75	16.33
Total expenses and losses		**2,242.51**	**777.57**
Profit before exceptional items and tax for the year		**2,981.39**	**2,489.32**
Exceptional items	25	4,964.79	2,044.59
(Loss)/profit before tax for the year		**(1,983.40)**	**444.73**
Tax expense			
Current tax	27	67.49	18.27
Deferred tax		-	-
Total tax expense		**67.49**	**18.27**
Net (loss)/profit for the year		**(2,050.89)**	**426.46**
Other comprehensive income		-	-
Total other comprehensive income for the year		**-**	**-**
Total comprehensive (loss)/income for the year		**(2,050.89)**	**426.46**
Earning per unit capital (Nominal value of unit capital ₹ 100 per unit)			
Basic (₹)	28	(4.10)	1.70
Diluted (₹)	28	(4.10)	1.70
Summary of material accounting policy information	2B		

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

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

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Manish Agrawal
Partner
Membership No.: 507000

Place: New Delhi
Date: May 16, 2024

For and on behalf of Board of Directors of
Highway Concessions One Private Limited
(as Investment Manager of Highways Infrastructure Trust)

Dr. Zafar Khan
Joint CEO
DIN: 07641366

Place: Mumbai
Date: May 16, 2024

Abhishek Chhajer
Chief Financial Officer

Place: Mumbai
Date: May 16, 2024

Gaurav Chandna
Executive Director and Joint CEO
DIN: 10312924

Place: Mumbai
Date: May 16, 2024

Standalone Statement of Cash Flows

for the year ended March 31, 2024
(All amounts in ₹ Mn unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A. Cash flows from operating activities		
(Loss)/ profit before tax	**(1,983.40)**	**444.73**
Adjustments for:		
Interest on compulsory convertible debentures ("CCD's")	-	(357.06)
Interest on rupee term loan ("RTL")	(2,742.37)	(923.98)
Interest on optionally convertible debenture ("OCD's")	(745.32)	(300.89)
Dividend income from subsidiaries	(1,576.22)	(1,642.21)
Exceptional items (refer note 25)	4,964.79	2,044.59
Interest income on bank deposits	(151.53)	(42.75)
Gain on sale of investments	(5.90)	-
Reversal of provision for expenses	(2.56)	-
Loss on reduction of investment in equity	8.44	14.22
Finance costs	1,726.65	584.70
Operating loss before working capital changes and other adjustments	**(507.42)**	**(178.64)**
Working capital changes and other adjustments:		
Financial and other assets		
Other current assets	(61.71)	(3.02)
Trade payables	90.48	52.05
Other financial liabilities	-	2.49
Other financial assets	(0.50)	-
Other current liabilities	9.66	16.41
Cash used in operating activities post working capital changes	**(469.49)**	**(110.71)**
Income tax paid (net)	(58.12)	(19.43)
Net cash used in operating activities (A)	**(527.61)**	**(130.14)**
B. Cash flows from investing activities		
Loan given to subsidiaries	(26,677.30)	(13,606.74)
Investment in CCD's of subsidiaries	-	(3,060.00)
Investment in equity shares of subsidiaries	(29,134.86)	-
Proceeds from loan given to subsidiaries	3,019.22	1,773.52
Proceeds from redemption of OCD's of subsidiaries	6,853.70	1,091.93
Proceeds from redemption of bank deposits	-	(976.43)
Investment in bank deposits	70.51	-
Investment in preference shares of subsidiary	-	(545.10)
Redemption of preference shares	97.64	272.55
Interest received on OCD's and CCD's	981.70	1,177.64
Dividend received from subsidiaries	1,576.22	1,642.21
Interest received on RTL	2,122.75	900.47
Interest received on bank deposits	104.43	42.75
Gain on sale of investments	5.90	-
Net cash used in investing activities (B)	**(40,980.09)**	**(11,287.21)**

Standalone Statement of Cash Flows for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

Particulars		For the year ended March 31, 2024	For the year ended March 31, 2023
C	**Cash flows from financing activities**		
	Proceeds from issuance of units (refer note 12 (vi) and (vii))	27,040.00	4,160.00
	Proceeds from borrowings	21,818.05	14,469.03
	Repayment of borrowings	(377.66)	(112.50)
	Processing fees	(158.74)	(118.89)
	Unit issue expenses	(51.65)	(111.58)
	Distribution made to unit-holders	(4,953.52)	(6,030.00)
	Interest paid on term loan and non convertible debentures	(1,613.14)	(573.17)
	Net cash flow from financing activities (C)	**41,703.34**	**11,682.89**
D	**Net increase in cash and cash equivalent (A+B+C)**	195.64	265.54
E	**Cash and cash equivalent at the beginning of the year**	265.54	-
	Cash and cash equivalent at the end of the year (D+E) (refer note 8)	**461.18**	**265.54**

Note: The above Standalone Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

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

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

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Manish Agrawal
Partner
Membership No.: 507000

Place: New Delhi
Date: May 16, 2024

For and on behalf of Board of Directors of
Highway Concessions One Private Limited
(as Investment Manager of Highways Infrastructure Trust)

Dr. Zafar Khan
Joint CEO
DIN: 07641366

Place: Mumbai
Date: May 16, 2024

Abhishek Chhajer
Chief Financial Officer

Place: Mumbai
Date: May 16, 2024

Gaurav Chandna
Executive Director and Joint CEO
DIN: 10312924

Place: Mumbai
Date: May 16, 2024

Standalone Statement of Changes in Unit Holders' equity

for the year ended March 31, 2024
(All amounts in ₹ Mn unless otherwise stated)

A Unit capital*

Particulars	Number of units	Amount
Balance as at April 01, 2022	**-**	**-**
Changes in unit capital	415,500,000	41,550.00
Balance as at March 31, 2023	**415,500,000**	**41,550.00**
Changes in unit capital^	331,385,834	27,040.00
Balance as at March 31, 2024	**746,885,834**	**68,590.00**

^(refer note 12 (vi) and (vii))

B Other equity**

Particulars	Number of units	Amount
Balance as at April 01, 2022	**-**	**-**
Net profit for the year	426.46	426.46
Other comprehensive income	-	-
Total comprehensive income for the year	**426.46**	**426.46**
Less: Distribution to unit holders^	(6,030.00)	(6,030.00)
Less: Formation and issue expenses^^	(111.58)	(111.58)
Balance as at March 31, 2023	**(5,715.12)**	**(5,715.12)**
Net loss for the year	(2,050.89)	(2,050.89)
Other comprehensive income	-	-
Total comprehensive income for the year	**(2,050.89)**	**(2,050.89)**
Less: Distribution to unit holders^	(4,953.52)	(4,953.52)
Less: Unit issue expenses#	(51.65)	(51.65)
Balance as at March 31, 2024	**(12,771.18)**	**(12,771.18)**

^Pertains to the distributions made during the financial year along with the distribution related to the last quarter of 2022-23 and does not include the distribution relating to the last quarter of 2023-24 which will be paid after March 31, 2024. The distributions made by Trust to its unitholders are based on the Net Distributable Cash Flows ('NDCF') of the Trust under the SEBI (Infrastructure Investment Trusts) Regulations, 2014 (SEBI Regulations) and includes interest, dividend and repayment of capital.

^^Formation and issue expenses are one time expenses incurred in relation to the formation of the Trust.

Unit issue expenses are expenses incurred in relation to the right Issue and preference units of the Trust.

* refer note 12

** refer note 13

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

This is the Standalone Statement of Changes in Equity referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Manish Agrawal
Partner
Membership No.: 507000

Place: New Delhi
Date: May 16, 2024

For and on behalf of Board of Directors of
Highway Concessions One Private Limited
(as Investment Manager of Highways Infrastructure Trust)

Dr. Zafar Khan
Joint CEO
DIN: 07641366

Place: Mumbai
Date: May 16, 2024

Abhishek Chhajer
Chief Financial Officer

Place: Mumbai
Date: May 16, 2024

Gaurav Chandna
Executive Director and Joint CEO
DIN: 10312924

Place: Mumbai
Date: May 16, 2024

Standalone Statement of Net Assets at Fair Value and Total Return at Fair Value

as at March 31, 2024

(All amounts in ₹ Mn unless otherwise stated)

A. Consolidated Statement of net assets at fair value

Particulars	As at March 31, 2024		As at March 31, 2023#	
	Book value	Fair value^	Book value	Fair value^
A. Assets	92,218.00	100,107.11	50,154.99	53,258.18
B. Liabilities (at book value)	36,399.18	36,399.18	14,320.11	14,320.11
C. Net assets (A-B)	55,818.82	63,707.93	35,834.88	38,938.07
D. No of units (in Mn)	746.89	746.89	415.50	415.50
E. NAV (C/D)	74.74	85.30	86.25	93.71

^Fair values of total assets relating to the Trust as at March 31, 2024 and March 31, 2023 as disclosed above are primarily based on the fair valuation with adjustments and grouping undertaken in accordance with IndAS and audited by the statutory auditors of the Trust.

Notes:

Project wise breakup of fair value of assets

Particulars	Fair value as at March 31, 2024*	Fair value as at March 31, 2023*
Highways Infrastructure Trust ("Trust")	38,625.06	20,891.50
Dewas Bhopal Corridor Private Limited ("DBCPL")	13,676.88	12,412.55
Nirmal BOT Private Limited ("NBPL") (formerly known as 'Nirmal BOT Limited')	126.07	113.60
Jodhpur Pali Expressway Private Limited ("JPEPL")	-	2,474.12
Godhra Expressways Private Limited ("GEPL")	12,439.36	14,051.90
Ulundurpet Expressways Private Limited ("UEPL")	3,507.26	3,109.16
Shillong Expressway Private Limited ("SEPL")	105.03	205.35
Udupi Tollway Private Limited ("UTPL") (formerly known as 'Navyuga Udupi Tollway Private Limited') w.e.f. November 02, 2023	377.51	-
Ateli Narnaul Highway Private Limited ("ANHPL") (formerly known as 'HG Ateli Narnaul Highway Private Limited') w.e.f. November 22, 2023	1,815.68	-
Rewari Ateli Highway Private Limited ("RAHPL") (formerly known as 'HG Rewari Ateli Highway Private Limited') w.e.f. November 22, 2023	550.97	-
Gurgaon Sohna Highway Private Limited ("GSHPL") w.e.f. November 22, 2023	713.84	-
Gujarat Road and Infrastructure Company Limited ("GRICL") w.e.f. January 24, 2024	9,096.20	-
Swarna Tollway Private Limited ("STPL") w.e.f. January 24, 2024	19,073.25	-
Total fair value	**100,107.11**	**53,258.18**

*Fair value of total assets as disclosed above are the fair value of total assets of the Trust which are included in the audited standalone financial statements.

Standalone Statement of Net Assets at Fair Value and Total Return at Fair Value as at March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

B. Standalone Statement of Total Return at Fair Value:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Total comprehensive income for the year (As per the Standalone Statement of Profit and Loss)	(2,050.89)	426.46
Add: Other changes in fair value for the year*	46,848.93	3,103.19
Total return	**44,798.04**	**3,529.65**

*In the above statement, other changes in fair value for the year ended March 31, 2024 for all the SPVs has been computed based on the difference in fair value of total assets as at March 31, 2024 and March 31, 2023 which is primarily based on the valuation report of the independent valuer appointed under SEBI (Infrastructure Investments Trust) Regulation, 2014

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.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Manish Agrawal
Partner
Membership No.: 507000

Place: New Delhi
Date: May 16, 2024

For and on behalf of Board of Directors of
Highway Concessions One Private Limited
(as Investment Manager of Highways Infrastructure Trust)

Dr. Zafar Khan
Joint CEO
DIN: 07641366

Place: Mumbai
Date: May 16, 2024

Abhishek Chhajer
Chief Financial Officer

Place: Mumbai
Date: May 16, 2024

Gaurav Chandna
Executive Director and Joint CEO
DIN: 10312924

Place: Mumbai
Date: May 16, 2024

Standalone Statement of Net Distributable Cash Flows

for the year ended March 31, 2024
(All amounts in ₹ Mn unless otherwise stated)

S. No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
1	**Net Distributable Cash Flows of the Project Entities**		
	a) in the form of interest/accrued interest/additional interest	2,780.49	2,078.10
	b) in the form of dividend	8,456.67	1,893.32
	c) in the form of proceeds towards repayment of the debt issued to the Project SPVs by the Trust	2,409.40	3,264.77
	d) in the form of proceeds through capital reduction by way of a buy back or any other means as permitted, subject to applicable law	75.74	294.45
2	Cash flows from additional borrowings (including debentures/other securities), fresh issuance of units, etc.	48,858.06	18,629.03
3	Any other income accruing at the Highways Infrastrcuture Trust ('Trust') and not captured above, as deemed necessary by the Investment Manager, including but not limited to interest/return on surplus cash invested by the Trust.	110.34	42.75
	Total cash inflow at the Trust level (A)	**62,690.70**	**26,202.42**
	Adjustments:		
4	Any payment of fees, interest and expenses incurred at the Trust, including but not limited to the fees of the Investment Manager, Project Manager, Trustee, Auditor, Valuer, Credit Rating Agency, etc.	(2,218.39)	(889.75)
5	Any expenditure reimbursed to Investment Manager which the Investment Manager incurred on behalf of Trust	(74.64)	(116.10)
6	Income tax (if applicable) for standalone Trust and/or payment of other statutory dues	(58.12)	(18.27)
7	Repayment of third-party debt (principal)/redeemable preference shares/ debentures, etc., net of any debt raised by refinancing of existing debt	(377.66)	(112.50)
8	Net cash set aside to comply with borrowing requirements such as DSRA, minimum cash balance, etc.	(42.88)	(976.43)
9	Amount invested in any of the Project SPVs for service of debt or interest	(19,723.21)	(17,211.84)
10	Investment including acquistion of other project SPVs	(29,134.86)	-
11	Any provision or reserve deemed necessary by the Investment Manager for expenses/liabilities which may be due in future	-	(146.33)
	Total adjustments at the Trust level (B)	**(51,629.76)**	**(19,471.22)**
	Amount released/(retained) by the Trust (C)	196.58	-
	Net distributable cash flows (D)=(A+B+C)	**11,257.52**	**6,731.20**

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.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Manish Agrawal
Partner
Membership No.: 507000

Place: New Delhi
Date: May 16, 2024

For and on behalf of Board of Directors of
Highway Concessions One Private Limited
(as Investment Manager of Highways Infrastructure Trust)

Dr. Zafar Khan
Joint CEO
DIN: 07641366

Place: Mumbai
Date: May 16, 2024

Abhishek Chhajer
Chief Financial Officer

Place: Mumbai
Date: May 16, 2024

Gaurav Chandna
Executive Director and Joint CEO
DIN: 10312924

Place: Mumbai
Date: May 16, 2024

Summary of material accounting policy information and other explanatory information

for the year ended March 31, 2024

(All amounts in ₹ Mn unless otherwise stated)

Further during the current year ended March 31, 2024, persuant to Circular no SEBI/HO/DDHS/DDHS-PoD/P/CIR/2023/184 dated December 06, 2023 a revised format for computation of net distributable cash flows have been prescribed, which is effective from April 01, 2024, accordingly the NDCF as per revised format for the year ended March 2024 have also been presented below:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Cash flows from operating activities of the Trust	**(527.61)**	**(130.14)**
Add: Cash flows received from SPV's/Investment entities which represent distributions of NDCF computed as per relevant framework	13,722.29	7,530.63
Add: Treasury income/income from investing activities of the Trust (interest income received from FD, any investment entities as defined in Regulation 18(5), tax refund, any other income in the nature of interest, profit on sale of Mutual funds, investments, assets etc., dividend income etc., excluding any Ind AS adjustments. Further clarified that these amounts will be considered on a cash receipt basis)	110.34	42.75
Less: Finance cost on Borrowings, excluding amortisation of any transaction costs as per profit and loss account of the Trust	(1,823.54)	(692.06)
Less: Debt repayment at Trust level (to include principal repayments as per scheduled EMI's except if refinanced through new debt including overdraft facilities and to exclude any debt repayments/debt refinanced through new debt in any form or funds raised through issuance of units)	(377.66)	(112.50)
Less: any reserve required to be created under the terms of, or pursuant to the obligations arising in accordance with, any: (i). loan agreement entered with financial institution, or (ii). terms and conditions, covenants or any other stipulations applicable to debt securities issued by the Trust or any of its SPVs/ HoldCos, or (iii). terms and conditions, covenants or any other stipulations applicable to external commercial borrowings availed by the Trust or any of its SPVs/ HoldCos, (iv). agreement pursuant to which the Trust operates or owns the real estate asset, or generates revenue or cashflows from such asset (such as, concession agreement, transmission services agreement, power purchase agreement, lease agreement, and any other agreement of a like nature, by whatever name called); or (v). statutory, judicial, regulatory, or governmental stipulations;	(42.88)	339.93
Net distributable Cash Flows at Trust Level	**11,060.94**	**6,978.61**
Amount released/(retained) by the Trust level	196.58	(247.41)
Amount distributed to unitholders	**11,257.52**	**6,731.20**

Notes:

1. Out of the Initial issuance of ₹ 4,160 Mn in August 2022, ₹ 415.85 Mn and ₹ 138.50 Mn was for General Corproate purpose ('GCP') and issuance expenses respectievely. Unit Capital received for GCP was utilised towards debt servicing (interest and debt repayment) and other miscelleanous expenses. However, while computation of NDCF, these expenses were considerd at actual cost incurred (expenses/cash outflow shown at gross level and not adjusted to the extent of GCP fund received) and ₹ 415.85 Mn of GCP amount were added into reserves created, resulting in nil impact on NDCF.

   Further, out of funds received for Issue expenses amounting to ₹ 138.50 Mn, ₹ 111.58 Mn was incurred, however same was not included in finance cost in profit and loss statement as it was a capital expenditure and thus adjusted against other equity.

2. As at March 31, 2023, fixed deposits for Debt Service Reserve Account (DSRA) and Major Maintenance Reserve Account (MMRA) as per facility agreement was ₹ 926.13 Mn. This has shown as reserves created in NDCF working for financial year ended March 31, 2023 as per prevailing NDCF methodology and further, borrowing from lenders for MMRA and DSRA was shown as borrowing in NDCF. However, as per the new NDCF framework notified by SEBI (which has been adopted by the Trust w.e.f. April 01, 2024 and has been disclosued above as additional information), this reserves will not be routed through NDCF for financial year ended March 31, 2023. Total MMRA and DSRA reserves amouting to ₹ 926.13 Mn forms part of closing fixed deposit balance as on March 31, 2023 and was kept seperately in fixed deposits with bank.

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

3. During the financial year ended March 31, 2023, fixed deposits of ₹ 50.30 Mn was created for Bank guarantee ('BG') from internal accruals. Hence, this amount was reduced while computation of NDCF. However, this will be available for distribution once this BG will be withdrawn.
4. Reserves of ₹ 50.30 Mn created for bank guarantee (as mentioned in point 3) as at March 31, 2023, was released during the current year ended March 31, 2024 and was utilised for NDCF for the current financial year ended March 31, 2024. Total reserves relased for the financial year ended March 31, 2024 is ₹ 196.63 Mn. (reserves created as on March 31, 2023 amounting to ₹ 146.33 including releasae of bank guarantee amounting to ₹ 50.30 Mn).
5. During the financial year ended March 31, 2024, additional deposit into DSRA from internal accrual is ₹ 42.88 Mn. This was captured under reserves created and resulted in lower NDCF.
6. During the financial year ended March 31, 2024, Trust has funded ₹ 312.50 Mn, ₹ 400.66 Mn, ₹ 245.79 Mn and ₹ 520.00 Mn to UEPL, SEPL, NBPL and STPL respectively for Major Maintenance (MM) expense purpose. This was provided by external lender to Highways Infrastructure Trust ('Trust') for Major Maintenance purpose. Under the NDCF framework adopted by Trust prior to new NDCF framework notified by SEBI, MM expenses funded from loan were not considered while computation of NDCF at SPV level and accordingly, such loans and corresponding expense did not impact the distributions made from the SPV. However, based on discussions with SEBI and in line with the revised NDCF framework notified by SEBI (which has been adopted by the Trust w.e.f. April 01, 2024 and has been disclosued above as additional information), the inflows from such MM loans are not considered while the expenses have been reduced from cashflows at SPV level. Accordingly, to ensure such reduction is reflected, ₹ 599.79 Mn has been reduced from NDCF at the InvIT level.

   The SPVs and the InvIT meets the 90% distribution requirement under the revised calculations under the old NDCF framework (after considering the treatment of MM loans as guided by SEBI), and under the new NDCF framework (applicable w.e.f. April 01, 2024).
7. As on date of acquisition of UTPL on November 01, 2023, the outstanding creditor pertaining MM which is payable to erstwhile shareholder, amounted to ₹ 235.37 Mn. This was more than unrestricted cash and bank balance (including investment) of ₹ 55.57 Mn available as on the same date. Hence, UTPL borrowed fund from Trust to payoff opening creditors (this transaction took place on November 02, 2023, after acquisition). Given the specific borrowing was taken to repay the opening creditors which was like refinancing of existing debt, this was not considered in computation of NDCF under old NDCF framework. However, basis guidance from SEBI and under revised framework where payment of creditors will be adjusted from cash flow generated from operating activities, NDFC needs to be reduced by ₹ 458.54 Mn. Accordingly, to ensure such reduction is reflected, ₹ 458.54 Mn has been reduced from NDCF at the InvIT level.

   The SPVs and the InvIT meets the 90% distribution requirement under the revised calculations under the old NDCF framework (after considering the treatment of MM loans as guided by SEBI), and under the new NDCF framework (applicable w.e.f. April 01, 2024).

Summary of material accounting policy information and other explanatory information

for the year ended March 31, 2024

(All amounts in ₹ Mn unless otherwise stated)

1. Trust Information

The Trust is an irrevocable trust settled by Galaxy Investments II Pte. Ltd (hereinafter referred as "Sponsor") on 03 December 2021 pursuant to the Trust Deed, under the provisions of the Indian Trusts Act, 1882 and registered with Securities and Exchange Board of India ("SEBI") vide Certificate of Registration dated 23 December 2021 as an Infrastructure Investment Trust under Regulation 3(1) of the Securities Exchange Board of India (Infrastructure Investment Trust) Regulation 2014 as amended from time to time ("SEBI Regulations") and Trust got it units listed on National Stock Exchange of India ("NSE") w.e.f. August 25, 2022. The Trustee of the Trust is Axis Trustee Services Limited (the "Trustee"). The Investment manager for the Trust was Virescent Infrastructure Investment Manager Private Limited till November 22, 2023 and with effect from November 23, 2023 the same is Highway Concessions One Private Limited (the "Investment Manager"),

The objectives of the Trust are to undertake activities as an infrastructure investment trust in accordance with the provisions of the SEBI Regulations and the Trust Deed. The principal activity of the Trust is to own and invest in the road sector in India. All the road projects are implemented and held through special purpose vehicles ("SPVs/ subsidiaries").

The SPV's have entered into concession agreements with various authorities (given below) to design, build, finance, operate and transfer (DBFOT) or build, operate and transfer (BOT) national or state highways in various locations.

Name of Project SPV	Extent of Control as at March 31, 2024	Date of acquisition	Date of incorporation	Principal place of business	Commencement of operation	Authority
Ulundurpet Expressways Private Limited ("UEPL")	100%	22 August 2022	20 March 2006	Tamil Nadu	23 July 2009	National Highways Authority of India (NHAI)
Shillong Expressway Private Limited ("SEPL")	100%	22 August 2022	09 June 2010	Meghalaya	28 February 2013	National Highways Authority of India (NHAI)
Jodhpur Pali Expressway Private Limited ("JPEPL")	100%	22 August 2022	10 January 2013	Rajasthan	31 October 2014	Public Works Department (PWD) Rajasthan
Godhra Expressways Private Limited ("GEPL")	100%	22 August 2022	21 January 2010	Gujarat	31 October 2013	National Highways Authority of India (NHAI)
Dewas Bhopal Corridor Private Limited ("DBCPL")	100%	22 August 2022	14 May 2007	Madhya Pradesh	10 February 2009	Madhya Pradesh Road Development Corporation Limited (MPRDC)
Nirmal BOT Private Limited ("NBPL") (formerly known as Nirmal BOT Limited)	100%	22 August 2022	19 September 2006	Telangana	22 July 2009	National Highways Authority of India (NHAI)
Udupi Tollway Private Limited ('UTPL') formerly known as Navayuga Udupi Tollway Private Limited)	100%	01 November 2023	04 December 2009	Karnataka	30 January 2017	National Highways Authority of India (NHAI)

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

Name of Project SPV	Extent of Control as at March 31, 2024	Date of acquisition	Date of incorporation	Principal place of business	Commencement of operation	Authority
Rewari Ateli Highway Private Limited ('RAHPL') (formerly known as H.G. Rewari Ateli Highway Private Limited)	100%	21 November 2023	08 April 2019	Haryana	15 November 2021	National Highways Authority of India (NHAI)
Gurgaon Sohna Highway Private Limited ('GSHPL')	100%	21 November 2023	06 April 2018	Haryana	25 February 2022	National Highways Authority of India (NHAI)
Ateli Narnaul Highway Private Limited ('ANHPL') (formerly known as H.G. Ateli Narnaul Highway Private Limited)	100%	21 November 2023	04 April 2019	Haryana	11 March 2022	National Highways Authority of India (NHAI)
Swarna Tollway Private Limited ('STPL')	100%	24 January 2024	11 May 2001	Andhra Pradesh	21 May 2004 and 12 September 2004	National Highways Authority of India (NHAI)
Gujarat Road And Infrastructure Company Limited ('GRICL')	56.8%	24 January 2024	02 June 1999	Gujarat	24 October 2000 and 20 February 2003	Government of Gujarat (GOG)

The address of the registered office of the Investment Manager is 601/602 6th floor Windsor House, off CST Road, Kalina, Santacruz (East), Mumbai 400098. The standalone financial statements were authorized for issue in accordance with resolution passed by the Board of Directors of the Investment Manager on May 16, 2024.

2. (A) Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01, 2024.

(B) Standards issued/amended and became effective

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

Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

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

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences such as leases.

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

The Trust doesn't have any leases, hence no deferred tax on leases was recognized previously by the Trust in the standalone financial statements.

The amendments had no impact on these standalone financial statements.

Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments had no impact on these standalone financial statements.

2B. Summary of material accounting policy information

a. Overall consideration

The standalone financial statements have been prepared using the material accounting policy information and measurement bases summarized below. These were used throughout all periods presented in the standalone financial statements.

Basis of preparation and presentation

The standalone financial statements of the Trust have been prepared in accordance with the Indian Accounting Standards as defined in the Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') and Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time ("SEBI Regulations") including SEBI master circular SEBI/HO/DDHS-PoD-2/P/CIR/2023/115 dated July 06, 2023 (hereinafter referred to as 'SEBI Master Circular"). The Trust has uniformly applied the accounting policies during the periods presented.

The Standalone financial statements are presented in India Rupees which is also the functional currency of the Trust and all values are rounded to the nearest millions, unless otherwise indicated. Certain amounts that are required to be disclosed and do not appear due to rounding-off are expressed as 0.00.

These Standalone Financial Statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the standalone financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities, which are measured at fair values as explained in relevant accounting policies.

The standalone financial statements for the year ended March 31, 2024 were authorized and approved for issue by the Board of Directors of Highway Concessions One Private Limited (the 'Investment Manager') on May 16, 2024. The revision to the financial statements is permitted by the Board of Directors of the Investment Manager after obtaining necessary approvals or at the instance of regulatory authorities.

b. Use of estimates and judgements

The preparation of standalone financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the standalone financial statements and notes thereto. The management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognized prospectively in the current and future period. An overview of the areas that involve a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed have been disclosed below. Detailed information about each of these estimates and judgments is included in the relevant notes together with information about the basis of calculation for each affected line item in the standalone financial statements.

Estimate and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under circumstances.

The estimates and assumptions that have significant risk of causing a material adjustment to the carrying amount of assets and liabilities are disclosed below:

i. Provisions and liabilities

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change.

ii. Evaluation of indicators for impairment of assets

The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

iii. Recoverability of loans/ receivables

At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit losses on outstanding receivables and advances.

iv. Impairment of investments, loans, optionally convertible debentures and preference shares

Impairment exists when the carrying value of an asset exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The recoverable amounts for the investments, loans, optionally convertible debentures and preference shares are based on value in use of the underlying projects. The value in use calculation is based on a DCF model. The cash flows are derived from forecasts over the life of the projects of SPVs.

v. Fair value measurements

Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. The Trust engages third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of investments are disclosed in the notes to standalone financial statements.

vi. Fair valuation and disclosures

SEBI Master Circular issued under the SEBI 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 of the Trust works closely with the valuers to establish the appropriate valuation techniques and inputs to the model. 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 ('WACC'), tax rates, inflation rates etc. Changes in assumptions about these factors could affect the fair value.

vii. Income taxes

The Trust's tax jurisdiction is India. Significant judgements are involved in estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid / recovered for uncertain tax positions.

viii. Contingent liabilities

The Trust is the subject of legal proceedings and tax issues covering a range of matters, which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against the Trust often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business management consults with legal counsel and certain other experts on matters related to litigation and taxes. The Trust accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated.

c. Basis of classification as current and non-current

The Trust presents assets and liabilities in the Standalone balance sheet based on current/non-current classification.

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

An asset is current when it is:

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

All other assets have been classified as non-current.

A liability is current when:

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

The Trust classifies all other liabilities as non-current.

Operating cycle of the Trust is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. As the Trust's normal operating cycle is not clearly identifiable, it is assumed to be twelve months.

d. Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Trust expects to be entitled in exchange for those goods or services. 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.

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

Interest income

Interest income from a financial asset is recognized when it is probable that the economic benefits will flow to the Trust and the amount of income can be measured reliably. Interest is accrued on time proportion basis, by reference to the principle outstanding at the effective interest rate.

Dividend Income

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

Other operating income/other income

All other operating income/income is recognized on accrual basis when no significant uncertainty exists on their receipt.

e. Provisions and contingent liabilities

Provisions are recognized only when there is a present obligation, as a result of past events and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for possible obligations which will be confirmed only by future events not wholly within the control of the Trust; or present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

f. Investments in subsidiaries

The Trust accounts for its investments in equity share capital of subsidiaries at cost less accumulated impairment losses, if any in accordance with Ind AS 27, Separate Financial Statements ('Ind AS 27') and investment in preference shares optionally convertible debentures (OCD's) at amortized cost in accordance with Ind AS 109 "Financial Instruments".

g. Financial Instruments

Initial recognition and measurement

Financial instruments are recognised when the Trust becomes a party to the contractual provisions of the instrument and are measured initially at fair value adjusted for transaction costs, except for those carried at fair value through profit or loss which are measured initially at fair value.

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

Subsequent measurement

i. **Financial assets at amortised cost-** A financial instrument is measured at amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- 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.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest method.

De-recognition of financial assets

A financial asset is primarily de-recognised 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.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted.

Subsequent measurement

After initial recognition, the financial liabilities are subsequently measured at amortised cost using effective interest method. Amortised cost is calculated after considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The effect of EIR amortisation is included as finance costs in the statement of profit and loss.

De-recognition of financial liabilities

A financial liability is de-recognised 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 de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

h. Fair value measurement

The Trust measures financial instruments at fair value at each balance sheet 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:

- In the principal market for the asset or liability; or
- 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. Refer note 31 for fair value hierarchy.

All assets and liabilities for which fair value is measured or disclosed in the standalone financial statements are categorized 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 (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is Unobservable.

For assets and liabilities that are recognized in the standalone financial statements on a recurring basis, the Trust determines whether transfers have occurred between levels in the hierarchy

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

External valuers are involved for valuation of significant assets such as investments, where required. Involvement of external valuers is decided by the Trust on a need basis and relevant approvals. The valuers involved are selected based on criteria like market knowledge, reputation, independence and professional standards. The Trust after discussion with the external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Trust analyses the movement of assets and liabilities which are required to be remeasured or reassessed 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 management in conjunction with the external valuers also compares the change in fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

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 summarizes accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

- Disclosures of Statement of Net Assets at fair value and Statement of Total Returns at fair value
- Quantitative disclosures of fair value measurement hierarchy (note 31)
- Financial instruments (including those carried at amortized cost) (note 32).

i. Impairment of financial assets

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets.

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 amortised cost.

ECL is the weighted average of difference between all contractual cash flows that are due to the Trust in accordance with the contract and all the cash flows that the Trust expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Trust is required to consider –

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets; and
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

j. Borrowing costs

Borrowing cost include interest calculated using the effective interest method, amortisation of ancillary costs and other costs the Trust incurs in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Capitalisation of borrowing costs is suspended in the period during which the active development is delayed due to, other than temporary, interruption. All other borrowing costs are charged to the statement of profit and loss as incurred.

k. Contributed equity

Units are classified as equity. Incremental costs attributable to the issue of units are directly recorded in equity, net of tax.

l. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

m. Net Distributable cash flows 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 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.

n. Statements of net assets at fair value

The disclosure of Statement of Net Assets at Fair Value comprises of the fair values of the total assets and fair values of the total liabilities of individual SPV's. The fair value of the assets is reviewed by the management, derived based on the fair valuation reports issued by the independent valuer appointed under the SEBI (Infrastructure Investments Trust) Regulation, 2014 (InvIT regulations). The independent valuers are leading valuers with a recognized and relevant professional qualification as per InvIT regulations and valuation assumptions used are reviewed by the management at each balance sheet date.

o. Statement of total returns at fair value

The disclosure of total returns at fair value comprises of the Total Comprehensive Income as per the Statement of Profit and Loss. Other changes in fair value are derived based on the fair valuation reports issued by the independent valuer appointed under the InvIT regulations.

p. Unit holders equity and distribution

Under the provisions of the SEBI Regulations, Trust is required to distribute to Unitholders not less than ninety percent of the net distributable cash flows of Trust for each financial period. Accordingly, a portion of the unitholders' equity contains a contractual obligation of the Trust to pay to its Unitholders cash distributions. The Unitholders' equity could therefore have been classified as compound financial instrument which contain both equity and liability components in accordance with Ind AS 32 - Financial Instruments: Presentation.

However, in accordance with SEBI Master Circular (SEBI/HO/DDHS-PoD-2/P/CIR/2023/115 dated July 06, 2023 as amended) issued under the SEBI Regulations, the unitholders' equity have been classified as equity in order to comply with the mandatory requirements of SEBI Master Circular dealing with the minimum disclosures for key financial statements. In line with the above, the distribution payable to unitholders is recognized as liability when the same is approved by the Investment Manager.

q. Earnings per unit

Basic earnings per unit is calculated by dividing the net profit or loss attributable to unit holders of the Trust (after deducting preference dividends and attributable taxes if any) by the weighted average number of units outstanding during the period.

For the purpose of calculating diluted earnings per unit, the weighted average number of units outstanding during the period are adjusted for the effects of all dilutive potential units.

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

3. Non-current investments

	As at March 31, 2024	As at March 31, 2023
Investment in equity instruments (unquoted, at cost)^		
Investment in related parties (refer note 34)		
264,552,365 (March 31, 2023: 264,552,365) equity shares of UEPL of face value ₹ 10/- each	3,004.95	3,004.95
31,500,000 (March 31, 2023: 31,500,000) equity shares of NBPL of face value ₹ 10/- each	354.41	354.41
20,155,033 (March 31, 2023: 23,380,840) equity shares of GEPL of face value ₹ 10/- each*	9,626.39	11,167.09
95,263 (March 31, 2023: 95,263) equity shares of DBCPL of face value ₹ 10/- each**	12,355.00	12,355.00
500,000 (March 31, 2023: 500,000) equity shares of SEPL of face value ₹ 10/- each	356.27	356.27
61,640 (March 31, 2023: 61,640) equity shares of JPEPL of face value ₹ 10/- each	3,863.25	3,863.25
3,701,334 (March 31, 2023: Nil) equity shares of UTPL of face value ₹ 10/- each	196.05	-
66,030,000 (March 31, 2023: Nil) equity shares of GSHPL of face value ₹ 10/- each #	844.46	-
95,211,000 (March 31, 2023: Nil) equity shares of ANHPL of face value ₹ 10/- each #	1,511.49	-
38,225,000 (March 31, 2023: Nil) equity shares of RAHPL of face value ₹ 10/- each #	757.83	-
269,999,999 (March 31, 2023: Nil) equity shares of STPL of face value ₹ 10/- each	20,745.90	-
31,500,955 (March 31, 2023: Nil) equity shares of GRICL of face value ₹ 10/- each	5,657.22	-
Investment in Optionally Convertible Debentures unquoted, at cost ##		
Investment in related parties (refer note 34)		
50,941,358 (March 31, 2023: 50,941,358 of face value ₹ 88.97/-) OCD's of GEPL of face value ₹ 0.6356/- each ###	32.99	4,586.36
Nil (March 31, 2023: 23,338,315) OCD's of JPEPL of face value ₹ 100/- each	-	2,516.72
	59,306.21	**38,204.05**
Less: Impairment of non-current investments	6,640.53	2,044.59
	52,665.68	**36,159.46**
Aggregate amount of unquoted investments	**52,665.68**	**36,159.46**
Aggregate amount of impairment in the value of investments	**6,640.53**	**2,044.59**

^Investments in subsidiaries are stated at cost using the exemption provided as per Ind AS 27 'Separate Financial Statements'.

* During the current year ended March 31, 2024, The National Company Law Tribunal (NCLT) has approved the capital reduction scheme of GEPL on June 12, 2023. As per the NCLT order, the paid-up equity share capital of GEPL will be reduced from 23,380,840 equity shares of ₹ 10/- each to 20,155,033 equity shares of ₹ 10/- each. The aforesaid share capital reduction was made at fair market valuation of equity shares of GEPL, and the said consideration is presented as loan given to subsidiary in the standalone financial statetments of Highways Infrastructure Trust pursuant to the capital reduction scheme. The resultant difference between carrying amount of investment and fair value of loan has been recognised in the statement of profit or loss of the standalone financial statement of the Trust.

** During the previous year ended March 31, 2023, NCLT has approved the capital reduction scheme of DBCPL on February 23, 2023. As per the NCLT order, the paid-up equity share capital of DBCPL will be reduced from 100,000 equity shares of ₹ 10/- each to 95,263 equity shares of ₹ 10/- each. The aforesaid share capital reduction was made at fair market valuation of equity shares of DBCPL, and the said consideration is presented as loan given to subsidiary in the standalone financial statetments of Highways Infrastructure Trust pursuant to the capital reduction scheme. The resultant difference between carrying amount of investment and fair value of loan has been recognised in the statement of profit or loss of the standalone financial statement of the Trust.

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

Subsequent to the year ended March 31, 2024, three of the project SPV's Viz. ANHPL, RAHPL and GSHPL has filed the petition with the Hon'ble NCLT, Mumbai Bench for capital reduction under Section 66 and other provisions of the Companies Act, 2013 on April 08, 2024. (refer note 52)

These are measured at amortised cost in accordance with Ind AS 109 "Financial Instruments".

Includes interest accrued amounting to ₹ 0.74 Mn in GEPL.

Notes:

(i) For assets pledged as security, (refer note 26)

(ii) During the previous financial year ended March 31, 2023, the compulsory convertible debentures (CCD) has been converted into optional convertible debentures (OCD) having a term of 30 years from the original date of issue. The outstanding OCD shall earn coupon at the rates of 14% p.a. payable annually or as may be mutually agreed between holder and issuer. Further, during the current year OCDs of GEPL (partialy) and JPEPL (fully) were redeemed.

4. Non-current loans

	As at March 31, 2024	As at March 31, 2023
Loans receivables considered good - Secured		
Loan to related parties (refer note 34)		
UEPL	-	521.86
NBPL	599.08	915.08
GEPL	3,983.65	4,037.42
DBCPL	2,460.94	2,440.94
JPEPL	2,430.05	2,514.81
UTPL	5,074.31	-
GHSPL	2,169.60	-
ANHPL	2,519.12	-
RAHPL	1,767.20	-
Loans receivables considered good - Unsecured		
Loan to related parties (refer note 34)		
JPEPL	3,093.29	350.00
UEPL	-	70.00
DBCPL (persuant to capital reduction schement approved by NCLT- refer note (iii) below)	600.14	600.14
GEPL	4,500.00	-
GEPL (persuant to capital reduction schement approved by NCLT - refer note (iv) below)	1,532.26	-
SEPL	227.47	-
NBPL	272.79	-
UTPL	3,236.01	-
ANHPL	283.32	-
RAHPL	190.20	-
STPL	1,115.34	-
Total	**36,054.77**	**11,450.25**
Less: Impairment of loan given (refer note 25)	368.85	-
	35,685.92	**11,450.25**

Notes:

(i) Refer Note 31 - Fair value disclosures for disclosure of fair value in respect of financial assets measured at amortised cost and note 32 - Financial risk management for assessment of expected credit losses)

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

(ii) For assets pledged as security, refer note 26

(iii) NCLT has approved the capital reduction scheme of DBCPL on February 23, 2023. As per the NCLT order, the paid-up equity share capital of DBCPL will be reduced from 100,000 equity shares of ₹ 10/- each to 95,263 equity shares of ₹ 10/- each. The aforesaid share capital reduction was made at fair market valuation of equity shares of DBCPL, and the said consideration is presented as loan given to subsidiary in the standalone financial statetments of Highways Infrastructure Trust pursuant to the capital reduction scheme. The resultant difference between carrying amount of investment and fair value of loan has been recognised in the statement of profit or loss of the standalone financial statememt of the Trust.

(iv) During the current year ended March 31, 2024, NCLT has approved the capital reduction scheme of GEPL on June 12, 2023. As per the NCLT order, the paid-up equity share capital of GEPL will be reduced from 23,380,840 equity shares of ₹ 10/- each to 20,155,033 equity shares of ₹ 10/- each. The aforesaid share capital reduction was made at fair market valuation of equity shares of GEPL, and the said consideration is presented as loan given to subsidiary in the standalone financial statetments of Highways Infrastructure Trust pursuant to the capital reduction scheme. The resultant difference between carrying amount of investment and fair value of loan has been recognised in the statement of profit or loss of the standalone financial statement of the Trust.

5. Other non current financial assets

	As at March 31, 2024	As at March 31, 2023
Other deposit	0.50	-
	0.50	**-**

6. Non-current tax assets (net)

	As at March 31, 2024	As at March 31, 2023
Advance income tax (net of provisions)	-	1.16
	-	**1.16**

7. Investments - Current

	As at March 31, 2024	As at March 31, 2023
Investment in preference shares unquoted, at cost^		
Preference shares of SEPL	174.91	272.55
Investment in Optionally Convertible Debentures (OCD's), at cost^		
Nil (March 31, 2023 : 2,190,493 OCD's of UEPL of face value ₹ 4.56/-)	-	9.99
Nil (March 31, 2023: 3,311,246 OCD's of NBPL of face value ₹ 3.02/-)	-	9.98
	174.91	**292.52**

^These are measured at amortised cost in accordance with Ind AS 109 "Financial Instruments".

8. Cash and cash equivalents

	As at March 31, 2024	As at March 31, 2023
Balances with banks:		
- in current accounts	1.97	2.09
- deposits with original maturity less than three months*	459.21	263.45
	461.18	**265.54**

* Includes interest accrued but not due

Notes:

(i) For assets pledged as security, refer note 26

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

9. Bank balances other than cash and cash equivalents

	As at March 31, 2024	As at March 31, 2023
Deposits with original maturity more than three months but less than twelve months*#	953.02	976.43
	953.02	**976.43**

* Includes interest accrued but not due

Includes deposits pledged against debt service reserve account (DSRA).

Notes:

(i) For assets pledged as security, refer note 26

(ii) Other than as disclosed, there are no repatriation restrictions with respect to other bank balances as at the end of the reporting year and the comparative year.

10. Loans - current

	As at March 31, 2024	As at March 31, 2023
Loans receivables considered good - secured		
Loan to related parties (refer note 34)		
UEPL	56.84	648.32
NBPL	80.12	54.71
GEPL	185.44	18.53
DBCPL	239.00	262.71
JPEPL	216.30	22.34
UTPL	399.37	-
ANHPL	600.66	-
RAHPL	122.85	-
GSHPL	311.48	-
Total	**2,212.06**	**1,006.61**

(i) For assets pledged as security, refer note 26

(ii) The carrying values are considered to be a reasonable approximation of fair value.

(iii) Includes interest accrued but not due

11. Other current assets

	As at March 31, 2024	As at March 31, 2023
Advance to others	0.03	-
Prepaid expenses	64.70	3.02
	64.73	**3.02**

12. Equity

		As at March 31, 2024	As at March 31, 2023
a)	**Unit capital**		
	415,500,000 units (March 31, 2023 : 415,500,000 units) of ₹ 100 each	41,550.00	41,550.00
	65,931,294 units (March 31, 2023 : Nil) of ₹ 65.93 each	5,140.00	-
	265,454,540 units (March 31, 2023 : Nil) of ₹ 82.50 each	21,900.00	-
		68,590.00	**41,550.00**

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

(i) Terms/rights attached to unit capital:

Subject to the provisions of the SEBI Regulations, the indenture of fund, 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 Units held by the Unitholder to the total number of Units. Each Unit represents an undivided beneficial interest in the Highways Infrastructure Trust ('the Trust').

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 which are conducted in accordance with the SEBI Regulations.

d) Right to vote upon any matter/resolutions proposed in relation to the unitholders

e) Right to receive periodic information-the Investment Manager, on behalf of the Highways Infrastructure Trust, shall also submit such information to the Stock Exchange and the Unitholders, on a periodical basis as may be required under the InvIT Regulations and the Listing Agreement to be entered into with the Stock Exchange. The Investment Manager (on behalf of the Trust) shall disclose to the Stock Exchange, the Unitholders and SEBI, all such information and in such manner as specified under the InvIT Regulations and such other requirements as may be specified by SEBI.

f) Any buyback and de-listing of Units shall be in accordance with the Trust Deed and the SEBI Regulations.

g) the Investment Manager shall ensure adequate and timely redressal of all Unitholders' grievances pertaining to the activities of the Highways Trust, and the Trustee shall periodically review the status of Unitholders' complaints and their redressal undertaken by the Investment Manager. The Investment Manager shall maintain records of the Unitholders' grievances and the actions taken thereon, including copies of correspondences made with the Unitholders.

h) no unitholder of the Trust shall enjoy superior voting or any other rights over another Unitholder. Further, the Units shall not have multiple classes. However, subordinate Units may be issued only to the Sponsor and its Associates, where such subordinate units carry only inferior voting or any other rights compared to other units in the future in accordance with Regulation 4(2)(h) of the SEBI Regulations

i) In terms of the InvIT Regulations not less than 90% of the net distributable cash flows of the Trust shall be distributed to the Unitholders. Such distribution shall be declared and made such that the time period between any two declarations of distribution shall not exceed one year.

Limitations to the liability of unitholders:

A Unitholder has no equitable or proprietary interest in the InvIT Assets and is not entitled to transfer of the InvIT Assets (hereinafter referred as the Trust assets) (or any part thereof) or any interest in the InvIT Assets (or any part thereof) of the Trust. A Unitholder's right is limited to the right to require due administration of the Highways Trust in accordance with the provisions of the Trust Deed and the Investment Management Agreement.

(ii) Reconciliation of units outstanding at the beginning and at the end of the year:

Particulars	March 31, 2024		March 31, 2023	
	No. of units	(₹ in Mn)	No. of units	(₹ in Mn)
Unit capital of ₹ 100 each fully paid up				
Balance at the beginning of the year	415,500,000	41,550.00	-	-
Add: Units issued during the year:				
- Issuance of units by way of private placement at ₹ 100 (refer note (v) below)	-	-	415,500,000	41,550.00
- Issuance of units by way of right issue at ₹ 77.96 (refer note (vi) below)	65,931,294	5,140.00	-	-
- Issuance of units by way of preferential allotment at ₹ 82.50 (refer note (vii) below)	265,454,540	21,900.00	-	-
Balance at the end of the year	**746,885,834**	**68,590.00**	**415,500,000**	**41,550.00**

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

(iii) Unitholders holding more than 5% of units of the Trust as at balance sheet date:

Particulars	March 31, 2024		March 31, 2023	
	No. of units	% holding	No. of units	% holding
Galaxy Investments II Pte. Ltd.	373,900,000	50.06%	373,900,000	89.99%
2452991 Ontario Limited	148,341,698	19.86%	31,200,000	7.51%
Nebula Asia Holdings II Pte. Ltd.	180,606,060	24.18%	-	0.00%
Total	**702,847,758**	**94.10%**	**405,100,000**	**97.50%**

(iv) There were no units issued pursuant to contract without payment being received in cash, allotted as fully paid up by way of bonus issue and/or brought back since the date of incorporation.

(v) During the previous year ended March 31, 2023, the Trust has issued 415,500,000 units on August 22, 2022 persuant to final placement memorandum filled with the Securities and exchange board of india (SEBI) dated August 22, 2022 at at issue price of ₹ 100 each.

(vi) During the current financial year ended March 31, 2024, the Board of Directors of Highway Concessions One Private Limited (acting in its capacity as Investment Manager of the Trust), in its meeting held on July 06, 2023, had considered and approved, inter-alia, issue of units aggregating up to ₹ 5,150.00 Mn ("Issue") by way of a rights issue to eligible unitholders of the Trust, subject to receipt of necessary approvals from statutory, regulatory and other authorities as applicable in accordance with the applicable provisions of the InvIT Regulations and other applicable laws. The net proceeds from the issue are proposed to be utilised towards the following objects:

(a) Acquisition of 100% of the issued, subscribed and paid-up equity share capital of the Ateli Narnaul Highway Private Limited ("Target SPV") from H.G. Infra Engineering Limited ("Shareholders of the Target SPV")

(b) Partial or full repayment of the outstanding debt of the Target SPV, including the debt availed by the Target SPV from certain external lenders and its existing shareholders; and

(c) for general purposes.

Pursuant to the above issue, draft letter of offer filed with the National Stock Exchange of India Limited ("NSE") on July 07, 2023, and letter of offer filed with NSE on September 25, 2023 in accordance with applicable law. Further, the Investment Manager of the trust has approved allotment of 65,931,294 units on a rights basis on October 13, 2023 to the eligible unitholders of Highways Infrastructure Trust who have submitted bids under the rights issue for cash at a price of ₹ 77.96 per unit aggregating to approximately ₹ 5,140.00 Mn, in accordance with the applicable law. In-principal approval for listing of the above units was received via letter dated October 16, 2023 from NSE who intimated the Investment Manager of the Trust that the NSE has listed and admitted to dealings of these units on the Stock Exchange w.e.f October 17, 2023.

The Trust has paid issue management fees of ₹ 17.70 Mn to Axis Capital Limited ("Axis Capital") from the Rights Issue Proceeds during the year ended March 31, 2024. While Axis Capital is an affiliate of the Trustee, it is not an associate of the Trust in terms of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992. There is no conflict of interest under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended, or any other applicable SEBI rules or regulations and current disclosure is being made to ensure disclosure of all transactions with affiliate of the Trustee. The disclosure w.r.t. issue management fees was disclosed on the letter of offer dated September 25, 2023 for rights issue filed with the NSE.

(vii) During the current financial year ended March 31, 2024, the Board of Directors of the Investment Manager of the Trust has approved the allotment of 265,454,540 units of the Trust at an issue price of ₹ 82.50 per unit for an aggregate amount up to approximate ₹ 21,900.00 Mn on a preferential basis in accordance with the the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 read with Chapter 7 'guidelines for preferential issue and institutional placement of units by listed InvITs' of Master Circular for Infrastructure Investment Trusts (InvITs) dated July 06, 2023 and amendments thereof (herein referred as the 'SEBI Regulations'). The units were listed with National Stock Exchange Limited on January 20, 2024. The proceeds of ₹ 21,900 Mn have been utilised for payment of purchase consideration of STPL and GRICL.

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

13. Other equity

	As at March 31, 2024	As at March 31, 2023
Retained earnings	(12,771.18)	(5,715.12)
	(12,771.18)	**(5,715.12)**

Description of nature and purpose of each reserve:

Retained earnings

Retained earnings are created from the profit/(loss) of the Trust, as adjusted for distributions to owners, transfers to other reserves and issue related expenses etc.

14. Borrowings

	As at March 31, 2024	As at March 31, 2023
Term Loans (secured)		
Non convertible debentures	11,275.62	6,351.05
Rupee term loans from banks	21,185.13	7,673.13
Total Non-current borrowings (excluding current maturities)	**32,460.75**	**14,024.18**
Current maturities of long-term borrowings (refer note 15)		
- Rupee term loans from banks	465.10	160.00
- Non convertible debentures	65.00	65.00
- Commercial paper	2,647.55	-
Total borrowings (including current maturities)	**35,638.40**	**14,249.18**

(i) Refer Note 31 - Fair value disclosures for disclosure of fair value in respect of financial assets measured at amortised cost and note 32 - Financial risk management for assessment of expected credit losses

(ii) **Reconciliation of liabilities arising from financing activities pursuant to Ind AS 7 - Cash flows:**

Particulars	Non-current borrowings (including current maturities)
Balance as at April 01, 2022	**-**
Cash flows:	
Proceeds from borrowings (net of processing fees)	14,350.14
Repayment of borrowings	(112.50)
Non-cash:	
Impact of amortised cost adjustment for borrowings	11.54
Balance as at March 31, 2023	**14,249.18**
Cash flows:	
Proceeds from borrowings (net of processing fees)	21,648.81
Repayment of borrowings	(377.66)
Non-cash:	
Impact of amortised cost adjustment for borrowings	28.14
Interest on Commercial Paper	89.93
Balance as at March 31, 2024	**35,638.40**

For repayment terms and security details of the outstanding non-current borrowings (including current maturities) refer the table below:

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

A. Repayment terms

Repayment terms of rupee term loan (RTL):

Rupee term loan (including RTL- 1 for sanctioned limits of ₹ 8,000.00 Mn and RTL-2 for sanctioned limits of ₹ 19,000.00 Mn) from banks and financial institutions (including current maturities) of ₹ 21,650.23 Mn (March 31, 2023: ₹ 7,833.13 Mn) which carries weighted average interest rate of 8.34% p.a. (March 31, 2023: 7.94% p.a.) linked to Benchmark Rates (as defined in Rupee Loan Agreement or any communication from lender in relation to shift in Benchmark Rate) plus spread, if any, the interest rate will reset on such periodicity (in line with Benchmark Rate). The RTL-1 loan is repayable in 55 structured quarterly instalments starting from September 30, 2022 and ending on March 31, 2036. The RTL- 2 loan is repayable in 65 structured quarterly instalments starting from March 31, 2024 and ending on June 30, 2040.

Repayment terms of non-convertible debentures (NCD):

Series I and II:

For the previous year ended March 31, 2023, 'The Trust has issued senior, secured, taxable, rated, listed, redeemable, non-convertible debt (NCDs) amounting to ₹ 4,000.00 Mn for Series I at coupon rate of 7.81% p.a. (March 31, 2023: 7.71% p.a) and ₹ 2,500.00 Mn for Series II at coupon rate of 8.25% p.a (March 31, 2023: 8.25% p.a) having an outstanding balance as at March 31, 2024 of ₹ 6,366.13 Mn (March 31, 2023 of ₹ 6,416.05 Mn) which will mature on December 22, 2025 and September 22, 2029 respectively. The NCDs are listed on Bombay Stock Exchange (BSE). The said series I NCDs is repayable in 13 structured quaterly installments starting from December 31, 2022 and ending on December 22, 2025. Further series II NCDs is repayable in 28 structured quaterly installments starting from December 31, 2022 and ending on September 22, 2029.

Series III:

The Trust has issued senior, secured, taxable, rated, listed, redeemable Non-Convertible Debentures ("NCD's") amounting to ₹ 5,000.00 Mn for Series III at coupon rate of 8.34% p.a. (March 31, 2023: Nil) having an outstanding balance as at March 31, 2024 of ₹ 4,974.49 Mn (March 31, 2023 of ₹ Nil). The NCDs are listed on Bombay Stock Exchange (BSE). The said series III NCDs is repayable in bullet payments at the end of 3 years from deemed date of allotments i.e. January 18, 2027.

Repayment terms of Commercial papers (CP):

Further, the Trust has issued Commercial paper ("CP") amounting to ₹ 2,750.00 Mn at discount rate of 8.30% p.a. having an outstanding balance as at March 31, 2024 of ₹ 2,647.55 Mn (March 31, 2023: ₹ Nil) after unwinding of Interest on CP. The said CP is repayable in bullet payments after 328 days from date of issue. i.e. September 23, 2024.

B. Security clause: non-convertible debenturs (NCD) and rupee term loan (RTL) are secured by:

a) first ranking pari passu security interest, by way of hypothecation on all movable assets and the receivables of Highways Infrastructure Trust ('the Issuer'), present and future, including but not limited to:
   i) all receivables of the Issuer from the HoldCos and SPVs
   ii) loans and advances, and interest on such loans and advances advanced by the Issuer to the HoldCos and SPVs
   iii) dividends and any other amounts to be paid / payable by the HoldCos and SPVs to the Issuer
   iv) inventories, contractual rights, securities, patents, trademarks, other intellectual property, equipment and/or insurances (in each instance, if any) of the Issuer
   v) all other current assets of the Issuer, including all the Issuer's tangible and intangible assets, including but not limited to its goodwill, undertaking and uncalled capital, both present and future;

(b) first ranking pari passu charge by way of mortgage on all immoveable assets of the Issuer (if any), both present and future

(c) first ranking pari passu charge by way of hypothecation over all bank accounts of the Issuer, including but not limited to the Escrow Account and the Sub-Accounts (or any account in substitution thereof), and in all funds from time to time deposited therein (including the reserves) and the permitted investments or other securities representing all amounts credited to the Escrow Account including the cash flows to be received from the HoldCos and SPVs.

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

(d) first ranking pari-passu charge over DSRA all funds from time to time deposited therein and all permitted investments or other securities representing all amounts credited to the DSRA or, as applicable, the bank guarantee or fixed deposit in lieu of the DSRA.

(e) first ranking pari passu charge by way of assignment through hypothecation by way of security of (i) all the right, title, interest, benefits, claims and demands whatsoever of the Issuer in, to and under all the loans and advances extended by the Issuer to any of the HoldCos and SPVs present and future (collectively, the "Issuer Loans") (ii) the right, title and interest and benefits of the Issuer in, to and under all the SPV Financing Documents, deeds, documents and agreements or any other instruments (both present and future) which are now executed or may hereafter be executed by the Issuer with respect to the Issuer Loans including the rights and securities available to the Issuer in respect of the Issuer Loans including documents in respect of Issuer Loan;

(f) a first ranking pari passu pledge over all the equity shares, preference shares, debentures (whether convertible or not) representing 100% (one hundred percent) of such securities, respectively, issued by each of SPVs and the HoldCos to the Issuer / HoldCo ("Pledged Securities").

15. Current borrowings

	As at March 31, 2024	As at March 31, 2023
Current maturities of non-current borrowings (refer note 14)		
- Rupee term loans from banks	465.10	160.00
- Non convertible debentures	65.00	65.00
- Commercial paper	2,647.55	-
	3,177.65	**225.00**

16. Trade payables

	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro and small enterprises	3.96	1.54
Total outstanding due to creditors other than micro and small enterprises		
- Related parties (refer note 34)	24.71	22.76
- Others	113.70	27.73
	138.41	**50.49**
	142.37	**52.03**

Note:-

(i) Refer note 32 Financial risk management for presentation of financial instruments by category.

Dues to micro and small enterprises pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006

On the basis of confirmation obtained from suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) and based on the information available with the Trust, the following are the details:

Particulars	As at March 31, 2024	As at March 31, 2023
a) the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	3.96	1.54
b) the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

Particulars		As at March 31, 2024	As at March 31, 2023
c)	the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
d)	the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
e)	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

Ageing Schedule of Trade payable

As at March 31, 2024

Particulars		Outstanding for following period from due date of payment					
		Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed dues - MSME	3.96	-	-	-	-	3.96
(ii)	Undisputed dues - Others	138.41	-	-	-	-	138.41
(iii)	Disputed dues - MSME	-	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-	-
Total		**142.37**	**-**	**-**	**-**	**-**	**142.37**

As at March 31, 2023

Particulars		Outstanding for following period from due date of payment					
		Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i)	Undisputed dues - MSME	-	1.54	-	-	-	1.54
(ii)	Undisputed dues - Others	28.45	22.04	-	-	-	50.49
(iii)	Disputed dues - MSME	-	-	-	-	-	-
(iv)	Disputed dues - Others	-	-	-	-	-	-
Total		**28.45**	**23.58**	**-**	**-**	**-**	**52.03**

17. Other financial liabilities

	As at March 31, 2024	As at March 31, 2023
Interest accrued on rupee term loan	3.64	1.19
Interest accrued on NCD	2.38	1.30
Consideration payable towards acquisition of subsidiaries	578.09	-
	584.11	**2.49**

18. Other current liabilities

	As at March 31, 2024	As at March 31, 2023
Statutory liabilities	26.09	16.41
	26.09	**16.41**

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

19. Current tax liabilities (net)

	As at March 31, 2024	As at March 31, 2023
Provision for income tax (net)	8.21	-
	8.21	**-**

20. Interest income on loans from subsidiaries

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
- Interest on CCD's	-	357.06
- Interest on RTL	2,742.37	923.98
- Interest on OCD'S	745.32	300.89
	3,487.69	**1,581.93**

21. Other income

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Gain on sale of investments	5.90	-
Other income	2.56	-
	8.46	**-**

22A Interest on term loan and non convertible debentures

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
- on rupee term loan	1,021.38	308.71
- on non-convertible debentures	614.12	275.42
- on commercial paper	89.93	-
	1,725.43	**584.13**

22B Other finance costs

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Finance and bank charges	1.22	0.57
	1.22	**0.57**

23. Audit fees

	For the year ended March 31, 2024	For the year ended March 31, 2023
Statutory audit and limited review fees	20.78	15.43
Certification fees	3.85	1.24
Out of pocket expenses	0.58	0.71
	25.21	**17.38**

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

24. Other expenses

	For the year ended March 31, 2024	For the year ended March 31, 2023
Travelling expenses	9.76	-
Telephone and communication	0.01	0.01
Rates and taxes	1.30	0.01
Demat fees	-	0.02
Loss on reduction of investment in equity	8.44	14.22
Miscellaneous expenses	0.24	2.07
	19.75	**16.33**

25 Exceptional items

	For the year ended March 31, 2024	For the year ended March 31, 2023
Impairment of non-current investments - SEPL	-	154.38
Impairment of non-current investments - NBPL	11.23	244.05
Impairment of non-current investments - JPEPL	2,353.95	1,509.31
Impairment of non-current loan given - JPEPL	368.85	-
Impairment of non-current investments - DBCPL	-	136.85
Impairment of non-current investments - RAHPL	211.63	-
Impairment of non-current investments - GSHPL	133.47	-
Impairment of non-current investments - STPL	1,885.66	-
	4,964.79	**2,044.59**

Note:

As per Ind AS 36 'Impairment of Assets', management carried out the impairment assessment of investment in subsidiaries and provided for an impairment loss of ₹ 4,964.78 Mn (March 31, 2023: ₹ 2,044.59 Mn) basis the fair valuation conducted as per the future projected cash flows of the assets (after performing sensitivity analysis) during the year ended March 31, 2024. The recoverable value determined through value in use method in respect of investment in subsidiary. The discount rate used for determining the recoverable value is 8.63% for SEPL, 8.07% for NBPL, 10.44% for JPEPL, 10.52% for DBCPL, 7.43% for RAHPL, 7.50% for GSHPL and 9.94% for STPL for the year ended March 31, 2024 and 8.38% for SEPL, 8.35% for NBPL, 10.50 % for JPEPL and 10.55% for DBCPL for the year ended March 31, 2024.

Recoverable Value:	For the year ended March 31, 2024	For the year ended March 31, 2023
SEPL	139.89	201.89
NBPL	175.78	110.36
JPEPL	-	2,353.95
DBCPL	13,783.60	12,218.15
RAHPL	711.30	-
GSHPL	1,977.01	-
STPL	15,181.91	-

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

26. Assets pledged as security

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Investments (refer note 7)	174.91	292.52
Cash and cash equivalents and bank balances other than cash and cash equivalents (refer note 8 and 9)	1,414.20	1,241.97
Loans (refer note 10)	2,212.06	1,006.61
Other current assets (refer note 11)	64.73	3.02
Total current assets pledged as security	**3,865.90**	**2,544.13**
Non-current		
Investments (refer note 3)	52,665.68	36,159.46
Loans (refer note 4)	35,685.92	11,450.25
Other non current financial assets (refer note 5)	0.50	-
Non-current tax assets (net) (refer note 6)	-	1.16
Total non-currents assets pledged as security	**88,352.10**	**47,610.86**
Total assets pledged as security	**92,218.00**	**50,154.99**

27. Tax expense

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Income tax expense recognised in Statement of Profit and Loss		
Current tax	67.38	18.27
Current tax relating to earlier year	0.11	-
	67.49	**18.27**
The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate and the reported tax expense in profit or loss are as follows:		
Profit before tax	(1,983.40)	444.73
Income tax using the Trust's domestic tax rate*	42.74%	42.74%
Expected tax expense [A]	**(847.79)**	**190.10**
Tax effect of adjustment to reconcile expected income tax expense to reported income tax expense		
Tax impact of exempt income as per Income Tax Act, 1961	(2,165.52)	(1,378.12)
Tax impact of non-deductable expenditure pursuant to section 14A of the Income Tax Act, 1961	3,080.69	1,206.30
Others	0.11	-
Total adjustments [B]	**915.28**	**(171.83)**
Actual tax expense [C=A+B]	**67.49**	**18.27**
* Domestic tax rate applicable to the Trust has been computed as follows:		
Base tax rate	30.00%	30.00%
Surcharge (% of tax)	37.00%	37.00%
Cess (% of tax)	4.00%	4.00%
Applicable tax rate	**42.74%**	**42.74%**

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

28. Earnings per unit (EPU)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Net (loss)/profit attributable to unitholders	**(2,050.89)**	**426.46**
Number of weighted average units (nominal value of ₹ 100 each)**		
- Basic EPU	499,975,102	251,576,712
- Diluted EPU	499,975,102	251,576,712
Earnings per unit - after exceptional items and tax		
- Basic EPU	(4.10)	1.70
- Diluted EPU	(4.10)	1.70

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

**Diluted EPU amounts are calculated by dividing the profit attributable to unit holders by the weighted average number of units outstanding during the year plus the weighted average number of units that would be issued on conversion of all the dilutive potential units into unit capital.

29. Capital and other commitments

Commitments as at March 31, 2024 is Nil (March 31, 2023: Nil)

30. Contingent liabilities and claims

Contingent Liabilities as at March 31, 2024 is Nil (March 31, 2023: Nil)

31. Fair value disclosures

(i) Fair value of instruments measured at amortised cost:

Fair value of instruments measured at amortised cost for which fair value is disclosed as follows using Level 3 inputs:

Particulars	Level	As at March 31, 2024		As at March 31, 2023	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets					
Investments (refer note 3 and 7)	Level 3	52,840.59	60,728.82	36,451.98	38,846.67
Cash and cash equivalents (refer note 8)	Level 3	461.18	461.18	265.54	265.54
Bank balances other than cash and cash equivalents above (refer note 9)	Level 3	953.02	953.02	976.43	976.43
Current and non current loans (refer note 4 and 10)	Level 3	37,897.97	37,897.97	12,456.86	12,456.86
Others (refer note 5)	Level 3	0.50	0.50	-	-
Total financial assets		**92,153.27**	**100,041.50**	**50,150.81**	**52,545.50**
Financial liabilities					
Borrowings (including current maturities of non-current borrowings) (refer note 14 and 15)	Level 3	35,638.40	35,638.40	14,249.18	14,249.18
Trade payables (refer note 16)	Level 3	142.37	142.37	52.03	52.03
Other financial liabilities (refer note 17)	Level 3	584.11	584.11	2.49	2.49
Total financial liabilities		**36,364.88**	**36,364.88**	**14,303.70**	**14,303.70**

Valuation process and technique used to determine fair value

* The fair values of the Trust's loans and Investments are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting year. The own non-performance risk as at the reporting year end was assessed to be insignificant.

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

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

Investment in subsidiaries	Valuation Method	Revenue growth rate		Data inputs (Discount rate)		Equity value of investment	
		March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023	March 31, 2024	March 31, 2023
Shillong Expressway Private Limited	Discounted cash flow method	refer note 1	refer note 1	8.09%	8.38%	279.94	201.89
Nirmal BOT Private Limited	Discounted cash flow method	refer note 1	refer note 1	8.07%	8.35%	146.10	120.34
Dewas Bhopal Corridor Private Limited	Discounted cash flow method	10.99% to 12.63%	10.97% to 12.11%	10.52%	10.55%	13,468.37	12,218.15
Godhra Expressways Private Limited	Discounted cash flow method	8.38% to 11.91%	8.39% to 12.14%	10.45%	10.46%	12,212.71	18,379.28
Ulundurpet Expressways Private Limited	Discounted cash flow method	4.42% to 8.14%	4.13% to 6.51%	10.10%	10.11%	3,459.70	3,056.34
Jodhpur Pali Expressway Private Limited	Discounted cash flow method	3.89% to 9.40%	6.20% to 27.56%	10.48%	10.50%	-	4,870.67
Ateli Narnaul Highway Private Limited	Discounted cash flow method	refer note 1	refer note 1	7.43%	refer note 2	1,808.56	refer note 2
Rewari Ateli Highway Private Limited	Discounted cash flow method	refer note 1	refer note 1	7.43%	refer note 2	546.20	refer note 2
Gurgaon Sohna Highway Private Limited	Discounted cash flow method	refer note 1	refer note 1	7.50%	refer note 2	710.99	refer note 2
Udupi Tollway Private Limited	Discounted cash flow method	7.35% to 11.08%	refer note 2	10.60%	refer note 2	243.90	refer note 2
Gujarat Road and Infrastructure Company Limited	Discounted cash flow method	(1.93%) to 11.92%	refer note 2	10.27%	refer note 2	8,992.10	refer note 2
Swarna Tollway Private Limited	Discounted cash flow method	6.34% to 9.33%	refer note 2	9.94%	refer note 2	18,860.25	refer note 2
						60,728.82	**38,846.67**

Note 1 - For HAM model and Annuity model subsidiaries, Actual revenue as per service concession agreement have been considered.

Note 2 - Entity is acquired during the year, hence figures for previous year is not given.

ii) Financial instruments by category

Particulars	As at March 31, 2024			As at March 31, 2023		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investments* (refer note 3 and 7)	-	-	207.90	-	-	7,395.59
Cash and cash equivalents (refer note 8)	-	-	461.18	-	-	265.54
Bank balances other than cash and cash equivalents above (refer note 9)	-	-	953.02	-	-	976.43
Current and non current loans (refer note 4 and 10)	-	-	37,897.97	-	-	12,456.86
Others (refer note 5)	-	-	0.50	-	-	-
Total	**-**	**-**	**39,520.58**	**-**	**-**	**21,094.42**

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

Particulars	As at March 31, 2024			As at March 31, 2023		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial liabilities						
Borrowings (including current maturities of non-current borrowings) (refer note 14 and 15)	-	-	35,638.40	-	-	14,249.18
Trade payables (refer note 16)	-	-	142.37	-	-	52.03
Other financial liabilities (refer note 17)	-	-	584.11	-	-	2.49
Total	**-**	**-**	**36,364.88**	**-**	**-**	**14,303.70**

*Excludes investment in equity instruments of subsidiaries (net of impairment) amounting to ₹ 52,632.69 carried at cost in accordance with Ind AS 27, Separate Financial Statements ('Ind AS 27') for the year ended March 31, 2024.

32. Financial risk management

The Trust's activities expose it to market risk, liquidity risk and credit risk. The Board of Directors of the Investment Manager of the Trust has overall responsibility for the establishment and oversight of the Trust's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the Standalone financial statements :

Risk	Exposure arising from	Measurement	Management manages risk by
Credit risk	Cash and cash equivalents, Loans carried at amortised cost Bank balances other than cash and cash equivalents	Aging analysis	Investing in bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities.
Market risk : price risk	Investments measured at fair value through profit and loss	Sensitivity analysis	Diversification of portfolio of its assets.
Market risk : interest rate	Borrowings at variable rates	Sensitivity analysis	Negotiation of terms that reflect the market factors.

The Trust's risk management is carried out by a project finance team and treasury team under policies approved by Board of Directors of Investment manager. The Board of Directors of Investment manager provides principles for overall risk management, as well as policies covering specific areas, such as interest rate risk, credit risk and investment of excess liquidity.

A) Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Trust. The Trust is exposed to this risk for various financial instruments, for example by granting loans and making deposits, etc. The Trust's maximum exposure to credit risk is limited to the carrying amount of following types of financial assets:

- cash and cash equivalents,
- loans and receivables carried at amortised cost.

a) Credit risk management

The Trust assesses and manages credit risk based on internal credit rating system, continuously monitoring defaults of counterparties, identified either individually or by the Trust, and incorporates this information into its credit risk controls. Internal credit rating is performed for each class of financial instruments with different characteristics. The Trust assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

(i) Low credit risk

(ii) Moderate credit risk

(iii) High credit risk

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

Assets under credit risk :

Credit rating	Particulars	As at March 31, 2024	As at March 31, 2023
A: Low	Cash and cash equivalents	461.18	265.54
	Bank balances other than cash and cash equivalents above	953.02	976.43
B: High	Investments	207.90	7,395.60
	Loans to related parties	37,897.98	12,456.86
	Total	**39,520.08**	**21,094.42**

Cash and cash equivalents and bank balances other than cash and cash equivalents

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks.

Loans and non-current investments measured at amortised cost

Loans measured at amortised cost and loans given to related parties, the credit risk related to these financial assets is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

b) Expected credit losses

Financial assets (other than trade receivables)

The Trust provides for expected credit losses on loans and advances by assessing individual financial instruments for expectation of any credit losses.

- For cash and cash equivalents- Since the Trust deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents, other bank balances and bank deposits is evaluated as very low.
- For loans - Credit risk is evaluated based on the Trust's knowledge of the credit worthiness of those parties and loss allowance is measured. Since, this category includes loans which has been given to its subsidiary companies, credit risk in respect of these loans is evaluated as high.

B) Liquidity risk

Liquidity risk is the risk that the Trust may encounter difficulty in meeting its present and future obligations associated with financial liabilities that are required to be settled by delivering cash or another financial asset. The Trust's objective is to, at all times, maintain optimum levels of liquidity to meet its cash and collateral obligations. The Trust requires funds both for short-term operational needs as well as for long-term investment programs mainly in growth projects. The Trust closely monitors its liquidity and deploys a robust cash management system. It aims to minimise these risks by generating sufficient cash flows from its current operations, which in addition to the available cash and cash equivalents, liquid investments and sufficient committed fund facilities, will provide liquidity.

a) Financing arrangements

The Trust has access to undrawn borrowing facilities under rupee term loan agreement at the end of the March 31, 2024 amounting to ₹ 4,751.57 Mn and March 31, 2023 amounting to Nil.

b) Maturities of financial liabilities

The tables below analyse the Trust's financial liabilities into relevant maturity categories based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows.

As at March 31, 2024	Less than 1 year	1-3 year	3-5 year	More than 5 years	Total
Borrowings (including current maturities of non-current borrowings)	6,014.08	15,222.15	5,939.75	29,084.32	56,260.30
Other financial liabilities	584.11	-	-	-	584.11
Trade payable	142.37	-	-	-	142.37
Total	**6,740.56**	**15,222.15**	**5,939.75**	**29,084.32**	**56,986.78**

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

As at March 31, 2023	Less than 1 year	1-3 year	3-5 year	More than 5 years	Total
Borrowings (including current maturities of non-current borrowings)	1,359.85	6,618.14	2,632.74	10,925.12	21,535.85
Other financial liabilities	2.49	-	-	-	2.49
Trade payable	52.03	-	-	-	52.03
Total	**1,414.37**	**6,618.14**	**2,632.74**	**10,925.12**	**21,590.38**

C) Price risk

i) Exposure

The Trust is not exposed to price risk as at balance sheet date.

D) Interest rate risk

i) Liabilities

The Trust's policy is to minimise interest rate cash flow risk exposures on long-term financing. At the reporting periods end, the Trust is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Trust's investments in fixed deposits pay fixed interest rates.

Interest rate risk exposure

Below is the overall exposure of the Trust to interest rate risk:

Particulars	As at March 31, 2024	As at March 31, 2023
Variable rate borrowing	21,650.23	7,833.13
Fixed rate borrowing	13,988.17	6,416.05
Total borrowings	**35,638.40**	**14,249.18**
Amount disclosed under current borrowings	3,177.65	225.00
Amount disclosed under non current borrowings	**32,460.75**	**14,024.18**

Sensitivity

Below is the sensitivity of profit or loss and equity changes in interest rates.

Particulars	As at March 31, 2024	As at March 31, 2023
Interest sensitivity*		
Interest rates – increase by 100 bps*	216.50	78.33
Interest rates – decrease by 100 bps*	(216.50)	(78.33)

* Holding all other variables constant

E) Foreign Currency risk

The Trust has made few foreign currency transaction during the financial year ended March 31, 2024 ₹ 10.50 Mn (March 31, 2023: NIL). As at March 31, 2024 there is no foreign currency exposure. Hence, Trust is not exposed to any foreign currency risk.

ii) Assets

The Trust's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107 'Financial Instruments Disclosures', since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

33. Capital management

For the purpose of the Trust's capital management, capital includes issued unit capital and all other equity 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 shareholder 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 return capital to shareholders or issue new shares. The Trust monitors capital using a gearing ratio, which is net debt divided by total equity. The Trust's policy is to keep the gearing ratio optimum. The Trust includes within its net debt, borrowings less cash and cash equivalents.

Debt equity ratio

Particulars	As at March 31, 2024	As at March 31, 2023
Net debts*	35,177.22	13,983.64
Total equity	55,818.82	35,834.88
Net debt to equity ratio	0.63	0.39

Net debt*

Particulars	As at March 31, 2024	As at March 31, 2023
Non current borrowings (refer note 14)	32,460.75	14,024.18
Current borrowings (refer note 15)	3,177.65	225.00
Less: Cash and cash equivalents (refer note 8)	(461.18)	(265.54)
Net debt	**35,177.22**	**13,983.64**

34. Information on related party transactions pursuant to Ind AS 24 - Related Party Disclosures

I. Following are the related parties and transactions entered with related parties for the year ended March 31, 2024 and March 31, 2023:

Subsidiaries

Dewas Bhopal Corridor Private Limited ("DBCPL")

Nirmal BOT Private Limited ("NBPL") (formerly known as 'Nirmal BOT Limited')

Jodhpur Pali Expressway Private Limited ("JPEPL")

Godhra Expressways Private Limited ("GEPL")

Ulundurpet Expressways Private Limited ("UEPL")

Shillong Expressway Private Limited ("SEPL")

Udupi Tollway Private Limited ("UTPL") (formerly known as 'Navyuga Udupi Tollway Private Limited') w.e.f. November 02, 2023

Ateli Narnaul Highway Private Limited ("ANHPL") (formerly known as 'HG Ateli Narnaul Highway Private Limited') w.e.f. November 22, 2023

Rewari Ateli Highway Private Limited ("RAHPL") (formerly known as 'HG Rewari Ateli Highway Private Limited') w.e.f. November 22, 2023

Gurgaon Sohna Highway Private Limited ("GSHPL") w.e.f. November 22, 2023

Gujarat Road and Infrastructure Company Limited ("GRICL") w.e.f. January 24, 2024

Swarna Tollway Private Limited ("STPL") w.e.f. January 24, 2024

Holding Entity

Galaxy Investments II Pte. Ltd

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

Intermediate holding entities

Galaxy Investments Pte. Ltd

KKR Asia Pacific Infrastructure Holdings Pte Ltd

Ultimate holding entity

KKR Asia Pacific Infrastructure Investors SCSp*

*Managed by its general partner KKR Associates AP Infrastructure SCSp. Further KKR Associates AP Infrastructure SCSp is in turn managed by its general partner, KKR AP Infrastructure S.à r.l

Fellow subsidiaries*

Highway Concessions One Private Limited ("HC1")

HC One Project Manager Private Limited

**With whom the Trust had transactions during the current or previous period*

Key managerial personnel (KMP) as per Ind AS 24- "Related party disclosures"

Refer note II C. (xvi) for details of KMP of Highway Concessions One Private Limited who is acting as an investment manager on behalf of the trust w.e.f November 23, 2022 and II C. (xiii) or details of KMP of Virescent Infrastructure Investment Manager Private Limited who was acting as an investment manager on behalf of the trust uptil November 22, 2022.

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

A. Parties to Highways Infrastructure Trust

Sponsor Group:

On Completion of issuance and allotment of preferential units (refer note 12(vii)), the following entities form part of the 'Sponsor Group' in accordance with Regulation 2(1)(zxc) of the InvIT Regualtions read with the proviso to Regulation(4)(2)(d)(i) of the InvIT Regulations

Galaxy Investments II Pte. Ltd - Sponsor of Highway Infrastructure Trust

Galaxy Investments Pte. Ltd

KKR Asia Pacific Infrastructure Holdings Pte Ltd

KKR Asia Pacific Infrastructure Investors SCSp

KKR Associates AP Infrastructure SCSp

KKR AP Infrastructure S.à r.l

Nebula Asia Holdings II Pte. Ltd. (w.e.f. January 19, 2024)

Nebula I Investments Pte. Ltd. (w.e.f. January 19, 2024)

KKR Asia Pacific Infrastructure Holdings II Pte. Ltd. (w.e.f. January 19, 2024)

KKR Asia Pacific Infrastructure Investors II SCSp (w.e.f. January 19, 2024)

KKR Associates AP Infrastructure II SCSp; and (w.e.f. January 19, 2024)

KKR AP Infrastructure II S.à r.l. (w.e.f.January 19, 2024)

Highway Concessions One Private Limited ("HC1") - Investment Manager of Trust (w.e.f November 23, 2022)

Virescent Infrastructure Investment Manager Private Limited - Investment Manager of Trust (upto November 22, 2022)

HC One Project Manager Private Limited- Project manager of the Trust (w.e.f November 14, 2022)

Virescent Renewable Energy Project Manager Private Limited - Project manager of the Trust (upto November 13, 2022)

Axis Trustee Services Limited (ATSL) - Trustee of Highways Infrastructure Trust

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

B. Promoters of the parties to Highways Infrastructure Trust specified in II(A) above

Axis Bank Limited - Promoter of Axis Trustee Services Limited

Highway Concessions One Private Limited -Promoter of HC One Project Manager Private Limited (w.e.f November 14, 2022)

Virescent Infrastructure Investment Manager Private Limited -Promoter of Virescent Renewable Energy Project Manager Private Limited (upto November 13, 2022)

Galaxy Investments Pte. Ltd - Promoter of Galaxy Investments II Pte. Ltd

Galaxy Investments II Pte. Ltd -Promoter of Highway Concessions One Private Limited (w.e.f November 23, 2022)

Terra Asia Holdings II Pte. Ltd.- Promoter of Virescent Infrastructure Investment Manager Private Limited (upto November 22, 2022)

C. Directors/General Partners/Managers of the parties to Highways Infrastructure Trust specified in II(A) above

(i) Directors of Galaxy Investment II Pte. Ltd

Tang Jin Rong
Madhura Narawane
Goh Ping Hao

(ii) Directors of Galaxy Investments Pte. Ltd

Tang Jin Rong
Madhura Narawane

(iii) Directors of KKR Asia Pacific Infrastructure Holdings Pte Ltd

Tang Jin Rong
Goh Wei Chong Matthew

(iv) General Partner of KKR Asia Pacific Infrastructure Investors SCSp

KKR Associates AP Infrastructure SCSp

(v) General Partner of KKR Associates AP Infrastructure SCSp

KKR AP Infrastructure S.à r.l

(vi) Managers of KKR AP Infrastructure S.à r.l

Jason Carss (Class A)
Steven Codispoti (Class A)
Thomas Weber (Class B)
Nina Scheid (Class B)

(vii) Directors of Nebula Asia Holdings II Pte. Ltd. (w.e.f. January 19, 2024)

Tang Jin Rong
Madhura Narawane

(viii) Directors of Nebula I Investments Pte. Ltd. (w.e.f. January 19, 2024)

Tang Jin Rong
Madhura Narawane

(ix) Directors of KKR Asia Pacific Infrastructure Holdings II Pte. Ltd. (w.e.f. January 19, 2024)

Tang Jin Rong
Banerjea Projesh

(x) General Partner of KKR Asia Pacific Infrastructure Investors II SCSp (w.e.f. January 19, 2024)

KKR Associates AP Infrastructure II SCSp

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

(xi) General Partner of KKR Associates AP Infrastructure II SCSp (w.e.f. January 19, 2024)

KKR AP Infrastructure II S.à r.l.

(xii) Managers of KKR AP Infrastructure II S.à r.l. (w.e.f. January 19, 2024)

Jason Carss (Class A)

Steven Codispoti (Class A)

Thomas Weber (Class B)

Nina Scheid (Class B)

(xiii) Directors/KMP of Virescent Infrastructure Investment Manager Private Limited (details upto November 22, 2022)

Mr. Pradeep Kumar Panja, Independent Director

Mr. Sanjay Grewal, Wholetime Director

Mr. Akshay Jaitly, Independent Director

Mr. Hardik Bhadrik Shah, Director

Mr. Aditya Narayan, Non-executive Director

Ms. Daisy Devassy Chittilapilly, Independent Director

Ms. Charmy bhoot, Company Secretary and Compliance Officer

(xiv) Directors of Virescent Renewable Energy Project Manager Private Limited (details upto November 13, 2022)

Mr. Sanjay Grewal, Director

Mr. Atul Raizada, Director

(xv) Directors of Axis Trustee Services Limited

Ms. Deepa Rath CEO (KMP), Managing Director

Mr. Rajesh Kumar Dahiya (Director) (till January 15, 2024)

Mr. Ganesh Sankaran (Director) (till January 15, 2024)

Mr. Sumit Bali (Non-executive Director) (w.e.f January 16, 2024)

Mr. Prashant Joshi (Non-executive Director) (w.e.f January 16, 2024)

(xvi) Directors/KMP of Highway Concessions One Private Limited

Mr. Hardik Bhadrik Shah, Non-executive Director

Mr. Neeraj Sanghi, CEO (KMP), Whole time Director (till March 31, 2024) (refer note 51)

Mr. Gaurav Chandna (KMP), Executive Director and Joint CEO (w.e.f April 01, 2024) (refer note 51)

Dr Zafar Khan, Director (KMP), Joint CEO (w.e.f April 01, 2024) (refer note 51)

Ms. Sudha Krishnan, Independent Director (w.e.f September 14, 2022)

Ms. Ami Vinoo Momaya, Non-executive Director

Mr. Subramanian Janakiraman, Independent Director

Mr. Manish Agarwal, Independent Director (from w.e.f September 14, 2022)

Ms. Kunjal Shah, Company Secretary and Compliance Officer

Mr. Narayanan Doraiswamy, Chief Financial Officer (refer note 47)

Mr. Abhishek Chhajer, Chief Financial Officer (refer note 47)

(xvii) Directors of HC One Project Manager Private Limited

Mr. Abhishek Chhajer (w.e.f April 01, 2024)

Mr. Neeraj Sanghi, Director (w.e.f September 20, 2022 till March 31, 2024)

Dr Zafar Khan, Director (w.e.f September 20, 2022)

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

III. Transactions and outstanding balances with related party

Particulars	April 01, 2023 to March 31, 2024	April 01, 2022 to March 31, 2023
Galaxy Investment II Pte. Ltd		
Transaction during the year		
Issue of unit capital	-	37,390.00
Distribution to unit-holders^	3,315.00	5,426.24
Investment in CCD's	-	3,060.00
Balance outstanding at the end of the year		
Unit capital	37,390.00	37,390.00
Nebula Asia Holdings II Pte. Ltd.		
Transaction during the year		
Issue of unit capital	14,900.00	-
Distribution to unit-holders^	660.64	-
Balance outstanding at the end of the year		
Unit capital	14,900.00	-
Virescent Infrastructure Investment Manager Private Limited		
Transaction during the year		
Investment manager fees	-	2.36
Reimbursement of expenses	-	71.25
Balance outstanding at the end of the year		
Investment manager fees payable	-	2.16
Highway Concessions One Private Limited		
Transaction during the year		
Investment manager fees	74.64	22.51
Reimbursement of expenses	5.49	44.85
Balance outstanding at the end of the year		
Investment manager fees payable	24.71	20.60
Nirmal BOT Private Limited		
Transaction during the year		
Loan given	272.79	1,158.30
Proceeds from redemption of OCD's of subsidiaries	10.00	321.11
Refund of loan given	293.50	188.88
Investment in OCD's of subsidiaries	-	331.11
Impairment of non current investment (exceptional items)	11.23	244.05
Investment in equity instruments of subsidiaries	-	354.41
Interest on loan given	134.66	82.82
Interest on CCD's and OCD's given	0.21	25.36
Balance outstanding at the end of the year		
Investments in equity instruments of subsidiaries (net of impairment)	99.13	110.36
Investment in OCD's of subsidiaries	-	9.98
Interest recievable	3.27	0.37
Loan recievable	948.72	969.42

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

Particulars	April 01, 2023 to March 31, 2024	April 01, 2022 to March 31, 2023
Dewas Bhopal Corridor Private Limited		
Transaction during the year		
Loan given	-	2,814.94
Recognition of loan pursuant to equity share capital reduction	-	600.14
Refund of loan given	-	115.00
Impairment of non current investment (exceptional items)	-	136.85
Investment in equity instruments of subsidiaries	-	12,969.36
Tax deducted at source on account of capital reduction	0.60	-
Reduction in value of investment in equity pursuant to share capital reduction	-	614.36
Interest on loan given	462.01	203.45
Dividend distribution	1,178.37	1,642.21
Loss on reduction of investment in equity	-	14.22
Dewas Bhopal Corridor Private Limited		
Balance outstanding at the end of the year		
Investment in equity instruments of subsidiaries	12,218.15	12,218.15
Loan recievable	3,300.08	3,300.08
Interest recievable	0.00	3.71
Ulundurpet Expressways Private Limited		
Transaction during the year		
Loan given	312.55	2,699.29
Proceeds from redemption of OCD's of subsidiaries	10.00	209.05
Refund of loan given	1,496.05	1,459.64
Investment in OCD's of subsidiaries	-	219.04
Investment in equity instruments of subsidiaries	-	3,004.95
Interest on loan given	93.34	189.12
Interest on CCD's and OCD's	0.21	16.88
Balance outstanding at the end of the year		
Investment in equity instruments of subsidiaries	3,004.95	3,004.95
Investment in OCD of subsidiaries	-	9.99
Interest recievable	0.69	0.53
Loan recievable	56.15	1,239.65
Godhra Expressways Private Limited		
Transaction during the year		
Loan given	4,500.00	4,059.40
Recognition of loan pursuant to equity share capital reduction	1,532.26	-
Proceeds from redemption of OCD's of subsidiaries	4,500.00	561.76
Refund of loan given	65.83	5.00
Investment in OCD's of subsidiaries	-	5,094.01
Tax deducted at source on account of capital reduction	1.53	-
Investment in equity instruments of subsidiaries	-	11,167.09

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

Particulars	April 01, 2023 to March 31, 2024	April 01, 2022 to March 31, 2023
Reduction in value of investment in equity pursuant to share capital reduction	1,540.70	-
Loss on reduction of investment in equity	8.44	-
Interest on loan given	847.98	295.69
Interest on CCD's and OCD's	519.21	417.88
Balance outstanding at the end of the year		
Investment in equity instruments of subsidiaries	9,626.39	11,167.09
Investment in OCD's of subsidiaries	32.38	4,523.25
Interest recievable on RTLs	180.52	1.55
Interest recievable on OCD's	0.74	54.11
Loan recievable	10,020.83	4,054.40
Jodhpur Pali Expressway Private Limited		
Transaction during the year		
Loan given	3,059.13	2,874.81
Refund of loan given	400.76	5.00
Investment in optionally convertible debentures of subsidiaries	-	2,333.83
Redemption of optionally convertible debentures of subsidiaries	2,333.83	-
Investment in equity instruments of subsidiaries	-	3,863.25
Interest on loan given	557.13	152.90
Interest on CCD's and OCD's	225.70	197.83
Impairment of non-current investment (exceptional items)	2,353.95	1,509.31
Impairment of non-current loan given (exceptional items)	368.85	-
Jodhpur Pali Expressway Private Limited		
Balance outstanding at the end of the year		
Investment in equity instruments of subsidiaries (net of impairment)	-	2,353.94
Investment in optionally convertible debentures of subsidiaries	-	2,333.70
Interest recievable on OCD's and CCD's	0.00	183.02
Interest recievable on RTL	211.46	17.34
Loan recievable	5,159.33	2,869.81
Shillong Expressway Private Limited		
Transaction during the year		
Impairment of non current investment (exceptional items)	-	154.38
Loan given	405.66	-
Investment in equity instruments of subsidiaries	-	356.27
Investment in preference shares of subsidiaries	-	545.10
Refund of loan given	178.19	-
Proceeds from redemption of preference shares	97.64	272.55
Interest on loan given	12.68	-
Dividend distribtion	165.73	-

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

Particulars	April 01, 2023 to March 31, 2024	April 01, 2022 to March 31, 2023
Balance outstanding at the end of the year		
Investments in equity instruments of subsidiaries	201.89	201.89
Loan recievable	227.47	-
Investment in preference shares of subsidiaries	174.91	272.55
Udupi Tollway Private Limited		
Transaction during the year		
Investments in equity instruments of subsidiaries	196.05	-
Loan given	8,821.27	-
Interest on loan given	443.44	-
Refund of loan given	351.86	-
Balance outstanding at the end of the year		
Investments in equity instruments of subsidiaries	196.05	-
Loan recievable	8,469.41	-
Interest recievable on RTL	240.28	-
Gurgaon Sohna Highway Private Limited		
Transaction during the year		
Investments in equity instruments of subsidiaries	844.46	-
Loan given	2,566.13	-
Dividend received	41.26	-
Interest on loan given	86.25	-
Refund of loan given	86.00	-
Impairment of non current investment (exceptional items)	133.47	-
Balance outstanding at the end of the year		
Investment in equity instruments of subsidiaries (net of impairment)	710.99	-
Loan recievable	2,480.13	-
Interest recievable on RTL	0.95	-
Rewari Ateli Highway Private Limited		
Transaction during the year		
Investments in equity instruments of subsidiaries	757.83	-
Loan given	2,227.30	-
Distribution of dividend	190.86	-
Interest on loan given	77.82	-
Refund of loan given	147.05	-
Impairment of non-current investment (exceptional items)	211.63	-
Balance outstanding at the end of the year		
Investment in equity instruments of subsidiaries (net of impairment)	546.20	-
Loan recievable	2,080.25	-

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

Particulars	April 01, 2023 to March 31, 2024	April 01, 2022 to March 31, 2023
Ateli Narnaul Highway Private Limited		
Transaction during the year		
Investments in equity instruments of subsidiaries	1,511.49	-
Loan given	3,397.14	-
Interest on loan given	20.15	-
Balance outstanding at the end of the year		
Investments in equity instruments of subsidiaries	1,511.49	-
Loan recievable	3,397.14	-
Interest recievable on RTL	5.96	-
Swarna Tollway Private Limited		
Transaction during the year		
Loan Given	1,115.35	-
Investment in equity instruments of subsidiaries	20,745.90	-
Interest on Loan	6.88	-
Impairment of non-current investment (exceptional items)	1,885.66	-
Balance outstanding at the end of the year		
Investment in equity instruments of subsidiaries (net of impairment)	18,860.24	-
Loan recievable	1,115.34	-
Gujarat Road and Infrastructure Company Limited		
Transaction during the year		
Investment in equity instruments of subsidiaries	5,657.22	-
Balance outstanding at the end of the year		
Investment in equity instruments of subsidiaries (net of impairment)	5,657.22	-
Axis Trustee Services Limited		
Transaction during the year		
Trustee fees Paid	1.42	0.83
Initial acceptance fees	0.71	-
Axis Bank Limited		
Transaction during the year		
Loan taken	1,150.00	44.23
Refund of loan taken	21.61	5.00
Processing Fees	5.43	3.54
Interest on loan	74.07	5.03
Interest on bank deposits	44.81	-
Investment in bank deposits	9,671.53	-
Redemption of term deposits	9,671.53	-
Balance outstanding at the end of the year		
Interest payable on RTL	-	-
Loan payable	1,617.87	489.48
Closing balance of current account	1.35	-

Note: All related party transactions entered during the year were in ordinary course of the business and on arms length basis.

^Pertains to the distributions made during the financial year along with the distribution related to the last quarter of 2022-23 and does not include the distribution relating to the last quarter of 2023-24 which will be paid after March 31, 2024. The distributions made by Trust to its unitholders are based on the Net Distributable Cash Flows ('NDCF') of the Trust under the SEBI Regulations and includes interest, dividend and repayment of capital.

IV. Disclosures pursuant to SEBI Master circular (Paragraph 4.6.6 of Chapter 4 to the SEBI Master Circular No. SEBI/HO/DDHS-PoD-2/P/CIR/2023/115 dated July 06, 2023 read with Para 3.4.4 of Chapter 3 to SEBI Master Circular No. SEBI/HO/DDHS-PoD-2/P/CIR/2023/115 dated July 06, 2023) on audited standalone financial statements for the year ended March 31, 2024.

For the year ended March 31, 2024:

During the year ended March 31, 2024, the Trust has acquired 6 Subsidiaries namely UTPL, RAHPL, ANHPL, GSHPL, STPL and GRICL, however the same is not acquired from related parties, hence no disclosure is made in respect of that.

For the year ended March 31, 2023:

A Summary of the valuation reports (issued by the independent valuer appointed under the SEBI Regulations) for Investment in equity share capital of subsidiaries of the Trust during the financial year ended March 31, 2023:

Particulars	Name of subsidiaries of the Trust					
	DBCPL	NBPL	GEPL	JPEPL	UEPL	SEPL
Discounting rate (WACC)	9.10%	9.50%	10.70%	10.40%	9.60%	10.30%
Method of valuation	Discounted cash flows					

B Summary of the valuation reports (issued by the independent valuer appointed under the InvIT Regulations) for Investment in Compulsorily Convetible Debentures (CCD)*:

Particulars	Name of Project SPVs					
	DBCPL	NBPL	GEPL	JPEPL	UEPL	SEPL
Value of CCD	-	362.35	5,578.71	2,553.92	239.71	-
Discounting rate (WACC)	NA	13.71%	13.71%	13.70%	13.71%	NA
Method of valuation	Discounted cash flows					

*During the previous financial year, the terms of Compulsorily Convertible Debentures ("CCDs") were converted into Optionally Convertible Debentures ("OCDs"). Further, during the current year OCDs of JPEPL, NBPL and UEPL were redemeed.

C Material conditions or obligations in relation to the transactions:

The acquisition have been made pursuant to the terms mentioned in final placement memorandum dated August 22, 2022. 'Pursuant to assignment agreement entered between the Trust and the Sponsor, the sponsor has assigned its rights and obligations under Security Purchase Agreement to the Trust subject to certain terms and conditions. The Trust has acquired six Project SPV's which are engaged in the design, construction, development, operation and maintenance of roads and highways on August 23, 2022.

D No external financing has been obtained for acquisition of above subsidiaries.

E No fees or commisiom received or to be received from any associate party in relation to acquisition of Project SPVs.

35. Information on segment reporting pursuant to Ind AS 108 - Operating Segments

The Trust's activities comprise of owning and investing in Infrastructure SPVs to generate cash flows for distribution to unitholders. Based on the guiding principles given in Ind AS - 108 "Operating Segments", this activity falls within a single operating segment and accordingly the disclosures of Ind AS -108 have not separately been given.

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

36. Disclosures on revenue persuant to Ind AS 115 - Revenue from contracts with customers

A Disaggregation of revenue

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

Description	For the year ended March 31, 2024	For the year ended March 31, 2023
Operating revenue		
Interest on CCD's	-	357.06
Interest on RTLs	2,742.37	923.98
Interest on OCD's	745.32	300.89
Dividend income from related parties	1,576.22	1,642.21
Total operating revenue	**5,063.91**	**3,224.14**

The table below presents disaggregated revenues from contracts with customers based on nature, amount and timing for the year ended March 31, 2024 and year ended March 31, 2023 :

S. No.	Types of Products by Nature	Types of Services by timing	For the year ended March 31, 2024	For the year ended March 31, 2023
1	Interest income	Over the period of time	3,487.69	1,581.93
2	Dividend income	At the point of time	1,576.22	1,642.21

B Assets and liabilities related to contracts with customers

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

Description	As at March 31, 2024	As at March 31, 2023
Contract assets*		
Interest Receivable on OCD's	0.74	237.13
Interest Receivable on RTL	643.13	23.51
Total	**643.87**	**260.64**

C There is no contract liability** balance as at March 31, 2024.

*Contract asset is the right to consideration in exchange for goods or services transferred to the customer.
** Contract liability is the Trust's obligation to transfer goods or services to a customer for which the Trust has received consideration from the customer in advance.

D There is no adjustment made to the contract price of the contract and hence the revenue recognised in the statement of profit and loss is in agreement to the with the contracted price under the Contract.

E The Trust recognised revenue when it satisfies the performance obligations as per the terms of relevant contracts entered with the customers.

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

37. Financial ratios

Ratio	Numerator	Denominator	As at March 31, 2024 Ratio	As at March 31, 2023 Ratio	% Change	Remark
Current ratio	Current assets	Current liabilities	0.98	8.60	(88.58%)	Variance is due to increase in current liabilities on account of raising of fund by way of short term commercial paper.
Debt-equity ratio	Total debt [Non-current borrowings + Current borrowings]	Total equity	0.64	0.40	60.57%	Variance is due to raing of additional fund by way of additional rupee term loan (RTL), NCD, Commercial paper and issuance of units by way of right and preferential issue.
Debt service coverage ratio	Profit before tax + finance costs+ exceptional items	Finance costs + Principal repayment for borrowings	2.24	4.41	(49.26%)	Variance is due to increase in finance cost on account of new borrowings raised during the current financial year.
Return on equity ratio (in %)	(Loss)/ profit after tax	Average of total equity	(4.48%)	2.38%	(288.03%)	Variance is due to during the year trust raised Fund through term loan, NCD, Commercial Paper, rights issue & Preferential Allottment. Also, there has been recognition of impairment during the year which leads to decrease in ratio.
Inventory turnover ratio**	Costs of materials consumed	Average inventories	N.A	N.A	N.A	NA
Trade receivables turnover ratio***	Revenue from operations	Average trade receivables	N.A	N.A	N.A	NA
Trade payables turnover ratio	Other expenses	Average trade payables	3.62	3.71	(2.24%)	refer note 1

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

Ratio	Numerator	Denominator	As at March 31, 2024 Ratio	As at March 31, 2023 Ratio	% Change	Remark
Interest service coverage ratio	(Loss)/profit before tax + finance costs	finance cost	2.73	5.26	(48.14%)	Variance is due to increase in finance cost on additional fund raised during the year.
Net capital turnover ratio	Revenue from operations	Working capital [Current assets - Current liabilities]	(69.81)	1.43	(4,967.86%)	Variance is due to increase in interest income on rupee term loan as comapred to last year.
Operating margin	Profit /loss before tax+finance cost+exceptional items	Revenue from operations	0.93	0.95	(2.49%)	
Net profit ratio	(Loss)/ profit after tax	Revenue from operations	(40.50%)	13.23%	(406.19%)	Variance is due to increase in interest income on term loan &net profit as comapred to last year.
Return on capital employed (in %)	Earnings before depreciation and amortisation, interest and tax [Earnings = (Loss)/ profit after tax + Tax expense + Depreciation and amortisation expense + Finance costs]	Capital employed [Total assets - Current liabilities + Current borrowings]	(0.00)	0.02	(113.66%)	Variance is due to increase in interest income on term loan as comapred to last year.
Return on investment (in %)	Revenue from operations	Instruments entirely equity in nature + Instruments in OCD and CCD + Rupee term loan given to SPV's	8.03%	6.77%	18.70%	refer note 1

** The Trust does not have any inventory, therefore inventory turnover ratio is not applicable.

*** The Trust does not have any trade receivables, therefore, trade receivable turnover ratio is not applicable.

Note:

1. Variance is below 25%, hence no reason is explained.

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

38. Distribution related to 2022-23:

The Board of Directors of the Investment Manager have declared distribution of ₹ 1.6876 (rounded off) per unit amounting to ₹ 701.20 Mn in their meeting held on May 19, 2023 and the aforesaid distribution was paid to eligible unitholders on May 30, 2023.Distribution related to 2023-24:

The Board of Directors of the Investment Manager have declared distribution of ₹ 2.6480 (rounded off) per unit amounting to ₹ 1,100.24 Mn, ₹ 0.8725 (rounded off) per unit amounting to ₹ 420.05 Mn and ₹ 3.6579 (rounded off) per unit amounting to ₹ 2,732.03 Mn in their meeting held on August 11, 2023, November 09, 2023 and February 06, 2024 respectively and the aforesaid distribution was paid to eligible unitholders on August 22, 2023, November 21, 2023 and February 16, 2024 respectively. Subsequent to year end March 31, 2024, the Board of Directors of the Investment Manager of the Trust have declared distribution of ₹ 9.3792 (rounded off) per unit amounting to ₹ 7,005.19 Mn in their meeting held on May 16, 2024. Accordingly, the total distribution for the financial year ended March 31, 2024 stands at ₹ 16.5576 per unit.

Further the yield per unit for the financial year ended March 31, 2024 stands at 19.41%, which have been calculated as (Total distribution per unit for the financial year ended March 31, 2024/NAV per unit as disclosed in the financial statements as at March 31, 2024.)

39. The Trust was registered as an irrevocable trust set up under the provisions of Indian Trusts Act, 1882 on December 03, 2021. Trust was registered as an Infrastructure Investment Trust under the InvIT Regulations, as on December 23, 2021 having registration number IN/InvIT/21-22/0019.

40. Investment manager fees

Pursuant to the Investment Management Agreement dated December 06, 2021 with the erstwhile Investment Manager i.e. Virescent Infrastructure Investment Manager Private Limited, Investment Manager was entitled to fees @ 10% markup over the cost per annum. Standalone financial Statements for the year ended March 31, 2024 includes amount of ₹ Nil (for the year ended March 31, 2023, ₹ 2.36 Mn) toward Investment manager fees paid to Virescent Infrastructure Investment Manager who was Investment Manager till November 22, 2022. Subsequently, pursuant to the Investment Management Agreement with the current Investment Manager i.e. Highway Concessions One Private Limited dated October 20, 2022 as amended, Investment Manager is entitled to fees @ 10% markup over the cost per annum. The Investment Management Fees shall be borne by the InvIT and the Special Purpose Vehicles of the InvIT ('SPVs') in the proportion of 20:80. Amongst the SPVs, the Fees would be allocated as mutually agreed with the SPVs. Standalone financial statement for the year ended March 31, 2024 includes ₹ 74.64 Mn (for the year ended March 31, 2023, includes amount of ₹ 22.51 Mn) towards Investment Manager Fees to Highway Concessions One Private Limited who is appointed as Investment Manager w.e.f November 23, 2022.

41. The Trust acquired the following companies (Project SPV's) on following dates:

(i) Udupi Tollway Private Limited ("UTPL") on November 01, 2023;

(ii) Ateli Narnaul Highway Private Limited ("ANHPL") on November 21, 2023;

(iii) Rewari Ateli Highway Private Limited ("RAHPL") on November 21, 2023;

(iv) Gurgaon Sohna Highway Private Limited ("GSHPL") on November 21, 2023;

(v) Swarna Tollway Private Limited ("STPL") on January 24, 2024; and

(vi) Gujarat Road and Infrastructure Company Limited ("GRICL") on January 24, 2024.

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

42. During the previous year ended March 31, 2023, three of the project SPV's Viz. Godhra Expressways Private Limited ("GEPL"), Dewas Bhopal Corridor Private Limited ("DBCPL") and Ulundurpet Expressways Private Limited ("UEPL") has filed the petition with the Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT') for capital reduction under Section 66 and other provisions of the Companies Act, 2013. The said reduction was approved in the extraordinary general meeting in the respective Project SPVs which were held on October 19, 2022 for GEPL and DBCPL and on November 29, 2022 for UEPL. Pursuant to capital reduction scheme, the shareholders shall be entitled to receive an amount based on the fair market valuation of the equity shares of the aforesaid project SPV's and the said consideration shall be presented as loan outstanding to the shareholders. NCLT admission order has been received for the applications in GEPL, DBCPL and UEPL by Hon'ble NCLT and necessary notices have been given to the Regional Directors, ROC and creditors of these aforesaid mentioned SPV's.

The final order for approving capital reduction scheme in DBCPL was received on February 27, 2023 and the final certificate of registration from Registrar of Companies, Mumbai was received on March 20, 2023 and the impacts of the same were considered in the previous year ended March 31, 2023. During the current financial year ended March 31, 2024, the Hon'ble NCLT has approved the capital reduction Scheme of GEPL on June 12, 2023 and final certificate of registration from Registrar of Companies, Mumbai is received on August 14, 2023 and the impacts of the same have been considered in the Standalone financial statement and year ended March 31, 2024. In UEPL, the Capital reduction Scheme was heard on June 23, 2023 and the same has been reserved for order by the Hon'ble NCLT. Thereafter, the matter was heard on October 03, 2023 and Hon'ble NCLT has asked for certain further clarifications on the matter. Further as per the NCLT order dated January 10, 2024, the Hon'ble NCLT has declined the Capital reduction scheme in UEPL. Further the Board of Directors of UEPL in its meeting held on January 19, 2024 has proposed to approach the Hon'ble National Company Law Appellate Tribunal ("NCLAT") to re-consider the scheme. The Trust has filled appeal under section 421 of Companies Act, 2013 with the Hon'ble NCLAT on February 02, 2024. Further, the matters were partially heard on May 02, 2024 and have been adjourned till May 16, 2024. On May 16, 2024 it has been further adjourned till May 31, 2024.

43. During the current financial year ended March 31, 2024, the Trust has entered into a Share Purchase Agreement on May 03, 2023 for acquisition of 100% (one hundred percent) shareholding in one or more tranches and management control in four special purpose vehicles owned by H.G. Infra Engineering Limited i.e. Ateli Narnaul Highway Private Limited ('ANHPL') (formerly known as H.G. Ateli Narnaul Highway Private Limited till December 20, 2023), Rewari Ateli Highway Private Limited ('RAHPL') (formerly known as H.G. Rewari Ateli Highway Private Limited till December 20, 2023), Gurgaon Sohna Highway Private Limited ('GSHPL') and H.G. Rewari Bypass Private Limited ('RBPL'). Approval for change in ownership was received on September 29, 2023 from National Highways Authorities of India ("NHAI") for 3 SPV's viz. ANHPL, GSHPL and RAHPL. Consequently, the Trust acquired 100% (one hundred percent) issued and paid up share capital of these 3 SPV's on November 21, 2023 ('acquisition date') for a cash consideration of ₹ 1,511.49 Mn, ₹ 844.46 Mn and ₹ 757.83 Mn respectively from H.G Infra Engineering Limited. Further, completion of acquisition of RBPL would depend upon receipt of relevant approvals and completion of contractual obligations.

Consequently, ANHPL, GSHPL and RAHPL have become a subsidiaries of the Trust. Accordingly, necessary impacts have been considered in the standalone financial statement for the year ended March 31, 2024.

44. During the previous year ended March 31, 2023, the Trust has entered into a Share Purchase Agreement for acquiring 100% (one hundred percent) shareholding of Udupi Tollway Private Limited (formerly known as Navayuga Udupi Tollway Private Limited till December 28, 2023) ('UTPL') in one or more tranches and management control in UTPL owned by Navayuga Road Projects Private Limited ("NRPL") and Navayuga Engineering Company Limited (NECL). Approval for change in ownership has been received on September 11, 2023 from National Highways Authorities of India ("NHAI"). During the current financial year ended March 31, 2024, the Trust has acquired 100% (one hundred percent) stake effective from November 02, 2023 ('acquisition date') for cash consideration of ₹ 196.05 Mn and UTPL become subsidiary of the Trust. Accordingly, necessary impacts have been considered in the Standalone financial statement for the year ended March 31, 2024.

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

45. During the current financial year ended March 31, 2024, the Board of Directors of the Investment Manager has executed the share purchase agreement on July 28, 2023 for the acquisition of the following Target Entities:

(i) Up to 83.61% of equity share capital in M/s. Gujarat Road and Infrastructure Company Limited ("GRICL") owned by M/s. MAIF Investments India Pte. Ltd ("MAIF 1") and other shareholders of GRICL upon exercise of their rights as applicable; and

(ii) 100% of equity share capital in M/s. Swarna Tollway Private Limited ("STPL"), owned by M/s. MAIF Investments India Pte. Ltd ("MAIF 2").

Consequently, the Trust acquired 100% issued and paid up share capital of STPL and 56.8% issued and paid up share capital of GRICL on January 24, 2024 ('acquisition date') for a total consideration (including transaction costs) of ₹ 5,657.22 Mn and ₹ 20,745.90 Mn respectively. Consequently, GRICL and STPL have become a subsidiaries of the Trust.

46. During the current financial year ended March 31, 2024, the Board of Directors of the Investment Manager of the Trust has executed the share purchase agreement on August 30, 2023 for acquisition of 100% (one hundred percent) shareholding in one or more tranches and management control in Bangalore Elevated Tollway Private Limited owned by Galaxy Investments II Pte. Ltd ('Sponsor of the Trust'). Approval for change in ownership has been received on March 11, 2024 from National Highways Authorities of India ("NHAI"). The completion of acquisition would depend upon receipt of relevant approvals and completion of contractual obligations.

47. During the current financial year ended March 31, 2024, pursuant to the applicable provisions of the SEBI (Infrastructure Investment Trusts) Regulations, 2014 read with circulars and guidelines issued thereunder from time to time ("SEBI Regulations") and pursuant to Regulation 26A and Regulation 51 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("SEBI LODR Regulations"), the Board of Directors of Investment Manager of the Trust have informed the National Stock Exchange of India Limited and BSE Limited regarding resignation of Mr. Narayanan Doraiswamy, existing Chief Financial Officer ("CFO") of the Investment Manager of the Trust vide it's letter dated August 28, 2023. Mr. Narayanan Doraiswamy held his current position of CFO till December 31, 2023 (end of business hours) and post that he has ceased to be a Key Managerial Personnel (KMP) and Senior Management under the applicable provisions of the Companies Act, 2013, SEBI Regulations and SEBI LODR Regulations from date of relieving. Further, the Board of Directors of Investment Manager of the Trust in its meeting dated September 25, 2023 have approved the appointment of Mr. Abhishek Chhajer as the Chief Financial Officer (CFO) of the Investment Manager of the Highways Infrastructure Trust in place of the existing CFO which has been effective from January 01, 2024 onwards. Mr. Abhishek Chhajer has been appointed as a Key Managerial Personnel (KMP) and Senior Management under the applicable provisions of the Companies Act, 2013, the SEBI LODR Regulations and other provisions of the SEBI Regulations with effective from the date as mentioned above

48. During the current financial year ended March 31, 2024, Board of directors of Investment Manager of the Trust have approved following matters on October 20, 2023:

(i) Issuance of listed, rated, unsecured, Commercial Papers ("CPs") aggregating upto ₹ 2,750.00 Mn in one or more series or tranches on a private Placement basis to the eligible investors; and.

(ii) Availing additional rupee term loan facility upto ₹ 19,000.00 Mn.

The Board of Directors of the Investment Manager of the Trust has approved the allotment of 5,500 commercial papers having maturity of ₹ 500,000/- each and aggregate maturity value of ₹ 2,750.00 Mn at issue price of ₹ 465,295.50 only each aggregating to ₹ 2,559.13 Mn. The CPs was listed with Bombay Stock Exchange Limited on October 31, 2023. Further, the Trust has signed Rupee Loan Agreement with India Infrastructure Finance Company Limited ("IIFCL"), ICICI Bank Limited, State Bank of India ("SBI") and Axis Bank Limited as lenders for an amount of ₹ 19,000.00 Mn out of which Trust has received disbursement of ₹ 14,248.43 Mn from lenders on November 02, 2023, November 21, 2023, November 22, 2023, January 04, 2024, March 18, 2024 and March 21, 2024.

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

49. During the current financial year ended March 31, 2024, the Board of Directors of the Investment Manager of the Trust has approved the allotment and issue of 50,000 Senior, Secured, Listed, Rated, Taxable, Redeemable, Non-convertible Debt Securities of face value of ₹ 100,000 each ("Debentures") on private placement basis out of which 15,000 Debentures have been issued at par i.e. at the issue price ₹ 100,000 per Debenture and 35,000 Debentures have been issued at the issue price ₹ 100,300.10 per Debenture in accordance with the SEBI LODR Regulations. The debentures were listed with Bombay Stock Exchange on January 19, 2024.

50. During the current financial year ended March 31, 2024, the Board of Directors of the Investment Manager has executed the share purchase agreement on January 15, 2024 for acquisition of 100% (one hundred percent) shareholding in one or more tranches and management control in twelve special purpose vehicles owned by PNC Infratech Limited and PNC Infra Holdings Limited namely:

(i) PNC Rajasthan Highways Private Limited ("PRHPL");
(ii) PNC Chitradurga Highways Private Limited ("PCHPL");
(iii) PNC Aligarh Highways Private Limited ("PAHPL");
(iv) PNC Bundelkhand Highways Private Limited ("PBHPL");
(v) PNC Khajuraho Highways Private Limited ("PKHPL");
(vi) PNC Triveni Sangam Highways Private Limited ("PTSHPL");
(vii) PNC Challakere (Karnataka) Highways Private Limited ("PCKHPL");
(viii) PNC Meerut Haridwar Highways Private Limited ("PMHHPL");
(ix) PNC Bithur Kanpur Highways Private Limited ("PBKHPL");
(x) PNC Unnao Highways Private Limited ("PUHPL");
(xi) PNC Gomti Highways Private Limited ("PGHPL") and
(xii) PNC Bareilly Nainital Highways Private Limited ("PBNHPL" or the "Toll Asset").

The completion of acquisition would depend upon receipt of relevant approvals and completion of contractual obligations.

51. During the year ended March 31, 2024, pursuant to the applicable provisions of the SEBI (Infrastructure Investment Trusts) Regulations, 2014 read with circulars and guidelines issued thereunder from time to time ("SEBI Regulations") and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("SEBI LODR Regulations"), the Board of Directors of Investment Manager of the Trust have informed the National Stock Exchange of India Limited and BSE Limited regarding retirement of Mr. Neeraj Sanghi from the position of Chief Executive Officer and Whole time Director of the Highway Concessions One Private Limited ("Investment Manager") on March 31, 2024 (end of business hours) and appointment of Mr. Gaurav Chandna as Joint Chief Executive Officer and Executive Director and Mr. Zafar Khan as Joint Chief Executive Officers effective from April 01, 2024.

52. Subsequent to the year ended March 31, 2024, three of the project SPVs, namely ANHPL, RAHPL, and GSHPL, have submitted petitions to the Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT') for capital reduction in accordance with Section 66 and other provisions of the Companies Act, 2013. The aforementioned reduction was approved during extraordinary general meetings held on April 04, 2024 for ANHPL, RAHPL, and GSHPL respectively. Subsequent to the approval of the capital reduction scheme, The said consideration shall stand outstanding and the terms for such repayment will be mutually agreed upon by the Company and its shareholders. The petitions were filed on April 08, 2024 for ANHPL, RAHPL, and GSHPL, and were admitted by the NCLT on April 17, 2024 for GSHPL and April 24, 2024 for ANHPL. The subsequent hearings are scheduled for July 24, 2024 for GSHPL and August 07, 2024 for ANHPL.

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

53. Other statutory information

(i) The Trust does not have any Benami property, where any proceeding has been initiated or pending against the Trust for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(ii) The Trust has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ny or on behalf of the Trust (Ultimate Beneficiaries) or
- Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(iii) The Trust has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Trust shall:

- Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- Provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

(iv) The Trust have not traded or invested in Cryptocurrency or Virtual Digital Currency during the financial year ended March 31, 2024

(v) The Trust does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961).

(vi) The Trust does not have any transactions with struck - off companies.

(vii) The Trust has not been declared as willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on willful defaulter issued by the Reserve Bank of India.

54. All values are rounded to the nearest Mn, unless otherwise indicated. Certain amount that are required to disclosed and do not appear due to rounding off are expressed as 0.00

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Manish Agrawal
Partner
Membership No.: 507000

Place: New Delhi
Date: May 16, 2024

For and on behalf of Board of Directors of
Highway Concessions One Private Limited
(as Investment Manager of Highways Infrastructure Trust)

Dr. Zafar Khan
Joint CEO
DIN: 07641366

Place: Mumbai
Date: May 16, 2024

Abhishek Chhajer
Chief Financial Officer

Place: Mumbai
Date: May 16, 2024

Gaurav Chandna
Executive Director and Joint CEO
DIN: 10312924

Place: Mumbai
Date: May 16, 2024

Independent Auditor's Report

To the Unitholders' of **Highways Infrastructure Trust**

Report on the Audit of the Consolidated Financial Statements

Opinion

1. We have audited the accompanying consolidated financial statements of Highways Infrastructure Trust ('the Trust') and its subsidiaries (the Trust and its subsidiaries together referred to as 'the Group'), as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2024, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Statement of Cash Flow and the Consolidated Statement of Changes in Unit Holders' Equity for the year then ended, the Consolidated Statement of Net Assets at Fair Value as at 31 March 2024, the Consolidated Statement of Total Returns at Fair Value and the Consolidated statement of Net Distributable Cash Flows for the year then ended, and notes to the consolidated financial statements, including material accounting policy information and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, as referred to in paragraph 16 below, the aforesaid consolidated financial statements give the information required by the Securities and Exchange Board of India (Infrastructure Investment Trust) Regulation, 2014 as amended from time to time ('SEBI Regulations') including SEBI Circular SEBI/HO/DDHS-PoD-2/P/CIR/2023/115 dated 06 July 2023 (hereinafter referred to as 'SEBI Master Circular') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') as defined in the Rule 2(1)(a) of the Companies Indian Accounting Standards Rules, 2015, as amended ('Ind AS') and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31 March 2024, and their consolidated loss (including other comprehensive income), consolidated cash flows and the consolidated changes in unitholder's equity for the year ended on that date, the consolidated net assets at fair value as at 31 March 2024, the consolidated total returns at fair value and the consolidated net distributable cash flows for the year ended as on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing ('SAs') and other pronouncements issued by the Institute of Chartered Accountants of India ('the ICAI'). 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 ICAI, and we have fulfilled our ethical responsibilities in accordance with the Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 16 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

4. Key audit matters are those matters that, in our professional judgment and based on the consideration of the reports of the other auditors on separate financial statements of the subsidiaries, were of most significance in our audit of the consolidated financial statements of the current period. 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.

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

Key audit matter	How our audit addressed the key audit matter
A. Acquisition of subsidiaries Refer note 2 (C) (b) for material accounting policy information and refer note 51 to the consolidated financial statements of the Trust for the year ended 31 March 2024.	**Our audit procedures included, but were not limited to, the following:** a) Obtained an understanding of management's process, evaluated the design and tested the operating effectiveness of key controls over the business combination accounting;

Independent Auditor's Report (Contd.)

Key audit matter	How our audit addressed the key audit matter
During the current year ended 31 March 2024, the Trust has acquired following six special purpose infrastructure project entities ('SPVs') for a purchase consideration of ₹ 29,712.27 millions: 1) Udupi Tollway Private Limited ('UTPL') (formerly known as Navayuga Udupi Tollway Private Limited) 2) Rewari Ateli Highway Private Limited ('RAHPL') (formerly known as H.G. Rewari Ateli Highway Private Limited) 3) Gurgaon Sohna Highway Private Limited ('GSHPL') 4) Ateli Narnaul Highway Private Limited ('ANHPL') (formerly known as H.G. Ateli Narnaul Highway Private Limited) 5) Swarna Tollway Private Limited ('STPL') 6) Gujarat Road and Infrastructure Company Limited ('GRICL') The Trust has accounted the business combination using acquisition method in accordance with Ind AS 103 - Business Combinations ("Ind AS 103"), which require the recognition of the assets and liabilities, including road assets and financial assets, acquired through aforesaid acquisition at acquisition date fair value, resulting in recognition of goodwill and capital reserve amounting to ₹ 3,101.73 millions and ₹ 1,677.98 millions respectively, being the difference between the fair value of the net assets acquired and the consideration paid by the Trust. The management has appointed an independent valuation expert to allocate the purchase consideration to the identified assets and liabilities including road assets and financial assets as per the fair values determined using various valuation models adopted by the expert (hereinafter referred to as 'Purchase Price Allocation' or 'PPA'), which involved significant management estimates and judgements including the model used, growth rate of the businesses acquired, discount rates etc., which involve high inherent estimation uncertainty. Any change in such estimates would have significantly affected the valuation of such assets and liabilities and the resulting goodwill and capital reserve recognized in the consolidated financial statements. Considering the magnitude of the transaction and management judgement involved, the aforesaid business combination treatment in consolidated financial statements has been considered to be a key audit matter for the current year audit.	b) Assessed the appropriateness of the accounting policy adopted by the Investment Manager for the business combination in accordance with Ind AS 103; c) Obtained the executed agreements and contracts relating to the acquisition of subsidiaries during the year and identified pertinent terms relevant to the accounting of the transaction in addition to comparing the underlying information inputs such as purchase consideration and net assets acquired; d) Examined the terms and conditions of the share purchase agreements in order to evaluate whether the Trust obtained the control of acquiree, the date for satisfaction of the closing conditions to determine the acquisition date, and the transaction price; e) Obtained valuation report prepared by the valuation specialists appointed by the management and assessed the competence, objectivity and integrity of the management's expert; f) Involved auditor's expert in evaluation of the appropriateness of the valuation model used and reasonableness of the key assumptions used such as discount rates, growth rate etc. to allocate the purchase price to net assets; g) Assessed the appropriateness of the key drivers of the cash flow forecasts as approved by the Investment Manager considered in aforesaid PPA exercise (in particular, revenue projections based on the independent expert's traffic study report, routine maintenance projections and growth of recurring operating and capital expenditure amongst other inputs); h) Assessed the reasonableness of the recoverable amount of goodwill recorded as on the date of acquisition by evaluating the valuation method applied including the management estimates and judgement; i) Tested arithmetic accuracy of the computation of capital reserve and goodwill; and j) Evaluated the adequacy and appropriateness of disclosures made in the consolidated financial statements for compliance with the relevant requirements of Ind AS 103.

Independent Auditor's Report (Contd.)

Key audit matter	How our audit addressed the key audit matter
B. Impairment of intangible assets recognized pursuant to service concession arrangement Refer note 5 to the consolidated financial statements. As at 31 March 2024, the carrying amount of intangible assets of the Group is ₹ 55,432.88 millions relating to licenses to collect toll from road infrastructure projects as an infrastructure concession operator under service concession arrangements accounted for in accordance with Appendix D of Ind AS 115, Service Concession Arrangements. Management regularly reviews whether there are any indicators of impairment and where impairment indicators exist, the management estimates the recoverable amounts of these assets, basis value in use. The value in use of the underlying assets is determined based on the discounted cash flow projections, which involves use of key assumptions such as discounting rate, expected change in traffic and toll rates. Such assumptions and estimates require significant management judgment due to high inherent estimation uncertainty. Considering the materiality of the amounts involved and significant degree of judgement and subjectivity involved in the estimates and assumptions used in determining the future cash flow projections, we have determined this to be a key audit matter for the current year audit.	**Our audit procedures included, but were not limited to, the following:** a) Obtained an understanding of the Group's policies and procedures to identify impairment indicators of intangible assets and for determining the fair valuation of intangible assets; b) Evaluated the design and tested the operating effectiveness of key controls for identification of impairment indicators and fair valuation of intangible assets; c) Assessed the objectivity, experience, independence and competency of management's experts involved for performing required valuations to estimate the fair value; d) Involved an auditor's expert to assess the appropriateness of the valuation methodology and assumptions applied by management's expert in determining the recoverable amount such as weighted average cost of capital (in particular, the underlying parameters such as risk-free return, market return, risk premium and beta); e) Assessed the reasonableness of the key assumptions and appropriateness of the key drivers of the cash flow forecasts as approved by the Investment Manager considered in aforesaid valuations (in particular, revenue projections based on the independent expert's traffic study report, routine maintenance projections and growth of recurring operating and capital expenditure amongst other inputs); f) Discussed and evaluated potential changes in key drivers as compared to previous year / actual performance with management to test consistency and historical accuracy of such assumptions used in cash flow forecasts; g) Evaluated management's assumptions by performing sensitivity analysis around the key assumptions to ascertain estimation uncertainty involved; h) Tested arithmetic accuracy of cash flows projections and sensitivity analysis; and i) Evaluated the appropriateness and adequacy of disclosures made in the consolidated financial statements in relation to impairment of licenses to collect toll under service concession arrangements in accordance with requirements of the applicable accounting standards.

Independent Auditor's Report (Contd.)

Key audit matter	How our audit addressed the key audit matter
C. Computation and disclosures in Consolidated Statement of Net Assets at Fair Value and Consolidated Statement of Total Returns at Fair Value ("the Statements") as per SEBI regulations Refer the Statements disclosed in the accompanying consolidated financial statements pursuant to SEBI Master Circular No. SEBI/HO/DDHS-PoD-2/P/CIR/2023/115 dated 06 July 2023 issued under the SEBI Regulations, which requires fair valuation of the net assets and total returns of the Group carried out by an independent valuer appointed by the Trust. For the above purpose, fair value is determined by the management using discounted cash flow ('DCF') valuation method which involves significant management judgement in respect of various estimates used as inputs such as determination of future cash flows, discount rates, revenue growth rates, inflation rates, tax rates, amongst others. The determination of fair value involves judgement due to inherent high estimation uncertainty in the underlying assumptions. Considering the importance of the disclosure required under the SEBI Regulations to the users of the consolidated financial statements, significant management judgement involved in determining the fair value of the assets of the Group, the aforesaid computation and disclosure has been considered as a key audit matter for the current year audit.	**Our audit procedures included, but were not limited to, the following:** a) Obtained an understanding of regulatory requirements by reading the requirements of SEBI Regulations along with the relevant SEBI circular, pursuant to which the Statements are prepared by the Investment Manager; b) Obtained an understanding of the Trust's policies and procedures adopted by the Investment Manager for computation and disclosure of the Statements; c) Assessed the objectivity, experience, independence and competency of the management's experts involved for performing required valuations to estimate the fair value; d) Involved an auditor's expert to assess the appropriateness of the valuation methodology and assumptions applied by management's expert in determining the fair value such as weighted average cost of capital (in particular, the underlying parameters such as risk-free return, market return, risk premium and beta); e) Assessed the reasonableness of the key assumptions and appropriateness of the key drivers of the cash flow forecasts as approved by the Investment Manager considered in aforesaid valuations (in particular, revenue projections based on the independent expert's traffic study report, routine maintenance projections and growth of recurring operating and capital expenditure amongst other inputs); f) Discussed and evaluated potential changes in key drivers as compared to previous year / actual performance with management to test consistency and historical accuracy of such assumptions used in cash flow forecasts; g) Evaluated management's assumptions by performing sensitivity analysis around the key assumptions to ascertain estimation uncertainty involved; h) Tested arithmetic accuracy of cash flows projections and sensitivity analysis; and i) Evaluated the appropriateness and adequacy of disclosures for compliance with the relevant requirements of SEBI regulations.

Independent Auditor's Report (Contd.)

Key audit matter	How our audit addressed the key audit matter
D. Measurement of operation and maintenance and major maintenance expenses Refer note 19 to the consolidated financial statements. The Group is obligated to carry out operation and maintenance and major maintenance expenditure ("O&M and MM expenses") of the toll roads on periodic basis in accordance with service concession agreements with National Highways Authority of India ('NHAI') and respective state authorities ('the Authorities'). Measurement of major maintenance obligation is a key accounting estimate under both intangible assets model where the Group has a contractual right to charge users of the public service and financial asset model where the Group has a contractual right to receive cash from the Authorities. Further, operation and maintenance cost is also a key accounting estimate with respect to financial assets model accounting. The measurement of O&M and MM expenses obligations require detailed workings and includes management estimates of items of cost required for repair and maintenance including but not limited to quantity and cost of building material, labour and other expenses, etc, and the timing of such repairs needed which is dependent upon future usage of the assets. The Group reviews such estimated O&M and MM expense obligations on an annual basis. Considering the high inherent estimation uncertainty in measurement of O&M and MM expense obligations and amounts involved, we have considered this matter as a key audit matter in the current year audit.	**Our audit procedures included, but were not limited to, the following:** a) Obtained an understanding of the process associated with the estimation of O&M and MM expenses; b) Verified the Group's obligations for such O&M and MM expenses as per terms of service concession agreements; c) Assessed the management's significant judgements / estimates used in evaluation of inputs for the purpose of measurement of O&M and MM expense obligations under financial assets model and/ or intangible assets model as applicable; d) Evaluated the workings, methodology and key assumptions adopted by the management in estimating such O&M and MM expenses in future, including projections of future use of assets, by reviewing terms of the service concession agreements, inputs from management's inhouse technical team, Group's actual cost experience and considering historical accuracy of such assumptions; e) Analysed changes in the estimates of O&M and MM expenses from prior periods and assessed the consistency of these changes with progress of the projects, if any, during the year; and f) Tested the arithmetic accuracy and evaluated the appropriateness and adequacy of disclosures made in the consolidated financial statements for compliance with applicable accounting standard.

Independent Auditor's Report (Contd.)

Key audit matter	How our audit addressed the key audit matter
E. Recoverability of Minimum Alternate Tax (MAT) credit asset: Refer note 2 (C) (e) for the material accounting policy information and note 20 for related disclosure in the consolidated financial statements of the Group for the year ended 31 March 2024. As detailed in the aforesaid note 20, as at 31 March 2024 the Group has MAT credit asset of ₹ 3,303.43 millions, included under deferred tax assets that can be utilized against future income tax liabilities under the normal provision of the Income Tax Act, 1961 ('IT Act). Under Ind AS 12 'Income Taxes', the ability to recover the deferred tax asset is assessed by the management at each reporting date which depends on the estimates of future operations and taxable profits, the Group expects to earn within the period by which such MAT credit asset balance can be utilized as governed by the IT Act. There is a risk that the MAT credit may not be realized within the specified period, if the future projections are not met. Considering the materiality of the amounts and inherent subjectivity involved in management's estimation and judgement in determination of utilization of MAT credit assets through availability of sufficient future taxable income, recoverability of MAT credit asset has been considered to be a key audit matter for the current year audit.	**Our audit procedures included, but were not limited to, the following:** a) Obtained an understanding of the management's process for preparation of the future taxable income to support the recognition and recoverability of MAT credit asset; b) Evaluated the material accounting policy information with respect to recognition of MAT credit asset in accordance with Ind AS 12; c) Evaluated the design and tested the operating effectiveness of the Group's key controls with respect to recognition and recoverability of the MAT credit asset; d) Assessed the appropriateness of Group's estimate regarding the utilisation of MAT credit asset within the time period specified under the provisions of the IT Act; e) Tested the computations of future taxable profits, including testing of the adjustments made in such computations with respect to tax-allowed and tax-disallowed items, other tax rebates and deductions available to the Group, and tested the computation of utilization of MAT credit assets in such future years, in accordance with the provisions of the IT Act; f) Assessed the objectivity, experience, independence and competency of management's experts involved for performing required valuations to estimate the projected taxable profits; g) Assessed the reasonableness of the key assumptions and appropriateness of the key drivers of the projected taxable profits as approved by the Investment Manager considered in assessment of recoverability of MAT (in particular, revenue projections based on the independent expert's traffic study report, routine maintenance projections and growth of recurring operating and capital expenditure amongst other inputs); h) Discussed and evaluated potential changes in key drivers as compared to previous year / actual performance with management to test consistency and historical accuracy of such assumptions used in cash flow forecasts; i) Evaluated management's assumptions by performing sensitivity analysis around the key assumptions to ascertain estimation uncertainty involved; j) Tested arithmetic accuracy of cash flows projections and future taxable profit workings; and k) Evaluated the appropriateness and adequacy of disclosures made in the consolidated financial statements in relation to MAT credit assets in accordance with requirements of the applicable accounting standards.

Information other than the Consolidated Financial Statements and Auditor's Report thereon

6. The Board of Directors of Investment Manager of the Trust are responsible for the other information. The other information comprises the information included in the Annual Report, but does not include the consolidated financial statements and our auditor's report thereon. The Annual Report is expected to be made available to us after the date of this auditor's report.

   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 identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Investment Manager and Those Charged with Governance for the Consolidated Financial Statements

7. The accompanying consolidated financial statements have been approved by the Board of Directors of Highway Concessions One Private Limited (the 'Investment Manager' of the Trust). The Investment Manager of the Trust is responsible for the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in unit holders' equity, consolidated statement of cash flows, consolidated net assets at fair value, consolidated total returns at fair value and consolidated net distributable cash flows of the Group in accordance with the accounting principles generally accepted in India including the Ind AS and SEBI Regulations read with the SEBI Master Circulars. The respective Board of Directors of the Investment Manager of the Trust and of the companies included in the Group are responsible for maintenance of adequate accounting records, for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Investment Manager of the Trust, as aforesaid.

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

9. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the Trust and entities included in the Group.

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

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

11. As part of an audit in accordance with Standards on Auditing issued by ICAI, 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 whether the Trust has in place adequate internal financial controls with reference to financial statements and the operating effectiveness of such controls;
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Investment Manager of the Trust;
- Conclude on the appropriateness of use of the going concern basis of accounting by the Board of Director of Investment Manager of the Trust and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation; and
- Obtain sufficient appropriate audit evidence regarding the financial statements of the entities or business activities within the Group, 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 the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

12. 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.

13. 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.

14. 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.

15. We also performed procedures in accordance with Regulation 13(2)(e) of the SEBI Regulations to the extent applicable.

Other Matter

16. We did not audit the financial statements of 7 subsidiaries, whose financial statements reflect total assets of ₹ 34,864.49 millions as at 31 March 2024, total revenues of ₹ 3,367.34 millions and net cash outflows amounting to ₹ 680.23 millions for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the Investment Manager of the Trust and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries,

are based solely on the reports of the other auditors.

Our opinion above 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 reports of the other auditors.

Report on Other Legal and Regulatory Requirements

17. Based on our audit and on the consideration of the reports of the other auditors referred to in paragraph 16 above on separate financial statements of the subsidiaries and as required by the SEBI Regulations, we report that:

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

    b) the Consolidated Balance Sheet and Consolidated Statement of Profit and Loss (including Other comprehensive Income) are in agreement with the relevant books of account of the Trust; and

    c) in our opinion, the aforesaid consolidated financial statements comply with Ind AS.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Manish Agrawal
Partner
Membership No.: 507000
UDIN: 24507000BKDHOJ4436

Place: New Delhi
Date: 16 May 2024

Annexure 1

List of subsidiaries included in the Statement (in addition to the Trust)

a. Jodhpur Pali Expressway Private Limited ('JPEPL')
b. Godhra Expressways Private Limited ('GEPL')
c. Nirmal BOT Private Limited ('NBPL') (formerly known as Nirmal BOT Limited)
d. Dewas Bhopal Corridor Private Limited ('DBCPL')
e. Shillong Expressway Private Limited ('SEPL')
f. Ulundurpet Expressways Private Limited ('UEPL')
g. Udupi Tollway Private Limited ('UTPL') (formerly known as Navayuga Udupi Tollway Private Limited) w.e.f. 02 November 2023
h. Rewari Ateli Highway Private Limited ('RAHPL') (formerly, H.G. Rewari Ateli Highway Private Limited) w.e.f. 22 November 2023
i. Gurgaon Sohna Highway Private Limited ('GSHPL') w.e.f. 22 November 2023
j. Ateli Narnaul Highway Private Limited ('ANHPL') (formerly known as H.G. Ateli Narnaul Highway Private Limited) ('ANHPL') w.e.f. 22 November 2023
k. Swarna Tollway Private Limited ('STPL') w.e.f. 24 January 2024
l. Gujarat Road And Infrastructure Company Limited ('GRICL') w.e.f. 24 January 2024

Consolidated Balance Sheet

as at March 31, 2024

(All amounts in ₹ Mn unless otherwise stated)

Particulars	Note	As at March 31, 2024	As at March 31, 2023
ASSETS			
Non-current assets			
Property, plant and equipment	3	343.04	100.00
Capital work-in-progress	4	50.98	-
Goodwill	5A	-	-
Other intangible assets	5B	55,432.88	19,353.89
Financial assets			
Other financial assets	6	8,009.09	541.71
Deferred tax assets (net)	20	338.00	319.08
Non-current tax assets (net)	7	410.34	83.57
Other non-current assets	8	72.13	6.26
Total non-current assets		**64,656.46**	**20,404.51**
Current assets			
Financial assets			
Investments	9	5,027.36	648.60
Trade receivables	10	310.66	0.16
Cash and cash equivalents	11	1,254.38	349.11
Bank balances other than cash and cash equivalents above	12	8,231.56	1,546.58
Other financial assets	13	2,780.27	631.38
Other current assets	14	723.16	55.23
Total current assets		**18,327.39**	**3,231.06**
Total assets		**82,983.85**	**23,635.57**
EQUITY AND LIABILITIES			
EQUITY			
Unit capital	15	68,590.00	41,550.00
Other equity	16	(42,602.37)	(37,168.34)
Equity attributable to unit holders of the Trust		**25,987.63**	**4,381.66**
Non controlling interests		5,634.05	-
Total equity		**31,621.68**	**4,381.66**
LIABILITIES			
Non-current liabilities			
Financial liabilities			
Borrowings	17	33,870.39	14,541.86
Other financial liabilities	18	1,587.31	1,556.83
Provisions	19	890.88	281.56
Deferred tax liabilities (net)	20	6,426.85	1,565.26
Other non current liabilities	21	31.88	-
Total non-current liabilities		**42,807.31**	**17,945.51**
Current liabilities			
Financial liabilities			
Borrowings	22	3,423.67	225.00
Trade payables			
(a) Total outstanding dues of micro enterprises and small enterprises	23	38.01	10.18
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	23	1,285.65	377.53
Other financial liabilities	24	1,108.22	227.12
Other current liabilities	25	291.83	43.11
Provisions	26	2,396.17	425.46
Current tax liabilities (net)	27	11.31	-
Total current liabilities		**8,554.86**	**1,308.40**
Total liabilities		**51,362.17**	**19,253.91**
Total equity and liabilities		**82,983.85**	**23,635.57**
Summary of material accounting policy information	2C		

The accompanying notes form an integral part of the consolidated financial statements.

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

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Manish Agrawal
Partner
Membership No.: 507000

Place: New Delhi
Date: May 16, 2024

For and on behalf of Board of Directors of
Highway Concessions One Private Limited
(as Investment Manager of Highways Infrastructure Trust)

Dr. Zafar Khan
Joint CEO
DIN: 07641366

Place: Mumbai
Date: May 16, 2024

Abhishek Chhajer
Chief Financial Officer

Place: Mumbai
Date: May 16, 2024

Gaurav Chandna
Executive Director and Joint CEO
DIN: 10312924

Place: Mumbai
Date: May 16, 2024

Consolidated Statement of Profit and Loss

for the year ended March 31, 2024

(All amounts in ₹ Mn unless otherwise stated)

Particulars	Note	For the year ended March 31, 2024	For the year ended March 31, 2023
Income and gains			
Revenue from operations	28	14,127.92	6,152.35
Interest income from bank deposits		306.45	121.51
Profit on sale of assets/investments	28.1	124.16	126.04
Other income	29	115.30	31.17
Total income and gains		**14,673.83**	**6,431.07**
Expenses and losses			
Valuation expenses		3.12	2.40
Audit fees (statutory auditor of Trust)	33.1	25.21	17.38
Audit fees (auditor of subsidiaries)		6.18	5.64
Insurance and security expenses		40.07	45.66
Employee benefits expense	30	145.36	104.03
Project management fees	59	171.05	53.55
Investment manager fees	59	367.20	111.61
Management support services fee		-	247.43
Trustee fees		4.18	4.43
Depreciation on property, plant and equipment	3	34.35	26.96
Amortisation of intangible assets	5	2,176.01	1,139.01
Finance costs			
- Interest on term loan and non convertible debentures		2,236.07	1,743.11
- Other finance costs	31	416.13	447.48
Rating fee		18.97	2.35
Operation and maintenance		805.43	433.39
Corporate social responsibility	33.2	32.15	15.16
Provision for major maintenance obligation		1,424.15	416.39
Operating expenses	32	4,304.51	365.44
Independent consultancy and project monitoring fees		79.93	69.28
Legal and professional		419.32	152.55
Other expenses	33	75.69	63.34
Total expenses and losses		**12,785.08**	**5,466.59**
Profit before exceptional items and tax for the year		**1,888.75**	**964.48**
Exceptional items	34	(3,689.54)	-
Profit before tax for the year		**(1,800.79)**	**964.48**
Tax expense			
Current tax	36	452.22	225.67
Deferred tax	36	(243.02)	396.82
Total tax expense		**209.20**	**622.49**
Net (loss)/profit for the year		**(2,009.99)**	**341.99**
Other comprehensive income			
Items that will not be reclassified to profit or loss			
Re-measurement (losses)/gain on defined benefit obligations		(0.65)	0.90
Income tax relating to these items		(0.40)	-
Total other comprehensive (loss)/ income for the year (net of tax)		**(1.05)**	**0.90**
Total comprehensive (loss)/ income for the year		**(2,011.04)**	**342.89**
Net (loss)/profit for the year attributable to			
Unit holders of the Trust		(2,085.78)	341.99
Non-controlling interests		75.79	-
Other comprehensive (loss)/ income for the year attributable to			
Unit holders of the Trust		0.14	0.90
Non-controlling interests		(1.19)	-
Total comprehensive (loss)/income for the year attributable to			
Unit holders of the Trust		(2,085.64)	342.89
Non-controlling interests		74.60	-
Earning per unit capital (Nominal value of unit capital ₹ 100 per unit)			
Basic (₹)	37	(4.17)	0.82
Diluted (₹)	37	(4.17)	0.82
Summary of material accounting policy information	2C		

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

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

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Manish Agrawal
Partner
Membership No.: 507000

Place: New Delhi
Date: May 16, 2024

For and on behalf of Board of Directors of
Highway Concessions One Private Limited
(as Investment Manager of Highways Infrastructure Trust)

Dr. Zafar Khan
Joint CEO
DIN: 07641366

Place: Mumbai
Date: May 16, 2024

Abhishek Chhajer
Chief Financial Officer

Place: Mumbai
Date: May 16, 2024

Gaurav Chandna
Executive Director and Joint CEO
DIN: 10312924

Place: Mumbai
Date: May 16, 2024

Consolidated Statement of Cash Flows

for the year ended March 31, 2024
(All amounts in ₹ Mn unless otherwise stated)

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
A. Cash flows from operating activities		
(Loss)/ Profit before tax for the year	**(1,800.79)**	**964.48**
Adjustments for:		
Depreciation on property, plant and equipment	34.35	26.96
Amortisation of intangible assets	2,176.01	1,139.01
Gain on sale of property, plant and equipment (net)	(0.77)	(0.02)
Gain on sale of investments (net)	(92.26)	(123.66)
Gain on investments carried at fair value through profit or loss (net)	(31.13)	(2.36)
Excess provisions written back	(50.22)	(9.15)
Bad debts written off	1.83	9.34
Impairment of intangible assets	587.81	-
Impairment of goodwill (refer note (ii) below)	3,101.73	-
Interest income from bank deposits	(306.45)	(121.51)
Finance cost		
Interest on term loan and non convertible debentures	2,236.07	1,743.11
Unwinding finance cost on deferred payment to National Highway Authority of India ('NHAI') for purchase of right to charge users of toll road	181.66	177.46
Unwinding of discount on provisions and financial liabilities carried at amortised cost	55.42	110.04
Unwinding of discount on provision for major maintainance	79.77	51.31
Finance and bank charges	84.82	103.61
Modification loss on financial liability	14.46	5.06
Modification (gain)/ loss on annuity	(41.19)	298.58
Operating profit before working capital changes and other adjustments	**6,231.12**	**4,372.26**
Working capital changes and other adjustments:		
Trade receivables	154.01	36.95
Other financial assets	2,448.03	621.00
Other assets	37.93	11.70
Trade payables	414.19	66.91
Provisions	(17.13)	102.03
Financial liabilities	(219.52)	72.32
Other liabilities	114.98	11.99
Cash flow from operating activities post working capital changes	**9,163.61**	**5,295.16**
Income tax paid (net of refund)	(637.05)	(267.30)
Net cash flow from operating activities (A)	**8,526.56**	**5,027.86**
B. Cash flows from investing activities		
Acquisition of a subsidiaries (refer note 51)	(29,712.93)	-
Acquisition of property, plant and equipments and capital work-in-progress	(91.04)	(13.34)
Proceeds from disposal of property plant and equipment	3.32	18.83
Investment in compulsarily convertible debentures ('CCD's)	-	(3,060.00)
Investment in preference shares	-	(545.10)
Proceeds from maturity of bank deposits	216.27	784.00
(Purchase)/ Redemption of current investments (net)	(3,892.73)	1,629.82
Net cash used in investing activities (B)	**(33,477.11)**	**(1,185.79)**

Consolidated Statement of Cash Flows for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

Particulars		For the year ended March 31, 2024	For the year ended March 31, 2023
C.	**Cash flows from financing activities**		
	Proceeds from issuance of units	27,040.00	4,160.00
	Repayment of current borrowings	(16,645.82)	(112.50)
	Repayment of non-current borrowings	-	(14,300.60)
	Proceeds from commerical papers	2,559.13	-
	Proceeds from current borrowings	19,089.69	14,469.03
	Formation and issue expenses	(51.65)	(111.58)
	Processing fees paid	(158.74)	(118.90)
	Finance costs paid	(2,153.35)	(1,814.23)
	Distribution made to unit-holders	(4,953.52)	(6,030.00)
	Net cash flow from/(used) in financing activities (C)	**24,725.74**	**(3,858.78)**
D.	**Net decrease in cash and cash equivalent (A+B+C)**	**(224.81)**	**(16.71)**
E.	**Addition on account of business combination (refer note 51)**	**1,130.08**	**-**
F.	**Cash and cash equivalent at the beginning of the year**	**349.11**	**365.82**
	Cash and cash equivalent at the end of the year (D+E+F) (refer note 11)	**1,254.38**	**349.11**

Note: The above Consolidated Statement of Cash Flows for the year ended March 31, 2024 has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

The accompanying notes form an integral part of the consolidated financial statements.

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

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Manish Agrawal
Partner
Membership No.: 507000

Place: New Delhi
Date: May 16, 2024

For and on behalf of Board of Directors of
Highway Concessions One Private Limited
(as Investment Manager of Highways Infrastructure Trust)

Dr. Zafar Khan
Joint CEO
DIN: 07641366

Place: Mumbai
Date: May 16, 2024

Abhishek Chhajer
Chief Financial Officer

Place: Mumbai
Date: May 16, 2024

Gaurav Chandna
Executive Director and Joint CEO
DIN: 10312924

Place: Mumbai
Date: May 16, 2024

Consolidated Statement of Changes in Unit Holders' Equity

for the year ended March 31, 2024
(All amounts in ₹ Mn unless otherwise stated)

A Unit capital*

Particulars	Number of unit	Amount (in Mn)
Balance as at April 01, 2022	-	-
Units issued during the year	415,500,000	41,550.00
Balance as at March 31, 2023	**415,500,000**	**41,550.00**
Units issued during the year ^	331,385,834	27,040.00
Balance as at March 31, 2024	**746,885,834**	**68,590.00**

^Changes in unit capital represents 265,454,540 units issued by way of preferential allotment of units and 65,931,294 units by way of right issue of units.

B Other equity**

Particulars	Attributable to unit holders of the Trust								Total Attributable to unit holders of the Trust	Attributable to non -controlling interest	Total
	Units pending isssuance	Equity component of loan to related parties	Reserves and surplus								
			Securities premium reserve	Debenture redemption reserve	Capital reserve	Capital redemption reserve	Retained earnings	Amalgmation adjustment deficit account			
Balance as at April 01, 2022	**3,200.95**	**384.95**	**2,874.88**	**174.91**	**-**	**2.83**	**(6,249.66)**	**-**	**388.86**	**-**	**388.86**
Net profit for the year	-	-	-	-	-	-	341.99	-	341.99	-	341.99
Other comprehensive income for the year											
Remeasurement of defined benefit obligations (net of tax)	-	-	-	-	-	-	0.90	-	0.90	-	0.90
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**342.89**	**-**	**342.89**	**-**	**342.89**
Transfer from units pending issuance to acquisition adjustment account pursuant to common control business combinations (refer note 51A (b)(iii))	(3,200.95)	-	-	-		-	-	3,200.95	-	-	-
Amount paid to sponsor pursuant to business combinations (refer note 51A (b)(iii))	-	-	-	-	-	-	-	(31,715.33)	(31,715.33)	-	(31,715.33)
Formation and issue expenses^^	-	-	-	-	-	-	(111.58)	-	(111.58)	-	(111.58)
Transfer from security premium to retained earnings pursuant to capital reduction in DBCPL (refer note 55)	-	-	(600.09)	-	-	-	600.09	-	-	-	-
Transaction cost relating to buy back of preference shares of SEPL	-	-	-	-	-	-	(43.18)	-	(43.18)	-	(43.18)
Transfer from debenture redemption reserve in NBPL and DBCPL	-	-	-	(174.91)	-	-	174.91	-	-	-	-
Distributions to unit holders	-	-	-	-	-	-	(6,030.00)	-	(6,030.00)	-	(6,030.00)
Balance as at March 31, 2023	**-**	**384.95**	**2,274.79**	**-**	**-**	**2.83**	**(11,316.54)**	**(28,514.38)**	**(37,168.35)**	**-**	**(37,168.34)**

Consolidated Statement of Changes in Unit Holders' Equity for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

Particulars	Attributable to unit holders of the Trust								Total Attributable to unit holders of the Trust	Attributable to non -controlling interest	Total
	Units pending isssuance	Equity component of loan to related parties	Reserves and surplus								
			Securities premium reserve	Debenture redemption reserve	Capital reserve	Capital redemption reserve	Retained earnings	Amalgmation adjustment deficit account			
Net profit for the year	-	-	-	-	-	-	(2,085.78)	-	(2,085.78)	75.79	(2,009.99)
Other comprehensive income for the year											
Remeasurement of defined benefit obligations (net of tax)	-	-	-	-	-	-	0.14	-	0.14	(1.19)	(1.05)
Total comprehensive income for the year	**-**	**-**	**-**	**-**	**-**	**-**	**(2,085.64)**	**-**	**(2,085.64)**	**74.60**	**(2,011.04)**
Units issue expenses#	-	-	-	-	-	-	(51.65)	-	(51.65)	-	(51.65)
Transaction cost relating to buy back of preference shares of SEPL	-	-	-	-	-	-	(15.19)	-	(15.19)	-	(15.19)
Transfer from security premium to retained earnings pursuant to capital reduction in GEPL (refer note 55)	-	-	(1,500.00)	-	-	-	1,500.00	-	-	-	-
Add: Acquisition of subsidiaries (refer note 51)	-	-	-	-	1,671.99	-	-	-	1,671.99	5,559.44	7,231.43
Distributions to unit holders ^	-	-	-	-	-	-	(4,953.52)	-	(4,953.52)	-	(4,953.52)
Balance as at March 31, 2024	**-**	**384.95**	**774.79**	**-**	**1,671.99**	**2.83**	**(16,922.55)**	**(28,514.38)**	**(42,602.37)**	**5,634.05**	**(36,968.32)**

^Pertains to the distributions made during the financial year along with the distribution related to the last quarter of 2022-23 and does not include the distribution relating to the last quarter of 2023-24 which will be paid after March 31, 2024. The distributions made by Trust to its unitholders are based on the Net Distributable Cash Flows (NDCF) of the Trust under the SEBI Regulations and includes interest, dividend and repayment of capital.

^^ Formation and issue expenses are one time expenses incurred in relation to the formation of the Trust .

Unit issue expenses are expenses incurred in relation to the right issue and preferential issue of the Trust. (refer note 15(vi) and 15 (vii) for further details)

* refer note 15.

** refer note 16.

The accompanying notes form an integral part of the consolidated financial statements.

This is the Consolidated Statement of Changes in Equity referred to in our report of even date.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Manish Agrawal
Partner
Membership No.: 507000

Place: New Delhi
Date: May 16, 2024

For and on behalf of Board of Directors of
Highway Concessions One Private Limited
(as Investment Manager of Highways Infrastructure Trust)

Dr. Zafar Khan
Joint CEO
DIN: 07641366

Place: Mumbai
Date: May 16, 2024

Abhishek Chhajer
Chief Financial Officer

Place: Mumbai
Date: May 16, 2024

Gaurav Chandna
Executive Director and Joint CEO
DIN: 10312924

Place: Mumbai
Date: May 16, 2024

Consolidated Statement of Net Assets at Fair Value and Total Return at Fair Value

as at March 31, 2024

(All amounts in ₹ Mn unless otherwise stated)

A. Consolidated Statement of net assets at fair value

Particulars	As at March 31, 2024		As at March 31, 2023	
	Book value	Fair value#	Book value	Fair value#
A. Assets	82,983.85	115,072.95	23,635.57	58,191.84
B. Liabilities (at book value)	51,362.17	51,362.17	19,253.91	19,253.91
C. Net assets (A-B)	31,621.68	63,710.78	4,381.66	38,937.93
D. No of units (in Mn)	746.89	746.89	415.50	415.50
E. NAV (C/D)	42.34	85.30	10.55	93.71

Fair values of total assets relating to the Trust as at March 31, 2024 and March 31, 2023 as disclosed above are primarily based on the fair valuation report of the independent valuer appointed by the Trust under SEBI (Infrastructure Investment Trust) Regulations, 2014.

Project wise break up of fair value of assets as at March 31, 2024:

Particulars	Fair value** as at March 31, 2024	Fair value** as at March 31, 2023
Highways Infrastructure Trust	420.22	1,039.02
Shillong Expressways Private Limited (SEPL)	679.81	516.26
Ulunderpret Expressways Private Limited (UEPL)	4,967.19	5,491.57
Dewas Bhopal Corridor Private Limited (DBCPL)	17,283.49	15,883.37
Godhra Expressways Private Limited (GEPL)	25,666.73	25,630.72
Nirmal BOT Private Limited (NBPL)	1,219.24	1,136.37
Jodhpur Pali Expressways Private Limited (JPEPL)	6,229.29	8,494.53
Udupi Tollway Private Limited ('UTPL') (formerly known as Navayuga Udupi Tollway Private Limited) w.e.f. November 02, 2023	10,562.15	-
Rewari Ateli Highway Private Limited ('RAHPL') (formerly, H.G. Rewari Ateli Highway Private Limited) w.e.f. 22 November 2023	2,791.60	-
Gurgaon Sohna Highway Private Limited ('GSHPL') w.e.f. November 22, 2023	3,297.92	-
Ateli Narnaul Highway Private Limited ('ANHPL') (formerly known as H.G. Ateli Narnaul Highway Private Limited) ('ANHPL') w.e.f. November 22, 2023	5,379.31	-
Swarna Tollway Private Limited ('STPL') w.e.f. January 24, 2024	22,929.69	-
Gujarat Road And Infrastructure Company Limited ('GRICL') w.e.f. January 24, 2024	13,646.31	-
Total Assets	**115,072.95**	**58,191.84**

**Fair values of assets as disclosed above are the fair values of the total assets of the Group which are included in the Consolidated Financial Statements.

Consolidated Statement of Net Assets at Fair Value and Total Return at Fair Value as at March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

B. Statement of consolidated total return at fair value:

Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
Total comprehensive income for the year (As per the Consolidated Statement of Profit and Loss)	(2,011.04)	342.89
Add: Other changes in fair value for the year (refer note 1)	56,881.11	3,983.59
Total return	**54,870.07**	**4,326.48**

Note 1:

*In the above statement, other changes in fair value for the year ended March 31, 2024 for all SPVs has been computed based on the difference in fair values of total assets as at March 31, 2024 and as at March 31, 2023 which is primarily based on the valuation report of the independent valuer appointed under SEBI (Infrastructure Investment Trusts) Regulations, 2014.

The accompanying notes form an integral part of the Consolidated financial statements.

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

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Manish Agrawal
Partner
Membership No.: 507000

Place: New Delhi
Date: May 16, 2024

For and on behalf of Board of Directors of
Highway Concessions One Private Limited
(as Investment Manager of Highways Infrastructure Trust)

Dr. Zafar Khan
Joint CEO
DIN: 07641366

Place: Mumbai
Date: May 16, 2024

Abhishek Chhajer
Chief Financial Officer

Place: Mumbai
Date: May 16, 2024

Gaurav Chandna
Executive Director and Joint CEO
DIN: 10312924

Place: Mumbai
Date: May 16, 2024

Statement of Net Distributable Cash Flows

for the year ended March 31, 2024
(All amounts in ₹ Mn unless otherwise stated)

Statement of Net Distributable Cash Flows

(i) Highways Infrastructure Trust

S. No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
1	**Net Distributable Cash Flows of the Project Entities**		
	a) in the form of interest/accrued interest/additional interest	2,780.49	2,078.10
	b) in the form of dividend	8,456.67	1,893.32
	c) in the form of proceeds towards repayment of the debt issued to the Project SPVs by the Trust	2,409.40	3,264.77
	d) in the form of proceeds through capital reduction by way of a buy back or any other means as permitted, subject to applicable law	75.74	294.45
2	Cash flows from additional borrowings (including debentures/other securities), fresh issuance of units, etc.	48,858.06	18,629.03
3	Any other income accruing at the Highways Infrastructure Trust ('Trust') and not captured above, as deemed necessary by the Investment Manager, including but not limited to interest/return on surplus cash invested by the Highways Infrastructure Trust	110.34	42.75
	Total cash inflow at the InvIT level (A)	**62,690.70**	**26,202.42**
	Adjustments:		
4	Any payment of fees, interest and expenses incurred at the Trust, including but not limited to the fees of the Investment Manager, Project Manager, Trustee, Auditor, Valuer, Credit Rating Agency, etc.	(2,218.39)	(889.75)
5	Any expenditure reimbursed to Investment Manager which the Investment Manager incurred on behalf of Trust.	(74.64)	(116.10)
6	Income tax (if applicable) for standalone Trust and/or payment of other statutory dues	(58.12)	(18.27)
7	Repayment of third-party debt (principal)/redeemable preference shares/debentures, etc., net of any debt raised by refinancing of existing debt	(377.66)	(112.50)
8	Net cash set aside to comply with borrowing requirements such as DSRA, minimum cash balance, etc.	(42.88)	(976.43)
9	Amount invested in any of the Project SPVs for service of debt or interest	(19,723.23)	(17,211.84)
10	Any provision or reserve deemed necessary by the Investment Manager for expenses/liabilities which may be due in future	-	(146.33)
11	Investment including acquisition of other project SPV	(29,134.84)	-
	Total adjustments at the Trust level (B)	**(51,629.76)**	**(19,471.22)**
	Amount released/(retained) by Trust (C)	**196.58**	**-**
	Net Distributable cash flows (D)=(A+B+C)	**11,257.52**	**6,731.20**

(ii) Dewas Bhopal Corridor Private Limited ("DBCPL")

S. No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
1	**Profit after tax as per Statement of Profit and Loss (A)**	**997.86**	**1,020.54**
	Adjustments:		
2	Interest (including interest on unpaid interest), if any, on loans availed from/debentures issued to Trust as per profit and loss account	462.01	203.45
3	Depreciation, impairment (in case of impairment reversal, the same will be deducted) and amortisation as per profit and loss account.	186.27	173.42

Statement of Net Distributable Cash Flows
for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

S. No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
4	Any other item of non-cash expense/non-cash income (net of actual cash flows for these items), including but not limited to		
	• any decrease in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	(0.45)	0.05
	• deferred tax, lease rents, provisions, etc.	(29.37)	(177.84)
	• any other items charged/credited to the Profit and loss account which do not involve corresponding cash flows	133.96	42.22
5	Decrease in working capital	(7.38)	(15.74)
6	Gain on sale of investments	(15.70)	(45.53)
7	Amount invested by the Trust in the Project Entity for service of debt or interest, through internal accruals to the extent allowed under the SEBI InvIT Regulations	-	2,814.94
8	Capital expenditure, if any	(7.56)	(1.25)
9	Repayment of third-party debt (principal)/redeemable preference shares/debentures, etc., net of any debt raised by refinancing of existing debt	-	(2,853.41)
10	Such portion of the existing cash balance available, if any, as deemed necessary by the Investment Manager in line with the SEBI InvIT Regulations	0.11	944.47
	Total adjustments at the Trust level (B)	**721.89**	**1,084.78**
	Net Distributable cash flows (C)=(A+B)	**1,719.75**	**2,105.32**

(iii) Nirmal BOT Private Limited (formerly known as Nirmal BOT Limited) ("NBPL")

S. No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
1	**Loss after tax as per Statement of Profit and Loss (A)**	**(9.76)**	**(243.95)**
	Adjustments:		
2	Interest (including interest on unpaid interest), if any, on loans availed from/debentures issued to Trust as per profit and loss account	134.87	126.47
3	Depreciation, impairment (in case of impairment reversal, the same will be deducted) and amortisation as per profit and loss account	2.01	1.97
4	Any other item of non-cash expense/non-cash income (net of actual cash flows for these items), including but not limited to		
	• any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	0.91	(0.92)
	• deferred tax, lease rents, provisions, etc.	(9.98)	(11.75)
5	Decrease in working capital	(298.86)	(18.92)
6	Gain on sale of investments	(12.14)	(5.22)
7	Any amount received from tolls or annuities not recognised as income for the purposes of working out the profit after tax	476.00	389.41
8	Amount invested by the Trust in the Project Entity for service of debt or interest, through internal accruals to the extent allowed under the SEBI InvIT Regulations	27.00	1,158.30
9	Capital expenditure, if any	(0.14)	(0.51)

Statement of Net Distributable Cash Flows
for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

S. No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
10	Repayment of third-party debt (principal)/redeemable preference shares/debentures, etc., net of any debt raised by refinancing of existing debt	-	(1,249.10)
11	Net cash set aside to comply with borrowing requirements such as DSRA, minimum cash balance, etc.	(180.43)	-
12	Payment of any other liabilities (not covered under working capital)	-	(5.18)
13	Such portion of the existing cash balance available, if any, as deemed necessary by the Investment Manager in line with the SEBI InvIT Regulations	207.68	518.45
	Total adjustments at the Trust level (B)	**346.92**	**903.00**
	Net Distributable cash flows (C)=(A+B)	**337.16**	**659.05**

(iv) Jodhpur Pali Expressway Private Limited ("JPEPL")

S. No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
1	**Loss after tax as per Statement of Profit and Loss (A)**	**(545.05)**	**(527.30)**
	Adjustments:		
2	Interest (including interest on unpaid interest), if any, on loans availed from/debentures issued to Trust as per profit and loss account	770.12	479.63
3	Depreciation, impairment (in case of impairment reversal, the same will be deducted) and amortisation as per profit and loss account	90.39	65.45
4	Any other item of non-cash expense/non-cash income (net of actual cash flows for these items), including but not limited to		
	• any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	(1.19)	0.87
	• deferred tax, lease rents, provisions, etc.	17.23	103.67
	• any other items charged/credited to the profit and loss account which do not involve corresponding cash flows	174.30	81.48
5	Decrease in working capital	(54.96)	(184.18)
6	Gain on sale of investments	(6.86)	(8.19)
7	Capital expenditure, if any	(20.74)	(7.70)
8	Repayment of third-party debt (principal)/redeemable preference shares/debentures, etc., net of any debt raised by refinancing of existing debt	-	(1,254.35)
9	Amount invested by the Trust in the Project Entity for service of debt or interest, through internal accruals to the extent allowed under the SEBI Regulations.	-	1,506.19
10	Net proceeds (after applicable taxes) from sale of assets/investments adjusted for proceeds reinvested or planned to be reinvested.	19.56	-
11	Such portion of the existing cash balance available, if any, as deemed necessary by the Investment Manager in line with the SEBI InvIT Regulations	5.85	120.01
	Total adjustments at the Trust level (B)	**993.70**	**902.87**
	Net Distributable cash flows (C)=(A+B)	**448.65**	**375.58**

Statement of Net Distributable Cash Flows
for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

(v) Godhra Expressways Private Limited ("GEPL")

S. No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
1	**Loss after tax as per Statement of Profit and Loss (A)**	**(322.66)**	**(630.19)**
	Adjustments:		
2	Interest (including interest on unpaid interest), if any, on loans availed from/debentures issued to Trust as per profit and loss account	1,367.20	998.96
3	Depreciation, impairment (in case of impairment reversal, the same will be deducted) and amortisation as per profit and loss account	236.57	113.42
4	Any other item of non-cash expense/non-cash income (net of actual cash flows for these items), including but not limited to		
	• any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	(1.14)	0.39
	• deferred tax, lease rents, provisions, etc.	(21.94)	429.25
	• any other items charged/credited to the profit and loss account which do not involve corresponding cash flows	186.12	177.42
5	Increase/(Decrease) in working capital	10.31	(19.96)
6	Gain on sale of investments	(13.56)	(28.02)
7	Amount invested by the Trust in the Project Entity for service of debt or interest, through internal accruals to the extent allowed under the SEBI InvIT Regulations.	-	4,059.40
8	Capital expenditure, if any	(128.11)	(122.55)
9	Repayment of third-party debt (principal)/redeemable preference shares/debentures, etc., net of any debt raised by refinancing of existing debt	-	(4,100.76)
10	Such portion of the existing cash balance available, if any, as deemed necessary by the Investment Manager in line with the SEBI InvIT Regulations	52.44	850.64
	Total adjustments at the Trust level (B)	**1,687.89**	**2,358.19**
	Net Distributable cash flows (C)=(A+B)	**1,365.23**	**1,728.00**

(vi) Ulundurpet Expressways Private Limited ("UEPL")

S. No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
1	**Profit/(Loss) after tax as per Statement of Profit and Loss (A)**	**221.90**	**(9.33)**
	Adjustments:		
2	Interest (including interest on unpaid interest), if any, on loans availed from/debentures issued to Trust as per profit and loss account	93.55	218.10
3	Depreciation, impairment (in case of impairment reversal, the same will be deducted) and amortisation as per profit and loss account	901.50	811.42
4	Any other item of non-cash expense/non-cash income (net of actual cash flows for these items), including but not limited to		
	• any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	(11.48)	0.09
	• deferred tax, lease rents, provisions, etc.	0.89	(2.45)
	• any other items charged/credited to the Profit and loss account which do not involve corresponding cash flows	381.27	323.37
5	(Decrease)/increase in working capital	(129.85)	43.35
6	Gain on sale of investments	(23.80)	(39.65)

Statement of Net Distributable Cash Flows
for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

S. No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
7	Net proceeds (after applicable taxes) from sale of assets/investments not distributed pursuant to an earlier plan to reinvest, if such proceeds are not intended to be invested subsequently.	27.48	17.43
8	Amount invested by the Trust in the Project Entity for service of debt or interest, through internal accruals to the extent allowed under the SEBI InvIT Regulations.	-	2,699.29
9	Capital expenditure, if any	(1.90)	(1.83)
10	Repayment of third-party debt (principal)/redeemable preference shares/debentures, etc., net of any debt raised by refinancing of existing debt	-	(2,840.24)
11	Any provision or reserve deemed necessary by the Investment Manager for expenses/liabilities which may be due in future	(194.41)	-
12	Such portion of the existing cash balance available, if any, as deemed necessary by the Investment Manager in line with the SEBI InvIT Regulations	20.26	1,046.15
	Total adjustments at the Trust level (B)	**1,063.51**	**2,275.03**
	Net Distributable Cash Flows (C)=(A+B)	**1,285.41**	**2,265.70**

(vii) Shillong Expressway Private Limited ("SEPL")

S. No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
1	**Profit/(Loss) after tax as per Statement of Profit and Loss (A)**	**115.39**	**(82.03)**
	Adjustments:		
2	Interest (including interest on unpaid interest), if any, on loans availed from/debentures issued to Highways Trust, as per profit and loss account	9.12	-
3	Depreciation, impairment (in case of impairment reversal, the same will be deducted) and amortisation as per profit and loss account	0.35	0.29
4	Any other item of non-cash expense/non-cash income (net of actual cash flows for these items), including but not limited to		
	• any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	(0.48)	0.12
	• deferred tax, lease rents, provisions, etc.	(4.26)	(47.21)
	• any other items charged/credited to the Profit and loss account which do not involve corresponding cash flows	-	26.66
5	Decrease in working capital	(530.09)	(36.92)
6	(Loss)/gain on sale of investments	3.59	(9.11)
7	Any amount received from tolls or annuities not recognised as income for the purposes of working out the profit after tax	497.40	497.40
8	Capital expenditure, if any	(0.19)	(0.06)
9	Repayment of third-party debt (principal)/redeemable preference shares/debentures, etc., net of any debt raised by refinancing of existing debt	-	(702.33)
10	Such portion of the existing cash balance available, if any, as deemed necessary by the Investment Manager in line with the SEBI InvIT Regulations	186.03	750.16
	Total adjustments at the Trust level (B)	**161.56**	**479.01**
	Net Distributable cash flows (C)=(A+B)	**276.95**	**396.98**

Statement of Net Distributable Cash Flows
for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

(viii) Swarna Tollway Private Limited ("STPL")(subsidiary w.e.f 24 January 2024)

S. No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
1	**Profit after tax as per Statement of Profit and Loss (A)**	**453.08**	**-**
	Adjustments:		
2	Interest (including interest on unpaid interest), if any, on loans availed from/debentures issued to Trust as per profit and loss account	6.88	-
3	Depreciation, impairment (in case of impairment reversal, the same will be deducted) and amortisation as per profit and loss account	61.70	-
4	Any other item of non-cash expense/non-cash income (net of actual cash flows for these items), including but not limited to		
	• any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	(6.85)	-
	• any other items charged/credited to the profit and loss account which do not involve corresponding cash flows	86.18	
	• deferred tax, lease rents, provisions, etc.	(102.80)	-
5	Decrease in working capital	(354.58)	-
6	Gain on sale of investments	44.56	-
7	Capital expenditure, if any	(0.67)	-
8	Any provision or reserve deemed necessary by the Investment Manager for expenses/liabilities which may be due in future	(307.23)	-
9	Such portion of the existing cash balance available, if any, as deemed necessary by the Investment Manager in line with the SEBI InvIT Regulations	4,281.02	-
	Total adjustments at the Trust level (B)	**3,708.21**	**-**
	Net Distributable cash flows (C)=(A+B)	**4,161.29**	**-**

(ix) Ateli Narnaul Highway Private Limited ("ANHPL")(subsidiary w.e.f 22 November 2023)

S. No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
1	**Profit after tax as per Statement of Profit and Loss (A)**	**36.79**	**-**
	Adjustments:		
2	Interest (including interest on unpaid interest), if any, on loans availed from/debentures issued to Trust as per profit and loss account	20.15	-
3	Depreciation, impairment (in case of impairment reversal, the same will be deducted) and amortisation as per profit and loss account	0.13	-
4	Any other item of non-cash expense/non-cash income (net of actual cash flows for these items), including but not limited to		-
	• any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	(2.02)	-
	• interest cost as per effective interest rate method (difference between accrued and actual paid);	22.50	
	• deferred tax, lease rents, provisions, etc.	(23.40)	-
	• any other items charged/credited to the Profit and loss account which do not involve corresponding cash flows	(3.87)	

Statement of Net Distributable Cash Flows
for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

S. No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
5	Increase in working capital	303.27	-
6	Gain on sale of investments	(0.64)	-
7	Capital expenditure, if any	(0.66)	-
8	Repayment of third-party debt (principal)/redeemable preference shares/debentures, etc., net of any debt raised by refinancing of existing debt	(1.39)	
9	Such portion of the existing cash balance available, if any, as deemed necessary by the Investment Manager in line with the SEBI InvIT Regulations	494.60	-
	Total adjustments at the Trust level (B)	**808.66**	**-**
	Net Distributable cash flows (C)=(A+B)	**845.45**	**-**

(x) Rewari Ateli Highway Private Limited ("RAHPL")(subsidiary w.e.f 22 November 2023)

S. No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
1	**Loss after tax as per Statement of Profit and Loss (A)**	**(6.73)**	**-**
	Adjustments:		
2	Interest (including interest on unpaid interest), if any, on loans availed from/debentures issued to Trust as per profit and loss account	77.82	-
3	Depreciation, impairment (in case of impairment reversal, the same will be deducted) and amortisation as per profit and loss account	0.01	-
4	Any other item of non-cash expense/non-cash income (net of actual cash flows for these items), including but not limited to		
	• any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	(0.16)	-
	• interest cost as per effective interest rate method (difference between accrued and actual paid);	14.33	
	• deferred tax, lease rents, provisions, etc.	(23.88)	-
5	Increase in working capital	128.67	-
6	Gain on sale of investments	(2.12)	-
7	Capital expenditure, if any	(0.16)	-
8	Repayment of third-party debt (principal)/redeemable preference shares/debentures, etc., net of any debt raised by refinancing of existing debt	(59.96)	
9	Such portion of the existing cash balance available, if any, as deemed necessary by the Investment Manager in line with the SEBI InvIT Regulations	290.67	-
	Total adjustments at the Trust level (B)	**425.22**	**-**
	Net Distributable cash flows (C)=(A+B)	**418.49**	**-**

Statement of Net Distributable Cash Flows
for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

(xi) Gurgaon Sohna Highway Private Limited ("GSHPL")(subsidiary w.e.f 22 November 2023)

S. No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
1	**Loss after tax as per Statement of Profit and Loss (A)**	**(133.19)**	**-**
	Adjustments:		
2	Interest (including interest on unpaid interest), if any, on loans availed from/debentures issued to Trust as per profit and loss account	88.61	-
3	Any other item of non-cash expense/non-cash income (net of actual cash flows for these items), including but not limited to		
	• any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	(0.97)	-
	• deferred tax, lease rents, provisions, etc.	75.54	-
	• any other items charged/credited to the Profit and loss account which do not involve corresponding cash flows	55.24	
4	Increase in working capital	156.37	-
5	Gain on sale of investments	(0.96)	-
6	Capital expenditure, if any	(0.32)	-
7	Such portion of the existing cash balance available, if any, as deemed necessary by the Investment Manager in line with the SEBI InvIT Regulations	340.27	-
	Total adjustments at the Trust level (B)	**713.80**	**-**
	Less : Amount retained by SPV as per SEBI guidelines (C)	**(56.55)**	
	Net Distributable cash flows (C)=(A+B+C)	**524.06**	**-**

(xii) Gujarat Road And Infrastructure Company Limited ('GRICL')(subsidiary w.e.f 24 January 2024)

S. No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
1	**Profit after tax as per Statement of Profit and Loss (A)**	**172.10**	**-**
	Adjustments:		
2	Depreciation, impairment (in case of impairment reversal, same will be deducted) and amortisation as per profit and loss account	95.73	-
3	Any other item of non-cash expense/non-cash income (net of actual cash flows for these items), including but not limited to	-	-
	• interest cost as per effective interest rate method (difference between accrued and actual paid);	(3.29)	
	• deferred tax, lease rents, provisions, etc.	2.49	-
	• any other items charged/credited to the Profit and loss account which do not involve corresponding cash flows	263.57	
4	Increase in working capital	125.91	-
5	Gain on sale of investments	(47.52)	-
6	Capital expenditure, if any	(23.26)	-
7	Net cash set aside to comply with borrowing requirements such as DSRA, minimum cash balance, etc.	(409.93)	-
8	Repayment of third-party debt (principal)/redeemable preference shares/debentures, etc., net of any debt raised by refinancing of existing debt	(125.00)	-
9	Such portion of the existing cash balance available, if any, as deemed necessary by the Investment Manager in line with the SEBI InvIT Regulations	4,233.20	-
	Total adjustments at the Trust level (B)	**4,111.91**	**-**
	Amount kept aside as per SEBI guidelines (C)	**333.98**	**-**
	Net Distributable cash flows pertaining to Non controlling interests (D)	**1,706.41**	**-**
	Net Distributable cash flows (E)=(A+B+C-D)	**2,243.62**	**-**

Statement of Net Distributable Cash Flows
for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

(xiii) Udupi Tollway Private Limited ('UTPL')(subsidiary w.e.f 02 November 2023)

S. No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
1	**Loss after tax as per Statement of Profit and Loss (A)**	**(1,281.54)**	**-**
	Adjustments:		
2	Interest (including interest on unpaid interest), if any, on loans availed from/debentures issued to Trust as per profit and loss account	443.44	-
3	Depreciation, impairment (in case of impairment reversal, the same will be deducted) and amortisation as per profit and loss account	205.93	-
4	Any other item of non-cash expense/non-cash income (net of actual cash flows for these items), including but not limited to		-
	• any decrease/increase in carrying amount of an asset or a liability recognised in profit and loss account on measurement of the asset or the liability at fair value;	(0.14)	-
5	Increase in working capital	366.68	-
6	Gain on sale of investments	(1.79)	-
7	Amount released from DSRA/MMRA or any other reserve in lieu of providing bank guarantee.	243.99	-
8	Amount invested by the Trust in the Project Entity for service of debt or interest, through internal accruals to the extent allowed under the SEBI InvIT Regulations	8,213.14	-
9	Capital expenditure, if any	(47.44)	-
10	Repayment of third-party debt (principal)/redeemable preference shares/debentures, etc., net of any debt raised by refinancing of existing debt	(8,223.14)	-
11	Payment of any other liabilities (not covered under working capital)	48.12	-
12	Such portion of the existing cash balance available, if any, as deemed necessary by the Investment Manager in line with the SEBI InvIT Regulations	129.23	-
	Total adjustments at the Trust level (B)	**1,378.03**	**-**
	Net Distributable cash flows (C)=(A+B)	**96.49**	**-**

The accompanying notes form an integral part of the Consolidated financial statements.

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

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Manish Agrawal
Partner
Membership No.: 507000

Place: New Delhi
Date: May 16, 2024

For and on behalf of Board of Directors of
Highway Concessions One Private Limited
(as Investment Manager of Highways Infrastructure Trust)

Dr. Zafar Khan
Joint CEO
DIN: 07641366

Place: Mumbai
Date: May 16, 2024

Abhishek Chhajer
Chief Financial Officer

Place: Mumbai
Date: May 16, 2024

Gaurav Chandna
Executive Director and Joint CEO
DIN: 10312924

Place: Mumbai
Date: May 16, 2024

Summary of material accounting policy information and other explanatory information

for the year ended March 31, 2024

(All amounts in ₹ Mn unless otherwise stated)

Further during the current year ended March 31, 2024, persuant to Circular no SEBI/HO/DDHS/DDHS-PoD/P/CIR/2023/184 dated 06 December 2023 a revised format for computation of net distributable cash flows have been prescribed, which is effective from 01 April 2024, accordingly the NDCF as per revised format for the year ended March 2024 have also been presented below:

(i) Highways Infrastructure Trust

S. No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
1	**Cashflows from operating activities of the Trust**	**(527.61)**	**(130.14)**
2	Add: Cash flows received from SPV's/Investment entities which represent distributions of NDCF computed as per relevant framework	13,722.29	7,530.63
3	Add: Treasury income/income from investing activities of the Trust (interest income received from fixed deposits, any investment entities as defined in Regulation 18(5), tax refund, any other income in the nature of interest, profit on sale of Mutual funds, investments, assets etc., dividend income etc., excluding any Ind AS adjustments. Further clarified that these amounts will be considered on a cash receipt basis)	110.34	42.75
4	Less: Finance cost on Borrowings, excluding amortisation of any transaction costs as per profit and loss account of the Trust	(1,823.54)	(692.06)
5	Less: Debt repayment at Trust level (to include principal repayments as per scheduled EMI's except if refinanced through new debt including overdraft facilities and to exclude any debt repayments/debt refinanced through new debt in any form or funds raised through issuance of units)	(377.66)	(112.50)
6	Less: any reserve required to be created under the terms of, or pursuant to the obligations arising in accordance with, any: (i). loan agreement entered with financial institution, or (ii). terms and conditions, covenants or any other stipulations applicable to debt securities issued by the Trust or any of its SPVs/ HoldCos, or (iii). terms and conditions, covenants or any other stipulations applicable to external commercial borrowings availed by the Trust or any of its SPVs/ HoldCos, (iv). agreement pursuant to which the Trust operates or owns the real estate asset, or generates revenue or cashflows from such asset (such as, concession agreement, transmission services agreement, power purchase agreement, lease agreement, and any other agreement of a like nature, by whatever name called); or (v). statutory, judicial, regulatory, or governmental stipulations;	(42.88)	339.93
	Total adjustments at the Trust level (B)	**11,060.94**	**6,978.61**
	Amount released/(retained) by Trust (C)	**196.58**	**(247.42)**
	Net Distributable cash flows (D)=(A+B+C)	**11,257.52**	**6,731.20**

Notes:

1. Out of the Initial issuance of ₹ 4,160 Mn in August 2022, ₹ 415.85 Mn and ₹ 138.50 Mn was for General Corproate purpose ('GCP') and issuance expenses respectievely. Unit Capital received for GCP was utilised towards debt servicing (interest and debt repayment) and other miscelleanous expenses. However, while computation of NDCF, these expenses were considerd at actual cost incurred (expenses/cash outflow shown at gross level and not adjusted to the extent of GCP fund received) and ₹ 415.85 Mn of GCP amount were added into reserves created, resulting in nil impact on NDCF.

   Further, out of funds received for Issue expenses amounting to ₹ 138.50 Mn, ₹ 111.58 Mn was incurred, however same was not included in finance cost in profit and loss statement as it was a capital expenditure and thus adjusted against other equity.

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

2. As at March 31, 2023, fixed deposits for Debt Service Reserve Account (DSRA) and Major Maintenance Reserve Account (MMRA) as per facility agreement was ₹ 926.13 Mn. This has shown as reserves created in NDCF working for financial year ended March 31, 2023 as per prevailing NDCF methodology and further, borrowing from lenders for MMRA and DSRA was shown as borrowing in NDCF. However, as per the new NDCF framework notified by SEBI (which has been adopted by the Trust w.e.f. 01 April 2024 and has been disclosued above as additional information), this reserves will not be routed through NDCF for financial year ended March 31, 2023. Total MMRA and DSRA reserves amouting to ₹ 926.13 Mn forms part of closing fixed deposit balance as on March 31, 2023 and was kept seperately in fixed deposits with bank.
3. During the financial year ended March 31, 2023, fixed deposits of ₹ 50.30 Mn was created for Bank guarantee ('BG') from internal accruals. Hence, this amount was reduced while computation of NDCF. However, this will be available for distribution once this BG will be withdrawn.
4. Reserves of ₹ 50.30 Mn created for bank guarantee (as mentioned in point 3) as at March 31, 2023, was released during the current year ended March 31, 2024 and was utilised for NDCF for the current financial year ended March 31, 2024. Total reserves relased for the financial year ended March 31, 2024 is ₹ 196.63 Mn. (reserves created as on March 31, 2023 amounting to ₹ 146.33 including releasae of bank guarantee amounting to ₹ 50.30 Mn).
5. During the financial year ended March 31, 2024, additional deposit into DSRA from internal accrual is ₹ 42.88 Mn. This was captured under reserves created and resulted in lower NDCF.
6. During the financial year ended March 31, 2024, Trust has funded ₹ 312.5 Mn, ₹ 400.66 Mn, ₹ 245.79 Mn and ₹ 520.00 Mn to UEPL, SEPL, NBPL and STPL respectively for Major Maintenance (MM) expense purpose. This was provided by external lender to Highways Infrastructure Trust ('Trust') for Major Maintenance purpose. Under the NDCF framework adopted by Trust prior to new NDCF framework notified by SEBI, MM expenses funded from loan were not considered while computation of NDCF at SPV level and accordingly, such loans and corresponding expense did not impact the distributions made from the SPV. However, based on discussions with SEBI and in line with the revised NDCF framework notified by SEBI (which has been adopted by the Trust w.e.f. 01 April 2024 and has been disclosued above as additional information), the inflows from such MM loans are not considered while the expenses have been reduced from cashflows at SPV level. Accordingly, to ensure such reduction is reflected, ₹ 599.79 Mn has been reduced from NDCF at the InvIT level.

   The SPVs and the InvIT meets the 90% distribution requirement under the revised calculations under the old NDCF framework (after considering the treatment of MM loans as guided by SEBI), and under the new NDCF framework (applicable w.e.f. 01 April 2024).
7. As on date of acquisition of UTPL on 01 November 2023, the outstanding creditor pertaining MM which is payable to erstwhile shareholder, amounted to ₹ 235.37 Mn. This was more than unrestricted cash and bank balance (including investment) of ₹ 55.57 Mn available as on the same date. Hence, UTPL borrowed fund from Trust to payoff opening creditors (this transaction took place on 02 November 2023, after acquisition). Given the specific borrowing was taken to repay the opening creditors which was like refinancing of existing debt, this was not considered in computation of NDCF under old NDCF framework. However, basis guidance from SEBI and under revised framework where payment of creditors will be adjusted from cash flow generated from operating activities, NDFC needs to be reduced by ₹ 458.54 Mn. Accordingly, to ensure such reduction is reflected, ₹ 458.54 Mn has been reduced from NDCF at the InvIT level.

   The SPVs and the InvIT meets the 90% distribution requirement under the revised calculations under the old NDCF framework (after considering the treatment of MM loans as guided by SEBI), and under the new NDCF framework (applicable w.e.f. 01 April 2024).

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

(ii) Dewas Bhopal Corridor Private Limited ("DBCPL")

S. No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
1	**Cash flow from operating activities as per Cash Flow Statement (A)**	**1,702.18**	**1,287.78**
2	Add : Opening cash and cash balance	143.30	1,087.77
3	Add: Treasury income/income from investing activities	27.03	58.58
4	Less: Finance cost on Borrowings, excluding amortisation of any transaction costs as per profit and loss Account and any shareholder debt/loan from Trust	(2.02)	(145.80)
5	Less: Debt repayment (to include principal repayments as per scheduled EMI's except if refinanced through new debt including overdraft facilities and to exclude any debt repayments/debt refinanced through new debt, in any form or equity raise as well as repayment of any shareholder debt/loan from Trust)	-	(38.47)
6	Less: any reserve required to be created under the terms of, or pursuant to the obligations arising in accordance with, any: (i). loan agreement entered with banks/financial institution from whom the Trust or any of its SPVs/ HoldCos have availed debt, or (ii). terms and conditions, covenants or any other stipulations applicable to debt securities issued by the Trust or any of its SPVs/ HoldCos, or (iii). terms and conditions, covenants or any other stipulations applicable to external commercial borrowings availed by the Trust or any of its SPVs/ HoldCos, or (iv). agreement pursuant to which the SPV/ HoldCo operates or owns the real estate asset, or generates revenue or cashflows from such asset (such as, concession agreement, transmission services agreement, power purchase agreement, lease agreement, and any other agreement of a like nature, by whatever name called); or (v). statutory, judicial, regulatory, or governmental stipulations;	(142.21)	(143.30)
7	Less: any capital expenditure on existing assets owned/leased by the SPV or Holdco, to the extent not funded by debt/equity or from reserves created in the earlier years	(7.56)	(1.25)
	Total adjustments at the Trust level (B)	**18.53**	**817.53**
	Less: Amount kept aside as per SEBI guideline (C)	**(0.96)**	**-**
	Net Distributable cash flows (D)=(A+B+C)	**1,719.75**	**2,105.32**

Notes:

1. Amount reflected in opening cash and bank balance (including investment) as on 01 April 2022 (financial year ended on March 31, 2023) is as per audited financials for financial year ended on 31 March 2022. This has been adjusted to the extent of float money kept at toll plaza, unrealised gain on mutual fund units, accrued interest on fixed deposits etc. ₹1087.77 Mn. This is as per point no 5(ii) of revised framework for computation of NDCF as prescribed by SEBI.
2. Amount reflected in opening cash and bank balance (including investment) as on 01 April 2023 (financial year ended on March 31, 2024) is as per audited financials for financial year ended on March 31, 2023. This has been adjusted to the extent of float money kept at toll plaza, unrealised gain on mutual funds units, accrued interest on fixed deposit etc. ₹ 148.37 Mn. This is as per point no 5(iii) of revised framework for computation of NDCF as prescribed by SEBI.
3. Reserves include amount of unspent Corporate Social Responsibility (CSR) balance for the year deposited in a separate account as per the requirements of the Companies Act, 2013 which will be utilized in subsequent years. This is as per revised framework for computation of NDCF as prescribed by SEBI.
4. Reserves were kept in financial year ended on March 31, 2023, as per old NDCF format which will be available for distribution for financial year ended on March 31, 2024.

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

(iii) Nirmal BOT Private Limited (formerly known as Nirmal BOT Limited) ("NBPL")

S. No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
1	**Cash flow from operating activities as per Cash Flow Statement (A)**	**266.00**	**352.83**
	Add : Opening cash and cash balance	54.13	566.51
2	Add: Treasury income/income from investing activities	17.18	24.10
3	Less: Finance cost on Borrowings, excluding amortisation of any transaction costs as per profit and loss Account and any shareholder debt/loan from Trust	(0.00)	(138.94)
4	Less: Debt repayment (to include principal repayments as per scheduled EMI's except if refinanced through new debt including overdraft facilities and to exclude any debt repayments/debt refinanced through new debt, in any form or equity raise as well as repayment of any shareholder debt/loan from Trust)	-	(90.80)
5	Less: any capital expenditure on existing assets owned/leased by the SPV or Holdco, to the extent not funded by debt/equity or from reserves created in the earlier years	(0.14)	(0.51)
	Total adjustments at the Trust level (B)	**71.17**	**360.35**
	Amount kept aside as per SEBI guideline (C)	**-**	**(54.13)**
	Net Distributable cash flows (D)=(A+B+C)	**337.17**	**659.05**

Notes:

1. During the current year ended March 31, 2024, NBPL has received unsecured loan amounting to ₹ 245.79 Mn for MM work from Trust. This was provided by external lender to Highways Infrastructure Trust ('Trust') for MM purpose and in turn, HIT has funded to SPVs for MM. Under the NDCF framework adopted by HIT prior to revised NDCF framework notified by SEBI, MM expenses funded from loan were not considered while computation of NDCF and accordingly, such loans and corresponding expense did not impact the distributions made from the SPV. However, based on discussions with SEBI and in line with the new NDCF framework notified by SEBI (which has been adopted by the Trust w.e.f. 01 April 2024 and has been disclosued above as additional information), the inflows from such MM loans are not considered while the expenses have been reduced from cashflows. Accordingly, to ensure such reduction is reflected, ₹ 88.30 Mn has been reduced from NDCF at the InvIT level.

   The SPVs and the InvIT meets the 90% distribution requirement under the revised calculations under the old NDCF framework (after considering the treatment of MM loans as guided by SEBI), and under the new NDCF framework (applicable w.e.f. 01 April 2024).

2. As per IndAS 115, MM expenses charged to profit and loss account in the year of incurrence. Cash flow from operating activities as per cash flow statement is after charging MM expenses amounting to ₹ 266.00 Mn incurred during the year. Out of the total loan amount, untilised loan amounting to ₹ 180 Mn has been invested in mutual fund.

   During the year, the above SPV has received ₹ 245.79 Mn as loan for MM work which does not form part of NDCF as per revised framework. Cash and bank balance on account of this (beyond NDCF for the year) will be used for repayment this MM loan to HIT for onwards repayment of loan (MM purpose) to external lenders subject to their consent on such repayment.

3. Amount reflected in opening cash and bank balance (including investment) as on 01 April 2022 (financial year ended March 31, 2023) is as per audited financials for financial year ended 31 March 2022 ₹ 566.51 Mn. This is as per point no 5(ii) of revised framework for computation of NDCF as prescribed by SEBI.

   Amount reflected in opening cash and bank balance (including investment) as on 01 April 2023 (financial year ended March 31, 2024) is as per audited financials for financial year ended March 31, 2023. Opening cash as on 01 April 2023, as per audited financial was ₹ 61.13 Mn (including investment). Out of this ₹ 10.00 Mn pertaining to quarter 4 of financial year ended on March 31, 2023 was distributed in the quarter 1 of financial year ended March 31, 2024. Balance cash after distibution was ₹ 51.13 Mn and same is disclosed as opening cash balance in NDCF calculation and used for distribution. This is as per point no 5(iii) of revised framework for computation of NDCF as prescribed by SEBI.

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

4. SPV has already distributed ₹ 397.02 Mn for the period 01 April 2023 to 31 December 2023 which was based on assumption that MM expenses funded through MM loan will not be deducted while computation of cash flow from operating activities. Thus NDCF for the reporting period was higher to that extent. After clarifiaction received from SEBI regarding repayment of loan taken for MM expenses in the last week of March 2023, distribution is being restricted.
5. Reserves were kept in financial year ended March 31, 2023 as per old NDCF format which will be available for distribution for financial year ended March 31, 2024.

(iv) Jodhpur Pali Expressway Private Limited ('JPEPL')

S. No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
1	**Cash flow from operating activities as per Cash Flow Statement (A)**	**444.57**	**219.04**
2	Add: Opening cash and bank balance	5.85	208.08
3	Add: Treasury income/income from investing activities	19.57	12.10
4	Less: Finance cost on Borrowings, excluding amortisation of any transaction costs as per profit and loss Account and any shareholder debt/loan from Trust	(0.59)	(208.40)
5	Less: Debt repayment (to include principal repayments as per scheduled EMI's except if refinanced through new debt including overdraft facilities and to exclude any debt repayments/debt refinanced through new debt, in any form or equity raise as well as repayment of any shareholder debt/loan from Trust)	-	(93.16)
6	Less: any reserve required to be created under the terms of, or pursuant to the obligations arising in accordance with, any: (i). loan agreement entered with banks/financial institution from whom the Trust or any of its SPVs/ HoldCos have availed debt, or (ii). terms and conditions, covenants or any other stipulations applicable to debt securities issued by the Trust or any of its SPVs/ HoldCos, or (iii). terms and conditions, covenants or any other stipulations applicable to external commercial borrowings availed by the Trust or any of its SPVs/ HoldCos, or (iv). agreement pursuant to which the SPV/ HoldCo operates or owns the real estate asset, or generates revenue or cashflows from such asset (such as, concession agreement, transmission services agreement, power purchase agreement, lease agreement, and any other agreement of a like nature, by whatever name called); or (v). statutory, judicial, regulatory, or governmental stipulations;	-	(5.85)
7	Less: any capital expenditure on existing assets owned/leased by the SPV or Holdco, to the extent not funded by debt/equity or from reserves created in the earlier years	(20.74)	(7.70)
8	Add: Major maintenance Cost (funded from unsecured facility taken from HIT)which has been adjusted from cash flow from operating activities	-	251.47
	Total adjustments at the Trust level (B)	**4.09**	**156.53**
	Net Distributable cash flows (C)=(A+B)	**448.66**	**375.57**

Note:

1. During the previous year, JPEPL has received unsecured loan amounting to ₹ 350.00 Mn from Trust for Major Maintenace (MM) work. Cash and bank balance on account of this (beyond NDCF for the year) will be used for repayment this MM loan to HIT for onwards repayment of loan (MM purpose) to external lenders subject to their consent on such repayment.

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

2. Amount reflected in opening cash and bank balance (including investment) as on 01 April 2022 (financial year ended March 31, 2023) is as per audited financials for the year ended 31 March 2022. This has been adjusted to the extent of float money kept at toll plaza, unrealised gain on mutual fund units, accrued interest on fixed deposits etc amounting to ₹ 5.08 Mn. This is as per point no 5(ii) of revised framework for computation of NDCF as prescribed by SEBI.

   Amount reflected in opening cash and bank balance (including investment) as on 01 April 2023 (financial year ended March 31, 2024) is as per audited financials for financial year ended March 31, 2023. This has been adjusted to the extent of unspent amount of MM loan amounitng to ₹ 98.53 Mn. This is as per point no 5(iii) of revised framework for computation of NDCF as prescribed by SEBI.

3. Repayment of debt (in form of OCD) refinanced by infusion of Rupee Term Loan ('RTL') from HIT was excluded from above NDCF working. This is as per as per revised framework for computation of NDCF as prescribed by SEBI.

4. Reserves were kept in financial year ended March 31, 2023 NDCF as per old NDCF format which will be available for distribution/NDCF working for financial year ended March 31, 2024.

(v) Godhra Expressways Private Limited ("GEPL")

S. No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
1	**Cash flow from operating activities as per Cash Flow Statement (A)**	**1,427.40**	**1,195.65**
2	Add : Opening cash and bank balance	52.43	850.58
3	Add: Treasury income/income from investing activities	14.21	37.88
4	Less: Finance cost on Borrowings, excluding amortisation of any transaction costs as per profit and loss Account and any shareholder debt/loan from Trust	(0.73)	(191.36)
5	Less: Debt repayment (to include principal repayments as per scheduled EMI's except if refinanced through new debt including overdraft facilities and to exclude any debt repayments/debt refinanced through new debt, in any form or equity raise as well as repayment of any shareholder debt/loan from Trust)	-	(41.36)
6	Less: any capital expenditure on existing assets owned/leased by the SPV or Holdco, to the extent not funded by debt/equity or from reserves created in the earlier years	(128.13)	(123.39)
	Total adjustments at the Trust level (B)	**(62.21)**	**532.35**
	Net Distributable cash flows (C)=(A+B)	**1,365.19**	**1,728.00**

Note:

1. Amount reflected in opening cash and bank balance (including investment) as on 01 April 2022 (financial year ended March 31, 2023) is as per audited financials for FY 2022. This is as per point no 5(ii) of revised framework for computation of NDCF as prescribed by SEBI.

   Amount reflected in opening cash and bank balance (including investment) as on 01 April 2023 (financial year ended March 31, 2024) is as per audited financials for financial year ended March 31, 2023. Opening cash (including investments) as on 01 April 2023, as per audited financial was ₹ 71.08 Mn. Out of this ₹ 18.65 Mn pertaining to distribution for quarter 4 of financial year ended March 31, 2023 and upstream during quarter 1 of financial year ended March 31, 2024. This is as per point no 5(iii) of revised framework for computation of NDCF as prescribed by SEBI.

2. Repayment of debt (in form of OCD) refinanced by infusion of RTL from HIT was excluded from above NDCF working. This is as per as per revised framework for computation of NDCF as prescribed by SEBI.

3. Reserves were kept in financial year ended March 31, 2023 NDCF as per old NDCF format which will be available for distribution for financial year ended March 31, 2024.

4. Capital expenditure includes premium in form of additional concession fees paid to NHAI.

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

(vi) Ulundurpet Expressways Private Limited ("UEPL")

S. No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
1	**Cash flow from operating activities as per Cash Flow Statement (A)**	**1,434.49**	**1,422.21**
2	Add : Opening cash and bank balance	20.26	1,135.87
3	Add: Treasury income/income from investing activities	27.48	85.75
4	Less: Finance cost on Borrowings, excluding amortisation of any transaction costs as per profit and loss Account and any shareholder debt/loan from Trust	(0.51)	(145.09)
5	Less: Debt repayment (to include principal repayments as per scheduled EMI's except if refinanced through new debt including overdraft facilities and to exclude any debt repayments/debt refinanced through new debt, in any form or equity raise as well as repayment of any shareholder debt/loan from Trust)	-	(210.95)
6	Less: any reserve required to be created under the terms of, or pursuant to the obligations arising in accordance with, any: (i). loan agreement entered with banks/financial institution from whom the Trust or any of its SPVs/ HoldCos have availed debt, or (ii). terms and conditions, covenants or any other stipulations applicable to debt securities issued by the Trust or any of its SPVs/ HoldCos, or (iii). terms and conditions, covenants or any other stipulations applicable to external commercial borrowings availed by the Trust or any of its SPVs/ HoldCos, or (iv). agreement pursuant to which the SPV/ HoldCo operates or owns the real estate asset, or generates revenue or cashflows from such asset (such as, concession agreement, transmission services agreement, power purchase agreement, lease agreement, and any other agreement of a like nature, by whatever name called); or (v). statutory, judicial, regulatory, or governmental stipulations;	(194.42)	(20.26)
7	Less: any capital expenditure on existing assets owned/leased by the SPV or Holdco, to the extent not funded by debt/equity or from reserves created in the earlier years	(1.90)	(1.83)
	Total adjustments at the Trust level (B)	**(149.09)**	**843.49**
	Net Distributable cash flows (C)=(A+B)	**1,285.40**	**2,265.70**

Note:

1. During the current year ended March 31, 2024, UEPL has received unsecured loan amounting ₹ 312.5 Mn for the purspose the Major Maintenance ('MM') work (in addition to ₹70 Mn received for MM purpose in financial year ended March 31, 2023), however, the same has not been utilised for MM work as on March 31, 2024 and entire ₹ 382.5 Mn is available under cash and bank balance (including investment). This surplus amounts in cash and bank balance will not be considered for NDCF calculation and will be used for repayment this MM loan to HIT (and such repayment will not be considered to be part of NDCF).
2. Amount reflected in opening cash and bank balance (including investment) as on 01 April 2022 (financial year ended March 31, 2023) is as per audited financials for financial year ended 31 March 2022. This is as per point no 5(ii) of revised framework for computation of NDCF as prescribed by SEBI.

   Amount reflected in opening cash and bank balance (including investment) as on 01 April 2023 (financial year ended March 31, 2024) is as per audited financials for financial year ended March 31, 2023. Opening cash as on 01 April 2023, as per audited financials was ₹ 460.59 Mn (including investment). Out of this , sum of ₹ 370.87 Mn pertaining to Q4 of financial year ended March 31, 2023 was distributed in the Q1 of financial year ended March 31, 2024. Loan taken for MM during previous year is also reduced from opening cash and bank balance. Balance cash remaining after distribution was ₹89.72 Mn and same is disclosed as opening cash balance for NDCF calculation. This is as per point no 5(iii) of revised framework for computation of NDCF as prescribed by SEBI.

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

3. As per calculation of NDCF under revised method, there should be distribution to extent of ₹ 1,479.81 Mn (before creation of reserve amounting to ₹ 194.42 Mn). However, due to lack of avenues for distribution such as negative free reserve under Companies Act, 2013 and lower debt from Invit, UEPL will not be able to meet requirement of minimum 90% distribution. On Account of this, cash available for distribution will remain trapped and will be shown as reserves. Please note that Company has commenced the capital reduction process for upstreaming such sums, which is currently pending before NCLAT.
4. Reserves were kept in financial year ended March 31, 2023 NDCF as per old NDCF format which will be available for distribution/NDCF working for financial year ended March 31, 2024.

(vii) Shillong Expressway Private Limited ("SEPL")

S. No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
1	**Cash flow from operating activities as per Cash Flow Statement (A)**	**76.73**	**602.02**
2	Add : Opening cash and bank balance	186.03	674.21
3	Add: Treasury income/income from investing activities	14.78	18.91
4	Less: Finance cost on Borrowings, excluding amortisation of any transaction costs as per profit and loss Account and any shareholder debt/loan from Trust,	(0.49)	(9.73)
5	Less: Debt repayment (to include principal repayments as per scheduled EMI's except if refinanced through new debt including overdraft facilities and to exclude any debt repayments/debt refinanced through new debt, in any form or equity raise as well as repayment of any shareholder debt/loan from Trust)	-	(702.32)
6	Less: any reserve required to be created under the terms of, or pursuant to the obligations arising in accordance with, any: (i). loan agreement entered with banks/financial institution from whom the Trust or any of its SPVs/ HoldCos have availed debt, or (ii). terms and conditions, covenants or any other stipulations applicable to debt securities issued by the Trust or any of its SPVs/ HoldCos, or (iii). terms and conditions, covenants or any other stipulations applicable to external commercial borrowings availed by the Trust or any of its SPVs/ HoldCos, or (iv). agreement pursuant to which the SPV/ HoldCo operates or owns the real estate asset, or generates revenue or cashflows from such asset (such as, concession agreement, transmission services agreement, power purchase agreement, lease agreement, and any other agreement of a like nature, by whatever name called); or (v). statutory, judicial, regulatory, or governmental stipulations;	-	(186.03)
7	Less: any capital expenditure on existing assets owned/leased by the SPV or Holdco, to the extent not funded by debt/equity or from reserves created in the earlier years	(0.19)	(0.06)
	Total adjustments at the Trust level (B)	**200.14**	**(205.04)**
	Net Distributable cash flows (C)=(A+B)	**276.87**	**396.98**

Note:

1. During the current year ended March 31, 2024, SEPL has received ₹ 400.66 Mn as loan for Major Maintenace work. This was provided by external lender to Highways Infrastructure Trust ('Trust') for MM purpose and in turn, HIT has funded to SEPL for MM. Under the NDCF framework adopted by HIT prior to revised NDCF framework notified by SEBI, MM expenses funded from loan were not considered while computation of NDCF and accordingly, such loans and corresponding expense did not impact the distributions made from the SPV. However, based on discussions with SEBI and in line with the new NDCF framework notified by SEBI (which has been adopted by the Trust w.e.f. 01 April 2024 and has been disclosued above as additional information), the inflows from such MM loans are not considered while the expenses have been reduced from cashflows. Accordingly, to ensure such reduction is reflected, ₹ 53.97 Mn has been reduced from NDCF at the InvIT level.

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

The SPVs and the InvIT meets the 90% distribution requirement under the revised calculations under the old NDCF framework (after considering the treatment of MM loans as guided by SEBI), and under the new NDCF framework (applicable w.e.f. 01 April 2024).

2. As per IndAS 115, Major Maintenance (MM) expenses charged to profit and loss account in the year of incurrence. Cash flow from operating activities as per Cash Flow Statement is after MM expenses (₹ 359.00 Mn) incurred during the year. Please note that the loan received from HIT for Major Maintenance expenses was ₹ 400.66 Mn. MM expense paid for financial year ended March 31, 2024 is ₹ 288.22 Mn. The balance loan received for MM (₹ 112.44 Mn) kept seperately in form of investments.

   During the year, SEPL has received ₹ 400.66 Mn as loan for Major Maintenace (MM) work which does not form part of NDCF as per revised framework. Cash and bank balance on account of this (beyond NDCF for the year) will be used for repayment this MM loan to HIT for onwards repayment of loan (MM purpose) to External lenders subject to their consent on such repayment.

3. Amount reflected in opening cash and bank balance (including investment) as on 01 April 2022 (financial year ended March 31, 2023) is as per audited financials for financial year ended 31 March 2022. This is as per point no 5(ii) of revised framework for computation of NDCF as prescribed by SEBI.

   Amount reflected in opening cash and bank balance (including investment) as on 01 April 2023 (financial year ended March 31, 2024) is as per audited financials for financial year ended March 31, 2023. Opening cash as on 01 April 2023, as per audited financial was ₹ 310.46 Mn (including investment). Out of this ₹ 124.43 Mn pertaining to quarter 4 of financial year ended March 31, 2023 was distributed in the quarter 1 of financial year ended March 31, 2024. Balance cash after distibution was ₹ 186.03 Mn. and same is disclosed as opening cash balance in NDCF calculation and used for distribution. This is as per point no 5(iii) of revised framework for computation of NDCF as prescribed by SEBI.

4. Reserves were kept in financial year ended March 31, 2023 NDCF as per old NDCF format which will be available for distribution/NDCF working for financial year ended March 31, 2024.

(viii) Swarna Tollway Private Limited ("STPL")(subsidiary w.e.f 24 January 2024)

S. No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
1	**Cash flow from operating activities as per Cash Flow Statement (A)**	**113.36**	**-**
2	Add : Opening cash and bank balance	4,281.02	-
3	Add: Treasury income/income from investing activities	95.04	-
4	Less: Finance cost on Borrowings, excluding amortisation of any transaction costs as per profit and loss Account and any shareholder debt/loan from Trust	(20.22)	-
5	Less: any capital expenditure on existing assets owned/leased by the SPV or Holdco, to the extent not funded by debt/equity or from reserves created in the earlier years	(0.67)	-
	Total adjustments at the Trust level (B)	**4,355.17**	**-**
	Amount kept aside as per SEBI guideline (C)	**(307.23)**	**-**
	Net Distributable cash flows (D)=(A+B+C)	**4,161.30**	**-**

Note:

1. Amount reflected in opening cash and bank balance (including investment) as on acquisition date of STPL during the year. This is as per point no 5(ii) of revised framework for computation of NDCF as prescribed by SEBI. Opening cash as on 24th January 2024, as per audited financial statements was ₹ 4281.02 Mn (including investments) excluding accrued interest on fixed deposits.

2. During the year, STPL has received ₹ 520 Mn as Loan for MM, however, same has not been applied for MM work and as on 31 March, 2024, ₹ 520 Mn is available under Cash and bank balance (including Investment). Such surplus amounts in cash and bank balance will not be considered for NDCF calculation and will be used for repayment this MM loan to HIT (and such repayment will not be considered to be part of NDCF).

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

3. Reserves include amount of unspent CSR balance for the year deposited in a separate account as per Companies Act 2013 which will be utilized in subsequent years. This is as per revised framework for computation of NDCF as prescribed by SEBI.
4. As per revised NDCF framework, minimum 90% of the NDCF should be distributed by the SPV to Invit. Considering same, reserve created for amount less than 10% of NDCF in line with the Regulations.

(ix) Ateli Narnaul Highway Private Limited ("ANHPL")(subsidiary w.e.f 22 November 2023)

S. No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
1	**Cash flow from operating activities as per Cash Flow Statement (A)**	**439.88**	**-**
2	Add : Opening cash and cash balance	554.60	-
3	Add: Treasury income/income from investing activities	4.52	-
4	Less: Finance cost on Borrowings, excluding amortisation of any transaction costs as per profit and loss Account and any shareholder debt/loan from Trust	(91.50)	-
5	Less: Debt repayment (to include principal repayments as per scheduled EMI's except if refinanced through new debt including overdraft facilities and to exclude any debt repayments/debt refinanced through new debt, in any form or equity raise as well as repayment of any shareholder debt/loan from Trust)	(1.39)	-
6	Less: any reserve required to be created under the terms of, or pursuant to the obligations arising in accordance with, any: (i). loan agreement entered with banks/financial institution from whom the Trust or any of its SPVs/ HoldCos have availed debt, or (ii). terms and conditions, covenants or any other stipulations applicable to debt securities issued by the Trust or any of its SPVs/ HoldCos, or (iii). terms and conditions, covenants or any other stipulations applicable to external commercial borrowings availed by the Trust or any of its SPVs/ HoldCos, or (iv). agreement pursuant to which the SPV/ HoldCo operates or owns the real estate asset, or generates revenue or cashflows from such asset (such as, concession agreement, transmission services agreement, power purchase agreement, lease agreement, and any other agreement of a like nature, by whatever name called); or (v) statutory, judicial, regulatory, or governmental stipulations;	(2.23)	-
7	Less: any capital expenditure on existing assets owned/leased by the SPV or Holdco, to the extent not funded by debt/equity or from reserves created in the earlier years	(0.66)	-
	Total adjustments at the Trust level (B)	**463.33**	**-**
	Amount kept aside as per SEBI guideliness (C)	**(57.77)**	**-**
	Net Distributable cash flows (D)=(A+B+C)	**845.45**	**-**

Note:

1. Amount reflected in opening cash and bank balance (including investment) as on acquisition date of ANHPL during the year. This is as per point no 5(ii) of revised framework for computation of NDCF as prescribed by SEBI.
2. Reserves include amount of unspent CSR balance for the year deposited in a separate account as per Companies Act 2013 which will be utilized in subsequent years. This is as per revised framework for computation of NDCF as prescribed by SEBI.
3. As per revised NDCF framework, minimum 90% of the NDCF should be distributed by the SPV to Invit. Considering same, reserve created for amount less than 10% of NDCF in line with the Regulations.

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

(x) Rewari Ateli Highway Private Limited ("RAHPL")(subsidiary w.e.f 22 November 2023)

S. No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
1	**Cash flow from operating activities as per Cash Flow Statement (A)**	**212.08**	**-**
2	Add : Opening cash and cash balance	336.68	-
3	Add: Treasury income/income from investing activities	9.08	-
4	Less: Finance cost on Borrowings, excluding amortisation of any transaction costs as per profit and loss Account and any shareholder debt/loan from Trust	(33.21)	-
5	Less: Debt repayment (to include principal repayments as per scheduled EMI's except if refinanced through new debt including overdraft facilities and to exclude any debt repayments/debt refinanced through new debt, in any form or equity raise as well as repayment of any shareholder debt/loan from Trust)	(59.96)	-
6	Less: any reserve required to be created under the terms of, or pursuant to the obligations arising in accordance with, any: (i). loan agreement entered with banks/financial institution from whom the Trust or any of its SPVs/ HoldCos have availed debt, or (ii). terms and conditions, covenants or any other stipulations applicable to debt securities issued by the Trust or any of its SPVs/ HoldCos, or (iii). terms and conditions, covenants or any other stipulations applicable to external commercial borrowings availed by the Trust or any of its SPVs/ HoldCos, or (iv). agreement pursuant to which the SPV/ HoldCo operates or owns the real estate asset, or generates revenue or cashflows from such asset (such as, concession agreement, transmission services agreement, power purchase agreement, lease agreement, and any other agreement of a like nature, by whatever name called); or (v). statutory, judicial, regulatory, or governmental stipulations;	(0.71)	-
7	Less: any capital expenditure on existing assets owned/leased by the SPV or Holdco, to the extent not funded by debt/equity or from reserves created in the earlier years	(0.16)	-
	Total adjustments at the Trust level (B)	**251.72**	**-**
	Amount kept aside as per SEBI guideliness (C)	**(45.30)**	**-**
	Net Distributable cash flows (D)=(A+B+C)	**418.49**	**-**

Note:

1. Amount reflected in opening cash and bank balance (including investment) as on acquisition date of RAHPL during the year. This is as per point no 5(ii) of revised framework for computation of NDCF as prescribed by SEBI.
2. Reserves include amount of unspent CSR balance for the year deposited in a separate account as per Companies Act 2013 which will be utilized in subsequent years. This is as per revised framework for computation of NDCF as prescribed by SEBI.
3. As per revised NDCF framework, minimum 90% of the NDCF should be distributed by the SPV to Invit. Considering same, reserve created for amount less than 10% of NDCF in line with the Regulations.

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

(xi) Gurgaon Sohna Highway Private Limited ("GSHPL")(subsidiary w.e.f 22 November 2023)

S. No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
1	**Cash flow from operating activities as per Cash Flow Statement (A)**	**279.79**	**-**
2	Opening cash and bank balance	342.20	-
3	Add: Treasury income/income from investing activities	2.14	-
4	Less: Finance cost on Borrowings, excluding amortisation of any transaction costs as per profit and loss Account and any shareholder debt/loan from Trust	(41.27)	-
5	Less: any reserve required to be created under the terms of, or pursuant to the obligations arising in accordance with, any: (i). loan agreement entered with banks/financial institution from whom the Trust or any of its SPVs/ HoldCos have availed debt, or (ii). terms and conditions, covenants or any other stipulations applicable to debt securities issued by the Trust or any of its SPVs/ HoldCos, or (iii). terms and conditions, covenants or any other stipulations applicable to external commercial borrowings availed by the Trust or any of its SPVs/ HoldCos, or (iv). agreement pursuant to which the SPV/ HoldCo operates or owns the real estate asset, or generates revenue or cashflows from such asset (such as, concession agreement, transmission services agreement, power purchase agreement, lease agreement, and any other agreement of a like nature, by whatever name called); or (v). statutory, judicial, regulatory, or governmental stipulations;	(1.93)	-
6	Less: any capital expenditure on existing assets owned/leased by the SPV or Holdco, to the extent not funded by debt/equity or from reserves created in the earlier years	(0.32)	-
	Total adjustments at the Trust level (B)	**300.82**	**-**
	Amount kept aside as per SEBI guideliness (C)	**(56.55)**	**-**
	Net Distributable cash flows (D)=(A+B+C)	**524.06**	**-**

Note:

1. Amount reflected in opening cash and bank balance (including investment) as on acquisition date of GSHPL during the year. This is as per point no 5(ii) of revised framework for computation of NDCF as prescribed by SEBI.
2. Reserves include amount of unspent CSR balance for the year deposited in a separate account as per Companies Act which will be utilized in subsequent years. This is as per revised framework for computation of NDCF as prescribed by SEBI
3. As per revised NDCF framework, minimum 90% of the NDCF should be distributed by the SPV to Invit. Considering same, reserve created for amount less than 10% of NDCF in line with the Regulations.

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

(xii) Gujarat Road And Infrastructure Company Limited ('GRICL')(subsidiary w.e.f 24 January 2024)

S. No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
1	**Cash flow from operating activities as per Cash Flow Statement (A)**	**627.60**	**-**
2	Add : Opening cash and cash balance	4,233.20	-
3	Add: Treasury income/income from investing activities	10.25	-
4	Less: Finance cost on Borrowings, excluding amortisation of any transaction costs as per profit and loss Account and any shareholder debt/loan from Trust	(28.86)	-
5	Less: Debt repayment (to include principal repayments as per scheduled EMI's except if refinanced through new debt including overdraft facilities and to exclude any debt repayments/debt refinanced through new debt, in any form or equity raise as well as repayment of any shareholder debt/loan from Trust)	(125.00)	-
6	Less: any reserve required to be created under the terms of, or pursuant to the obligations arising in accordance with, any: (i). loan agreement entered with banks/financial institution from whom the Trust or any of its SPVs/ HoldCos have availed debt, or (ii). terms and conditions, covenants or any other stipulations applicable to debt securities issued by the Trust or any of its SPVs/ HoldCos, or (iii). terms and conditions, covenants or any other stipulations applicable to external commercial borrowings availed by the Trust or any of its SPVs/ HoldCos, or (iv). agreement pursuant to which the SPV/ HoldCo operates or owns the real estate asset, or generates revenue or cashflows from such asset (such as, concession agreement, transmission services agreement, power purchase agreement, lease agreement, and any other agreement of a like nature, by whatever name called); or (v). statutory, judicial, regulatory, or governmental stipulations;	(409.93)	-
7	Less: any capital expenditure on existing assets owned/leased by the SPV or Holdco, to the extent not funded by debt/equity or from reserves created in the earlier years	(23.26)	-
	Total adjustments at the Trust level (B)	**3,656.40**	**-**
	Amount kept aside as per SEBI guideliness (C)	**333.98**	**-**
	Net Distributable cash flows pertaining to Non controlling interests (D)	**1,706.41**	
	Net Distributable cash flows (E)=(A+B-C-D)	**2,243.62**	**-**

Note :

1) Amount reflected in opening cash and bank balance (including investment) as on acquisition date of GRICL during the year. This is as per point no 5(ii) of revised framework for computation of NDCF as prescribed by SEBI

2) Reserves include amount of unspent CSR balance for the year ended March 31, 2024, deposited in a separate account as per Companies Act which will be utilized in subsequent years. This is as per revised framework for computation of NDCF as prescribed by SEBI.

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

(xiii) Udupi Tollway Private Limited ('UTPL')(subsidiary w.e.f 02 November 2023)

S. No.	Particulars	For the year ended March 31, 2024	For the year ended March 31, 2023
1	**Cash flow from operating activities as per Cash Flow Statement (A)**	**182.18**	**-**
2	Add : Opening cash and cash balance	299.55	-
3	Add: Treasury income/income from investing activities	7.56	-
4	Less: Finance cost on Borrowings, excluding amortisation of any transaction costs as per profit and loss Account and any shareholder debt/loan from Trust	(213.79)	-
5	Less: any reserve required to be created under the terms of, or pursuant to the obligations arising in accordance with, any: (i). loan agreement entered with banks/financial institution from whom the Trust or any of its SPVs/ HoldCos have availed debt, or (ii). terms and conditions, covenants or any other stipulations applicable to debt securities issued by the Trust or any of its SPVs/ HoldCos, or (iii). terms and conditions, covenants or any other stipulations applicable to external commercial borrowings availed by the Trust or any of its SPVs/ HoldCos, or (iv). agreement pursuant to which the SPV/ HoldCo operates or owns the real estate asset, or generates revenue or cashflows from such asset (such as, concession agreement, transmission services agreement, power purchase agreement, lease agreement, and any other agreement of a like nature, by whatever name called); or (v). statutory, judicial, regulatory, or governmental stipulations;	(131.57)	-
6	Less: any capital expenditure on existing assets owned/leased by the SPV or Holdco, to the extent not funded by debt/equity or from reserves created in the earlier years	(47.44)	-
	Total adjustments at the Trust level (B)	**(85.69)**	**-**
	Net Distributable cash flows (C)=(A+B)	**96.49**	**-**

Note:

1. As on date of acquisition (01 November 2023), the outstanding creditor pertaining to Major Maintenace (payable to erstwhile shareholder) was ₹ 235.37 Mn. This was more than unrestricted cash and Bank balance (including investment) of ₹ 55.57 Mn available as on the same date. Hence, UTPL borrowed from HIT to payoff opening creditors (This transaction took place on 02 November 2023 - one day after acquisition). Given the specific borrowing was taken to repay the opening creditors which was like refinancing of existing debt, this was not considered in computation of NDCF under old NDCF framework. However, basis guidance from SEBI and under revised framework where payment of creditors will be adjusted from cash flow generated from operating activities, NDFC needs to be lower by 458.54 Mn. Accordingly, to ensure such reduction is reflected, ₹ 458.54 Mn has been reduced from NDCF at the InvIT level.

   The SPVs and the InvIT meets the 90% distribution requirement under the revised calculations under the old NDCF framework (after considering the treatment of MM loans as guided by SEBI), and under the new NDCF framework (applicable w.e.f. 01 April 2024).

2. Further, UTPL has received ₹ 186.7 Mn as loan for Major Maintenace (MM) work in Q4 FY 2024. This was provided by external lender to Highways Infrastructure Trust ('Trust') for MM purpose and in turn, HIT has funded to the UTPL for MM. Prior to clarification from SEBI in March 2024, any MM expense out of loan taken for such MM purpose (Capex) was kept out of NDCF working. However, based on the new NDCF framework which was adopted by Board of Highway Concessions One Private Limited (Investment Manager) of HIT on 22 March 2024, we have recomputed the NDCF without adding back funding for MM expenses. Basis recomputation, it was observed that distribution by the UTPL to HIT was more than such recomputed NDCF till March 2024 by ₹ 458.54 Mn. Since the actual distribution to unitholders for Q4 FY2024 at InvIT level is computed using YTD basis as per new NDCF framework, actual NDCF and distribution to Unitholder thereof at InvIT level already considers the impact of such excess distribution. Considering above points, ₹ 458.54 Mn will be hold back at InvIT level to ensure that there is no extra distribution at InvIT level.

Summary of material accounting policy information and other explanatory information

for the year ended March 31, 2024

1. Group Information

The consolidated financial statements comprise financial statements of Highways Infrastructure Trust ("the Trust") and its subsidiaries (collectively, the Group) for the year ended March 31, 2024. The Trust is an irrevocable trust settled under directions from Galaxy Investment II Pte. Ltd (hereinafter referred as "Sponsor") on 03 December 2021 pursuant to the Trust Deed, under the provisions of the Indian Trusts Act, 1882 and registered with Securities and Exchange Board of India ("SEBI") vide Certificate of Registration dated 23 December 2021 as an Infrastructure Investment Trust under Regulation 3(1) of the Securities Exchange Board of India (Infrastructure Investment Trust) Regulations and Trust got it units listed on National Stock Exchange of India ("NSE") w.e.f. 25 August 2022. The Trustee of the Trust is Axis Trustee Services Limited (the "Trustee"). The Investment manager for the Trust was Virescent Infrastructure Investment Manager Private Limited till November 22 2022 and with effect from November 23 2022 the same is Highway Concessions One Private Limited (the "Investment Manager").

The objectives of the Trust are to undertake activities as an infrastructure investment trust in accordance with the provisions of the SEBI Regulations and the Trust Deed. The principal activity of the Trust is to own and invest in the road sector in India. All the road projects are implemented and held through special purpose vehicles ("SPVs/Project SPVs/ subsidiaries").

During the current year ended March 31, 2024, the Trust acquired equity control in 1 Project SPV effective from November 02 2023, followed by 3 Project SPVs on November 22 2023, and 2 Project SPVs on January 24 2024. In the previous year the Trust acquired 100% equity control in 6 Project SPVs from the Sponsor effective 23 August 2022. The SPV's have entered into concession agreements with various authorities (given below) to design, build, finance, operate and transfer (DBFOT) or build, operate and transfer (BOT) or Hybrid Annuity Model (HAM) national or state highways in various locations.

Name of Project SPV	Extent of Control as at March 31, 2024	Date of acquisition	Date of incorporation	Principal place of business	Commencement of operation	Authority
Ulundurpet Expressways Private Limited ("UEPL")	100%	22 August 2022	20 March 2006	Tamil Nadu	23 July 2009	National Highways Authority of India (NHAI)
Shillong Expressway Private Limited ("SEPL")	100%	22 August 2022	09 June 2010	Meghalaya	28 February 2013	National Highways Authority of India (NHAI)
Jodhpur Pali Expressway Private Limited ("JPEPL")	100%	22 August 2022	10 January 2013	Rajasthan	31 October 2014	Public Works Department (PWD) Rajasthan
Godhra Expressways Private Limited ("GEPL")	100%	22 August 2022	21 January 2010	Gujarat	31 October 2013	National Highways Authority of India (NHAI)
Dewas Bhopal Corridor Private Limited ("DBCPL")	100%	22 August 2022	14 May 2007	Madhya Pradesh	10 February 2009	Madhya Pradesh Road Development Corporation Limited (MPRDC)
Nirmal BOT Private Limited ("NBPL") (formerly known as Nirmal BOT Limited)	100%	22 August 2022	19 September 2006	Telangana	22 July 2009	National Highways Authority of India (NHAI)

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

Name of Project SPV	Extent of Control as at March 31, 2024	Date of acquisition	Date of incorporation	Principal place of business	Commencement of operation	Authority
Udupi Tollway Private Limited ('UTPL') formerly known as Navayuga Udupi Tollway Private Limited)	100%	01 November 2023	04 December 2009	Karnataka	30 January 2017	National Highways Authority of India (NHAI)
Rewari Ateli Highway Private Limited ('RAHPL') (formerly known as H.G. Rewari Ateli Highway Private Limited)	100%	21 November 2023	08 April 2019	Haryana	15 November 2021	National Highways Authority of India (NHAI)
Gurgaon Sohna Highway Private Limited ('GSHPL')	100%	21 November 2023	06 April 2018	Haryana	25 February 2022	National Highways Authority of India (NHAI)
Ateli Narnaul Highway Private Limited ('ANHPL') (formerly known as H.G. Ateli Narnaul Highway Private Limited)	100%	21 November 2023	04 April 2019	Haryana	11 March 2022	National Highways Authority of India (NHAI)
Swarna Tollway Private Limited ('STPL')	100%	24 January 2024	11 May 2001	Andhra Pradesh	21 May 2004 and 12 September 2004	National Highways Authority of India (NHAI)
Gujarat Road And Infrastructure Company Limited ('GRICL')	56.8%	24 January 2024	02 June 1999	Gujarat	24 October 2000 and 20 February 2003	Government of Gujarat (GOG)

The address of the registered office of the Investment Manager is Unit No. 601-602, 6th Floor, Windsor House, Off CST Road, Kalina, Santacruz East, Vidyanagari, Mumbai, Maharashtra, India, 400098. The consolidated financial statements were authorised for issue in accordance with resolution passed by the Board of Directors of the Investment Manager on May 16 2024.

2. (A) Standards issued but not yet effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 01 2024.

(B) Standards issued/amended and became effective

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

Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

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

Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

rise to equal taxable and deductible temporary differences such as leases.

The Trust doesn't have any leases, hence no deferred tax on leases was recognised previously by the Trust in the standalone financial statements.

Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

(C) Summary of material accounting policy information

a) Overall consideration

The consolidated financial statements have been prepared using the material accounting policies and measurement bases summarised below. These were used throughout all periods presented in the consolidated financial statements.

i) Basis of preparation and presentation

The consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards and/or any addendum thereto as defined in the Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rule, 2015, as amended ('Ind AS') and SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended and the circulars issued thereunder ("SEBI Regulations") including SEBI master circular SEBI/HO/DDHS-PoD-2/P/CIR/2023/115 dated July 06 2023 (hereinafter referred to as 'SEBI Master Circular"). The Group has uniformly applied the accounting policies during the periods presented.

The Consolidated financial statements are presented in India Rupees which is also the functional currency of the Group and all values are rounded to the nearest millions, unless otherwise indicated. Certain amounts that are required to be disclosed and do not appear due to rounding-off are expressed as 0.00.

These Consolidated Financial Statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the consolidated financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities, which are measured at fair values as explained in relevant accounting policies.

The Consolidated Financial Statements for the year ended March 31, 2024 were authorised and approved for issue by the Board of Directors of Highway Concessions One Private Limited (the 'Investment Manager' of the Trust) on May 16 2024. The revision to the consolidated financial statements is permitted by the Board of Directors of Investment Manager after obtaining necessary approvals or at the instance of regulatory authorities.

ii) Basis of Consolidation

The consolidated financial statements comprise the financial statements of the Trust and its subsidiaries as at March 31, 2024. Control is achieved when the Group has power over the investee and is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date that control ceases. Statement of profit and loss (including other comprehensive income ('OCI')) of subsidiaries acquired or disposed of during the period are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable.

Consolidated financial statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group. The Group combines the financial statements of the Trust and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains on transactions between group companies are eliminated.

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

iii) Use of estimates and judgements

The preparation of consolidated financial statements requires management to make certain estimates and assumptions that affect the amounts reported in the financial statements and notes thereto. The management believes that these estimates and assumptions are reasonable and prudent. However, actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in the current and future period. An overview of the areas that involve a higher degree of judgement or complexity, and of items which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed have been disclosed below. Detailed information about each of these estimates and judgments is included in the relevant notes together with information about the basis of calculation for each affected line item in the consolidated financial statements.

Estimate and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that may have a financial impact on the entity and that are believed to be reasonable under circumstances.

The estimates and assumptions that have significant risk of causing a material adjustment to the carrying amount of assets and liabilities are disclosed below:

- **Revenue recognition - Applicability of service concession agreement accounting**

  Appendix C "Service concession arrangements" applies to "public to private" service concession arrangements, which can be defined as contracts under which the grantor transfers to a concession holder the right to deliver public services that give access to main public facilities for a specified period of time in return of managing the infrastructure used to deliver those public services.

  More specifically, it applies to public to private service concession arrangement if the grantor:

  - Controls or regulates what services the operators must provide with the infrastructure, to whom it must provide them, and at what price; and
  - Controls through ownership or otherwise any significant residual interest in the infrastructure at the end of the term of the arrangement.

  The subsidiary – Shillong Expressway Private Limited ("SEPL") , Nirmal Bot Private Limited ("NBPL"), Ateli Narnaul Highway Private Limited (formerly known as H.G. Ateli Narnaul Highway Private Limited) ('ANHPL'), Gurgaon Sohna Highway Private Limited ('GSHPL') and Rewari Ateli Highway Private Limited ('RAHPL') (formerly, H.G. Rewari Ateli Highway Private Limited) have the right to receive fixed annuity payments from NHAI during the concession period and have adopted 'Financial Asset Model'.

  Accounting under "Financial Asset Model" involves extensive use of estimates. The Group has allocated the contract revenues into distinct individual performance obligations i.e. Construction, operation and maintenance based on their relative stand-alone selling prices which are derived by as per amount estimated by the management of subsidiary on actual/estimated cost to be incurred. Accordingly, annuity payment receivable has been classified as a "Financial asset" at the inception of concession period at fair value. The future annuity payments have been bifurcated towards construction services and unearned finance income based on the effective interest rate model.

- **Provisions and liabilities**

  Provisions and liabilities are recognised in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability requires the application of judgement to existing facts and circumstances, which can be subject to change.

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

- **Provision for major maintenance obligation**

  The operating and maintenance cost includes routine, periodic/major maintenance, manpower costs and operational expenses, including, but not limited to, road and site work expenses, employee benefit expenses and other operating and maintenance costs. The provision for potential periodic / major maintenance cost is created based on the estimates provided by the management and the same is adjusted for actual expenditures in the year of occurrence.

- **Useful lives of depreciable/amortisable assets**

  Management reviews its estimate of the useful lives of depreciable/amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utility of certain software, IT equipment and other plant and equipment.

- **Defined benefit obligations (DBO)**

  Management's estimate of the DBO is based on a number of critical underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

- **Evaluation of indicators for impairment of assets**

  The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

- **Recognition of deferred tax assets**

  The extent to which deferred tax assets can be recognised is based on an assessment of the probability of the future taxable income against which the deferred tax assets can be utilised.

- **Recoverability of advances/ receivables**

  At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit losses on outstanding receivables and advances.

- **Contingent liabilities**

  The Group is the subject of legal proceedings and tax issues covering a range of matters, which are pending in various jurisdictions. Due to the uncertainty inherent in such matters, it is difficult to predict the final outcome of such matters. The cases and claims against the Group often raise difficult and complex factual and legal issues, which are subject to many uncertainties, including but not limited to the facts and circumstances of each particular case and claim, the jurisdiction and the differences in applicable law. In the normal course of business management consults with legal counsel and certain other experts on matters related to litigation and taxes. The Group accrues a liability when it is determined that an adverse outcome is probable and the amount of the loss can be reasonably estimated.

- **Fair value measurements**

  Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument. The Group engages third party valuers, where required, to perform the valuation. Information about the valuation techniques and inputs used in determining the fair value of intangible assets are disclosed in the notes to consolidated financial statements.

- **Impairment of intangible assets**

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

- **Income taxes**

  The Groups tax jurisdiction is in India. Significant judgements are involved in

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

estimating budgeted profits for the purpose of paying advance tax, determining the provision for income taxes, including amount expected to be paid/recovered for uncertain tax positions. The extent to which deferred tax assets/minimum alternate tax credit can be recognised is based on management's assessment of the probability of the future taxable income against which the deferred tax assets/minimum alternate tax credit can be utilised.

- **Fair valuation and disclosures**

  SEBI Master Circular issued under the SEBI 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 of the Trust works closely with the valuers to establish the appropriate valuation techniques and inputs to the model. 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 ('WACC'), tax rates, inflation rates etc. Changes in assumptions about these factors could affect the fair value.

b) Business combination (refer note 51)

Business combinations have been accounted for using the acquisition method under the provisions of Ind AS 103, Business Combinations. The purchase price in an acquisition is measured at the fair value of the assets transferred and liabilities incurred or assumed at the date of acquisition, which is the date on which control is transferred to the Group. The purchase price also includes the fair value of any contingent consideration. Identifiable assets acquired and liabilities and contingent liabilities assumed in a business combination are measured initially at their fair value on the date of acquisition. Contingent consideration is remeasured at fair value at each reporting date and changes in the fair value of the contingent consideration are recognised in the Consolidated Statement of Profit and Loss.

Goodwill is measured as 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 resulting gain on bargain purchase is recognised in OCI and accumulated in equity as capital reserve. However, if there is no clear evidence of bargain purchase, the entity transfers the gain directly in equity as capital reserve, without routing the same through other comprehensive income.

Business combinations involving entities or businesses under common control are accounted for using the pooling of interest method. Under pooling of interest method, the assets and liabilities of the combining entities or businesses are reflected at their carrying amounts after making adjustments necessary to harmonise the accounting policies. The financial information in the consolidated financial statements in respect of prior periods is restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. The identity of the reserves is preserved in the same form in which they appeared in the financial statements of the transferor and the difference, if any, between the amount recorded as share capital issued plus any additional consideration in the form of cash or other assets and the amount of share capital of the transferor is transferred to Amalgamation Adjustment Deficit Account.

c) Basis of classification as current and non-current

The Group presents assets and liabilities in the Consolidated balance sheet based on current/non-current classification.

An asset is current when it is:

- Expected to be realised or intended to be sold or consumed in the normal operating cycle;

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

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

All other assets have been classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

Operating cycle of the Group is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. As the Group's normal operating cycle is not clearly identifiable, it is assumed to be twelve months.

d) Revenue recognition

To determine whether to recognise revenue, the Project SPV Group follows a 5-step process:

- Identifying the contract with a customer
- Identifying the performance obligations
- Determining the transaction price
- Allocating the transaction price to the performance obligations
- Recognising revenue when/as performance obligation(s) are satisfied.

In all cases, the total transaction price is allocated amongst the various performance obligations based on their relative standalone selling price. The transaction price excludes amounts collected on behalf of third parties.

The consideration promised include fixed amounts, variable amounts, or both.

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

Toll Collections

Toll collections from the users of the infrastructure facility constructed by the Group under the Service Concession Arrangement is accounted for based on actual collection. Revenue from electronic toll collection is recognised on accrual basis.

Claims with National Highways Authority of India ('NHAI')

Claims with NHAI and other Government Authorities are accounted as revenue as and when it becomes probable that such claims will be received and which can be measured reliably.

Contract revenue (Construction contracts)

Contract revenue associated with the construction of road is recognised at cost of work performed on the contract plus proportionate margin, where required, using the percentage of completion method.

Percentage of completion is the proportion of cost of work performed to-date, to the total estimated contract costs. Percentage of completion is determined based on the proportion of actual cost incurred to the total estimated cost of the project. The percentage of completion method is applied on a cumulative basis in each accounting period to the current estimates of contract revenue and contract costs. The effect of a change in the estimate of contract revenue or contract costs, or the effect of a change in the estimate of the outcome of a contract, is accounted for as a change in accounting estimate and the effect of which are recognised in the statement of profit or loss in the period in which the change is made and in subsequent periods.

Contract cost include costs that relate directly to the specific contract and allocated cost that are attributable to the construction of the road.

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

Rendering of services

Revenue from major maintenance obligation and regular operation and maintenance is measured using the percentage of completion method when no significant uncertainty exists regarding the amount of the consideration that will be derived from rendering the service and are recognised net of taxes.

Interest income

Interest income from a financial asset is recognised when it is probable that the economic benefits will flow to the Group and the amount of income can be measured reliably. Interest is accrued on time proportion basis, by reference to the principle outstanding at the effective interest rate.

Other operating income/other income

All other operating income/income is recognised on accrual basis when no significant uncertainty exists on their receipt.

e) Taxation

Current income tax

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the tax 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 statement of profit or loss is recognised outside statement of 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

Deferred tax is recognised 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 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. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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 relating to items recognised outside statement of profit or loss is recognised outside statement of profit or loss. Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly 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 Group and the same taxation authority.

Minimum Alternate Tax (MAT)

MAT paid as per Indian Income Tax Act, 1961 is in the nature of unused tax credit which can be carried forward and recognise when the Group will pay normal income tax during the specified period. MAT credit entitlement is recognised as an asset only when and to the extent there is convincing evidence that normal income tax will be paid during the specified period. The net amount of tax recoverable from, or payable to, the taxation

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

authority is included as part of receivables or payables in the balance sheet.

The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the concerned company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward.

f) Property, plant and equipment (PPE)

Property, plant and equipment and capital work in progress are stated at cost, net of recoverable taxes, trade discount and rebates less accumulated depreciation and impairment loss, if any. Such cost includes purchase price, borrowing cost and any cost directly attributable to bringing the assets to its working condition for its intended use.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only 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. The carrying amount of any component accounted for as a separate asset is derecognised when replaced.

Depreciation on PPE held by UEPL, SEPL, JPEPL, GEPL, NBPL, ANHPL, RAHPL, GSHPL, STPL and GRICIL is calculated on a straight-line basis over the estimated useful lives of the respective assets as prescribed in the Schedule II of the Act

Depreciation on PPE held by NUTPL and DBCPL is provided on written down value method at the rates determined based on the useful lives of respective assets as prescribed in the Schedule II of the Companies Act, 2013 ("the Act").

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

Assets class	Useful life
Building	25 years
Plant and equipment	7 year - 15 years
Furniture & fixtures	8 year - 10 years
Vehicles	8 year - 10 years
Office equipments	3 year - 10 years
Computers	3 year - 5 years

Depreciation on additions/ (disposals) during the year is provided on a pro-rata basis i.e., from the date on which asset is ready for use and up to the date on which the asset is disposed of/ fully depreciated.

An item of property, plant and equipment and any significant part initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the statement of profit or loss when the asset is derecognised. 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.

g) Intangible assets

On transition to Ind AS, the Project SPV Group exercised first time adoption under Ind AS 101 "First-time Adoption of Indian Accounting Standards" and has elected to continue with the carrying value of its "Toll Collection Rights" (Intangible Assets), as recognised in the Special Purpose Combined Financial Statements as at the date of transition (i.e. April 01 2015 for all SPVs other than DBCPL and April 01 2018 for DBCPL) measured as per the previous GAAP and uses that as its deemed cost as at date of transition.

Accounting of intangible assets under Service Concession agreement

Toll collection rights obtained in consideration for rendering construction services, represent the right to collect toll revenue during the concession period in respect of Build-Operate-Transfer ("BOT") and design, build, finance, operate and transfer (DBFOT) project undertaken by the Group. Toll collection rights are capitalised as intangible assets upon completion of the project at the cumulative construction costs plus the present value of obligation towards negative grants and additional concession fee payable to National Highways Authority of India authorities, if any. Till the completion

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

of the project, the same is recognised under intangible assets under development. The revenue from toll collection/other income during the construction period is reduced from the carrying amount of intangible assets under development.

Pre-operative expenses including administrative and other general overhead expenses that are directly attributable to the development or acquisition of intangible assets are allocated and capitalised as part of cost of the intangible assets. Intangible assets that not ready for the intended use on the date of the Balance Sheet are disclosed as "Intangible assets under development.

Other intangible assets

Other intangible assets comprise of cost for software and other application software acquired / developed for in-house use. These assets are stated at cost, only 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, less accumulated amortisation and accumulated impairment losses, if any. Intangible assets are derecognised when no future economic benefits are expected from use or disposal.

Amortisation of intangible assets

Toll collection rights in respect of road projects are amortised over the period of concession using the revenue based amortisation method prescribed under Schedule II to the Companies Act, 2013. Under the revenue based method, amortisation is provided based on proportion of actual revenue to reflect the pattern in which the assets economic benefits will be consumed. At each balance sheet date, the projected revenue for the balance toll period is reviewed by the management. If there is any change in the projected revenue from previous estimates, the amortisation of toll collection rights is changed prospectively to reflect any changes in the estimates.

Toll collection rights in respect of road projects commissioned after April 01 2016 are amortised over the useful economic life using the straight-line method. The amortisation period and the amortisation method 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 is recognised in the statement of profit and loss.

Specialised software held by the Group is amortised over a period of six years on straight line basis from the month in which the addition is made.

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.

h) Financial asset under Service Concession Agreement

Under the arrangement, the SPV recognises a financial asset arising from service concession agreement as it has an unconditional right to receive cash from grantor (NHAI/State authorities) for the construction service, major maintenance obligations and regular operation and maintenance services over the concession period. Such financial asset is measured at fair value on initial recognition and classified under the head "Other Financial Assets". Subsequent to initial recognition, the financial asset is measured at amortised cost. Under this model, the financial asset will be reduced as and when grant is received from Grantor (NHAI/State authorities).

As per the salient feature of the arrangement, the operator has a two-fold activity based on which revenue is recognised in the financial statements in line with the requirement of Appendix C of Ind AS 115. The activities are given below:

a. a construction activity in respect of its obligation to design, build, finance an asset that it makes available to the Grantor (NHAI)/ state authorities

b. Revenue from major maintenance obligation and operation and maintenance activity in respect of the assets during the concession period in accordance with Ind AS 115.

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

i) Impairment of non-financial assets

At each reporting date, the Group assesses whether there is any indication based on internal/external factors, that an asset (tangible and intangible) may be impaired. If any such indication exists, an estimate the recoverable amount of the asset / cash generating unit. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. For the purpose of assessing impairment, the 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 groups of assets. The smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit (CGU). An asset or

CGU whose carrying value exceeds its recoverable amount is considered impaired and is written down to its recoverable amount.

Impairment losses of continuing operations are recognised in the statement of profit and loss.

Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. The impairment loss recognised in prior accounting periods is reversed if there has been an increase in the recoverable value due to a change in the estimate. 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 recognised for the asset in prior years.

j) Provisions and contingent assets

Provisions are recognised only when there is a present obligation, as a result of past events and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is recognised.

k) Financial Instruments

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 (FVTPL), transaction costs that are attributable to the acquisition of the financial asset. However, trade receivables that do not contain a significant financing component are measured at transaction price determined under Ind AS 115.

Subsequent measurement

i. **Financial assets at amortised cost-** A financial instrument is measured at amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- 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.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest method.

ii. **Financial assets at fair value**

- Mutual funds – All mutual funds in scope of Ind-AS 109 are measured at fair value through profit and loss (FVTPL).

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

De-recognition of financial assets

A financial asset is primarily de-recognised 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.

Financial liabilities

Initial recognition and measurement

All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted.

Subsequent measurement

After initial recognition, the financial liabilities are subsequently measured at amortised cost using effective interest method. Amortised cost is calculated after considering any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The effect of EIR amortisation is included as finance costs in the statement of profit and loss.

De-recognition of financial liabilities

A financial liability is de-recognised 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 de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

Offsetting of financial instruments

Financial assets and financial liabilities are off-set and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

l) Fair value measurement

The Group measures financial instruments at fair value at each balance sheet 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:

- In the principal market for the asset or liability; or
- 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. Refer Note 42 for fair value hierarchy.

All assets and liabilities for which fair value is measured or disclosed in the consolidated 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 (unadjusted) market prices in active markets for identical assets or liabilities.

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable.

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

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

External valuers are involved for valuation of significant assets such as annuity and intangible assets, where required. Involvement of external valuers is decided

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

by the Group on a need basis and relevant approvals. The valuers involved are selected based on criteria like market knowledge, reputation, independence and professional standards. The Group after discussion with the external valuers, which valuation techniques and inputs to use for each case.

At each reporting date, the Group analyses the movement of assets and liabilities which are required to be remeasured or reassessed 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 management in conjunction with the external valuers also compares the change in fair value of each asset and liability with relevant external sources to determine whether the change is reasonable.

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.

- Disclosures of Statement of Net Assets at fair value and Statement of Total Returns at fair value
- Quantitative disclosures of fair value measurement hierarchy (note 42)
- Investment in quoted mutual fund (note 9)
- Financial instruments (including those carried at amortised cost) (note 43).

m) Impairment of financial assets

All financial assets except for those at FVTPL are subject to review for impairment at least at each reporting date to identify whether there is any objective evidence that a financial asset or a group of financial assets is impaired. Different criteria to determine impairment are applied for each category of financial assets.

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 amortised cost.

ECL is the weighted average of difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Group is required to consider –

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets; and
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

Trade receivables:

In respect of trade receivables, the Group applies the simplified approach of Ind AS 109 'Financial Instruments', which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

Other financial assets:

In respect of its other financial assets, the Group assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Group measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses.

When making this assessment, the Group uses the change in the risk of a default occurring over the expected life of the financial asset. To make that assessment, the Group compares the risk of a default occurring on the financial asset as at the balance sheet date with the risk of a default

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

occurring on the financial asset as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition. The Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition if the financial asset is determined to have low credit risk at the balance sheet date.

n) Employee benefits

The Group provides post-employment benefits through various defined contribution and defined benefit plans.

Defined contribution plans

A defined contribution plan is a plan under which the Group pays fixed contributions into an independent fund administered by the government. The Group has no legal or constructive obligations to pay further contributions after its payment of the fixed contribution, which are recognised as an expense in the year in which the related employee services are received.

Defined benefit plans

The defined benefit plans sponsored by the Group define the amount of the benefit that an employee will receive on completion of services by reference to length of service and last drawn salary. The legal obligation for any benefits remains with the Group.

Gratuity is post-employment benefit and is in the nature of a defined benefit plan. The liability recognised in the consolidated financial statements in respect of gratuity is the present value of the defined benefit obligation at the reporting date, together with adjustments for unrecognised actuarial gains or losses and past service costs. The defined benefit obligation is calculated at or near the reporting date by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are credited or charged to the statement of OCI in the year in which such gains or losses are determined.

Other long-term employee benefits

Liability in respect of compensated absences becoming due or expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method.

Actuarial gains and losses arising from past experience and changes in actuarial assumptions are charged to statement of profit and loss in the year in which such gains or losses are determined.

Short-term employee benefits

Expense in respect of other short term benefits is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

The Group makes contribution towards employee state insurance scheme (ESIS), a defined contribution benefit plan for qualifying employees. The Group's contribution to the ESIS is deposited by the Group under the Employees State Insurance Act, 1948. The contributions deposited with authorities are recognised as on expense during the year.

o) Borrowing costs

Borrowing cost include interest calculated using the effective interest method, amortisation of ancillary costs and other costs the Group incurs in connection with the borrowing of funds. Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. Capitalisation of borrowing costs is suspended in the period during which the active development is delayed due to, other than temporary, interruption. All other borrowing costs are charged to the statement of profit and loss as incurred.

p) Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

q) Contributed equity

Units are classified as equity. Incremental costs attributable to the issue of units are directly recorded in equity, net of tax.

r) Net Distributable cash flows 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 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.

s) Statements of net assets at fair value

The disclosure of Statement of Net Assets at Fair Value comprises of the fair values of the total assets and fair values of the total liabilities of individual SPV's. The fair value of the assets is reviewed by the management, derived based on the fair valuation reports issued by the independent valuer appointed under the InvIT Regulations. The independent valuers are leading valuers with a recognised and relevant professional qualification as per InvIT regulations and valuation assumptions used are reviewed by the management at each balance sheet date.

t) Statement of total returns at fair value

The disclosure of total returns at fair value comprises of the Total Comprehensive Income as per the Statement of Profit and Loss and Other Changes in Fair Value. (e.g., in property, plant & equipment (if cost model is followed)) not recognised in Total Comprehensive Income. Other changes in fair value is derived based on the fair valuation reports issued by the independent valuer appointed under the InvIT Regulations.

u) Unit holders equity and distribution

Under the provisions of the SEBI Regulations, Trust is required to distribute to Unitholders not less than ninety percent of the net distributable cash flows of Trust for each financial period. Accordingly, a portion of the unitholders' equity contains a contractual obligation of the Trust to pay to its Unitholders cash distributions. The Unitholders' equity could therefore have been classified as compound financial instrument which contain both equity and liability components in accordance with Ind AS 32 - Financial Instruments: Presentation.

However, in accordance with SEBI Master Circular(SEBI/HO/DDHS-PoD-2/P/CIR/2023/115 dated July 06 2023 as amended) issued under the SEBI Regulations, the unitholders' equity have been classified as equity in order to comply with the mandatory requirements of Section H of Chapter 3 to the SEBI Master Circular dated July 06 2023 dealing with the minimum disclosures for key financial statements.

The Group recognises a liability to make cash distribution to unitholders when the distribution is authorised and a legal obligation has been created. As per the SEBI 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.

v) Earning per unit

Basic earnings per unit is calculated by dividing the net profit or loss attributable to unit holders of the Trust (after deducting preference dividends and attributable taxes if any) by the weighted average number of units outstanding during the period.

For the purpose of calculating diluted earnings per unit, the weighted average number of units outstanding during the period are adjusted for the effects of all dilutive potential units.

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

3. Property, plant and equipment (PPE)

	As at March 31, 2024	As at March 31, 2023
Property, plant and equipment	343.04	100.00
	343.04	**100.00**

The changes in the carrying value of property, plant and equipment for the year ended March 31, 2024 and March 31, 2023 are as follows :

Description	Freehold Land	Buildings	Plant and equipment	Furniture and fixtures	Vehicles	Office equipments	Computers	Total
Gross block								
Balance as at April 01, 2022	**4.37**	**14.97**	**92.13**	**8.55**	**31.44**	**56.46**	**13.85**	**221.77**
Additions for the year	-	4.32	5.02	0.21	0.48	1.93	1.37	13.34
Transfer from capital work-in-progress during the year	-	2.39	-	-	-	-	-	2.39
Disposals/adjustments for the year	-	(0.19)	(3.07)	(1.04)	(2.43)	(21.75)	(0.08)	(28.56)
Balance as at March 31, 2023	**4.37**	**21.49**	**94.08**	**7.72**	**29.50**	**36.65**	**15.13**	**208.93**
Addition on account of business combination (refer note 51)	20.53	29.89	89.57	1.14	88.81	3.13	0.87	233.94
Additions for the year	0.01	16.62	16.60	2.16	2.94	4.48	3.17	45.98
Transfer from capital work-in-progress during the year	-	-	-	-	-	-	-	-
Disposals/adjustments for the year	-	-	(3.44)	-	(3.33)	(0.09)	(0.24)	(7.10)
Balance as at March 31, 2024	**24.91**	**68.00**	**196.81**	**11.02**	**117.92**	**44.17**	**18.93**	**481.77**
Accumulated depreciation								
Balance as at April 01, 2022	**-**	**2.22**	**41.22**	**3.51**	**17.46**	**18.13**	**9.19**	**91.73**
Charge for the year	-	0.88	14.43	0.46	3.12	5.86	2.22	26.96
Disposals/adjustments for the year	-	(0.09)	(2.18)	(0.94)	(2.31)	(4.15)	(0.08)	(9.75)
Balance as at March 31, 2023	**-**	**3.01**	**53.46**	**3.02**	**18.27**	**19.84**	**11.33**	**108.93**
Charge for the year	-	2.26	16.59	0.56	6.40	6.25	2.29	34.35
Disposals/adjustments for the year	-	-	(2.29)	-	(2.11)	(0.01)	(0.14)	(4.55)
Balance as at March 31, 2024	**-**	**5.27**	**67.76**	**3.58**	**22.56**	**26.08**	**13.48**	**138.73**
Net block as at March 31, 2023	**4.37**	**18.48**	**40.62**	**4.69**	**11.23**	**16.81**	**3.81**	**100.00**
Net block as at March 31, 2024	**24.91**	**62.73**	**129.05**	**7.45**	**95.36**	**18.09**	**5.45**	**343.04**

Notes:

(i) Contractual obligations :

Refer note 39 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(ii) For assets pledged as security, refer note 35.

4. Capital work-in-progress

	As at March 31, 2024	As at March 31, 2023
Capital work in progress	50.98	-
	50.98	**-**

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

The changes in the carrying value of capital work-in-progress for year ended March 31, 2024 and March 31, 2023 are as follows:

Particulars	Amount
Capital work-in-progress as at April 01, 2022	**2.39**
Add: Additions during the year	-
Less: transfer to property, plant and equipment during the year (refer note 3)	(2.39)
Capital work-in-progress as at March 31, 2023	**-**
Addition on account of business combination (refer note 51)	5.93
Add: Additions during the year	45.05
Less: transfer to property, plant and equipment during the year (refer note 3)	-
Capital work-in-progress as at March 31, 2024	**50.98**

Ageing schedule of capital work-in-progress

As at March 31, 2024	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	50.98	-	-	-	50.98

As at March 31, 2023	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Projects in progress	-	-	-	-	-

Note:

(i) Contractual obligations :

Refer note 39 for disclosure of contractual commitments for the acquisition of property, plant and equipment.

(ii) For assets pledged as security, refer note 35.

5A. Goodwill

	As at March 31, 2024	As at March 31, 2023
Opening balance	-	-
Addition on account of business combination (refer note 51)	3,101.73	-
Impairment of goodwill (refer note 34)	(3,101.73)	-
Closing balance	-	-

i) Allocation of Goodwill to reportable segments:

During the year the Trust has aquired one SPV namely STPL which is primarily engaged in the business of carrying out the project of Design, Engineering, Construction, Development, Finance, Operation and Maintenance of road on Build, Operate and Transfer (BOT-Toll) basis. In accordance with the requirements of Ind AS 103, Business Combinations ('Ind AS 103'), the assets and liabilities, including road assets, acquired through aforesaid acquisition were recorded in the accompanying financial statements at fair value ('Purchase Price Allocation' or 'PPA'). This also resulted in recognition of goodwill amounting to ₹ 3,101.73 Mn, being the difference between the fair value of the net assets acquired and the purchase consideration paid by the Trust. (Refer note 51 for further details).

The cash inflows from project are largely independent of those from other assets or groups of assets. Accordingly goodwill has been allocated to cash generating unit ("CGU") of STPL.

The recoverable amount of the above mentioned CGU is determined based on value-in-use calculations which uses cash flow projections (as approved by the management) covering the concession period as the Group believes this to be the most appropriate timescale for reviewing and considering performance.

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

ii) Impairment of Goodwill:

Goodwill is tested for impairment and during the year, the Group has recognised impairment during the year amounting to ₹ 3,101.73 Mn (refer note 34).

iii) Key assumptions used for value in use calculations are as follows: *#

*Discount rates - Management estimates discount rates that reflect current market assessments of the risks specific to the CGU, taking into consideration the time value of money and individual risks of the underlying assets that have not been incorporated in the cash flow estimates. The discount rate calculation is based on the specific circumstances of the company and its operating segments and is derived from its weighted average cost of capital (WACC).

#Growth rates - The growth rates are based on industry growth forecasts. Management determines the budgeted growth rates based on past performance and its expectations on market development. The weighted average growth rates used were consistent with industry reports.

The cash flow projection has been prepared using anticipated revenue growth from inputs provided in the traffic study report (average growth rate of 7.6% across the project life cycle). The discount rate used is 9.94%.

The management has performed sensitivity analysis around the base assumptions and accordingly concluded that no reasonable changes in key assumptions would cause the change in the recoverable amount of the CGU.

5B. Other intangible assets

Particulars	As at March 31, 2024	As at March 31, 2023
Other intangible assets	55,432.88	19,353.89
	55,432.88	**19,353.89**

The changes in the carying value of other intangible assets for the year ended March 31, 2024 and March 31, 2023 are as follows:

Description	Toll collection rights	Software	Total intangible assets
Gross block			
Balance as at April 01, 2022	**28,712.09**	**13.68**	**28,725.77**
Additions for the year	246.37	-	246.37
Disposals/adjustments for the year	-	(0.02)	(0.02)
Balance as at March 31, 2023	**28,958.46**	**13.66**	**28,972.12**
Addition on account of business combination (refer note 51)	38,846.01	-	38,846.01
Additions for the year	-	-	-
Disposals/adjustments for the year	(3.20)	-	(3.20)
Balance as at March 31, 2024	**67,801.27**	**13.66**	**67,814.93**
Accumulated amortisation			
Balance as at April 01, 2022	**8,473.10**	**6.13**	**8,479.22**
Charge for the year	1,137.61	1.40	1,139.01
Balance as at March 31, 2023	**9,610.71**	**7.53**	**9,618.22**
Charge for the year	2,174.72	1.29	2,176.01
Impairment for the year (refer note 34)	587.81	-	587.81
Balance as at March 31, 2024	**12,373.25**	**8.82**	**12,382.05**
Net block as at March 31, 2023	**19,347.75**	**6.14**	**19,353.89**
Net block as at March 31, 2024	**55,428.03**	**4.85**	**55,432.88**

Notes:

(i) Contractual obligations:

Refer note 39 for disclosure of capital and other commitments for the acquisition of intangible assets.

(ii) For assets pledged as security, refer note 35.

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

6. Others non-current financial assets

	As at March 31, 2024	As at March 31, 2023
(Unsecured, considered good)		
Security deposits	16.67	5.14
Receivables under service concession arrangements (refer note below)	7,964.02	536.57
Bank deposits with more than 12 months maturity*	17.93	-
Other	10.47	-
	8,009.09	**541.71**

*includes interest accrued but not due

Notes:

(i) Movement in receivables under service concession arrangements during the financial year :

	As at March 31, 2024	As at March 31, 2023
Opening balance	**1,136.26**	**1,944.23**
Acquisition under business combinations (refer note 51)	9,754.89	-
Add: Interest income on annuity receivable from National Highway Authority of India ('NHAI') (refer note 28)	486.70	183.75
Add: Revenue from operations and maintenance of road (refer note 28)	1,005.28	280.23
Add/Less: Modification gain/ (loss) on annuity (refer note 28 and 32)	41.19	(298.58)
Less: Annuity received from NHAI	(1,937.14)	(973.37)
Closing balance	**10,487.18**	**1,136.26**

(ii) Movement in receivables under service concession arrangements during the financial year :

	As at March 31, 2024	As at March 31, 2023
- Non-current (refer note 6)	7,964.02	536.57
- Current (refer note (refer note 13)	2,523.16	599.69
	10,487.18	**1,136.26**

(iii) Refer note 42 - Fair value disclosures for disclosure of fair value in respect of financial assets measured at amortised cost and refer note 43 - Financial risk management for assessment of expected credit losses.

(iv) For assets pledged as security, refer note 35.

7. Non-current tax assets (net)

	As at March 31, 2024	As at March 31, 2023
Advance income tax (net of provisions)	410.34	83.57
	410.34	**83.57**

8. Other non-current assets

	As at March 31, 2024	As at March 31, 2023
(Unsecured, considered good)		
Capital advances	72.13	-
Other- fair value of plan assets	-	1.08
Balances with statutory authorities*	-	5.18
	72.13	**6.26**

*includes deposit paid under protest with statutory authority

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

9. Investments

	As at March 31, 2024	As at March 31, 2023
Current		
Investment in mutual funds - quoted (fully paid)^ *	5,027.36	648.60
	5,027.36	**648.60**
Notes:		
Aggregate amount of quoted investments- at market value	5,027.36	648.60
Aggregate amount of quoted investments- at cost	4,922.83	651.64

For assets pledged as security, refer note 35.

^These are measured at fair value through profit and loss ('FVTPL')

*Amount of ₹ 51.6 Mn represents the amount invested in mutual fund on March 28, 2024, the units of which were allotted on April 02, 2024. During the previous year amount of ₹ 6.4 Mn and ₹ 2.5 Mn was invested in mutual fund on March 28, 2023 and 29 March 2023 respectively, however units were allotted on April 02, 2023.

(a) Details of investment in mutual funds- quoted (fully paid)

	As at March 31, 2024	As at March 31, 2023
IDFC Overnight Fund Direct Plan - Growth- Nil units as at March 31, 2024 (March 31, 2023: 52,739.30 units;)	-	63.06
Bandhan Overnight Fund Direct Plan-Growth- 3,53,075.66 units as at March 31, 2024 (March 31, 2023: 489,735.11) (erstwhile IDFC Overnight Fund Direct PlanGrowth)	450.88	585.54
Axis Liquid Fund Direct Plan- Regular Growth- 24,280.91 units as at March 31, 2024 (March 31, 2023: NIL)	64.69	-
ICICI Prudential Liquid Plan-Regular Growth- 8,54,857.64 units as at March 31, 2024 (March 31, 2023: NIL)	302.94	-
SBI Overnight Fund Direct Growth-Regular Growth- 7,76,452.99 units as at March 31, 2024 (March 31, 2023: NIL)	3,076.49	-
ICICI Overnight Fund Growth-Regular Growth- 8,77,440.56 units as at March 31, 2024 (March 31, 2023: NIL)	1,132.36	-
	5,027.36	**648.60**

10. Trade receivables

	As at March 31, 2024	As at March 31, 2023
Trade receivables considered good- unsecured	310.66	0.16
Less : Provision for expected credit loss	-	-
Total	**310.66**	**0.16**

Notes:

(i) The Group does not have any receivables which are either credit impaired or where there is significant increase in credit risk.

(ii) Refer note 43 - Financial risk management for assessment of expected credit losses

(iii) The carrying value are considered to be a reasonable approximation of fair value

(iv) Refer note 52 - for ageing schedule of trade receivables

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

11. Cash and cash equivalents

	As at March 31, 2024	As at March 31, 2023
Balances with banks:		
- in current accounts	228.00	63.01
- deposits with original maturity less than three months*	1,018.19	282.35
Cash on hand	8.19	3.75
	1,254.38	**349.11**

* Includes interest accrued but not due

Notes:

(i) For assets pledged as security, refer note 35.

(ii) Other than as disclosed, there are no repatriation restrictions with respect to cash and cash equivalents as at the end of the respective reporting year.

12. Bank balances other than cash and cash equivalents above

	As at March 31, 2024	As at March 31, 2023
Fixed deposit with bank		
Deposits with original maturity more than three months but less than twelve months*#	8,231.56	1,546.58
	8,231.56	**1,546.58**

*Includes interest accrued but not due

#Includes deposits pledged against debt service reserve account (DSRA)

Notes:

(i) For assets pledged as security, refer note 35.

(ii) Other than as disclosed, there are no repatriation restrictions with respect to other bank balances as at the end of the respective reporting periods.

13. Others current financial assets

	As at March 31, 2024	As at March 31, 2023
(Unsecured, Considered good unless otherwise stated)		
Receivables under service concession arrangements (refer note 6 (ii) above)	2,523.16	599.69
Other receivables	255.87	31.69
Security deposits	1.24	-
	2,780.27	**631.38**

14. Other current assets

	As at March 31, 2024	As at March 31, 2023
(Unsecured, considered good)		
Supplier advances	33.71	4.31
Balances with statutory authorities	524.21	14.39
Other- fair value of plan assets	2.09	0.29
Prepaid expenses	119.61	36.24
Other receivables	43.54	-
	723.16	**55.23**

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

15. Equity

		As at March 31, 2024	As at March 31, 2023
a)	**Unit capital**		
	415,500,000 units (March 31, 2023 : 415,500,000 Units) of ₹ 100 each	41,550.00	41,550.00
	65,931,294 units (March 31, 2023 : Nil) of ₹ 77.96 each	5,140.00	-
	265,454,540 units (March 31, 2023 : Nil) of ₹ 82.50 each	21,900.00	-
		68,590.00	**41,550.00**

(i) Terms/rights attached to unit capital :

Subject to the provisions of the SEBI (Infrastructure Investment Trusts) Regulations, 2014 (as amended) ('SEBI Regulations'), the indenture of fund, 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 Units held by the Unitholder to the total number of Units. Each unit represents an undivided beneficial interest in the Highways Infrastructure Trust ("the Trust").

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 which are conducted in accordance with the SEBI Regulations.

d) Right to vote upon any matter/resolutions proposed in relation to the unitholders.

e) Right to receive periodic information-the Investment Manager, on behalf of the Highways Trust, shall also submit such information to the Stock Exchange and the Unitholders, on a periodical basis as may be required under the SEBI Regulations and the Listing Agreement to be entered into with the Stock Exchange. The Investment Manager (on behalf of the Trust) shall disclose to the Stock Exchange, the Unitholders and SEBI, all such information and in such manner as specified under the SEBI Regulations and such other requirements as may be specified by SEBI.

f) Any buyback and de-listing of Units shall be in accordance with the Trust Deed and the SEBI Regulations.

g) The Investment Manager shall ensure adequate and timely redressal of all Unitholders' grievances pertaining to the activities of the Highways Trust, and the Trustee shall periodically review the status of Unitholders' complaints and their redressal undertaken by the Investment Manager. The Investment Manager shall maintain records of the Unitholders' grievances and the actions taken thereon, including copies of correspondences made with the Unitholder.

h) No Unitholder of the Trust shall enjoy superior voting or any other rights over another Unitholder. Further, the Units shall not have multiple classes. However, subordinate Units may be issued only to the Sponsor and its Associates, where such subordinate units carry only inferior voting or any other rights compared to other units in the future in accordance with Regulation 4(2)(h) of the SEBI Regulations.

i) In terms of the SEBI Regulations not less than 90% of the net distributable cash flows of the Trust shall be distributed to the Unitholder Such distribution shall be declared and made such that the time period between any two declarations of distribution shall not exceed one year.

Limitations to the liability of unitholders

A Unitholder has no equitable or proprietary interest in the InvIT Assets and is not entitled to transfer of the InvIT Assets (or any part thereof) or any interest in the InvIT Assets (or any part thereof) of the Trust. A Unitholder's right is limited to the right to require due administration of the Highways Infrastructure Trust in accordance with the provisions of the Trust Deed and the Investment Management Agreement.

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

(ii) Reconciliation of units outstanding at the beginning and at the end of the year :

	As on March 31, 2024		As on March 31, 2023	
	No. of units	(₹ in Mn)	No. of units	(₹ in Mn)
Unit capital of ₹ 100 each fully paid up				
Balance at the beginning of the year	415,500,000	41,550.00	-	-
Add: Units issued during the year:				
- Issuance of units by way of private placement at ₹ 100 (refer note (v) below)	-	-	415,500,000	41,550.00
- Issuance of units by way of right issue at ₹ 77.96 (refer note (vi) below)	65,931,294	5,140.00	-	-
- Issuance of units by way of preferential allotment at ₹ 82.50 (refer note (vii) below)	265,454,540	21,900.00	-	-
Balance at the end of the year	**746,885,834**	**68,590.00**	**415,500,000.00**	**41,550.00**

(iii) Unitholders holding more than 5% of units of the Trust as at balance sheet date:

	As on March 31, 2024		As on March 31, 2023	
	No. of units	% of holding	No. of units	% of holding
Galaxy Investments II Pte. Ltd.	373,900,000	50.06%	373,900,000	89.99%
Nebula Asia Holdings II Pte. Ltd.	180,606,060	24.18%	-	-
2452991 Ontario Limited	148,341,698	19.86%	31,200,000	7.51%

(iv) There were no units issued pursuant to contract without payment being received in cash, alloted as fully paid up by way of bonus issue and/or bought back since the date of incorporation.

(v) During the previous year ended March 31, 2023, the Trust has issued 415,500,000 units on August 22,2022 persuant to final placement memorandum filed with the Securities and Exchange Board of India (SEBI) dated August 22, 2022 at at issue price of ₹ 100 each.

(vi) During the current financial year ended March 31, 2024, the Board of Directors of Highway Concessions One Private Limited (acting in its capacity as Investment Manager of the Trust), in its meeting held on July 06, 2023, had considered and approved, inter-alia, issue of units aggregating up to ₹ 5,150.00 Mn ("Issue") by way of a rights issue to eligible unitholders of the Trust, subject to receipt of necessary approvals from statutory, regulatory and other authorities as applicable in accordance with the applicable provisions of the InvIT Regulations and other applicable laws. The net proceeds from the issue are proposed to be utilised towards the following objects:

(a) Acquisition of 100% of the issued, subscribed and paid-up equity share capital of the Ateli Narnaul Highway Private Limited ("Target SPV") from H.G. Infra Engineering Limited ("Shareholders of the Target SPV");

(b) Partial or full repayment of the outstanding debt of the Target SPV, including the debt availed by the Target SPV from certain external lenders and its existing shareholders; and

(c) for general purposes.

Pursuant to the above issue, draft letter of offer filed with the National Stock Exchange of India Limited ("NSE") on July 07, 2023, and letter of offer filed with NSE on September 25, 2023 in accordance with applicable law.

Further, the Investment Manager of the trust has approved allotment of 65,931,294 units on a rights basis on October 13, 2023 to the eligible unitholders of Highways Infrastructure Trust who have submitted bids under the rights issue for cash at a price of ₹ 77.96 per unit aggregating to approximately ₹ 5,140.00 Mn, in accordance with the applicable law. In-principal approval for listing of the above units was received via letter dated October 16, 2023 from NSE who intimated the Investment Manager of the Trust that the NSE has listed and admitted to dealings of these units on the Stock Exchange w.e.f October 17, 2023.

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

The Trust has paid issue management fees of ₹ 17.70 Mn to Axis Capital Limited ("Axis Capital") from the Rights Issue Proceeds during the year ended March 31, 2024. While Axis Capital is an affiliate of the Trustee, it is not an associate of the Trust in terms of the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992. There is no conflict of interest under the Securities and Exchange Board of India (Merchant Bankers) Regulations, 1992, as amended, or any other applicable SEBI rules or regulations and current disclosure is being made to ensure disclosure of all transactions with affiliate of the Trustee. The disclosure with respect to issue management fees was disclosed on the letter of offer dated September 25, 2023 for rights issue filed with the NSE."

(vii) During the current financial year ended March 31, 2024, the Board of Directors of the Investment Manager of the Trust has approved the allotment of 265,454,540 units of the Trust at an issue price of ₹ 82.50 per unit for an aggregate amount up to approximate ₹ 21,900.00 Mn on a preferential basis in accordance with the the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 read with Chapter 7 'guidelines for preferential issue and institutional placement of units by listed InvITs' of Master Circular for Infrastructure Investment Trusts (InvITs) dated July 06, 2023 and amendments thereof (herein referred as the 'SEBI Regulations'). The units were listed with National Stock Exchange Limited on January 19, 2024. The proceeds of ₹ 21,900.00 Mn have been utilised for payment of purchase consideration of STPL and GRICL.

16. Other equity

	As at March 31, 2024	As at March 31, 2023
Equity component of loan to related parties	384.95	384.95
Securities premium reserve	774.79	2,274.79
Capital redemption reserve	2.83	2.83
Retained earnings	(16,922.55)	(11,316.53)
Amalgamation adjustment deficit account (refer note 51(b)(iii))	(28,514.38)	(28,514.38)
Capital reserve (refer note 51(a)(iii))	1,671.99	-
	(42,602.37)	**(37,168.34)**

Description of nature and purpose of each reserve:

Equity component of loan

This includes the equity component of the long term loan taken from GMR Highway Limited and India Infrastructure Fund (erstwhile promoter of UEPL).The equity component represents the interest-free feature of the loan. The liability component is reflected in non-current borrowings. (refer note 17).

Security premium reserve

Securities premium reserve represents premium received on issue of shares.These reserve will be utilised in accordance with the provisions of the Companies Act, 2013.

Capital redemption reserve

Capital redemption reserve has been created as a result of transfer of the nominal value of shares upon buyback of shares, in accordance with Section 69 of the Companies Act, 2013.

Amalgamation adjustment deficit account (refer note 51(b)(iii))

Amalgamation adjustment deficit account has been created as a result of Excess of purchase consideration paid over net assets of project SPVs acquired on August 23, 2022. (refer note 51)

Retained earnings

Retained earnings are created from the profit / loss of the Group, as adjusted for distributions to owners, transfers to other reserves, etc.

Capital reserve

Capital reserve is a reserve of a corporate enterprise which is not available for distribution as dividend. The reserve is created on a gain in bargain purchase arising in business combination where clear evidence of the underlying reasons does not exists for classifying business combinations as a bargain purchase.

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

17. Non current borrowings*

	As at March 31, 2024	As at March 31, 2023
Secured		
Rupee term loan from banks	21,185.13	7,673.13
Non-convertible debentures	12,115.67	6,351.05
Unsecured		
Loan from GMR Highways Limited	569.59	517.68
Total Non-current borrowings (excluding current maturities) (A)	**33,870.39**	**14,541.86**
Current maturities of long-term borrowings (refer note 22)		
- Rupee term loans from banks	465.10	160.00
- Non-convertible debentures	311.02	65.00
- Commercial Paper	2,647.55	-
Total current borrowings (B)	**3,423.67**	**225.00**
Total borrowing (A+B)	**37,294.06**	**14,766.86**

*refer note 17(ii) for repayment terms and security details of the outstanding non-current borrowings (including current maturities)

*refer note 22(i) Reconciliation of liabilities arising from financing activities pursuant to Ind AS 7 - Cash flows:

(i) Refer note 42- Fair value disclosure for disclosure of fair value in respect of financial assets measured at amortised cost and note 43-Financial risk management for assessment of expected credit lossess

Summary of material accounting policy information and other explanatory information
for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

17(ii)-Notes:

For repayment terms and security details of the outstanding non-current borrowings (including current maturities) refer the table below:

Sl. No.	Nature of borrowing	Name of Entity	As at		Repayment terms and security disclosure
			March 31, 2024	March 31, 2023	
1	Rupee term loans from banks (secured)	Highways Infrastructure Trust	21,650.23	7,833.13	**Rate of Interest and Repayment Terms** Rupee Term Loan (including RTL-1 for sanctioned limits of ₹ 8,000 Mn and RTL-2 for sanctioned limits of ₹ 19,000 Mn) from banks and financial institutions (including current maturities) of ₹ 21,650.23 Mn (March 31, 2023: ₹ 7,833.13 Mn) which carries weighted average interest rate of @ 8.34% p.a. (March 31, 2023: 7.94% p.a.) linked to Benchmark Rates (as defined in Rupee Loan Agreement or any communication from lender in relation to shift in Benchmark Rate) plus spread, if any, the interest rate will reset on such periodicity (in line with Benchmark Rate). The RTL-1 loan is repayable in 55 structured quarterly instalments starting from September 30, 2022 and ending on March 31, 2036. The RTL-2 loan is repayable in 65 structured quarterly instalments starting from March 31, 2024 and ending on June 30, 2040. **The Rupee Loan is secured by way of :** a) first ranking pari passu security interest, by way of hypothecation on all movable assets and the receivables of Highways Infrastructure Trust ('the Issuer'), present and future, including but not limited to: i) all receivables of the Issuer from the HoldCos and SPVs ii) loans and advances, and interest on such loans and advances advanced by the Issuer to the HoldCos and SPVs iii) dividends and any other amounts to be paid / payable by the HoldCos and SPVs to the Issuer iv) inventories, contractual rights, securities, patents, trademarks, other intellectual property, equipment and/or insurances (in each instance, if any) of the Issuer v) all other current assets of the Issuer, including all the Issuer's tangible and intangible assets, including but not limited to its goodwill, undertaking and uncalled capital, both present and future; b) first ranking pari passu charge by way of mortgage on all immoveable assets of the Issuer (if any), both present and future. it is clarified that, as on the date hereof, there is no immovable property owned by the Issuer; c) first ranking pari passu charge by way of hypothecation over all bank accounts of the Issuer, including but not limited to the Escrow Account and the Sub-Accounts (or any account in substitution thereof), and in all funds from time to time deposited therein (including the reserves) and the permitted investments or other securities representing all amounts credited to the Escrow Account including the cash flows to be received from the HoldCos and SPVs.

(All amounts in ₹ Mn unless otherwise stated)

Sl. No.	Nature of borrowing	Name of Entity	As at March 31, 2024	As at March 31, 2023	Repayment terms and security disclosure
					d) first ranking pari-passu charge over DSRA all funds from time to time deposited therein and all permitted investments or other securities representing all amounts credited to the DSRA or, as applicable, the bank guarantee or fixed deposit in lieu of the DSRA. e) first ranking pari passu charge by way of assignment through hypothecation by way of security of (i) all the right, title, interest, benefits, claims and demands whatsoever of the Issuer in, to and under all the loans and advances extended by the Issuer to any of the HoldCos and SPVs present and future (collectively, the "Issuer Loans") (ii) the right, title and interest and benefits of the Issuer in, to and under all the SPV Financing Documents, deeds, documents and agreements or any other instruments (both present and future) which are now executed or may hereafter be executed by the Issuer with respect to the Issuer Loans including the rights and securities available to the Issuer in respect of the Issuer Loans including documents in respect of Issuer Loan; f) a first ranking pari passu pledge over all the equity shares, preference shares, debentures (whether convertible or not) representing 100% (one hundred percent) of such securities, respectively, issued by each of SPVs and the HoldCos to the Issuer / HoldCo ("Pledged Securities").
2	Listed, redemable, non-convertible debentures	Highways Infratsructure Trust	11,340.62	6,416.05	**Rate of Interest and Repayment Terms** **Series I and II:** For the previous year ended March 31, 2023, 'The Trust has issued senior, secured, taxable, rated, listed, redeemable, non-convertible debt (NCDs) amounting to ₹4,000 Mn for Series I at coupon rate of 7.81% p.a. (March 31, 2023: 7.71% p.a) and ₹2,500.00 Mn for Series II at coupon rate of 8.25% p.a (March 31, 2023: 8.25% p.a) having an outstanding balance as at March 31, 2024 of ₹ 6,366.13 Mn (March 31, 2023 of ₹ 6,416.05 Mn) which will mature on December 22, 2025 and September 22, 2029 respectively. The NCDs are listed on Bombay Stock Exchange (BSE). The said series I NCDs is repayable in 13 structured quaterly installments starting from December 31, 2022 and ending on December 22, 2025. Further series II NCDs is repayable in 28 structured quaterly installments starting from December 31, 2022 and ending on September 22, 2029. **Series III:** The Trust has issued senior, secured, taxable, rated, listed, redeemable Non-Convertible Debentures ("NCD's") amounting to ₹ 5,000.00 Mn for Series III at coupon rate of 8.34% p.a. (March 31, 2023: Nil) having an outstanding balance as at March 31, 2024 of ₹ 4,974.49 Mn (March 31, 2023 of ₹ Nil). The NCDs are listed on Bombay Stock Exchange (BSE). The said series III NCDs is repayable in bullet payments at the end of 3 years from deemed date of allotments i.e. January 18, 2027.

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

Sl. No.	Nature of borrowing	Name of Entity	As at March 31, 2024	As at March 31, 2023	Repayment terms and security disclosure
					The non convertible debentures (NCD) are secured by way of : a) first ranking pari passu security interest, by way of hypothecation on all movable assets and the receivables of Highways Infrastructure Trust ('the Issuer'), present and future, including but not limited to: i) all receivables of the Issuer from the HoldCos and SPVs ii) loans and advances, and interest on such loans and advances advanced by the Issuer to the HoldCos and SPVs iii) dividends and any other amounts to be paid / payable by the HoldCos and SPVs to the Issuer iv) inventories, contractual rights, securities, patents, trademarks, other intellectual property, equipment and/or insurances (in each instance, if any) of the Issuer v) all other current assets of the Issuer, including all the Issuer's tangible and intangible assets, including but not limited to its goodwill, undertaking and uncalled capital, both present and future; b) first ranking pari passu charge by way of mortgage on all immoveable assets of the Issuer (if any), both present and future. it is clarified that, as on the date hereof, there is no immovable property owned by the Issuer; c) first ranking pari passu charge by way of hypothecation over all bank accounts of the Issuer, including but not limited to the Escrow Account and the Sub-Accounts (or any account in substitution thereof), and in all funds from time to time deposited therein (including the reserves) and the permitted investments or other securities representing all amounts credited to the Escrow Account including the cash flows to be received from the HoldCos and SPVs. d) first ranking pari-passu charge over DSRA all funds from time to time deposited therein and all permitted investments or other securities representing all amounts credited to the DSRA or, as applicable, the bank guarantee or fixed deposit in lieu of the DSRA. e) first ranking pari passu charge by way of assignment through hypothecation by way of security of (i) all the right, title, interest, benefits, claims and demands whatsoever of the Issuer in, to and under all the loans and advances extended by the Issuer to any of the HoldCos and SPVs present and future (collectively, the "Issuer Loans") (ii) the right, title and interest and benefits of the Issuer in, to and under all the SPV Financing Documents, deeds, documents and agreements or any other instruments (both present and future) which are now executed or may hereafter be executed by the Issuer with respect to the Issuer Loans including the rights and securities available to the Issuer in respect of the Issuer Loans including documents in respect of Issuer Loan;

(All amounts in ₹ Mn unless otherwise stated)

Sl. No.	Nature of borrowing	Name of Entity	As at March 31, 2024	As at March 31, 2023	Repayment terms and security disclosure
					f) a first ranking pari passu pledge over all the equity shares, preference shares, debentures (whether convertible or not) representing 100% (one hundred percent) of such securities, respectively, issued by each of SPVs and the HoldCos to the Issuer / HoldCo ("Pledged Securities").
3	Loan from others (unsecured)	Ulundurpet Expressways Private Limited	569.59	517.68	**Rate of Interest and Repayment Terms** Interest free loans from GMR Highway Limited of ₹ 569.59 Mn (March 31, 2023: ₹ 517.68 Mn;) repayable on or before January 22, 2027, however repayment can be made only after repayment of term loan, however in case surplus cash available as per the terms of financing document, the same can also be prepaid.
4	Loan from others (unsecured)	Highways Infratsructure Trust	2,647.55	-	**Rate of Interest and Repayment Terms** The Trust has issued Commercial paper ("CP") amounting to ₹ 2,750.00 Mn at discount rate of 8.30% p.a. having an outstanding balance as at March 31, 2024 of ₹ 2,647.55 Mn (March 31, 2023: ₹ Nil) after unwinding of Interest on CP. The said CP is repayable in bullet payments after 328 days from date of issue. i.e. September 23, 2024."
5	Secured, Listed, redemable, non-convertible debentures	Gujarat Road And Infrastructure Company Limited ('GRICL')	1,085.57	-	**Rate of Interest and Repayment Terms:** Non-Convertible Debentures are repayable in 28 consecutive half yearly installment starting from September 2016 to March 2030 as per schedule repayment mentioned in Schedule V of Debenture Trust Deed executed on May 6, 2016. The Non-Convertible Debentures are carrying fixed interest of 9% p.a. **The non convertible debentures (NCD) are secured by way of :** The debenture are secured by a pari-passu first charge in favour of the Trustee of the Company on the project assets and all Property, Plant and Equipments and intangible assets, including but not limited to rights over the project site, project documents, financial assets such as receivables, cash, investments, insurance proceeds, etc. **Default and breaches:** Non-current borrowings contains debt covenants relating to Free Cash Flow to be maintained by the company as at the reporting date. The company has satisfied the debt covenant prescribed in the terms of the Debenture Trust Deed as at reporting date.
6	Loan from others (unsecured)	Udupi Tollway Private Limited ('UTPL')	0.50	-	**Rate of Interest and Repayment Terms:** OCD from Navayuga Road Projects Private Limited does not carry any coupon Repayment: (a) Optionally convertible debt (OCDs) amounting to ₹0.50 Mn having face value of ₹ 10/- each which does not carry any coupon repayment (b) The OCDs will be redeemed solely at the option of the Company at any time after the option exercise date but before 18 (eighteen) months of the closing date by the OCDs redemption amount (net of all taxes) to the Seller parties
	Total		**37,294.06**	**14,766.86**	

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

18. Other non-current financial liabilites

	As at March 31, 2024	As at March 31, 2023
Deferred payment liabilities-payable to concession authorities for toll collection rights	1,587.31	1,556.83
	1,587.31	**1,556.83**

(i) Refer note 42- Fair value disclosure for disclosure of fair value in respect of financial assets measured at amortised cost and note 43-Financial risk management for assessment of expected credit lossess

19. Non-current provisions

	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
Gratuity (refer note 41)	22.36	9.25
Compensated absence (refer note 41)	16.20	4.62
Other provisions		
Major maintenance obligation (refer note (i)(a) and (ii) below)	849.77	267.69
Others	2.55	-
	890.88	**281.56**

Notes:

(i) Information about individual provisions and significant estimates

(a) Provision for major maintenance obligation

Each SPV of the Group is required to operate and maintain the project highway during the entire concession period and hand over the project back to National Highways Authority of India ('NHAI'), Madhya Pradesh Road Development Corporation ('MPRDC'), Public Work Department ('PWD') as per the maintenance standards prescribed in respective concession arrangements. For this purpose, a regular maintenance along with periodic maintenances is required to be performed. Normally periodic maintenance includes resurface of pavements, repair of structures and other equipments 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. Considering that the expense to be incurred depends on various factors including the usage, wear and tear of the highway, bituminous overlay, etc, it is not possible to estimate the exact timing and the quantum of the cash flow. The management does not expect any re-imbursement towards the expenses to be incurred.

(b) For disclosures required related to provision for employee benefits, refer note 41 - Employee benefit obligations.

(ii) Movement in major maintenance obligation during the financial year :

		As at March 31, 2024	As at March 31, 2023
-	Non-current (refer note 19)	849.77	267.69
-	Current (refer note 26)	2,376.45	424.24
Total provision		**3,226.22**	**691.93**

Particulars	Major maintenance obligation
Balance as at April 01, 2022	**590.89**
Additions during the year	416.39
Utilised during the year	(366.66)
Unwinding of discount on major maintenance provision	51.31

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

Particulars	Major maintenance obligation
Balance as at March 31, 2023	**691.93**
Addition on account of business combination (refer note 51(a)(ii))	2,462.21
Additions during the year	1,424.15
Utilised during the year	(1,446.30)
Unwinding of discount on major maintenance provision (refer note 31)	79.77
Modification loss on financial liability (refer note 31)	14.46
Balance as at March 31, 2024	**3,226.22**

20. Deferred tax assets / (liabilities) (net)*

Deferred tax assets / (liabilities) as at March 31, 2024	Assets	Liabilities	Net
Temporary difference of preliminary expenses	-	0.64	0.64
Provision for major maintenance obligation	-	95.47	95.47
Amount payable to Concession Authorities as per service concession agreement	-	484.14	484.14
Unused business loss	-	139.59	139.59
Provision for employee benefits	-	3.97	3.97
Tax credit (minimum alternate tax)	815.83	2,487.60	3,303.43
Timing difference on amortisation of intangible assets and depreciation of property, plant and equipment	(477.54)	(9,267.82)	(9,745.36)
Adjustment on account of upfront fees on borrowings	-	(0.16)	(0.16)
Fair valuation of investments	(0.29)	(10.34)	(10.63)
Receivable under service concession arrangement	-	(359.94)	(359.94)
Total	**338.00**	**(6,426.85)**	**(6,088.85)**

Deferred tax assets / (liabilities) as at March 31, 2023	Assets	Liabilities	Net
Amount payable to Concession Authorities as per service concession agreement	-	417.52	417.52
Tax credit (minimum alternate tax)	607.16	-	607.16
Timing difference on amortisation of intangible assets and depreciation of property, plant and equipment	(287.91)	(1,982.78)	(2,270.69)
Fair valuation of investments	(0.17)	-	(0.17)
	319.08	**(1,565.26)**	**(1,246.18)**

* refer note 36 for details with respect to deferred tax not recognised on unused tax losses and credits

20.1 Component wise movement of Deferred tax liabilities /(asset) for the year ended March 31, 2024 and March 31, 2023

Particulars	April 01, 2023	Acquisition in business combination (refer note 51 (a)(ii))	Recognised in the Statement of Profit and Loss during the year	March 31, 2024
Liabilities				
Timing difference on amortisation of intangible assets and depreciation of property, plant and equipment	2,270.69	7,174.07	300.60	9,745.36
Adjustment on account of upfront fees on borrowings	-	11.11	(10.95)	0.16
Fair valuation of investments	0.17	19.52	(9.06)	10.63
Receivable under service concession arrangement	-	517.52	(157.58)	359.94
Sub-Total	**2,270.86**	**7,722.22**	**123.01**	**10,116.09**

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

Particulars	April 01, 2023	Acquisition in business combination (refer note 51 (a)(ii))	Recognised in the Statement of Profit and Loss during the year	March 31, 2024
Assets				
Amount payable to Concession Authorities as per service concession agreement	417.52	-	66.62	484.14
Provision for major maintenance obligation	-	165.54	(70.07)	95.47
Provision for employee benefits	-	5.40	(1.43)	3.97
Temporary difference of preliminary expenses	-	0.67	(0.03)	0.64
Unused business loss	-	-	139.59	139.59
Tax credit (minimum alternate tax)	607.16	2,464.92	231.35	3,303.43
Sub-Total	**1,024.68**	**2,636.53**	**366.03**	**4,027.24**
	1,246.18	**5,085.69**	**(243.02)**	**6,088.85**

Particulars	April 01, 2022	Recognised in the Statement of Profit and Loss during the year	March 31, 2023
Liabilities			
Timing difference on amortisation of intangible assets and depreciation of property, plant and equipment	1,632.90	637.79	2,270.69
Adjustment on account of upfront fees on borrowings	2.34	(2.34)	-
Fair valuation of investments	2.07	(1.90)	0.17
Sub-Total	**1,637.31**	**633.55**	**2,270.86**
Assets			
Provision for major maintenance obligation	66.53	(66.53)	-
Amount payable to concession authorities as per service concession agreement	287.52	130.00	417.52
Tax credit (minimum alternative tax)	433.90	173.26	607.16
Sub-Total	**787.95**	**236.73**	**1,024.68**
	849.36	**396.82**	**1,246.18**

21. Other non current liabilities

	As at March 31, 2024	As at March 31, 2023
Deferred income	31.88	-
	31.88	**-**

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

22. Current borrowings

	As at March 31, 2024	As at March 31, 2023
Unsecured		
Commercial Paper (also refer note 17)	2,647.55	-
Secured		
Current maturities of long-term borrowings (also refer note 17)		
- Rupee term loans from banks	465.10	160.00
- Non-convertible debentures	311.02	65.00
	3,423.67	**225.00**

(i) Reconciliation of liabilities arising from financing activities pursuant to Ind AS 7 - Cash flows:

Particulars	Long-term borrowings (including current maturities)
Balance as at April 01, 2022	**23,268.43**
Cash flows:	
Proceeds	14,469.03
Repayment/ redemption	(14,413.10)
Non-cash:	
Units alloted against redemption of compulsory convertible debentures ('CCD')	(7,978.14)
Units alloted against redemption of preference share capital	(519.08)
Impact of amortised cost adjustment for borrowings	(60.30)
Balance as at March 31, 2023	**14,766.86**
Addition on account of business combination (refer note 51)	17,593.02
Cash flows:	
Proceeds	21,648.82
Impact of amortised cost adjustment for borrowings	(158.74)
Repayment/ redemption	(16,645.82)
Non-cash:	
Interest on Commercial papers which has been clubbed with loan balances	89.92
Balance as at March 31, 2024	**37,294.06**

23. Trade payables

	As at March 31, 2024	As at March 31, 2023
Total outstanding dues of micro and small enterprises [refer note (iv) below]	38.01	10.18
Total outstanding dues to creditors other than micro and small enterprises		
- to related parties (refer note 46)	142.09	154.03
- to others	1,143.56	223.50
	1,323.66	**387.71**

Note:

(i) Refer note 43 Financial risk management for presentation of financial instruments by category.

(ii) The carrying values are considered to be a reasonable approximation of fair value.

(iii) Refer note 52 - for ageing schedule of trade payables

(iv) **Dues to micro and small enterprises pursuant to section 22 of the Micro, Small and Medium Enterprises Development Act (MSMED), 2006**

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

On the basis of confirmation obtained from suppliers who have registered themselves under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) and based on the information available with the Group, the following are the details:

a)	the principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year	38.01	10.18
b)	the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
c)	the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
d)	the amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
e)	the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

24. Other current financial liabilities

	As at March 31, 2024	As at March 31, 2023
Deferred payment liabilities-payable to concession authorities for toll collection rights	154.02	136.53
Retention money	50.50	40.20
Advance against customers	0.51	3.81
Interest accrued on rupee term loan	3.64	1.19
Interest accrued on non convertible debentures ('NCD's)	2.38	1.30
Interest accrued but not due borrowings	129.50	-
Employees payable	21.18	5.01
Provision for corporate social responsibility (CSR) (refer note 33.2)	12.50	0.78
Consideration payable towards acquisition of subsidiaries (refer note 51)	578.09	-
Other payables	155.90	38.30
	1,108.22	**227.12**

Refer note 43 Financial risk management for presentation of financial instruments by category.

25. Other current liabilities

	As at March 31, 2024	As at March 31, 2023
Payable to statutory authorities	72.10	43.11
Other payables	219.73	-
	291.83	**43.11**

(i) Refer note 43 Financial risk management for presentation of financial instruments by category.

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

26. Provisions

	As at March 31, 2024	As at March 31, 2023
Provision for employee benefits		
Gratuity (refer note 41)	2.19	0.80
Compensated absence (refer note 41)	2.75	0.42
Other provisions		
Major maintenance obligation (refer note 19)	2,376.45	424.24
Others	14.78	-
	2,396.17	**425.46**

(i) For disclosures related to provision for employee benefits, refer note 41 - Employee benefit obligations.

27. Current tax liabilities (net)

	As at March 31, 2024	As at March 31, 2023
Provision for income tax (net)	11.31	-
	11.31	**-**

28. Revenue from operations*

	For the year ended March 31, 2024	For the year ended March 31, 2023
Income arising out of toll collection	8,299.97	5,637.45
Interest income on annuity receivable from NHAI	486.70	183.75
Revenue from operations and maintenance of road	1,005.28	280.23
Claim from NHAI	4,253.73	-
Change of scope and utility shifting expenses	82.23	50.92
	14,127.92	**6,152.35**

*refer note 45

28.1 Profit on sale of assets/investments

	For the year ended March 31, 2024	For the year ended March 31, 2023
Gain on sale of property, plant and equipment (net)	0.77	0.02
Gain on investments carried at fair value through profit or loss (net)	31.13	2.36
Gain on sale of investments (net)	92.26	123.66
	124.16	**126.04**

29. Other income

	For the year ended March 31, 2024	For the year ended March 31, 2023
Interest income		
- Income tax refund	6.13	1.43
- Others	0.77	10.35
Other non operating income		
Insurance claims	7.43	8.03
Excess provisions written back	50.22	9.15
Miscellaneous income	9.57	2.21
Gain on modification of annuity	41.19	-
	115.30	**31.17**

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

30. Employee benefits expense

	For the year ended March 31, 2024	For the year ended March 31, 2023
Salary, wages and bonus	114.98	87.20
Contribution to provident and other funds	17.20	5.53
Staff welfare expenses	13.18	11.30
	145.36	**104.03**

For disclosures related to provision for employee benefits, refer note 41 - Employee benefit obligations

31. Other finance costs

	For the year ended March 31, 2024	For the year ended March 31, 2023
Unwinding finance cost on deferred payment to National Highways Authority of India ('NHAI') for purchase of right to charge user of toll roads	181.66	177.46
Unwinding of discount on major maintenance provision	79.77	51.31
Unwinding of discount on provisions and financial liabilities carried at amortised cost	55.42	110.04
Modification loss on financial liability	14.46	5.06
Finance and bank charges	84.82	103.61
	416.13	**447.48**

32. Operating expenses

	For the year ended March 31, 2024	For the year ended March 31, 2023
Expenses related to claim from National Highways Authority of India ('NHAI')/ Public Works Department ('PWD')	-	28.64
Modification loss on annuity	-	298.58
Change of scope and utility shifting expenses	4,304.51	38.22
	4,304.51	**365.44**

33. Other expenses

	For the year ended March 31, 2024	For the year ended March 31, 2023
Power, fuel and water charges	33.31	32.30
Communication	3.13	2.93
Rates and taxes	0.17	0.61
Travelling and conveyance	19.42	9.19
Director sitting fees	0.86	-
Rent (refer note 38)	1.69	1.97
Bad debts written off	1.83	9.34
Printing and stationery	0.79	0.63
Miscellaneous expenses	14.49	6.37
	75.69	**63.34**

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

33.1 Audit fees*

	For the year ended March 31, 2024	For the year ended March 31, 2023
Statutory audit and limited review fees	20.78	15.43
Certification fees	3.85	1.24
Out of pocket expenses	0.58	0.71
Total	**25.21**	**17.38**

*Including goods and service tax, as applicable

33.2 Corporate social responsibility (CSR)

Pursuant to provisions of section 135 of the Companies Act 2013 ('the Act') are applicable on few subsidiaries of the Trust. In accordance with the provisions of section 135 of the Act, the Board of Directors of the respective subsidiaries (where applicable) of Trust had constituted CSR Committee.The details of CSR activities are as follows:-

		For the year ended March 31, 2024	For the year ended March 31, 2023
(A)	Amount required to be spent by the Trust (pertaining to period before date of acquisition by the Trust)	8.12	-
(B)	Amount required to be spent by the Trust during the year	32.15	15.16
(C)	Total of previous year of shortfall	0.78	0.49
(D)	**Total amount required to be spent (A+B+C)**	**41.05**	**15.65**
(E)	Amount of expenditure incurred	28.55	14.87
(F)	**Unspent amount at the end of the year (D-E)**	**12.50**	**0.78**

*Details of CSR disclosure for the comparative period is given from April 01, 2023 to March 31, 2024

^The unspent amount has been deposited to designated CSR unspent account within 30 days from the end of financial year in accordance with provision of Companies Act, 2013 read with relevant rules made thereunder.

	For the year ended March 31, 2024	For the year ended March 31, 2023
Nature of CSR activities		
A Eradicating hunger, poverty and malnutrition, promoting preventive health care and sanitation.	5.84	10.33
B. Promoting education, including special education and employment enhancing vocation skills especially among children, women, elderly, and the differently abled and livelihood enhancement projects.	6.14	4.54
C. Ensuring environmental sustainability, ecological balance, protection of flora and fauna, animal welfare, agroforestry, conservation of natural resources and maintaining quality of soil, air and water [including contribution to the Clean Ganga Fund set-up by the Central Government for rejuvenation of river Ganga].	-	-
D. Protection of national heritage, art and culture including restoration of buildings and sites of historical importance and works of art; setting up public libraries; promotion and development of traditional arts and handicrafts.	-	-
E. Training to promote rural sports, nationally recognised sports, paralympic sports and Olympic sports.	-	-

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

	For the year ended March 31, 2024	For the year ended March 31, 2023
F. Contribution to the Prime Minister's National Relief Fund or Prime Minister's Citisen Assistance and Relief in Emergency Situations Fund (PM CARES Fund) or any other fund set up by the Central Government for socio-economic development and relief and welfare of the Scheduled Castes, the Scheduled Tribes, other backward classes, minorities and women.	16.57	-
Total expenditure incurred	**28.55**	**14.87**

Notes:

(i) The Group carries provision for corporate social responsibility for the current year and previous year.

(ii) The Group have a ongoing projects in one subsidiaries as at March 31, 2024 and March 31, 2023

34. Exceptional items

	For the year ended March 31, 2024	For the year ended March 31, 2023
Impairment of intangible assets (refer note (i) below)	587.81	-
Impairment of goodwill (refer note (ii) below)	3,101.73	-
	3,689.54	**-**

(i) a. Impairment loss/reversal

As per Ind AS 36 'Impairment of assets', management carried out the impairment assessment of intangible assets (toll collection rights) and provided for an impairment loss of ₹ 587.81 Mn (March 31, 2023: Nil) basis the fair valuation conducted as per the future projected cash flows of the assets (after performing sensitivity analysis) during the year ended March 31, 2024

The recoverable value determined through value in use method in respect of intangible assets. Refer table below for discount rate used for determining the recoverable value for year ended March 31, 2024 and for year ended March 31, 2023.

b. Summary of impairment loss

	For the year ended March 31, 2024	For the year ended March 31, 2023
Name of entity		
UTPL	243.91	-
STPL	343.90	-
	587.81	**-**

c. Statement showing recoverable value and discount rates of following subsidiaries :

Recoverable value	UTPL	STPL	Total
March 31, 2024	8,919.26	12,995.58	21,914.84
March 31, 2023*	-	-	-

d. Details of discount rate used for determining the recoverable value :

Discount rate	UTPL	STPL
March 31, 2024	10.60%	9.94%
March 31, 2023*	Not Applicable	Not Applicable

*UTPL and STPL have been acquired by the Trust during the current year accordingly, accordingly impairment analysis was not conducted during the previous year .

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

(ii) During the year the Trust has aquired one SPV namely STPL which is primarily engaged in the business of carrying out the project of Design, Engineering, Construction, Development, Finance, Operation and Maintenance of road on Build, Operate and Transfer (BOT-Toll) basis. In accordance with the requirements of Ind AS 103, Business Combinations ('Ind AS 103'), the assets and liabilities, including road assets, acquired through aforesaid acquisition were recorded in the accompanying financial statements at fair value ('Purchase Price Allocation' or 'PPA'). This also resulted in recognition of goodwill amounting to ₹ 3,101.73 Mn, being the difference between the fair value of the net assets acquired and the purchase consideration paid by the Trust.

The cash inflows from project are largely independent of those from other assets or groups of assets. Accordingly goodwill has been allocated to cash generating unit of STPL.

Management periodically assesses whether there is an indication that such goodwill may be impaired. For goodwill, where impairment indicators exists, management compares the carrying amount of such goodwill with its recoverable amount. As on the reporting date, based on the detailed fair valuation exercise undertaken by the management considering the future projected cash flows of the asset, the recoverable amount of goodwill is Nil. Recoverable amount is value in use of the acquired assets computed based upon projected cash flows using anticipated revenue growth from inputs provided in the traffic study report (average growth rate of 7.60% across the project life cycle). The discount rate used is 9.94%. Recoverable amount is value in use computed based upon value-in-use calculations which uses cash flow projections (as approved by the management) covering the concession period as the Group believes this to be the most appropriate timescale for reviewing and considering performance. As the carrying amount is in excess of the recoverable amount of goodwill, impairment loss has been recorded on the aforesaid goodwill during the year.

35. Assets pledged as security

Particulars	As at March 31, 2024	As at March 31, 2023
Current		
Investments (refer note 9)	5,027.36	648.60
Trade receivables (refer note 10)	310.66	0.16
Cash and cash equivalents and bank balances (refer note 11 and 12)	9,485.94	1,895.69
Other financial assets (refer note 13)	2,780.27	631.38
Other current assets (refer note 14)	723.16	55.23
Total current assets pledged as security	**18,327.39**	**3,231.06**
Non-current		
Property, plant and equipment (refer note 3)	343.04	100.00
Capital work in Progress (refer note 4)	50.98	-
Intangible assets (refer note 5B)	55,432.88	19,353.89
Other non-current financial assets (refer note 6)	8,009.09	541.71
Non-current tax assets (net) (refer note 7)	410.34	83.57
Other non-current assets (refer note 8)	72.13	6.26
Total non-currents assets pledged as security	**64,318.46**	**20,085.42**
Total assets pledged as security	**82,645.85**	**23,316.48**

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

36. Tax expense

(i) Income tax expense recognised in Consolidated Statement of Profit and Loss

	For the year ended March 31, 2024	For the year ended March 31, 2023
Current tax	452.22	225.67
Deferred tax	(243.02)	396.82
	209.20	**622.49**
The major components of income tax expense and the reconciliation of expense based on the domestic effective tax rate and the reported tax expense in profit or loss are as follows :		
Profit before tax	1,888.75	964.48
Income tax using the Group's domestic tax rate *	29.12%	29.12%
Expected tax expense [A]	**550.01**	**280.86**
Tax effect of amount which are not deductible/ (taxable) in calculating taxable income		
Tax impact of exempt income pursuant to tax holiday and other exemptions as per Income Tax Act, 1961	(649.70)	(360.76)
Minimum Alternate Tax (MAT) credit recognised	(200.35)	(173.27)
Deferred tax asset not recognised due to absence of certainity of realisibility	509.25	364.58
Recognition of additional deferred tax liability pursuant to extension impact considered in subsidiaries of the Trust	-	510.66
Others	-	0.42
Total adjustments [B]	**(340.81)**	**341.63**
Actual tax expense [C=A+B]	**209.20**	**622.49**

* Domestic tax rate applicable to the Group has been computed as follows:

Base tax rate	25.00%	25.00%
Surcharge (% of tax)	12.00%	12.00%
Cess (% of tax)	4.00%	4.00%
Applicable rate	29.12%	29.12%

Note:

Tax rate applicable on the project SPV's have been considered for the purpose of above disclosure.

(ii) Unused tax losses and credits:

- Unused tax losses:

Unused tax losses for which no deferred tax asset has been recognised

Potential tax benefit @ 29.12% (March 31, 2023 : 29.12%)

Particulars	March 31, 2024	March 31, 2023
Unused tax losses and unabsorbed depreciation for which no deferred tax asset has been recognised (Refer (a) and (b) below)	15,797.05	10,416.01
Potential tax benefit @ 29.12% (March 31, 2023 : 29.12%)	4,600.10	3,033.14

a) Unused business loss can be carried forward based on the year of origination as follows:

Financial year of origination	Financial year of expiry	As at March 31, 2024	As at March 31, 2023
March 31, 2024	March 31, 2031	6,031.53	471.14
		6,031.53	**471.14**

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

b) Unabsorbed depreciation:

Unabsorbed depreciation for which no deferred tax asset has been recognised

Potential tax benefit @ 29.12% (March 31, 2023 : 29.12%)

Unabsored depreciation carried forward based on the year of origination as follows:

Financial year of origination	Financial year of expiry	As at March 31, 2024	As at March 31, 2023
March 31, 2011	Infinite period	-	830.08
March 31, 2012	Infinite period	689.50	736.96
March 31, 2013	Infinite period	558.61	558.61
March 31, 2014	Infinite period	1,361.35	1,361.35
March 31, 2015	Infinite period	1,894.20	1,894.20
March 31, 2016	Infinite period	1,620.12	1,620.12
March 31, 2017	Infinite period	1,200.23	1,196.37
March 31, 2018	Infinite period	665.60	658.23
March 31, 2019	Infinite period	390.84	383.77
March 31, 2020	Infinite period	224.30	217.85
March 31, 2021	Infinite period	34.99	29.99
March 31, 2022	Infinite period	247.27	242.40
March 31, 2023	Infinite period	284.26	214.94
March 31, 2024^	Infinite period	594.26	-
		9,765.53	**9,944.87**

^The amount has been derived based on income tax computation estimated by management for financial year ended March 31, 2024.

c) Minimum alternate tax ('MAT'):

Unused MAT credit

There are unused minimum alternate tax credits as mentioned below which have not been recognised as an asset in the books of accounts considering the Group believes that it is not probable that the same can be utilised during the specified allowable year against the future taxable profits to be computed as per the normal provisions of the Income Tax Act, 1961:

Financial year of origination	Financial year of expiry	As at March 31, 2024	As at March 31, 2023
March 31, 2014	March 31, 2029	-	2.34
March 31, 2015	March 31, 2030	7.12	10.05
March 31, 2016	March 31, 2031	6.68	6.68
March 31, 2017	March 31, 2032	23.11	23.11
March 31, 2018	March 31, 2033	20.69	20.69
March 31, 2019	March 31, 2034	5.34	5.34
March 31, 2020	March 31, 2035	41.94	41.94
March 31, 2021	March 31, 2036	39.73	39.73
March 31, 2022	March 31, 2037	29.77	29.77
March 31, 2024^	March 31, 2039	71.10	-
		245.48	**179.64**

^The amount has been derived based on income tax computation estimated by management for financial year ended March 31, 2024.

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

37. Earnings per unit (EPU):

Particulars	As at March 31, 2024	As at March 31, 2023
Net (loss)/profit attributable to unitholder (₹ in Mn)	(2,085.78)	341.99
Number of weighted average units (Nominal value of ₹ 100 each)		
- Basic (₹)*	499,975,102	415,500,000
- Diluted (₹)**	499,975,102	415,500,000
Earnings per unit - after exceptional items and tax		
- For Basic (₹)*	(4.17)	0.82
- For Diluted (₹)**	(4.17)	0.82

Note:

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

**Diluted EPU amounts are calculated by dividing the profit attributable to unit holders by the weighted average number of units outstanding during the year plus the weighted average number of units that would be issued on conversion of all the dilutive potential units into unit capital.

38. Information on Lease transactions pursuant to Ind AS 116-Leases

The Group is a lessee under various short term leases. Rental expense on short term or low value leasees for the financial years ended March 31, 2024 and March 31, 2023 are ₹ 1.69 Mn and ₹ 1.97 Mn respectively.

39. Capital and other commitments

Particulars	As at March 31, 2024	As at March 31, 2023
Estimated project cost for construction of highway committed to be executed	337.56	30.57

40. Contingent liabilities and claims

Particulars	As at March 31, 2024	As at March 31, 2023
Sales tax / service tax and income tax cases in respect of which Group is in appeals	-	138.19
Income tax cases in respect of Group	368.43	4.03
Claims raised against the Group for Stamp Duty dues under the Indian Stamp Act, 1899 under appeals *	221.19	221.19
Labour welfare dues in respect of which Group is in appeals*	47.78	47.78
Total	**637.40**	**411.19**

*The said contingent liability is covered under pass through arrangement as per assignment agreement of the project SPV's. Therefore, any liability which may arise will be borne by erstwhile owners ("assignors") of the Project SPV's as defined under respective assignment agreements, and no liability in (net) will devolve on the Trust.

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

41. Disclosure relating to employee benefits pursuant to Ind AS 19 - Employee Benefits

A Defined contribution plan

The Group's contribution to the employees provident fund is deposited with the provident fund commissionaire which is recognised by the Income Tax authorities. The Group recognised ₹ 16.46 Mn (for the year ended March 31, 2023: ₹ 5.13 Mn) for provident fund contribution and the Group's contribution to the Employee State Insurance Corporation Fund is deposited with Authority which is recognised by the Income Tax authorities for the year ended March 31, 2024. The Group recognised ₹ 0.74 Mn (for the year ended March 31, 2023: ₹ 0.40 Mn) for Employee State Insurance Corporation in the consolidated statement of profit or loss for the year ended March 31, 2024.

B Summary of gratuity and compensated absences:

Description	As at March 31, 2024		As at March 31, 2023	
	Current	Non-Current	Current	Non-Current
Provisions:				
Gratuity	2.19	22.36	0.80	9.25
Compensated absences	2.75	16.20	0.42	4.62
Total provisions	**4.94**	**38.56**	**1.22**	**13.87**
Fair value of plan assets of gratuity	2.09	-	0.29	1.08

C Disclosure of gratuity

Gratuity (funded)

The group provides for gratuity, a defined benefit retirement plan covering eligible employees. The gratuity plan provides a lump sum payments to vested employees at retirement, death, incapacitation or termination of employment. The group provides for gratuity, based on actuarial valuation as of the balance sheet date. Vesting occurs upon completion of 5 years of service.

Description of risk exposures:

A description of the risks to which the plan exposes the entity, focused on any unusual, entity specific or plan-specific risks, and of any significant concentrations of risk." for example interest rate risk, liquidity risk, salary escalation risk etc. Following are some of the risks that the Group is exposed to:

(a) **Salary increases -**Actual salary increases will increase the plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

(b) **Investment risk -** If plan is funded then assets / liabilities mismatch and actual investment return on assets lower than the discount rate assumed at the last valuation date can impact the liability.

(c) **Discount rate-** Reduction in discount rate in subsequent valuations can increase the plan's liability.

(d) **Mortality and disability -** Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

(e) **Withdrawals -** Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact liability.

(i) Amount recognised in the Consolidated Statement of Profit and Loss is as under:

Description	For the year ended March 31, 2024	For the year ended March 31, 2023
Current service cost	5.62	2.21
Interest cost	1.02	0.52
Net impact on profit (before tax)	**6.64**	**2.73**
Actuarial loss /(gain) recognised during the year	(0.65)	(0.90)
Amount recognised in total comprehensive income	**5.99**	**1.83**

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

Disclosure relating to employee benefits pursuant to Ind AS 19 - Employee Benefits (Cont'd)

(ii) Movement in present value of obligation:

Description	For the year ended March 31, 2024	For the year ended March 31, 2023
Present value of defined benefit obligation as at the beginning of the year	11.91	11.41
Acqusition under business combination (refer note 51)	41.18	-
Transfer out obligation	0.68	(0.86)
Current service cost	5.32	2.21
Interest cost	3.48	0.74
Benefits paid	(13.06)	(0.67)
Actuarial loss /(gain) recognised during the year	2.51	(0.91)
Present value of defined benefit obligation as at the end of the year	**52.00**	**11.91**

(iii) Movement in the plan assets recognised in the Consolidated Balance Sheet is as under:

Description	For the year ended March 31, 2024	For the year ended March 31, 2023
Fair value of plan assets at the beginning of the year	**3.23**	**3.03**
Acquisition under business combinations (refer note 51)	37.75	-
Actual return on plan assets	2.45	0.22
Current service cost	0.88	-
Transfer in/ (out) plan assets	(2.60)	-
Contributions	2.08	-
Benefits paid	(12.28)	-
Actuarial gain	(0.61)	(0.01)
Remeasurements-return on assets	(1.45)	-
Advance toward gratuity ('GRICL')	0.09	-
Fair value of plan assets at the end of the year	**29.54**	**3.23**

(iv) Reconciliation of present value of defined benefit obligation and the fair value of assets:

Description	For the year ended March 31, 2024	For the year ended March 31, 2023
Present value of funded obligation as at the end of the year	52.00	11.91
Fair value of plan assets as at the end of the year funded status	29.54	3.23
Unfunded/funded net liability recognised in consolidated balance sheet	**22.46**	**8.68**

(v) Breakup of actuarial (gain)/loss:

Description	For the year ended March 31, 2024	For the year ended March 31, 2023
Actuarial gain from change in demographic assumption	(0.04)	-
Actuarial gain from financial assumption	(1.52)	(0.63)
Actuarial gain from experience adjustment	(1.15)	(0.28)
Return on plan assets (excluding amounts included in net interest expense)	2.06	0.01
Total actuarial loss/(gain) for the year	**(0.65)**	**(0.90)**

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

Disclosure relating to employee benefits pursuant to Ind AS 19 - Employee Benefits (Cont'd)

(vi) Actuarial assumptions:

Description	For the year ended March 31, 2024	For the year ended March 31, 2023
Discount rate-range	7.2% to 7.45%	7.4% to 7.45%
Rate of increase in compensation levels - range	6% to 10%	6% to 8%
Retirement age	58 years to 60 years	58 years
Mortality pre-retirement	Indian Assured Lives Mortality (2012-14)	Indian Assured Lives Mortality (2012-14)

Notes:

1) The discount rate is based on the prevailing market yield of Indian Government bonds as at the balance sheet date for the estimated terms of obligations.

2) The estimates of rate of escalation in salary considered in actuarial valuation, take into account inflation, seniority, promotion and other relevant factors including supply and demand in the employment market. The above information is certified by the actuary.

(vii) Sensitivity analysis for gratuity liability:

Description	For the year ended March 31, 2024	For the year ended March 31, 2023
Impact of change in discount rate		
Present value of obligation at the end of the year	52.00	11.91
- Impact due to increase of 0.50% - 1 %	48.63	11.32
- Impact due to decrease of 0.50% - 1 %	55.82	12.54
Impact of change in salary increase		
Present value of obligation at the end of the year	52.00	11.91
- Impact due to increase of 0.50% - 1 %	55.50	12.42
- Impact due to decrease of 0.50% - 1 %	48.77	11.40

The above sensitivity analysis is based on a change an assumption while holding all other assumptions constant. In practice, this is unlikely to occur and changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting period) has been applied which was applied while calculating the defined benefit obligation liability recognised in the Consolidated Balance Sheet.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to previous periods.

(viii) Maturity profile of defined benefit obligation:

Description	For the year ended March 31, 2024	For the year ended March 31, 2023
Within next 12 months	3.34	0.86
Between 1-5 years	11.98	4.03
Beyond 5 years	66.73	7.02
Total expected payments	**82.05**	**11.91**
The weighted average duration of the defined benefit plan obligation at the end of the reporting period	7.75 - 15.67 years	7.75 - 15.67 years

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

B Compensated absence

Amount recognised in the Consolidated Statement of Profit and Loss is as under:

Description	For the year ended March 31, 2024	For the year ended March 31, 2023
Current service cost	2.34	1.15
Interest cost	0.76	0.33
Actuarial gain recognised during the year	0.45	(0.82)
Amount recognised in the Consolidated Statement of Profit and Loss	**3.55**	**0.65**

42. Categories of financial instruments and fair value measurement hierarchy:

i) Fair values hierarchy

Financial assets and financial liabilities measured at fair value are divided into three levels of a fair value hierarchy. The three levels are defined based on the observability of significant inputs to the measurement, as follows:

Level 1: Quoted prices (unadjusted) in active markets for financial instruments.

Level 2: The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data rely as little as possible on entity specific estimates.

Level 3: If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

Financial assets measured at fair value - recurring fair value measurements:

As at March 31, 2024	Level 1	Level 2	Level 3	Total
Assets at fair value				
Investments measured at fair value through profit and loss	5,027.36	-	-	5,027.36

As at March 31, 2023	Level 1	Level 2	Level 3	Total
Assets at fair value				
Investments measured at fair value through profit and loss	648.60	-	-	648.60

Valuation process and technique used to determine fair value

The fair value of investments in mutual fund units is based on the net asset value ('NAV') as stated by the issuers of these mutual fund units in the published statements as at each reported balance sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investor.

(ii) Fair value of instruments measured at amortised cost:

Fair value of instruments measured at amortised cost for which fair value is disclosed as follows using Level 3 inputs:

Particulars	Level	As at March 31, 2024		As at March 31, 2023	
		Carrying value	Fair value	Carrying value	Fair value
Financial assets					
Receivables under service concession arrangements	Level 3	10,487.19	11,285.24	1,136.25	1,345.51
Other financial assets	Level 3	302.17	302.17	36.84	36.84
Trade receivables	Level 3	310.66	310.66	0.16	0.16
Cash and cash equivalents	Level 3	1,254.38	1,254.38	349.11	349.11
Bank balances other than cash and cash equivalents above	Level 3	8,231.56	8,231.56	1,546.58	1,546.58
Total financial assets		**20,585.96**	**21,384.01**	**3,068.94**	**3,278.19**

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

Particulars	Level	As at March 31, 2024		As at March 31, 2023	
		Carrying value	Fair value	Carrying value	Fair value
Financial liabilities					
Borrowings (including current maturity)	Level 3	37,294.06	37,294.06	14,766.86	14,766.86
Trade payables	Level 3	1,323.66	1,323.66	387.71	387.71
Other financial liabilities	Level 3	2,695.53	2,695.53	1,783.95	1,783.95
Total financial liabilities		**41,313.25**	**41,313.25**	**16,938.52**	**16,938.52**

The management assessed that cash and cash equivalents, bank balances other than cash and cash equivalents, trade receivables, other current financial assets, trade payables and other current financial liabilities (except current maturities of long term borrowings, deferred payment liabilities and current portion of annuity receivable) is approximate to their carrying amounts largely due to the short-term maturities of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. The following methods and assumptions were used to estimate the fair values:

(i) Long-term fixed rate receivables are evaluated by the Group based on parameters such as interest rates, individual creditworthiness of the customer and other market risk factors.

(ii) The fair values of the Group's loans and receivables are determined by applying discounted cash flows ('DCF') method, using discount rate that reflects the issuer's borrowing rate as at the end of the reporting year. The own non-performance risk as at the reporting period end was assessed to be insignificant.

(iii) All the other long term borrowing facilities availed by the Group are variable rate facilities which are subject to changes in underlying interest rate indices. Further, the credit spread on these facilities are subject to change with changes in Group's creditworthiness. The management believes that the current rate of interest on these loans are in close approximation from market rates applicable to the Group. Therefore, the management estimates that the fair value of these borrowings are approximate to their respective carrying values.

iii) Financial instruments by category

Particulars	As at March 31, 2024			As at March 31, 2023		
	FVTPL	FVOCI	Amortised cost	FVTPL	FVOCI	Amortised cost
Financial assets						
Investments	5,027.36	-	-	648.60	-	-
Other financial assets	-	-	10,789.36	-	-	1,173.09
Trade receivables	-	-	310.66	-	-	0.16
Cash and cash equivalents	-	-	1,254.38	-	-	349.11
Other bank balances	-	-	8,231.56	-	-	1,546.58
Total	**5,027.36**	**-**	**20,585.96**	**648.60**	**-**	**3,068.94**
Financial liabilities						
Borrowings	-	-	37,294.06	-	-	14,766.86
Trade payables	-	-	1,323.66	-	-	387.71
Other financial liabilities	-	-	2,695.53	-	-	1,783.95
Total	**-**	**-**	**41,313.25**	**-**	**-**	**16,938.52**

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

43. Financial risk management

The Group's activities expose it to market risk, liquidity risk and credit risk. The Board of Directors of the Investment Manager of the Trust has overall responsibility for the establishment and oversight of the Group's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the Standalone financial statements :

Risk	Exposure arising from	Measurement	Management
Credit risk	Cash and cash equivalents, bank balances other than cash and cash equivalents above, trade receivables, financial assets measured at amortised cost	Ageing analysis	Bank deposits, diversification of asset base, credit limits and collateral.
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities.
Market risk : price risk	Investment at fair value through profit or loss	Sensitivity analysis	Diversification of its portfolio of assets.
Market risk : interest rate	Borrowings at variable rates	Sensitivity analysis	Negotiation of terms that reflect the market factors

The Group's risk management is carried out by a project finance team and treasury team under policies approved by Board of Directors of respective SPVs. The Board of directors of Investment manager provides principles for overall risk managment, as well as policies covering specific areas, such as, interest rate risk, credit risk and investment of excess liquidity.

A) Credit risk

Credit risk is the risk that a counterparty fails to discharge an obligation to the Group. The Group is exposed to this risk for various financial instruments, for example by granting loans and receivables to Special Purpose Vehicles (SPVs), placing deposits, etc. The Group's maximum exposure to credit risk is limited to the carrying amount of following types of financial assets:

- cash and cash equivalents,
- trade receivables,
- loans and receivables carried at amortised cost, and
- deposits with banks

a) Credit risk management

The Group assesses and manages credit risk based on internal credit rating system, continuously monitoring defaults of customers and other counterparties, identified either individually or by the Group, and incorporates this information into its credit risk controls. Internal credit rating is performed for each class of financial instruments with different characteristics. The Group assigns the following credit ratings to each class of financial assets based on the assumptions, inputs and factors specific to the class of financial assets.

(i) Low credit risk

(ii) Moderate credit risk

(iii) High credit risk

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

Assets under credit risk :

Credit rating	Particulars	As at March 31, 2024	As at March 31, 2023
A: Low	Other current and non current financial assets	10,789.36	1,173.09
	Cash and cash equivalents	1,254.38	349.11
	Bank balances other than cash and cash equivalents above	8,231.56	1,546.58
B: Medium	Trade receivables from National Highways Authority of India ('NHAI')	310.66	0.16

Cash and cash equivalents and bank balances other than cash and cash equivalents

Credit risk related to cash and cash equivalents and bank deposits is managed by only accepting highly rated banks and diversifying bank deposits and accounts in different banks.

Trade receivables

The Group has trade receivables primarily from government authority National Highways Authority of India ('NHAI'). Credit risk related to these receivables is managed by monitoring the recoverability of such amounts continuously.

Other financial assets measured at amortised cost

Other financial assets measured at amortised cost includes security deposits, annuity receivable, receivable from related parties and other annuity receivable is primarily from government authority National Highways Authority of India ('NHAI'). Credit risk related to these receivables is managed by monitoring the recoverability of such amounts continuously. Credit risk related to these other financial assets (except annuity receivables) is managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system in place ensure the amounts are within defined limits.

b) Expected credit losses

Trade receivables

The Group is engaged in infrastructure development business under Build-Operate-Transfer ("BOT") and design, build, finance, operate and transfer (DBFOT) project, and Hybrid Annuity Model (HAM) projects. It currently derives its revenue primarily from toll collection / annuity business. Since the annuity receivables are from National Highway Authority of India ('NHAI') and various Government authorities, the credit risk with respect to such receivables from government institutions is expected to be very low and hence, no provision for expected credit loss is deemed necessary except in the case where particular receivables are known to be uncollectable. During the current year, the Group has not recognised any further provision for expected credit losses. There is no outstanding allowance of expected credit losses amounts as at March 31, 2024 (March 31, 2023: Nil).

Financial assets (other than trade receivables)

The Group provides for expected credit losses on loans and advances other than trade receivables by assessing individual financial instruments for expectation of any credit losses.

- For cash and cash equivalents and bank balances other than cash and cash equivalents - Since the Group deals with only high-rated banks and financial institutions, credit risk in respect of cash and cash equivalents, other bank balances and bank deposits is evaluated as very low.
- For loans and other financial assets - Credit risk is evaluated based on the Group's knowledge of the credit worthiness of those parties and loss allowance is measured. Since, this category includes loans and receivables of varied natures and purpose, there is no trend that the the Group can draw to apply consistently to entire population.

Further during the year, the Group has not recognised any additional expected credit loss (March 31, 2023: Nil). There is no outstanding allowance of expected credit losses amounts as at March 31, 2024 (March 31, 2023: Nil).

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

B) Liquidity risk

Liquidity risk is the risk that the Group may encounter difficulty in meeting its present and future obligations associated with financial liabilities that are required to be settled by delivering cash or another financial asset. The Group's objective is to, at all times maintain optimum levels of liquidity to meet its cash and collateral obligations. The Group requires funds both for short-term operational needs as well as for long-term investment programs mainly in growth projects. The Group closely monitors its liquidity position and deploys a robust cash management system. It aims to minimise these risks by generating sufficient cash flows from its current operations, which in addition to the available cash and cash equivalents, liquid investments and sufficient committed fund facilities, will provide liquidity.

a) Financing arrangements

The Group had access to undrawn borrowing facilities under rupee term loan agreement at the end of the March 31, 2024 amounting to ₹ 4751.57 Mn and March 31, 2023 amounting to Nil.

b) Maturities profile of financial liabilities

The Group has adequate financial assets and projected revenues from operations to meet its obligations for these liabilities. The tables below analyse the Group's financial liabilities into relevant maturity categories based on their contractual maturities for all non-derivative financial liabilities.

The amounts disclosed in the table are the contractual undiscounted cash flows.

As at March 31, 2024	Less than 1 year	1-3 year	3-5 year	More than 5 years	Total
Borrowings (including interest)	6,487.47	15,743.67	6,880.52	29,244.46	58,356.11
Trade payable	1,323.66	-	-	-	1,323.66
Deferred payment liability to concessions authorities	151.52	326.15	359.58	3,988.96	4,826.22
Other financial liabilities	240.59	-	-	-	240.59
Total	**8,203.24**	**16,069.82**	**7,240.10**	**33,233.42**	**64,746.58**

As at March 31, 2023	Less than 1 year	1-3 year	3-5 year	More than 5 years	Total
Borrowings (including interest)	1,359.85	7,363.42	2,632.74	10,922.63	22,278.64
Trade payable	387.71	-	-	-	387.71
Deferred payment liability to concessions authorities	144.31	310.62	342.46	4,173.14	4,970.53
Other financial liabilities	88.09	-	-	-	88.09
Total	**1,979.96**	**7,674.05**	**2,975.21**	**15,095.77**	**27,724.98**

C) Market risk

a) Interest rate risk

Liabilities

The Group's policy is to minimise interest rate cash flow risk exposures on long-term financing. At the reporting periods end, the Group is exposed to changes in market interest rates through bank borrowings at variable interest rates. The Group's investments in fixed deposits pay fixed interest rates.

Interest rate risk exposure

Below is the overall exposure of the Group to interest rate risk:

Particulars	As at March 31, 2024	As at March 31, 2023
Variable rate borrowing	24,297.78	7,833.13
Fixed rate borrowing	12,996.28	6,933.73
Total	**37,294.06**	**14,766.86**
Amount disclosed under current borrowings	3,423.67	225.00
Total Amount disclosed under non-current borrowings	**33,870.39**	**14,541.86**

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

Sensitivity

Below is the sensitivity of profit or loss and equity changes in interest rates.

Particulars	As at March 31, 2024	As at March 31, 2023
Interest sensitivity*		
Interest rates – decrease by 100 bps*	242.98	78.33
Interest rates – increase by 100 bps*	(242.98)	(78.33)

** Holding all other variables constant*

b) Assets

The Group's fixed deposits are carried at amortised cost and are fixed rate deposits. They are therefore not subject to interest rate risk as defined in Ind AS 107 'Financial Instruments Disclosures', since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

D) Price risk

a) Exposure

The Group's exposure to price risk arises from investments held and classified in the balance sheet at fair value through profit or loss. To manage the price risk arising from investments, the Group diversifies its portfolio of assets.

b) Sensitivity

The table below summarises the impact of increase/decrease of the index on the Group's profit for the period :

Impact on profit before tax

Particulars	As at March 31, 2024	As at March 31, 2023
Mutual Funds		
Net assets value – increase by 100 bps	50.27	6.49
Net assets value – decrease by 100 bps	(50.27)	(6.49)

44. Capital management

For the purpose of the Group's capital management, capital includes issued unit capital and all other equity 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 unitholder value.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions and the requiements of the financial covenants. To maintain or adjust the capital structure, the Group may return capital to unitholders or issue new units. The Group monitors capital using a gearing ratio, which is net debt divided by total equity. The Group's policy is to keep the gearing ratio optimum. The Group includes within its net debt, borrowings less cash and cash equivalents.

Net Gearing Ratio

The net gearing ratio at the end of the year is as follows:

Particulars	As at March 31, 2024	As at March 31, 2023
Net debt*	38,735.21	16,201.69
Total equity (refer note 15 and 16)	25,987.63	4,381.66
Net debt to equity ratio	**1.49**	**3.70**

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

***Net debt**

Particulars	As at March 31, 2024	As at March 31, 2023
Non current borrowings (refer note 17)	33,870.39	14,541.86
Current borrowings (refer note 22)	3,423.67	225.00
Interest Accrued (refer note 24)	135.52	2.49
Other financial liabilities excluding interest accrued (refer note 18 and 24)	2,560.01	1,781.45
Less: Cash and cash equivalents (refer note 11)	(1,254.38)	(349.11)
Net debt	**38,735.21**	**16,201.69**

45. Revenue from contracts with customers

1 Disaggregation of revenue

Revenue recognised mainly comprises of revenue from toll collections, annuity with National Highways Authority of India ("NHAI"), contract revenue. Set out below is the disaggregation of the Group's revenue from contracts with customers:

Description	For the year ended March 31, 2024	For the year ended March 31, 2023
Revenue from operations		
(a) Change of scope and utility shifting expenses	82.23	50.92
(b) Toll income from Expressway	8,299.97	5,637.45
(c) Interest income on annuity receivable from National Highways Authority of India ('NHAI')	486.70	183.75
(d) Revenue from operations and maintenance of road	1,005.28	280.23
(e) Claim from NHAI	4,253.73	-
Total revenue	**14,127.92**	**6,152.35**

The table below presents disaggregated revenues from contracts with customers based on nature, amount and timing for the year ended March 31, 2024 and March 31, 2023:

S. No.	Types of Products by Nature	Types of Services by timing	For the year ended March 31, 2024	For the year ended March 31, 2023
1	Service	At the point of time	13,641.22	5,968.60
2	Service	Over the period of time	486.70	183.75
	Total Revenue		**14,127.92**	**6,152.35**

2 Assets and liabilities related to contracts with customers

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

Description	As at March 31, 2024	As at March 31, 2023
Contract assets		
Trade receivables	310.66	0.16
Receivables under service concession arrangements	10,487.19	1,136.25
Total	**10,797.85**	**1,136.41**
Contract liability		
Mobilisation advance from concession authority	-	-
Total	**-**	**-**

A receivable is a right to consideration that is unconditional upon passage of time. Revenue from the contracts are recognised upon satisfaction of Performance obligation. Trade Receivables are non-interest bearing and are generally due within 180 days except retention money held by the customer as per the terms and conditions of the contract. Basis

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

the credit risk assessment done by the Group, there is no provision for expected credit losses required to be recognised on Trade Receivables. Contract liability is the Group's obligation to transfer goods or services to a customer for which the Group has received consideration from the customer in advance.

3 There is no adjustment made to the contract price of the contract and hence the revenue recognised in the statement of profit and loss is in agreement with the contracted price under the Contract.

4 For movement in service concession arrangement, refer note 6 for financial asset model. There are no significant changes in other contract assets of the group.

5 Performance obligation

Income from toll collection

The performance obligation in service of toll collection is recorded as per rates notified by concessions authorities and approved by management. Further, the payment of toll collection 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.

6 Significant changes in the contract liabilities balances during the year

Particulars	As at March 31, 2024	As at March 31, 2023
Opening balance	**-**	**-**
Addition during the year	-	-
Revenue recognised during the year	-	-
Closing balance	**-**	**-**

7

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 Years)	Construction Completion date under the concession agreement
JPEPL^	September 16, 2013	September 15, 2038	25.00	October 31, 2014
UEPL	October 16, 2006	January 21, 2027	20.26	July 23, 2009
GEPL^	March 01, 2011	February 28, 2038	27.00	October 31, 2013
DBCPL	March 20, 2008	December 02, 2033	25.71	February 10, 2009
NBPL	October 30, 2007	October 29, 2027	20.00	July 22, 2009
SEPL	February 07, 2011	February 06, 2026	15.00	February 28, 2013
GSHPL	January 30, 2019	February 25, 2037	15.00	February 25, 2022
ANHPL	February 28, 2020	March 11, 2037	15.00	March 11, 2022
RAHPL	January 14, 2020	November 14, 2036	15.00	November 15, 2021
UTPL	September 05, 2010	September 04, 2035	25.00	January 30, 2017
GRICPL	October 24, 2000 February 20, 2003	October 24, 2030 February 20, 2033	30.00	VHRP: October 24, 2000 AMRP: February 20, 2003
STPL	September 27, 2001	September 26, 2031	30.00	TN: May 21, 2004 NI: September 12, 2004

^ For the purpose of preparation of Consolidated financials the Group has considered extension in concession period in JPEPL and GEPL.

i) The above BOT/DBFOT/ HAM 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 provision of services to public
   c. Obligations to deliver road assets at the end of concession period

ii) The actual concession period may vary based on terms of the respective concession agreements.

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

46. Related party disclosures:

I Information on related party transactions pursuant to Ind AS 24 - Related Party Disclosures

Subsidiaries

Ulundurpet Expressways Private Limited ("UEPL")

Nirmal BOT Private Limited ("NBPL") (formerly known as 'Nirmal BOT Limited')

Godhra Expressways Private Limited ("GEPL")

Dewas Bhopal Corridor Private Limited ("DBCPL")

Shillong Expressway Private Limited ("SEPL")

Jodhpur Pali Expressway Private Limited ("JPEPL")

Udupi Tollway Private Limited ("UTPL") (formerly known as 'Navyuga Udupi Tollway Private Limited') w.e.f. November 02, 2023

Ateli Narnaul Highway Private Limited ("ANHPL") (formerly known as 'HG Ateli Narnaul Highway Private Limited') w.e.f. November 22, 2023

Rewari Ateli Highway Private Limited ("RAHPL") (formerly known as 'HG Rewari Ateli Highway Private Limited') w.e.f. November 22, 2023

Gurgaon Sohna Highway Private Limited ("GSHPL") w.e.f. November 22, 2023

Gujarat Road And Infrastructure Company Limited ("GRICL") w.e.f. January 24, 2024

Swarna Tollway Private Limited ("STPL") w.e.f. January 24, 2024

Holding Entity

Galaxy Investments II Pte. Ltd

Intermediate holding entities

Galaxy Investments Pte. Ltd

KKR Asia Pacific Infrastructure Holdings Pte Ltd

Ultimate holding entity

KKR Asia Pacific Infrastructure Investors SCSp*

*Managed by its general partner KKR Associates AP Infrastructure SCSp. Further KKR Associates AP Infrastructure SCSp is in turn managed by its general partner, KKR AP Infrastructure S.à r.l

Fellow subsidiaries*

Highway Concessions One Private Limited ("HC1")

HC One Project Manager Private Limited

**With whom the Group had transactions during the current or previous period*

Key managerial personnel (KMP) as per Ind AS 24- "Related party disclosures"

Refer note II C. (xvi) for details of KMP of Highway Concessions One Private Limited who is acting as an investment manager on behalf of the trust w.e.f November 23, 2022 and II C. (xiii) or details of KMP of Virescent Infrastructure Investment Manager Private Limited who was acting as an investment manager on behalf of the trust uptil November 22, 2022.

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

A. Parties to Highways Infrastructure Trust

Sponsor Group:

Upon Completion of issuance and allotment of preferential units (refer note 13), the following entities form part of the 'Sponsor Group' in accordance with Regulation 2(1)(zxc) of the InvIT Regualtions read with the proviso to Regulation(4)(2)(d)(i) of the InvIT Regulations

Galaxy Investments II Pte. Ltd - Sponsor of Highway Infrastructure Trust

Galaxy Investments Pte. Ltd

KKR Asia Pacific Infrastructure Holdings Pte Ltd

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

KKR Asia Pacific Infrastructure Investors SCSp
KKR Associates AP Infrastructure SCSp
KKR AP Infrastructure S.à r.l
Nebula Asia Holdings II Pte. Ltd. (w.e.f. January 19, 2024)
Nebula I Investments Pte. Ltd. (w.e.f. January 19, 2024)
KKR Asia Pacific Infrastructure Holdings II Pte. Ltd. (w.e.f. January 19, 2024)
KKR Asia Pacific Infrastructure Investors II SCSp (w.e.f. January 19, 2024)
KKR Associates AP Infrastructure II SCSp; and (w.e.f. January 19, 2024)
KKR AP Infrastructure II S.à r.l. (w.e.f. January 19, 2024)
Highway Concessions One Private Limited ("HC1") - Investment Manager of Trust (w.e.f November 23, 2022)
Virescent Infrastructure Investment Manager Private Limited - Investment Manager of Trust (upto November 22, 2022)
HC One Project Manager Private Limited- Project manager of the Trust (w.e.f November 14, 2022)
Virescent Renewable Energy Project Manager Private Limited - Project manager of the Trust (upto November 13, 2022)
Axis Trustee Services Limited (ATSL) - Trustee of Highways Infrastructure Trust

B. Promoters of the parties to Highways Infrastructure Trust specified in II(A) above

Axis Bank Limited - Promoter of Axis Trustee Services Limited

Highway Concessions One Private Limited -Promoter of HC One Project Manager Private Limited (w.e.f November 14, 2022)

Virescent Infrastructure Investment Manager Private Limited -Promoter of Virescent Renewable Energy Project Manager Private Limited (upto November 13, 2022)

Galaxy Investments Pte. Ltd - Promoter of Galaxy Investments II Pte. Ltd

Galaxy Investments II Pte. Ltd -Promoter of Highway Concessions One Private Limited(w.e.f November 23, 2022)

Terra Asia Holdings II Pte. Ltd.- Promoter of Virescent Infrastructure Investment Manager Private Limited (upto November 22, 2022)

C. Directors / General partners / Managers of the parties to Highways Infrastructure Trust specified in II(A) above

(i) Directors of Galaxy Investment II Pte. Ltd

Tang Jin Rong
Goh Ping Hao
Madhura Narawane

(ii) Directors of Galaxy Investments Pte. Ltd

Tang Jin Rong
Madhura Narawane

(iii) Directors of KKR Asia Pacific Infrastructure Holdings Pte Ltd

Tang Jin Rong
Goh Wei Chong Matthew

(iv) General Partner of KKR Asia Pacific Infrastructure Investors SCSp

KKR Associates AP Infrastructure SCSp

(v) General Partner of KKR Associates AP Infrastructure SCSp

KKR AP Infrastructure S.à r.l.

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

(vi) Managers of KKR AP Infrastructure S.à r.l

Jason Carss (Class A)
Steven Codispoti (Class A)
Thomas Weber (Class B)
Nina Scheid (Class B)

(vii) Directors of Nebula Asia Holdings II Pte. Ltd. (w.e.f. January 19, 2024)

Tang Jin Rong
Madhura Narawane

(viii) Directors of Nebula I Investments Pte. Ltd. (w.e.f. January 19, 2024)

Tang Jin Rong
Madhura Narawane

(ix) Directors of KKR Asia Pacific Infrastructure Holdings II Pte. Ltd. (w.e.f. January 19, 2024)

Tang Jin Rong
Banerjea Projesh

(x) General Partner of KKR Asia Pacific Infrastructure Investors II SCSp (w.e.f. January 19, 2024)

KKR Associates AP Infrastructure II SCSp

(xi) General Partner of KKR Associates AP Infrastructure II SCSp (w.e.f. January 19, 2024)

KKR AP Infrastructure II S.à r.l.

(xii) Managers of KKR AP Infrastructure II S.à r.l. (w.e.f. January 19, 2024)

Jason Carss (Class A)
Steven Codispoti (Class A)
Thomas Weber (Class B)
Nina Scheid (Class B)

(xiii) Directors/KMP of Virescent Infrastructure Investment Manager Private Limited (details upto November 22, 2022)

Mr. Pradeep Kumar Panja, Independent Director
Mr. Sanjay Grewal, Wholetime Director
Mr. Akshay Jaitly, Independent Director
Mr. Hardik Bhadrik Shah, Director
Mr. Aditya Narayan, Non-executive Director
Ms. Daisy Devassy Chittilapilly, Independent Director
Ms. Charmy bhoot, Company Secretary and Compliance Officer

(xiv) Directors of Virescent Renewable Energy Project Manager Private Limited (details upto November 13, 2022)

Mr. Sanjay Grewal, Director
Mr. Atul Raizada, Director

(xv) Directors of Axis Trustee Services Limited

Ms. Deepa Rath CEO (KMP), Managing Director
Mr. Rajesh Kumar Dahiya (Director) (till January 15, 2024)
Mr. Ganesh Sankaran (Director) (till January 15, 2024)
Mr. Sumit Bali (Non-executive Director) (w.e.f January 16, 2024)
Mr. Prashant Joshi (Non-executive Director) (w.e.f January 16, 2024)

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

(xvi) Directors/KMP of Highway Concessions One Private Limited

Mr. Hardik Bhadrik Shah, Non-executive Director

Mr. Neeraj Sanghi, CEO (KMP), Whole time Director (till March 31, 2024) (refer note B below)

Mr. Gaurav Chandna (KMP), Executive Director and Joint CEO (w.e.f April 01, 2024) (refer note B below)

Dr Zafar Khan, Director (KMP), Joint CEO (w.e.f April 01, 2024) (refer note B below)

Ms. Sudha Krishnan, Independent Director (w.e.f September 14, 2022)

Ms. Ami Vinoo Momaya, Non-executive Director

Mr. Subramanian Janakiraman, Independent Director

Mr. Manish Agarwal, Independent Director (from w.e.f September 14, 2022)

Ms. Kunjal Shah, Company Secretary and Compliance Officer

Mr. Narayanan Doraiswamy, Chief Financial Officer (refer note A below)

Mr. Abhishek Chhajer, Chief Financial Officer (refer note A below)

(xvii)Directors of HC One Project Manager Private Limited

Mr. Neeraj Sanghi, Director (w.e.f September 20, 2022 till March 31, 2024)

Dr Zafar Khan, Director (w.e.f September 20, 2022)

Mr. Abhishek Chhajer (w.e.f April 01, 2024)

A) During the current year, pursuant to the applicable provisions of the SEBI (Infrastructure Investment Trusts) Regulations, 2014 read with circulars and guidelines issued thereunder from time to time ("SEBI Regulations") and pursuant to Regulation 26A and Regulation 51 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("SEBI LODR Regulations"), the Board of Directors of Investment Manager of the Trust have informed the National Stock Exchange of India Limited and BSE Limited regarding resignation of Mr. Narayanan Doraiswamy, existing Chief Financial Officer ("CFO") of the Investment Manager of the Trust vide it's letter dated August 28, 2023. Mr. Narayanan Doraiswamy held his current position of CFO till December 31, 2023 (end of business hours) and post that he has ceased to be a Key Managerial Personnel (KMP) and Senior Management under the applicable provisions of the Companies Act, 2013, SEBI Regulations and SEBI LODR Regulations from date of relieving. Further, the Board of Directors of Investment Manager of the Trust in its meeting dated September 25, 2023 have approved the appointment of Mr. Abhishek Chhajer as the CFO of the Investment Manager of the Highways Infrastructure Trust in place of the existing CFO which has been effective from January 01, 2024 onwards. Mr. Abhishek Chhajer has been appointed as a Key Managerial Personnel (KMP) and Senior Management under the applicable provisions of the Companies Act, 2013, the SEBI LODR Regulations and other provisions of the SEBI Regulations with effective from the date as mentioned above.

B) During the year ended March 31, 2024, pursuant to the applicable provisions of the SEBI (Infrastructure Investment Trusts) Regulations, 2014 read with circulars and guidelines issued thereunder from time to time ("SEBI Regulations") and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time ("SEBI LODR Regulations"), the Board of Directors of Investment Manager of the Trust have informed the National Stock Exchange of India Limited and BSE Limited regarding retirement of Mr. Neeraj Sanghi from the position of Chief Executive Officer and Wholetime Director of the Highway Concessions One Private Limited ("Investment Manager") till March 31, 2024 (end of business hours) and appointment of Mr. Gaurav Chandna as Joint Chief Excetive Officers and Additional Executive Director and Mr. Zafar Khan as Joint Chief Excetive Officers effective from April 01, 2024.

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

III. Transactions and outstanding balances with related party

Particulars	For the year ended March 31, 2024 (Audited)	For the year ended March 31, 2023 (Audited)
Galaxy Investment II Pte Ltd.		
Transaction during the period		
Issue of unit capital	-	37,390.00
Interest on OCD's	-	444.70
Investment in CCD's	-	3,060.00
Distribution to unit-holders^	3,315.00	5,426.24
Balance outstanding at the end of the period		
Unit capital	37,390.00	37,390.00
Nebula Asia Holdings II Pte. Ltd.		
Transaction during the period		
Issue of unit capital	14,900.00	-
Distribution to unit-holders^	660.64	-
Balance outstanding at the end of the period		
Unit capital	14,900.00	-
Highway Concessions One Private Limited		
Transaction during the period		
Reimbursement of expenses	5.49	44.85
Management fees	-	247.43
Transfer out obligation as per actuarial for employee benefit	-	0.86
Investment manager fees	367.20	109.25
Balance outstanding at the end of the period		
Trade and other payables	118.84	151.87
Virescent Infrastructure Investment Manager Private Limited		
Transaction during the period		
Reimbursement of expenses	-	71.25
Investment manager fees	-	2.36
Balance outstanding at the end of the period		
Investment manager fees payable	-	2.16
HC One Project Manager Private Limited		
Transaction during the period		
Project manager fees	171.05	53.55
Advance payment of Project Manager Fees	146.56	44.05
Transfer out obligation as per actuarial for employee benefit	0.07	-
Balance outstanding at the end of the period		
Project manager fees payable (net of advance)	5.89	1.92
Axis Trustee Services Limited		
Transaction during the period		
Trustee fees	1.42	0.83
Initial acceptance fees	0.71	-

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

Particulars	For the year ended March 31, 2024 (Audited)	For the year ended March 31, 2023 (Audited)
Axis Bank Limited		
Transaction during the period		
Loan taken	1,150.00	494.48
Processing fees	5.43	3.54
Repayment of loan taken	2,325.54	707.33
Interest on loan taken	93.50	25.01
Interest on bank deposits	108.41	8.36
Bank charges	12.50	0.03
Investment in bank deposits	12,527.67	27.70
Redemption of term deposits	12,233.60	533.71
Balance outstanding at the end of the period		
Loan payable	1,617.87	489.48
Interest accrued on bank deposits	88.82	0.25
Outstanding bank deposits	4,373.66	9.98
Closing balance of current account	98.35	10.09

Note: All related party transactions entered during the year were in ordinary course of the business and on arms length basis.

^ Pertains to the distributions made during the financial year along with the distribution related to the last quarter of 2022-23 and does not include the distribution relating to the last quarter of 2023-24 which will be paid after March 31, 2024. The distributions made by Trust to its unitholders are based on the Net Distributable Cash Flows ('NDCF') of the Trust under the SEBI Regulations and includes interest, dividend and repayment of capital.

IV. D. Details in respect of related party transactions involving acquisition of InvIT assets as required by Para 4.6.6 of chapter 4 of SEBI Master Circular No. SEBI/HO/DDHSPoD-2/P/CIR/2023/115 dated July 06, 2023 as amended including any guidelines and circulars issued thereunder are as follows:

For the year ended March 31, 2024:

During the year ended March 31, 2024, the Trust has acquired 6 Subsidiaries namely UTPL, RAHPL, ANHPL, GSHPL, STPL and GRICL, however the same is not acquired from related parties, hence no disclosure is made in respect of that.

For the year ended March 31, 2023:

A Summary of the valuation reports (issued by the independent valuer appointed by the Trust) for Investment in equity share capital of subsidiaries of the Trust during the financial year ended March 31, 2024:

Particulars	Name of subsidiaries of the Trust					
	DBCPL	NBPL	GEPL	JPEPL	UEPL	SEPL
Discounting rate (WACC)	9.10%	9.50%	10.70%	10.40%	9.60%	10.30%
Method of valuation	Discounted cash flows					

B Summary of the valuation reports (issued by the independent valuer appointed by the Trust) for Investment in Compulsorily Convetible Debentures (CCD)*:

Particulars	Name of Project SPVs					
	DBCPL	NBPL	GEPL	JPEPL	UEPL	SEPL
Discounting rate (WACC)	-	13.71%	13.71%	13.70%	13.71%	-
Method of valuation	Discounted cash flows					

*During the previous financial year, the terms of Compulsorily Convertible Debentures ("CCDs") were converted into Optionally Convertible Debentures ("OCDs"). Further, during the current year OCDs of JPEPL, NBPL and UEPL were redemeed.

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

C Material conditions or obligations in relation to the transactions:

The acquisition have been made pursuant to the terms mentioned in final placement memorandum dated August 22, 2022. 'Pursuant to assignment agreement entered between the Trust and the Sponsor, the sponsor has assigned its rights and obligations under Security Purchase Agreement to the Trust subject to certain terms and conditions. The Trust has acquired six Project SPV's which are engaged in the design, construction, development, operation and maintenance of roads and highways on August 23, 2022.

D No external financing has been obtained for acquisition of above subsidiaries.

E No fees or commisiom received or to be received from any associate party in relation to acquisition of Project SPVs.

47. Information on segment reporting pursuant to Ind AS 108 - Operating Segments

The Group's primary business segment is reflected based on principal business activities carried on by the Group i.e. building, operating and management of road projects and all other related activities which as per IndAS 108 on 'Operating Segments" is considered to be the only reportable business segment. The Group derives its major revenues from operation and maintenance of highways. The Group is operating in India which is considered as a single geographical segment.

48. Group information

(a) Information about subsidiary

The Group's details as at March 31, 2024 is set out below. Unless otherwise stated, they have equity capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

Name of the entity	Principal activities	County of incorporation	% equity Interest*	
			As at March 31, 2024	As at March 31, 2023
DBCPL	Construction and operation of road including toll collection/annuity collection	India	100.00%	100.00%
JPEPL		India	100.00%	100.00%
GEPL		India	100.00%	100.00%
UEPL		India	100.00%	100.00%
NBPL		India	100.00%	100.00%
SEPL		India	100.00%	100.00%
GSHPL		India	100.00%	NA
ANHPL		India	100.00%	NA
RAHPL		India	100.00%	NA
UTPL		India	100.00%	NA
GRICL		India	56.80%	NA
STPL		India	100.00%	NA

* refer note 51

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

49. Additional information as required by paragraph 2 of the general instructions for preparation of consolidated financial statements to Schedule III to the Act:

Name of Entity	Net assets (total assets minus total liabilities)		Share in profit or (loss)		Share in other comprehensive income		Share in total comprehensive income or (loss)	
	Amount	As a % of consolidated net assets	Amount	As a % of consolidated profit or loss	Amount	As a % of consolidated other comprehensive income	Amount	As a % of consolidated comprehensive income
Parent								
Highways Infrastructure Trust	34,404.72	108.80%	(2,353.06)	117.07%	-	0%	(2,353.06)	117.01%
	[9,979.45]	[227.75%]	[839.90]	[245.60%]	-	[0%]	[839.91]	[244.95%]
Subsidiary								
DBCPL	490.91	1.55%	997.88	(49.65%)	(0.03)	2.79%	997.85	(49.62%)
	[671.45]	[15.32%]	[1,020.41]	[298.38%]	[0.05]	[5.58%]	[1,020.46]	[297.61%]
NBPL	(240.71)	(0.76)%	(9.75)	0.49 %	0.02	(2.03%)	(9.73)	0.48 %
	[(230.97)]	[(5.27%)]	[(243.95)]	[(71.33%)]	[(0.02)]	[(2.33%)]	[243.97]	[(71.15%)]
JPEPL	(2,527.35)	(7.99)%	(545.04)	27.12 %	(0.21)	20.21%	(545.24)	27.11 %
	[(1,952.44)]	[(44.56%)]	[(134.10)]	[(39.21%)]	[0.27]	[29.68%]	[(133.84)]	[(39.03%)]
GEPL	(5,326.91)	(16.85)%	(243.51)	12.11 %	(0.10)	9.70 %	(243.61)	12.11 %
	[(3,583.37)]	[(81.78%)]	[(630.10)]	[(184.25%)]	[0.39]	[43.52%]	[(629.71)]	[(183.65%)]
UEPL	(397.30)	(1.26)%	219.38	(10.91%)	(0.27)	26.19%	219.11	(10.90%)
	[(651.39)]	[(14.87%)]	[(427.76)]	[(125.08%)]	[0.09]	[9.86%]	[(427.67)]	[(124.73%)]
SEPL	83.43	0.26%	115.42	(5.74%)	(0.03)	3.25%	115.39	(5.74%)
	[148.93]	[3.40%]	[(82.41)]	[(24.10%)]	[0.12]	[13.69%]	[(82.29)]	[(24.00%)]
GSHPL	(175.00)	(0.55)%	(130.59)	6.50 %	0.03	(2.95)%	(130.56)	6.49 %
	-	-	-	-	-	0.00 %	-	-
ANHPL	139.77	0.44 %	139.79	(6.95)%		0.00 %	139.79	(6.95)%
	-	-	-	-			-	-
RAHPL	(142.21)	(0.45)%	48.64	(2.42)%	0.03	(2.58)%	48.67	(2.42)%
	-	-	-	-			-	-
UTPL	(792.25)	(2.51)%	(795.43)	39.57 %	0.02	(1.64)%	(795.41)	39.55 %
	-	-	-	-			-	-
GRICL	202.33	0.64 %	204.50	(10.17)%	(1.58)	151.50 %	202.93	(10.09)%
	-	-	-	-			-	-
STPL	268.22	0.85 %	265.99	(13.23)%	2.26	(219.67)%	268.23	(13.34)%
	-	-	-	-			-	-
Non Controlling Interest (NCI)	5,634.05	17.82 %	75.79	(3.77)%	(1.19)	115.23 %	74.60	(3.71)%
	-	-	-	-			-	-
Total	**31,621.68**	**100%**	**(2,009.99)**	**100%**	**(1.05)**	**100%**	**(2,011.04)**	**100%**
	[4,381.66]	**[100%]**	**[341.99]**	**[100%]**	**[0.90]**	**[100%]**	**[342.89]**	**[100%]**

Note:-1 Figures in [ ] brackets are previous year figures.

Note:-2 Figures in ( ) brackets are negative figures.

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

50. Information on segment reporting pursuant to Ind AS 108 - Operating Segments

The Group's activities comprise of owning and investing in Infrastructure SPVs to generate cash flows for distribution to unitholders. Based on the guiding principles given in Ind AS - 108 "Operating Segments", this activity falls within a single operating segment and accordingly the disclosures of Ind AS -108 have not separately been given.

51. Business combinations

(a)(i) Acquisitions of subsidiaries during the year ended March 31, 2024

During the previous year, the Trust has entered into a Share Purchase Agreement for acquiring 100% shareholding of Udupi Tollway Private Limited ('UTPL') (formerly known as Navayuga Udupi Tollway Private Limited till December 28, 2023) in one or more tranches and management control in UTPL owned by Navayuga Road Projects Private Limited ("NRPL") and Navayuga Engineering Company Limited (NECL). Approval for change in ownership has been received on 11 September 2023 from National Highways Authorities of India ("NHAI"). During the year ended March 31, 2024, the Trust has acquired 100% stake on November 02, 2023 ('acquisition date') for cash consideration of ₹ 196.05 Mn and UTPL become subsidiary of the Trust. Accordingly, the revenue and corresponding expenses have been included from November 02, 2023 to March 31, 2024 in the consolidated statement of profit and loss for the year ended March 31, 2024. The Trust has accounted the business combination using acquisition method in accordance with IND AS 103- Business combinations. The Trust has also carried out Purchase Price Allocation Study in compliance with Ind AS 103 for the purpose of allocating the aforesaid cash consideration into identifiable net assets. Accordingly, there is a gain on bargain purchase due to excess of fair value of intangible assets acquired and liabilities assumed over the cash consideration paid. The aforesaid gain on bargain purchase amounting to ₹ 20.45 Mn is credited to capital reserve in audited financials for the year ended March 31, 2024 in accordance with IND AS 103- Business combinations. Accordingly, necessary impacts have been considered in the audited financials for the year ended March 31, 2024.

During the year ended March 31, 2024, the Trust has entered into a Share Purchase Agreement on May 03, 2023 for acquisition of 100% shareholding in one or more tranches and management control in four special purpose vehicles owned by H.G. Infra Engineering Limited i.e. Ateli Narnaul Highway Private Limited ('ANHPL') (formerly known as H.G. Ateli Narnaul Highway Private Limited till December 20, 2023), Rewari Ateli Highway Private Limited ('RAHPL') (formerly known as H.G. Rewari Ateli Highway Private Limited till December 20, 2023), Gurgaon Sohna Highway Private Limited ('GSHPL') and H.G. Rewari Bypass Private Limited ('RBPL'). Approval for change in ownership was received on September 29, 2023 from National Highways Authorities of India ('NHAI') for 3 SPV's viz. Ateli Narnaul Highway Private Limited, Gurgaon Sohna Highway Private Limited and Rewari Ateli Highway Private Limited. Consequently, the Trust acquired 100% issued and paid up share capital of these 3 SPV's on November 21, 2023 ('acquisition date') for a cash consideration of ₹ 1,511.49 Mn, ₹ 844.46 Mn and ₹ 757.83 Mn respectively from H.G Infra Engineering Limited. Consequently, ANHPL, GSHPL and RAHPL have become a subsidiaries of the Trust. Further, completion of acquisition of RBPL would depend upon receipt of relevant approvals and completion of contractual obligations.

Accordingly, the revenue and corresponding expenses for ANHPL, GSHPL and RAHPL in the audited Consolidated Statement of Profit and Loss have been included from acquisition date till the year ended on March 31, 2024. The Trust has accounted the business combination using acquisition method in accordance with IND AS 103- Business combinations. The Trust has also carried out Purchase Price Allocation Study ("PPA") in compliance with Ind AS 103 for the purpose of allocating the aforesaid cash consideration into identifiable net assets. Accordingly, necessary impacts have been considered in the financials for the year ended March 31, 2024.

During the year ended March 31, 2024, the Trust has entered into a Share Purchase Agreement on July 28, 2023 for acquisition of upto 83.61% of equity share capital in M/s. Gujarat Road and Infrastructure Company Limited ("GRICL") owned by M/s. MAIF Investments India Pte. Ltd ("MAIF 1") and other shareholders of GRICL and 100% of equity share capital in M/s. Swarna Tollway Private Limited ("STPL"), owned by M/s. MAIF Investments India Pte. Ltd ("MAIF 2"). Approval for change in ownership was received on January 24, 2024 for GRICL and STPL. Consequently, the Trust acquired 100% issued and paid up share capital of STPL and 56.8% issued and paid up share capital of GRICL on 24 January 2024 ('acquisition date') for a total consideration (including transaction costs) of ₹ 5,657.22 Mn and ₹ 20,745.90 Mn respectively. Consequently, GRICL and STPL have become a subsidiaries of the Trust.

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

Accordingly, the revenue and corresponding expenses for GRICL and STPL in the audited Consolidated Statement of Profit and Loss have been included from acquisition date till the year ended on March 31, 2024. The Trust has accounted the business combination using acquisition method in accordance with IND AS 103- Business combinations. The Trust has also carried out Purchase Price Allocation Study in compliance with Ind AS 103 for the purpose of allocating the aforesaid cash consideration into identifiable net assets. The gain on bargain purchase amounting to ₹ 1,651.53 Mn pertaining to GRICL has been credited to capital reserve in audited financials for the year ended March 31, 2024 in accordance with IND AS 103- Business combinations. Further goodwill amounting to ₹ 3,101.73 Mn has been measured as excess of the aggregate of the consideration transferred over the net identifiable assets acquired and liabilities assumed pertaining to STPL. All necessary impacts have been considered in the audited financials for the year ended March 31, 2024.

(a)(ii) The details of recognised amounts of identifiable net assets of the business combination are as follows as at 01 November 2023 for "UTPL", November 21, 2023 for "GSHPL", "ANHPL", "RAHPL" and January 24, 2024 for "GRICL" and "STPL":

Particulars	UTPL	GSHPL	ANHPL	RAHPL	GRICL	STPL	Total
Non-current assets							
Property, plant and equipment	7.66	-	3.60		78.68	144.00	233.94
Work in Progress	5.61	-	-	-	-	0.32	5.93
Intangible assets	9,486.70	-	-	-	12,604.10	16,755.21	38,846.01
Financial assets							
Receivables under service concession arrangements		2,398.86	3,571.93	2,221.22			8,192.01
Others	3.63	-	-	-	1.92	103.15	108.70
Deferred tax assets (net)	-	5.35	-	-	-	-	5.35
Non-current tax assets (net)	4.90	38.84	20.93	13.78	67.58	-	146.03
Other non-current assets	4.68	83.21	121.07	97.64	38.82	-	345.42
Total non-current assets	**9,513.18**	**2,526.26**	**3,717.53**	**2,332.64**	**12,791.10**	**17,002.68**	**47,883.39**
Current assets							
Financial assets							
Investments	-	-	-	-	362.64	-	362.64
Trade receivables	7.77	7.36	-	17.47	431.90	-	464.50
Cash and cash equivalents	55.57	88.28	297.10	336.68	182.96	169.49	1,130.08
Bank balances other than cash and cash equivalents above	243.99	253.92	257.50	-	3,687.60	2,458.25	6,901.26
Receivables under service concession arrangements	-	453.35	694.03	415.50	-	-	1,562.88
Others	-	2.93	20.83	2.89	59.02	1,717.20	1,802.87
Plan assets - Gratuity	-	-	-	-	2.96	-	2.96
Other current assets	54.42	98.05	135.00	76.44	12.25	51.05	427.21
Total current assets	**361.75**	**903.89**	**1,404.46**	**848.98**	**4,739.33**	**4,395.99**	**12,654.40**
Total assets	**9,874.93**	**3,430.15**	**5,121.99**	**3,181.62**	**17,530.43**	**21,398.67**	**60,537.79**
Non-current liabilities							
Financial liabilities							
Borrowings	7,938.89	2,384.11	2,882.57	1,819.06	964.28	465.95	16,454.86
Other financial liabilities	1.02	-	-	-		-	1.02
Provisions for Major mentenance	-	-	-	-	462.77	-	462.77
Provisions for Employee Benefits	0.89	-	-	-	5.03	14.61	20.53
Other Provisions	-	-	-	-	-	-	-
Deferred tax liabilities (net)	-	-	214.35	133.25	2,696.76	2,046.68	5,091.04
Other non-current liabilities	-	-	-	-	34.58	-	34.58
Total non-current liabilities	**7,940.80**	**2,384.11**	**3,096.92**	**1,952.31**	**4,163.42**	**2,527.24**	**22,064.80**

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

Particulars	UTPL	GSHPL	ANHPL	RAHPL	GRICL	STPL	Total
Current liabilities							
Financial liabilities							
Borrowings	274.73	166.95	212.83	121.81	245.34	116.50	1,138.16
Trade payables							
Due to micro and small enterprises	4.40	-	-	-	4.21	4.21	12.82
Due to others	313.80	7.36	-	-	52.66	138.04	511.86
Other financial liabilities		27.11	300.48	349.65	85.78	52.38	815.40
Other current liabilities	110.08	0.16	0.27	0.02	10.17	11.80	132.50
Provisions Major Maintenance	1,008.01	-	-	-	100.55	890.88	1,999.44
Provisions for Employee Benefits	0.30	-	-	-	0.12	3.96	4.39
Other Provisions	6.31	-	-	-	-	9.49	15.80
Total current liabilities	**1,717.63**	**201.58**	**513.58**	**471.48**	**498.83**	**1,227.26**	**4,630.37**
Total liabilities	**9,658.43**	**2,585.69**	**3,610.50**	**2,423.79**	**4,662.25**	**3,754.50**	**26,695.17**
Net assets acquired	**216.50**	**844.46**	**1,511.49**	**757.83**	**12,868.19**	**17,644.17**	**33,842.62**

(a)(iii) Calculations of Goodwill/(Capital Reserve):-

Particulars	UTPL	GSHPL	ANHPL	RAHPL	GRICL	STPL	Total
Purchase consideration (excluding transaction related cost)	196.05	844.31	1,511.23	757.69	5,656.37	20,742.80	29,708.45
Transaction related cost	-	0.15	0.26	0.13	0.85	3.10	4.49
Total purchase consideration	196.05	844.46	1,511.49	757.83	5,657.22	20,745.90	29,712.93
Non-controlling interest based on their proportionate interest in the recognised amounts of the assets and liabilities	-	-	-	-	5,559.44	-	5,559.44
Fair value of net assets acquired	216.50	844.46	1,511.49	757.83	12,868.19	17,644.17	33,842.62
Total	**(20.45)**	**-**	**-**	**-**	**(1,651.53)**	**3,101.73**	**1,429.75**

Disclosed in financial statements as :	Amount
Goodwill (refer note 5A)	3,101.73
Capital reserve (refer note 16)	(1,671.99)
Net	**1,429.74**

The above numbers have been calculated using the Project SPVs Special Purpose financial statement for the period April 01, 2023 to November 02, 2023 for UTPL, April 01, 2023 to November 21, 2023 for GSHPL, ANHPL, RAHPL and April 01, 2023 to January 24, 2024 for GRICL and STPL.

(a)(iv) Revenue and loss after tax from the date of acquisition till March 31, 2024

Particulars	UTPL	GSHPL	ANHPL	RAHPL	GRICL	STPL	Total
Revenue	4,908.85	122.22	228.00	182.83	716.46	747.93	6,906.29
(Loss)/ Profit after tax	(1,281.52)	(133.19)	36.79	(6.70)	172.10	453.08	(759.44)

Revenue and Profit after tax from the date of beginning of financial year i.e April 01, 2023 till March 31, 2024, considering acquisitions had occurred on April 01, 2022 of Group

Particulars	Amount
Revenue	22,497.95
Loss after tax	1067.60

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

51A Business Combination

(b) (i) Acquisitions of subsidiaries during the year ended March 31, 2023

Highways Infrastructure Trust ('the Trust') acquired the following companies

(Project SPV's) as at August 23, 2022 : (i) Dewas Bhopal Corridor Private Limited

(ii) Nirmal BOT Private Limited

(iii) Jodhpur Pali Expressway Private Limited

(iv) Godhra Expressways Private Limited

(v) Ulundurpet Expressways Private Limited (vi) Shillong Expressway Private Limited

During the previous year, the Trust acquired the SPVs (as stated above) which are engaged in the design, construction, development, operation and maintenance of roads and highways on August 23, 2022 for an equity consideration of ₹ 31,715.33 Mn. Galaxy Investments II Pte Limited had earlier acquired "DBCPL", "NBPL", "JPEPL", "GEPL" and "UEPL" on 17 December 2021 and "SEPL" on January 13, 2022.

Pursuant to IND AS 103- Business combinations, Common control business combination, means a business combination involving entities in which all the combining entities or business are ultimately controlled by the same party or parties both before and after the business combination, and that control is not transitory. Both the Trust and project SPV's are ultimately controlled by Galaxy Investments II Pte Limited both before and after the acquisition. Business combination has been accounted for using the pooling of interests method in accordance with Ind AS 103.

The pooling of interest method is considered to involve the following:

(i) The assets and liabilities of the combining entities are reflected at their carrying amounts.

(ii) No adjustments are made to reflect fair values, or recognise any new assets or liabilities. The only adjustments that are made are to harmonise accounting policies.

(iii) The financial information in the financial statements in respect of prior periods should be restated as if the business combination had occurred from the beginning of the preceding period in the financial statements, irrespective of the actual date of the combination. However, if business combination had occurred after that date, the prior period information shall be restated only from that date.

Thus, the Trust has prepared comparative financial information for period December 03, 2021 to December 31, 2021 as if the acquisition had occurred on December 17, 2021 for "DBCPL", "NBPL", "JPEPL", "GEPL" and "UEPL" and January 13, 2022 for "SEPL", irrespective of the actual date of the combination which is August 23, 2022 and the difference between the purchase consideration and the value of net identifiable assets acquired has been adjusted with the "Amalgamation Adjustment Deficit Account" in other equity.

Statement showing number of units allotted to Galaxy Investment II Pte. Ltd. ('sponsor') in exchange of control of (Project SPV's):

Name of SPVs	Description	Net Assets	Purchase consideration	Number of units allotted
UEPL	Units of the Trust	2,645.52	3,004.95	30,049,464
JPEPL	Units of the Trust	0.62	3,863.25	38,632,547
NBPL	Units of the Trust	315.00	354.41	3,544,114
GEPL	Units of the Trust	233.81	11,167.09	111,670,920
DBCPL	Units of the Trust	1.00	12,969.36	129,693,587
SEPL	Units of the Trust	5.00	356.27	3,562,683
		3,200.95	**31,715.33**	**317,153,315**

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

(b)(ii) The details of recognised amounts of identifiable net assets of the business combination are as follows as at December 17, 2021 for "DBCPL", "NBPL", "JPEPL", "GEPL" and "UEPL" and January 13, 2022 for "SEPL:

Particulars	DBCPL	GEPL	JPEPL	NBPL	SEPL	UEPL	Total
Non-current assets							
Property, plant and equipment	18.16	9.94	17.03	10.21	2.56	13.36	71.26
Capital work-in-progress	-	-	15.37	-	-	-	15.37
Intangible assets	3,666.79	8,057.32	3,925.10	-	0.00	4,879.49	20,528.70
Financial assets							
Investment	-	306.00	-	-	-	-	306.00
Others	0.53	0.49	1.01	1,133.11	418.83	2.38	1,556.35
Deferred tax assets (net)	113.38	-	-	-	-	-	113.38
Non-current tax assets (net)	-	-	-	16.93	-	8.44	25.37
Other non-current assets	-	-	-	-	-	0.37	0.37
Total non-current assets	**3,798.86**	**8,373.75**	**3,958.51**	**1,160.25**	**421.39**	**4,904.04**	**22,616.80**
Current assets							
Financial assets							
Investments	927.46	-	64.87	150.61	240.11	575.57	1,958.62
Trade receivables	3.20	-	27.50	0.05	-	16.09	46.84
Cash and cash equivalents	8.89	486.26	5.21	0.95	2.75	10.22	514.28
Bank balances other than cash and cash equivalents above	233.50	138.32	242.65	14.47	505.74	394.92	1,529.60
Others	2.62	3.53	1.64	508.29	240.80	0.17	757.06
Other current assets	25.83	8.33	10.80	8.67	6.64	28.80	89.07
Current tax assets (net)	28.14	22.18	4.91	-	16.45	-	71.68
Total current assets	**1,229.64**	**658.62**	**357.57**	**683.04**	**1,012.50**	**1,025.77**	**4,967.14**
Total assets	**5,028.50**	**9,032.37**	**4,316.08**	**1,843.29**	**1,433.89**	**5,929.81**	**27,583.94**
EQUITY							
Other equity	1,655.08	(2,829.05)	(1,437.53)	(122.76)	166.23	(692.21)	(3,260.24)
Total equity	**1,655.08**	**(2,829.05)**	**(1,437.53)**	**(122.76)**	**166.23**	**(692.21)**	**(3,260.24)**
Non-current liabilities							
Financial liabilities							
Borrowings	2,759.60	3,995.59	2,503.96	1,063.30	444.79	2,930.79	13,698.03
Other financial liabilities	-	1,115.96	164.20	-	-	0.24	1,280.40
Provisions	2.00	23.65	4.52	0.39	0.82	242.38	273.76
Deferred tax liabilities (net)	-	861.37	142.62	-	-	-	1,003.99
Total non-current liabilities	**2,761.60**	**5,996.57**	**2,815.32**	**1,063.69**	**445.60**	**3,173.41**	**16,256.19**
Current liabilities							
Financial liabilities							
Borrowings	106.17	5,167.38	2,436.60	500.80	790.67	712.70	9,714.32
Trade payables							
Due to micro and small enterprises	-	-	-	0.08	-	-	0.08
Due to others	0.23	42.90	9.27	44.83	1.34	0.28	98.85
Other financial liabilities	58.03	302.18	78.97	36.95	24.87	61.80	562.80
Other current liabilities	1.83	1.24	1.46	0.31	0.11	3.96	8.91
Provisions	444.56	117.34	411.37	0.03	0.06	24.35	997.71
Current tax liabilities (net)	-	-	-	4.36	-	-	4.36
Total current liabilities	**610.82**	**5,631.04**	**2,937.68**	**587.36**	**817.05**	**803.09**	**11,387.04**
Total liabilities	**3,372.42**	**11,627.61**	**5,752.99**	**1,651.05**	**1,262.65**	**3,976.50**	**27,643.22**
Total equity and liabilities	**5,027.50**	**8,798.56**	**4,315.47**	**1,528.30**	**1,428.88**	**3,284.29**	**24,382.99**
Net assets acquired	**1.00**	**233.81**	**0.62**	**315.00**	**5.00**	**2,645.52**	**3,200.95**

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

(b)(iii) Calculations of Amalgamation Adjustment Deficit

Particulars	DBCPL	GEPL	JPEPL	NBPL	SEPL	UEPL	Total
Purchase consideration	12,969.36	11,167.09	3,863.25	354.41	356.27	3,004.95	31,715.33
Less: Net assets acquired	1.00	233.81	0.62	315.00	5.00	2,645.52	3,200.95
Amalgamation Adjustment Deficit	**12,968.36**	**10,933.28**	**3,862.64**	**39.42**	**351.27**	**359.43**	**28,514.38**

The above numbers have been calculated using the Project SPVs Special Purpose financial statement for the period April 01, 2021 to December 17, 2021, (in case of all SPVs except SEPL) and January 13, 2022 (in case of SEPL)

52 (A) Trade receivable ageing

As at March 31, 2024

Particulars	Outstanding from the due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	308.08	2.32	0.26	-	310.66
Undisputed trade receivables – considered doubtful	-	-	-	-	-
Disputed trade receivables – considered good	-	-	-	-	-
Disputed trade receivables – considered doubtful	-	-	-	-	-
Total	**308.08**	**2.32**	**0.26**	**-**	**310.66**

As at March 31, 2023

Particulars	Outstanding from the due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed trade receivables – considered good	0.16	-	-	-	0.16
Undisputed trade receivables – considered doubtful	-	-	-	-	-
Disputed trade receivables – considered good	-	-	-	-	-
Disputed trade receivables – considered doubtful		-	-	-	-
Total	0.16	-	-	-	0.16

(B) Trade payable ageing

As at March 31, 2024	Outstanding from the due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed dues - MSME	9.76	27.43	0.17	0.12	-	37.48
(ii) Undisputed dues - Others	1,083.27	170.51	15.10	10.59	1.30	1,280.76
(iii) Disputed dues - MSME	-	-	0.16	0.20	0.17	0.54
(iv) Disputed dues - Others	-	-	0.02	-	4.86	4.88
Total	**1,093.03**	**197.94**	**15.45**	**10.91**	**6.33**	**1,323.66**

As at March 31, 2023

As at March 31, 2023	Outstanding from the due date of payment					Total
	Not Due	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed dues - MSME	6.72	3.46	-	-	-	10.18
(ii) Undisputed dues - Others	182.23	172.51	12.14	10.39	0.26	377.53
(iii) Disputed dues - MSME	-	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-	-
Total	**188.95**	**175.97**	**12.14**	**10.39**	**0.26**	**387.71**

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

53. The Trust was registered as an irrevocable trust set up under the provisions of Indian Trusts Act, 1882 on 03 December 2021. Trust was registered as an Infrastructure Investment Trust under the InvIT Regulations, as on December 23, 2021 having registration number IN/ InvIT/ 21-22/ 0019.

54. Distribution related to 2022-23:

The Board of Directors of the Investment Manager have declared distribution of ₹ 1.6876 (rounded off) per unit amounting to ₹ 701.20 Mn in their meeting held on May 19, 2023 and the aforesaid distribution was paid to eligible unitholders on May 30, 2023.

Distribution related to 2023-24:

The Board of Directors of the Investment Manager have declared distribution of ₹ 2.6480 (rounded off) per unit amounting to ₹ 1,100.24 Mn, ₹ 0.8725 (rounded off) per unit amounting to ₹ 420.05 Mn and ₹ 3.6579 (rounded off) per unit amounting to ₹ 2,732.03 Mn in their meeting held on August 11, 2023, November 09, 2023 and February 06, 2024 respectively and the aforesaid distribution was paid to eligible unitholders on August 22, 2023, November 21, 2023 and February 16, 2024 respectively. Subsequent to year end March 31, 2024, the Board of Directors of the Investment Manager of the Trust have declared distribution of ₹ 9.3792 (rounded off) per unit amounting to ₹ 7,005.19 Mn in their meeting held on May 16, 2024. Accordingly, the total distribution for the financial year ended March 31, 2024 stands at ₹ 16.5576 per unit.

Further the yield per unit for the financial year ended March 31, 2024 stands at 19.41%, which have been calculated as (Total distribution per unit for the financial year ended March 31, 2024/NAV per unit as disclosed in the financial statements as at March 31, 2024.)

55. During the previous year ended March 31, 2023, three of the project SPV's Viz. Godhra Expressways Private Limited ("GEPL"), Dewas Bhopal Corridor Private Limited ("DBCPL") and Ulundurpet Expressways Private Limited ("UEPL") has filed the petition with the Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT') for capital reduction under Section 66 and other provisions of the Companies Act, 2013. The said reduction was approved in the extraordinary general meeting in the respective Project SPVs which were held on October 19, 2022 for GEPL and DBCPL and on November 29, 2022 for UEPL. Pursuant to capital reduction scheme, the shareholders shall be entitled to receive an amount based on the fair market valuation of the equity shares of the aforesaid project SPV's and the said consideration shall be presented as loan outstanding to the shareholders. NCLT admission order has been received for the applications in GEPL, DBCPL and UEPL by Hon'ble NCLT and necessary notices have been given to the Regional Directors, ROC and creditors of these aforesaid mentioned SPV's.

The final order for approving capital reduction scheme in DBCPL was received on February 27,2023 and the final certificate of registration from Registrar of Companies, Mumbai was received on March 20, 2023 and the impacts of the same were considered in the previous year ended March 31, 2023. During the year ended March 31, 2024, the Hon'ble NCLT has approved the capital reduction scheme of GEPL on June 12, 2023 and final certificate of registration from Registrar of Companies, Mumbai was received on August 14, 2023 and the impacts of the same have been considered in the audited consolidated financial statements for the year ended March 31, 2024. In UEPL, the Capital reduction Scheme was heard on June 23, 2023 and the same has been reserved for order by the Hon'ble NCLT. Thereafter, the matter was heard on October 03, 2023 and Hon'ble NCLT has asked for certain further clarifications on the matter. Further as per the NCLT order dated January 10, 2024, the Hon'ble NCLT has declined the Capital reduction scheme in UEPL. Further the Board of Directors of UEPL in its meeting held on January 19, 2024 has proposed to approach the Hon'ble National Company Law Appellate Tribunal ("NCLAT") to re-consider the scheme. The Trust has filled appeal under section 421 of Companies Act, 2013 with the Hon'ble NCLAT on February 02, 2024. Further, the matters were partially heard on May 02, 2024 and have been adjourned till May 16, 2024.

56. Other statutory information

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property under the Benami Transactions (Prohibition) Act, 1988 and rules made thereunder.

(ii) The Group have not traded or invested in Cryptocurrency or Virtual Digital Currency during the financial year ended March 31, 2024.

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

(iii) The Trust has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: -

Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ny or on behalf of the Trust (Unlimited Beneficiaries) or - Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(iv) The Trust has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall: -

Directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ny or on behalf of the Trust (Unlimited Beneficiaries) or - Provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(v) The Group does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

(vi) The Group does not have any transactions with struck - off companies.

(vii) The Group has not been declared as willful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on willful defaulter issued by the Reserve Bank of India.

57. During the year ended March 31, 2024, the Board of Directors of the Investment Manager of the Trust has executed the share purchase agreement on August 30, 2023 for acquisition of 100% (one hundred percent) shareholding in one or more tranches and management control in Bangalore Elevated Tollway Private Limited owned by Galaxy Investments II Pte. Ltd ('Sponsor of the Trust'). The completion of acquisition would depend upon receipt of relevant approvals and completion of contractual obligations.

58. During the year ended March 31, 2024, the Board of Directors of the Investment Manager has executed the share purchase agreement on January 15, 2024 for acquisition of 100% (one hundred percent) shareholding in one or more tranches and management control in twelve special purpose vehicles owned by PNC Infratech Limited and PNC Infra Holdings Limited namely:

(i) PNC Rajasthan Highways Private Limited ("PRHPL");
(ii) PNC Chitradurga Highways Private Limited ("PCHPL");
(iii) PNC Aligarh Highways Private Limited ("PAHPL");
(iv) PNC Bundelkhand Highways Private Limited ("PBHPL");
(v) PNC Khajuraho Highways Private Limited ("PKHPL");
(vi) PNC Triveni Sangam Highways Private Limited ("PTSHPL");
(vii) PNC Challakere (Karnataka) Highways Private Limited ("PCKHPL");
(viii) PNC Meerut Haridwar Highways Private Limited ("PMHHPL");
(ix) PNC Bithur Kanpur Highways Private Limited ("PBKHPL");
(x) PNC Unnao Highways Private Limited ("PUHPL");
(xi) PNC Gomti Highways Private Limited ("PGHPL") and
(xii) PNC Bareilly Nainital Highways Private Limited ("PBNHPL" or the "Toll Asset").

The completion of acquisition would depend upon receipt of relevant approvals and completion of contractual obligations.

59. Project manager and Investment manager fees

(i) Project management fees

Pursuant to the Project Management Agreement dated August 08, 2022 with the erstwhile Project Manager i.e Virescent Renewable Energy Project Manager Private Limited, Project Manager was entitled to a consideration @ 10% markup over the actual cost incurred, on a half yearly basis to be borne by the project SPVs, for the

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

performance of Management, Tolling and Operation and Maintenance Services. Consolidated financial statements for the year ended March 31, 2024 includes amount of ₹ Nil (for the year ended March 31, 2023: ₹ Nil) towards project manager fees paid to Virescent Renewable Energy Project Manager Private Limited who was Project Manager till November 13, 2022. Subsequently pursuant to the Project Management Agreement with the project manager i.e. HC One Project Manager Limited dated October 20, 2022, project manager shall be entitled to a consideration @ 10% markup over the actual cost incurred, on a half yearly basis, or on such other shorter basis as may be mutually agreed, to be borne by the project SPVs, for the performance of Management, Tolling and Operation and Maintenance Services. Consolidated financial statement for the year ended March 31, 2024 includes amount of ₹ 171.05 Mn (for the year ended March 31, 2023: ₹ 53.55 Mn) toward project manager fees paid to HC One Project Manager Limited who is appointed as Project Manager w.e.f November 14, 2022.

(ii) Investment management fees

Pursuant to the Investment Management Agreement dated December 06, 2021 with the erstwhile Investment Manager i.e Virescent Infrastructure Investment Manager Private Limited, Investment Manager was entitled to fees @ 10% markup over the cost per annum. Consolidated financial statements for the year ended March 31, 2024 includes amount of ₹ Nil (for the year ended March 31, 2023: ₹ 2.36 Mn) toward Investment manager fees paid to Virescent Infrastructure Investment Manager who was Investment Manager till November 22, 2022. Subsequently, pursuant to the Investment Management Agreement with the Investment Manager i.e Highway Concession One Private Limited dated October 20, 2022 as amended, Investment Manager is entitled to fees @ 10% markup over the cost per annum. The Investment Management Fees shall be borne by the InvIT and the Special Purpose Vehicles of the InvIT ("SPVs') in the proportion of 20:80. Amongst the SPVs, the Fees would be allocated as mutually agreed with the SPVs. Consolidated financial statements for the year ended March 31, 2024 includes amount of ₹ 367.20 Mn (for the year ended March 31, 2023: ₹ 109.25) towards Investment Manager Fees to Highway Concession One Private Limited who is appointed as Investment Manager w.e.f November 23, 2022.

60. During the year ended March 31, 2024, the Board of Directors of the Investment Manager of the Trust has approved the allotment and issue of 50,000 Senior, Secured, Listed, Rated, Taxable, Redeemable, Non-convertible Debt Securities of face value of ₹ 100,000 each ("Debentures") on private placement basis out of which 15,000 Debentures have been issued at par i.e. at the issue price ₹ 100,000 per Debenture and 35,000 Debentures have been issued at the issue price ₹ 100,300.10 per Debenture in accordance with the SEBI LODR Regulations. The debentures were listed with Bombay Stock Exchange on January 19, 2024.

61. During the year ended March 31, 2024, Board of directors of Investment Manager of the Trust have approved following matters on October 20, 2023:

(i) Issuance of listed, rated, unsecured, Commercial Papers ("CPs") aggregating upto ₹ 2,750.00 Mn in one or more series or tranches on a private Placement basis to the eligible investors; and.

(ii) Availing additional rupee term loan facility upto ₹ 19,000 Mn.

The Board of Directors of the Investment Manager of the Trust has approved the allotment of 5,500 commercial papers having maturity of ₹ 500,000/- each and aggregate maturity value of ₹ 2,750.00 Mn at issue price of ₹ 465,295.50 only each aggregating to ₹ 2,559.13 Mn. The CPs was listed with Bombay Stock Exchange Limited on October 31 2023. Further, the Trust has signed Rupee Loan Agreement with India Infrastructure Finance Company Limited ("IIFCL"), ICICI Bank Limited, State Bank of India ("SBI") and Axis Bank Limited as lenders for an amount of ₹ 19,000.00 Mn out of which Trust has received disbursement of ₹ 14,248.43 Mn from lenders on November 02, 2023, November 21, 2023, November 22, 2023, January 04, 2024, March 18, 2024 and March 21, 2024.

Summary of material accounting policy information and other explanatory information for the year ended March 31, 2024 (Contd.)

(All amounts in ₹ Mn unless otherwise stated)

62. Subsequent to the year ended March 31, 2024, three of the project SPVs, namely ANHPL, RAHPL, and GSHPL, have submitted petitions to the Hon'ble National Company Law Tribunal, Mumbai Bench ('NCLT') for capital reduction in accordance with Section 66 and other provisions of the Companies Act, 2013. The aforementioned reduction was approved during extraordinary general meetings held on April 04, 2024 for ANHPL, RAHPL, and GSHPL respectively. Subsequent to the approval of the capital reduction scheme, The said consideration shall stand outstanding and the terms for such repayment will be mutually agreed upon by the Company and its shareholders. The petitions were filed on April 08, 2024 for ANHPL, RAHPL, and GSHPL, and were admitted by the NCLT on April 17, 2024 for GSHPL and April 24, 2024 for ANHPL. The subsequent hearings are scheduled for July 24, 2024 for GSHPL and August 07, 2024 for ANHPL.

63. The consolidated financial statements have been approved by the Board of Directors of the Investment Manager to the Trust in its meeting held on May 16, 2024

64. All values are rounded to the nearest Mn, unless otherwise indicated. Certain amount that are required to disclosed and do not appear due to rounding off are expressed as 0.00.

65. Previous year figures have been reclassified/regrouped wherever necessary to confirm to current year classification. The impact of the same is not material to the user of the consolidated financial statements

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

Manish Agrawal
Partner
Membership No.: 507000

Place: New Delhi
Date: May 16, 2024

For and on behalf of Board of Directors of
Highway Concessions One Private Limited
(as Investment Manager of Highways Infrastructure Trust)

Dr. Zafar Khan
Joint CEO
DIN: 07641366

Place: Mumbai
Date: May 16, 2024

Abhishek Chhajer
Chief Financial Officer

Place: Mumbai
Date: May 16, 2024

Gaurav Chandna
Executive Director and Joint CEO
DIN: 10312924

Place: Mumbai
Date: May 16, 2024

Notice of the Second Annual General Meeting

NOTICE is hereby given that the Second Annual General Meeting ("**AGM**") of the Unitholders ("**Unitholders**") of Highways Infrastructure Trust ("**Trust**") will be held on Thursday, July 25, 2024 at 11:30 a.m. (IST) through Video Conferencing ('**VC**')/ Other Audio-Visual Means ('**OAVM**') without the physical presence of the Unitholders and the deemed venue for the meeting shall be at the principal place of business of the Trust (i.e. 601-602, 6th Floor, Windsor House, off CST Road, Kalina, Santacruz (East), Mumbai -98), in accordance with the provisions of the Securities and Exchange Board of India (Infrastructure Investment HITs) Regulations, 2014 ("**SEBI InvIT Regulations**") read with all relevant circulars issued by SEBI in this regard, from time to time, to transact the businesses mentioned below: -

ORDINARY BUSINESS:

ITEM NO. 1:

TO CONSIDER AND ADOPT AUDITED STANDALONE FINANCIAL STATEMENTS AND AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF HIGHWAYS INFRASTRUCTURE TRUST AS AT AND FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024 TOGETHER WITH THE REPORT OF THE AUDITORS AND THE REPORT ON PERFORMANCE OF HIGHWAYS INFRASTRUCTURE TRUST FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024.

To consider and if thought fit, to pass with or without modification(s), the following resolution by way of a simple majority (i.e. where the votes cast in favour of a resolution are required to be more than the votes cast against the resolution) in terms of Regulation 22(3) of SEBI InvIT Regulations.

"RESOLVED THAT pursuant to the applicable provisions, if any, of the SEBI (Infrastructure Investment Trust) Regulations, 2014 and the circulars, clarifications, notifications, and guidelines issued thereunder, and other applicable rules and regulations, if any, including any statutory modifications, amendments or re-enactments thereof for the time being in force, the Audited Standalone Financial Statements and the Audited Consolidated Financial Statements of Highways Infrastructure Trust ("**Trust**") as at and for the financial year ended March 31, 2024 together with the Report of the Auditors and the report on the performance of Trust be and are hereby approved and adopted."

"RESOLVED FURTHER THAT the Board of Directors, Joint Chief Executive Officers, Chief Financial Officer, General Counsel and Company Secretary of Highway Concessions One Private Limited (the "**Investment Manager**") be and are hereby severally authorised on behalf of the Trust to inform all concerned, in such form and manner as may be required or is necessary and also to execute such agreements, letters and other writings in this regard, including delegation of all, or any of these powers and to do all acts, deeds, things, and matters as may be required or are necessary to give effect to this resolution or as otherwise considered by the Board of Directors of the Investment Manager, to be in the best interest of Trust, as it may deem fit."

ITEM NO. 2:

TO CONSIDER AND ADOPT THE VALUATION REPORT OF THE ASSETS OF THE TRUST FOR THE FINANCIAL YEAR ENDED MARCH 31, 2024.

To consider and if thought fit, to pass with or without modification(s), the following resolution by way of a simple majority (i.e. where the votes cast in favour of the resolution are required to be more than the votes cast against the resolution) in terms of Regulation 22(3) of the SEBI InvIT Regulations.

"**RESOLVED THAT** pursuant to Regulations 10., 13, 21, 22 and Schedule V of the SEBI (Infrastructure Investment Trust) Regulations, 2014, as amended from time to time, read with circulars and guidelines issued thereunder and other applicable provisions, if any, (including any statutory modification or reenactment thereof for the time being in force), the Valuation Report of Trust for the financial year ended March 31, 2024 issued by Mr. S. Sundararaman, Registered Valuer IBBI (Registration no.: IBBI/RV/06/2018/10238) as an Independent Valuer for Trust as on May 10, 2024 providing for the assets of Trust, be and is hereby approved and adopted."

ITEM NO. 3:

TO CONSIDER AND APPROVE THE APPOINTMENT OF VALUER OF THE TRUST FOR THE FINANCIAL YEAR 2024-25 AND FIX THEIR REMUNERATION.

To consider and appoint Mr. S. Sundararaman, Registered Valuer (IBBI Registration Number IBBI/RV/06/2018/10238), as the Independent Valuer of the Trust for the financial year 2024-25 and, if thought fit, to pass with or without modification(s), the following resolution by way of a simple majority (i.e. where the votes cast in favour of the resolution are required to be more than the votes cast against the resolution by unit holders, so entitled and voting) in terms of regulation 22(3) of the SEBI InvIT Regulations.

"RESOLVED THAT pursuant to the provisions of Regulations 10(5), 21, 22 and other applicable provisions of Securities and Exchange Board of India (Infrastructure Investment

Notice of the Second Annual General Meeting (Contd.)

Trust) Regulations, 2014, as amended from time to time, read with circulars and guidelines issued thereunder and other applicable provisions, if any, ("**SEBI InvIT Regulations**") (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and in accordance with the Appointment of Auditor and Valuer Policy of Highways Infrastructure Trust ("**Trust**"), the appointment of Mr. S. Sundararaman (IBBI Registration Number IBBI/RV/06/2018/10238) ("**Valuer**") who has confirmed his eligibility in terms of provisions of the SEBI InvIT Regulations, as the valuer of all assets held by the Trust for financial year 2024-2025,at a remuneration not exceeding ₹ 10,00,000 (Rupees Ten Lakhs only) (plus goods and services tax as applicable, and reimbursement of out-of-pocket expenses incurred, if any) for undertaking the annual valuation for the assets currently held by the Trust and such additional remuneration as may be mutually agreed by and between Highway Concessions One Private Limited (the "**Investment Manager**") and the Valuer for any new assets acquired in future or additional valuations that may be required, and on such other terms and conditions, as may be mutually agreed by and between the Investment Manager and the Valuer, is be and hereby approved."

"RESOLVED FURTHER THAT the Board of Directors, Joint Chief Executive Officers, Chief Financial Officer, General Counsel and Company Secretary of Highway Concessions One Private Limited (the **"Investment Manager"**) be and is hereby severally authorised to finalise the terms and conditions of the aforesaid appointment, including any additional remuneration and to inform all regulatory, statutory and governmental authorities, as may be required under applicable laws, and in such form and manner as may be required or necessary and also to execute such agreements, letter and other writings and to do all acts, deeds, things, and matters as may be required or necessary to give effect to this resolution or as otherwise considered by the Investment Manager to be in the best interest of the Trust, as it may deem fit."

For **Highways Infrastructure Trust**

By Order of the Board
Highway Concessions One Private Limited
(as the Investment Manager of Highways Infrastructure Trust)

Sd/-
Kunjal Shah
Company Secretary and Compliance Officer
Date: June 29, 2024
Place: Mumbai

Principal Place of Business and Contact Details of Trust:
Highways Infrastructure Trust
601-602, 6th Floor, Windsor House, Off CST Road,
Kalina, Santacruz East, Mumbai-400098
SEBI Registration Number: IN/InvIT/21-22/0019
Tel: +91 75063 33447
E-mail: Compliance.highwaysinvit@highwayconcessions.com
Website: www.highwaystrust.com
Compliance Officer: Ms. Kunjal Shah

Registered Office and Contact Details of the Investment Manager:
Highway Concessions One Private Limited
601-602, 6th Floor, Windsor House, Off CST Road,
Kalina, Santacruz East, Mumbai-400098
CIN: U45200MH2010PTC208056
Email Id: Compliance.highwaysinvit@highwayconcessions.com
Contact Person: Ms. Kunjal Shah

Notice of the Second Annual General Meeting (Contd.)

NOTES:

1. Pursuant to Regulation 22(3)(a) of the Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014 ("**SEBI InvIT Regulations**") read with SEBI circular bearing reference no. SEBI/HO/DDHS-PoD-2/P/CIR/2024/44 dated May 15, 2024 (the "**SEBI Circular**") and other relevant circulars issued by SEBI in this regard, from time to time, the Second Annual Meeting ('**AGM**') of the Trust is being held through Video Conferencing ('**VC**') or Other Audio Visual Means ('**OAVM**') which does not require the physical presence of the Unitholders at a common venue, subject to the fulfilment of conditions as specified in the relevant circulars issued thereunder. In compliance with the aforesaid, unitholders can attend and participate in the ensuing AGM through VC/OAVM. The deemed venue for the AGM shall be the principal place of business of Trust.
2. The explanatory statement stating all material facts and the reasons for the proposed resolution is annexed herewith.
3. Since this AGM is being held pursuant to the SEBI Circular through VC / OAVM, physical attendance of Unitholders has been dispensed with. Accordingly, the facility for appointment of proxies by the Unitholders will not be available for the AGM, and hence the Proxy Form, Attendance Slip and Route Map are not annexed to this Notice.
4. The Investment Manager on behalf of Highways Infrastructure Trust ("**Trust**") has engaged the services of M/s. Link Intime India Private Limited ("**Link Intime**"), the Registrar and Transfer Agent ("**RTA**") of the Trust for the purpose of providing a remote e-voting facility to the Unitholders. The detailed instructions for e-Voting are attached as "Annexure- I" to this Notice.
5. Ms. Deepti Kulkarni (Certificate of Practice No. 22502), failing her Mr. Omkar Dindorkar (Certificate of Practice No. 24580), Partners of M/s MMJB & Associates LLP., Practicing Company Secretaries ("**Scrutiniser**") is appointed as the Scrutiniser to scrutinise the e-voting process in a fair and transparent manner.
6. The Second Annual General Meeting Notice is being sent to Unitholders on their registered/ updated/ available email Ids with the Trust/ RTA except for those Unitholders whose email Ids are not registered/ updated/ available with the Trust and/or RTA. The Notice can also be accessed from the website of the TRUST: www.highwaystrust.com as well on National Stock Exchange, the designated stock exchange on which the units of the Trust are listed. The Unitholders shall vote through electronic mode only as per the instructions for e-voting provided in the Notice.
7. Only those Unitholders whose names are recorded in the Register of Beneficial Owners maintained by the Depositories as on the close of business hours on cut-off date i.e. June 21, 2024 will be entitled to cast their votes.
8. Only those Unitholders, who will be present in the AGM through VC/OAVM facility and have not cast their vote on resolutions through a remote e-Voting and are otherwise not barred from doing so, may cast their vote during the AGM through the e-Voting system in the AGM.
9. The Unitholders who have cast their vote by remote e-Voting prior to the AGM may also participate in the AGM through VC/ OAVM Facility but shall not be entitled to cast their vote again.
10. The voting rights of Unitholders shall be in proportion to their Units of the Unit capital of Trust as on the cut-off date i.e. June 21, 2024.
11. Wherever required or possible, the Unitholders are requested to address all correspondence including distribution matters to the RTA by e-mail to ganesh.jadhav@linkintime.co.in or to the Company Secretary and Compliance officer of the Trust by e-mail to compliance.highwaysinvit@highwayconcessions.com.
12. Institutional Unitholders (i.e. other than individuals, HUF, NRI etc.) who are voting through their authorised signatory(ies) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution / Authority letter etc. with attested specimen signature of the duly authorised signatory(ies), to the RTA by e-mail to ganesh.jadhav@linkintime.co.in and to the Company Secretary and Compliance officer of the Trust by e-mail to compliance.highwaysinvit@highwayconcessions.com. It is also requested to upload the same in the e-voting module in their login.
13. All the documents referred to in the accompanying notice, shall be available for inspection through electronic mode, basis the request being sent to the Company Secretary and Compliance officer of the Trust by e-mail to compliance.highwaysinvit@highwayconcessions.com.
14. The Unitholders can join the AGM in the VC/OAVM mode 15 minutes before the scheduled time for commencement of AGM by following the procedure mentioned in the Notice. The detailed instructions for

Notice of the Second Annual General Meeting (Contd.)

joining the Meeting through VC/OAVM forms part of the Notes to this Notice.

15. The attendance of the Unitholders attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum.

16. The results declared along with Scrutiniser's Report(s) will be available on the website of Trust (www.highwaystrust.com) and on Linkintimes' website (www.instavote.linkintime.co.in) within two (2) days of passing of the resolutions and communication of the same to the National Stock Exchange of India Limited.

17. The Securities and Exchange Board of India (the "SEBI") has mandated the submission of a Permanent Account Number ("**PAN**") by every participant in the securities market. Unitholders are therefore requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts.

18. Unitholders who have not registered their email address so far are requested to register their email address for receiving all communication including annual reports, notices, circulars etc. from the Investment Manager, on behalf of Trust, electronically.

EXPLANATORY STATEMENT

The following statement set out the material facts and reasons for the proposed resolution stated in the accompanying notice above:

ITEM NO. 3

TO CONSIDER AND APPROVE THE APPOINTMENT OF VALUER OF THE TRUST FOR THE FINANCIAL YEAR 2024-25 AND FIX THEIR REMUNERATION.

Under the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, a valuer is required to be appointed to carry out valuation of assets of the Trust. Further, such valuer is required to be a "**Registered Valuer**" under section 247 of the Companies Act, 2013 or should have such qualifications as may me prescribed by the Securities and Exchange Board of India ("SEBI") from time to time. In this regard, as per the policy of "Appointment of Auditor and Valuer Policy", Highway Concessions One Private Limited, the investment manager of Highways Infrastructure Trust ("**Trust**") has appointed Mr. S. Sundararaman ("**Valuer**") holding IBBI Registration Number IBBI/RV/06/2018/10238, as the valuer of assets of the Trust for the financial year 2024-25.

Mr. S. Sundararaman is a fellow member of the Institute of Chartered Accountants of India, Graduate member of the Institute of Cost and Works Accountants of India, Information Systems Auditor (DISA of ICAI) and has completed the Post Qualification Certification courses of ICAI on IFRS, Valuation.

He is a registered Insolvency Professional and a Registered Valuer for Securities or Financial Assets, having been enrolled with the Insolvency and Bankruptcy Board of India (IBBI) after passing the respective examinations. He possesses more than 29 years of experience in servicing large and medium sised clients. He is a partner at Haribhakti & Co. LLP.

It is proposed to pay a remuneration not exceeding ₹ 10,00,000 (Rupees Ten Lakhs only) (plus goods and services tax as applicable, and reimbursement of out-of-pocket expenses incurred, if any) for undertaking the annual valuation for the assets currently held by the Trust for 2024-2025. However, in the event additional assets are acquired, or any additional interim valuation services are obtained from the Valuer, additional consideration will be required to be paid. For the purpose of determining such additional remuneration and other terms of appointment, Highway Concessions One Private Limited (the "**Investment Manager**") as the investment manager of the Trust is seeking the delegated authority from the unitholders.

Accordingly, the approval of the unitholder is sought for appointment of Mr. S. Sundararaman in the Resolution set out at Item No. 3 of the accompanying Notice.

No director or affiliate of the Investment Manager is interested in the resolution.

The Investment Manager recommends the resolution as set out in the Notice for your approval by way of a simple majority (i.e. where the votes cast in favour of the resolution are required to be more than the votes cast against the resolution).

THE INSTRUCTIONS FOR UNITHOLDERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:

1. Open the internet browser and launch the URL: https://instameet.linkintime.co.in & Click on "**Login**".

   Select the "**Company**" and '**Event Date**' and register with your following details: -

   A. Demat Account No. or Folio No: Enter your 16 digit Demat Account No. or Folio No

   - Unitholders holding units in **CDSL demat account shall provide 16 Digit Beneficiary ID**
   - Unitholders holding units in **NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID**
   - Unitholders holding units in **physical form shall provide** Folio Number registered with the Company

B. **PAN:** Enter your 10-digit Permanent Account Number (PAN) (Unitholders who have not updated their PAN with the Depository Participant (DP)/

Company shall use the sequence number provided to you, if applicable.

C. **Mobile No.:** Enter your mobile number.

D. **Email ID:** Enter your email id, as recorded with your DP/Company.

- Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).

Instructions for Unitholders to Speak during the General Meeting through InstaMeet:

1. Unitholders who would like to speak during the meeting must register their request with the company.
2. Unitholders will get confirmation on first cum first basis depending upon the provision made by the client.
3. Unitholders will receive "speaking serial number" once they mark attendance for the meeting.
4. Other shareholder may ask questions to the panellist, via active chat-board during the meeting.
5. Please remember speaking serial number and start your conversation with panellist by switching on video mode and audio of your device.

Unitholders are requested to speak only when moderator of the meeting/ management will announce the name and serial number for speaking.

Instructions for Unitholders to Vote during the General Meeting through InstaMeet:

Once the electronic voting is activated by the scrutiniser during the meeting, Unitholders who have not exercised their vote through the remote e-voting can cast the vote as under:

1. On the Unitholders VC page, click on the link for e-Voting "Cast your vote"
2. Enter your 16 digit Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered email Id) received during registration for InstaMEET and click on 'Submit'.
3. After successful login, you will see "Resolution Description" and against the same the option "Favour/ Against" for voting.
4. Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of units (which represents no. of votes) as on the cut-off date under 'Favour/Against'.
5. After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
6. Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.

   Note: Unitholders, who will be present in the General Meeting through InstaMeet facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting facility during the meeting. Unitholders who have voted through Remote e-Voting prior to the General Meeting will be eligible to attend/ participate in the General Meeting through InstaMeet. However, they will not be eligible to vote again during the meeting.

Unitholders are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.

Unitholders are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

Please note that Unitholders connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-FI or LAN connection to mitigate any kind of aforesaid glitches.

In case Unitholders have any queries regarding login/ e-voting, they may send an email to instameet@linkintime.co.in or contact on: - Tel: 022-49186175.

Remote e-Voting Instructions for Unitholders:

Login method for Individual Unitholders holding securities in demat mode is given below:

Individual Unitholders holding securities in demat mode with NSDL: METHOD 1 - If registered with NSDL IDeAS facility

Users who have registered for NSDL IDeAS facility:

a) Visit URL: https://eservices.nsdl.com and click on "Beneficial Owner" icon under "Login".

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b) Enter user id and password. Post successful authentication, click on "Access to e-voting".

c) Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

OR

User not registered for IDeAS facility:

a) To register, visit URL: https://eservices.nsdl.com and select "Register Online for IDeAS Portal" or click on https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp "

b) Proceed with updating the required fields.

c) Post registration, user will be provided with Login ID and password.

d) After successful login, click on "Access to e-voting".

e) Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

METHOD 2 - By directly visiting the e-voting website of NSDL:

a) Visit URL: https://www.evoting.nsdl.com/

b) Click on the "Login" tab available under 'Unitholders' section.

c) Enter User ID (i.e., your sixteen-digit demat account number held with NSDL), Password/OTP and a Verification Code as shown on the screen.

d) Post successful authentication, you will be re-directed to NSDL depository website wherein you can see "Access to e-voting".

e) Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

Individual Unitholders holding securities in demat mode with CDSL:

METHOD 1 – From Easi/Easiest

Users who have registered/ opted for Easi/Easiest

a) Visit URL: https://web.cdslindia.com/myeasinew/home/login or www.cdslindia.com.

b) Click on New System Myeasi

c) Login with user id and password

d) After successful login, user will be able to see e-voting menu. The menu will have links of e-voting service providers i.e., LINKINTIME, for voting during the remote e-voting period.

e) Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

OR

Users not registered for Easi/Easiest

a) To register, visit URL: https://web.cdslindia.com/myeasinew/Registration/EasiRegistration

b) Proceed with updating the required fields.

c) Post registration, user will be provided Login ID and password.

d) After successful login, user able to see e-voting menu.

e) Click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

METHOD 2 - By directly visiting the e-voting website of CDSL.

a) Visit URL: https://www.cdslindia.com/

b) Go to e-voting tab.

c) Enter Demat Account Number (BO ID) and PAN No. and click on "Submit".

d) System will authenticate the user by sending OTP on registered Mobile and Email as recorded in Demat Account

e) After successful authentication, click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

Individual Unitholders holding securities in demat mode with Depository Participant:

Individual Unitholders can also login using the login credentials of your demat account through your depository participant registered with NSDL/CDSL for e-voting facility.

a) Login to DP website

b) After Successful login, unitholders shall navigate through "e-voting" tab under Stocks option.

c) Click on e-voting option, unitholders will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-voting menu.

d) After successful authentication, click on "LINKINTIME" or "evoting link displayed alongside Company's Name" and you will be redirected to Link Intime InstaVote website for casting the vote during the remote e-voting period.

Login method for Non-Individual Unitholders holding securities in demat mode is given below:

Non-Individual Unitholders holding securities in demat mode as on the cut-off date for e-voting may register for e-Voting facility of Link Intime as under:

1. Visit URL: https://instavote.linkintime.co.in
2. Click on "**Sign Up**" under '**SHARE HOLDER**' tab and register with your following details: -

   A. User ID:

   Unitholders holding units in physical form shall provide Event No + Folio Number registered with the Company. Unitholders holding units in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID; Unitholders holding units in CDSL demat account shall provide 16 Digit Beneficiary ID.

   B. PAN: Enter your 10-digit Permanent Account Number (PAN) (Unitholders who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable.

   C. DOB/DOI: Enter the Date of Birth (DOB) / Date of Incorporation (DOI) (As recorded with your DP / Company - in DD/MM/YYYY format)

   D. Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/Company.

   *Unitholders holding units in **NSDL form**, shall provide 'D' above

   - Set the password of your choice (The password should contain minimum 8 characters, at least one special Character (@!#$&*), at least one numeral, at least one alphabet and at least one capital letter).
   - Click "confirm" (Your password is now generated).

3. Click on '**Login**' under '**SHARE HOLDER**' tab.
4. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on '**Submit**'.

Cast your vote electronically:

1. After successful login, you will be able to see the notification for e-voting. Select '**View**' icon.
2. E-voting page will appear.
3. Refer the Resolution description and cast your vote by selecting your desired option '**Favour / Against**'

   (If you wish to view the entire Resolution details, click on the '**View Resolution**' file link).
4. After selecting the desired option i.e. Favour / Against, click on '**Submit**'. A confirmation box will be displayed. If you wish to confirm your vote, click on '**Yes**', else to change your vote, click on 'No' and accordingly modify your vote.

Guidelines for Institutional Unitholders ("Corporate Body/ Custodian/Mutual Fund"):

STEP 1 – Registration

a) Visit URL: https://instavote.linkintime.co.in

b) Click on Sign up under "Corporate Body/ Custodian/Mutual Fund"

c) Fill up your entity details and submit the form.

d) A declaration form and organisation ID is generated and sent to the Primary contact person email ID (which is filled at the time of sign up at Sr.No. 2 above). The said form is to be signed by the Authorised Signatory, Director, Company Secretary of the entity & stamped and sent to insta.vote@linkintime.co.in.

e) Thereafter, Login credentials (User ID; Organisation ID; Password) will be sent to Primary contact person's email ID.

f) While first login, entity will be directed to change the password and login process is completed.

STEP 2 –Investor Mapping

a) Visit URL: https://instavote.linkintime.co.in and login with credentials as received in Step 1 above.

b) Click on "Investor Mapping" tab under the Menu Section

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c) Map the Investor with the following details:

   a. 'Investor ID' -

      i. Unitholders holding units in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID i.e., IN00000012345678

      ii. Unitholders holding units in CDSL demat account shall provide 16 Digit Beneficiary ID.

   b. 'Investor's Name - Enter full name of the entity.

   c. 'Investor PAN' - Enter your 10-digit PAN issued by Income Tax Department.

   d. 'Power of Attorney' - Attach Board resolution or Power of Attorney. File Name for the Board resolution/Power of Attorney shall be – DP ID and Client ID. Further, Custodians and Mutual Funds shall also upload specimen signature card.

d) Click on Submit button and investor will be mapped now.

e) The same can be viewed under the "Report Section".

STEP 3 – Voting through remote e-voting.

The corporate shareholder can vote by two methods, once remote e-voting is activated:

METHOD 1 - VOTES ENTRY

a) Visit URL: https://instavote.linkintime.co.in and login with credentials as received in Step 1 above.

b) Click on 'Votes Entry' tab under the Menu section.

c) Enter Event No. for which you want to cast vote. Event No. will be available on the home page of Instavote before the start of remote evoting.

d) Enter '16-digit Demat Account No.' for which you want to cast vote.

e) Refer the Resolution description and cast your vote by selecting your desired option 'Favour / Against' (If you wish to view the entire Resolution details, click on the '**View Resolution**' file link).

f) After selecting the desired option i.e., Favour / Against, click on 'Submit'.

g) A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes', else to change your vote, click on 'No' and accordingly modify your vote. (Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

OR

VOTES UPLOAD:

a) Visit URL: https://instavote.linkintime.co.in and login with credentials as received in Step 1 above.

b) You will be able to see the notification for e-voting in inbox.

c) Select '**View**' icon for '**Company's Name / Event number**'. E-voting page will appear.

d) Download sample vote file from 'Download Sample Vote File' option.

e) Cast your vote by selecting your desired option 'Favour / Against' in excel and upload the same under 'Upload Vote File' option.

f) Click on 'Submit'. 'Data uploaded successfully' message will be displayed. (Once you cast your vote on the resolution, you will not be allowed to modify or change it subsequently).

Helpdesk:

Helpdesk for Individual Unitholders holding securities in physical form/ Non-Individual Unitholders holding securities in demat mode:

Unitholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at enotices@linkintime.co.in or contact on: - Tel: 022 – 4918 6000.

Helpdesk for Individual Unitholders holding securities in demat mode:

Individual Unitholders holding securities in demat mode may contact the respective helpdesk for any technical issues related to login through Depository i.e., NSDL and CDSL.

Login type	Helpdesk details
Individual Unitholders holding securities in demat mode with NSDL	Unitholders facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at : 022 - 4886 7000 and 022 - 2499 7000
Individual Unitholders holding securities in demat mode with CDSL	Unitholders facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at toll free no. 1800 22 55 33

Forgot Password:

Institutional Unitholders ("Corporate Body/ Custodian/ Mutual Fund") has forgotten the password:

If a Non-Individual Unitholders holding securities in demat mode has forgotten the USER ID [Login ID] or Password or both then the shareholder can use the "Forgot Password" option available on the e-Voting website of Link Intime: https://instavote.linkintime.co.in

- Click on '**Login**' under '**Corporate Body/ Custodian/Mutual Fund**' tab and further Click '**forgot password?**'
- Enter User ID, Organisation ID and Enter Image Verification code (CAPTCHA). Click on "SUBMIT".

In case Unitholders is having valid email address, Password will be sent to his / her registered e-mail address. Unitholders can set the password of his/ her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/DOI, Bank Account Number (last four digits) etc. as mentioned above. The password should contain a minimum of 8 characters, at least one special character (@!#$&), at least one numeral, at least one alphabet and at least one capital letter.*

Individual Unitholders holding securities in demat mode with NSDL/ CDSL has forgotten the password:

Unitholders who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- For Unitholders holding units in physical form, the details can be used only for voting on the resolutions contained in this Notice.
- During the voting period, Unitholders can login any number of time till they have voted on the resolution(s) for a particular "Event".

Corporate Information

Highways Infrastructure Trust

601-602, 6th Floor, Windsor House, Off CST Road, Kalina,
Santacruz (East), Mumbai– 400098, Maharashtra, India
SEBI registration number: IN/InvIT/21-22/0019
Date of registration with the SEBI: December 23, 2021

Website: www.highwaystrust.com
Tel: +91 7506333447
E-mail: Compliance.highwaysinvit@highwayconcessions.com

Current Board of Directors

Name of Member

Mr. Hardik Bhadrik Shah, Non-Executive Director

Ms. Ami Momaya, Non-Executive Director

Mr. Gaurav Chandna, Joint CEO and Additional Executive Director

Mr. Janakiraman Subramanian, Independent Director

Ms. Sudha Krishnan, Independent Director

Mr. Manish Agarwal, Independent Director

Mr. Rajesh Pandey, Independent Director

Mr. Stefano Ghezzi, Nominee Director

Current Key Managerial Team

Mr. Gaurav Chandna
Joint CEO and Additional Executive Director

Mr. Zafar Khan
Joint CEO

Mr. Abhishek Chhajer
Chief Financial Officer

Ms. Meghana Singh
General Counsel

Compliance Officer

Ms. Kunjal Shah
Company Secretary and Compliance Officer
Tel: +91 22 61073209
E-mail: kunjal.shah@highwayconcessions.com

InvIT Trustee

Axis Trustee Services Limited
Axis House, Bombay Dyeing Mills Compound
Pandurang Budhkar Marg, Worli
Mumbai - 400 025, Maharashtra, India
Contact Person: Mr. Anil Grover
Tel: +91 22 6230 0451
E-mail: debenturetrustee@axistrustee.in

Debenture Trustee

Catalyst Trusteeship Limited
901, 9th Floor, Tower B,
Peninsula Business Park, Senapati Bapat Marg,
Lower Parel, Mumbai – 400013.
Phone No.: 022-49220548
E-mail: priti.shetty@ctltrustee.com

Securities Information

Units listed on National Stock Exchange (NSE)
Scrip Symbol: HIGHWAYS
ISIN: INE0KXY23015

Debentures listed on BSE Limited (BSE)
Scrip Code: 974227
ISIN: INE0KXY07018
Scrip Code: 974228
ISIN: INE0KXY07026
Scrip Code: 975333
ISIN: INE0KXY07034
Scrip Code: 725795
ISIN: INE0KXY14014

Registrar and Unit Transfer Agent

Link Intime India Private Limited
247 Park, C-101, 1st Floor, L B S Marg, Vikhroli (West),
Mumbai 400 083, Maharashtra, India
Tel: +91 22 4918 6000
E-mail: ajit.patankar@linkintime.co.in
SEBI registration number: INR000004058
Contact person: Ajit Patankar
Website: www.linkintime.co.in
Investor grievance e-mail: bonds.helpdesk@linkintime.co.in

Axis Bank Limited

ICICI Bank

India Infrastructure
Finance Company Limited

State Bank of India

Bankers/Lenders

Statutory Auditors

Walker Chandiok & Co LLP
Plot No. 19A, 2nd floor
Sector - 16A, Noida - 201 301
Uttar Pradesh, India
ICAI Firm registration number: 001076N/N500013
Tel: +91 12 0485 5999
E-mail: Manish.Agrawal@WalkerChandiok.in

Investment Manager

Highway Concessions One Private Limited
601-602, 6th Floor, Windsor House, Off CST Road, Kalina,
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Tel: +91 22 6107 3200 | Fax: +91 22 6107 3201
E-mail: info@highwayconcessions.com

Project Manager

HC One Project Manager Private Limited
601-602, 6th Floor, Windsor House, Off CST Road, Kalina,
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Tel : +91 22 6107 3200 | Fax: +91 22 6107 3201
E-mail: info@highwayconcessions.com

Valuer

Mr. S. Sundararaman

5B,"A" Block, 5th Floor
Mena Kampala Arcade, New #18 & 20,
Thiagaraya Road, T. Nagar, Chennai – 600 017
Registration no.: IBBI/RV/06/2018/10238
Tel: +91 044 2815 4192
E-mail: chennaissr@gmail.com

Ethics Helpline

All India (Toll-free) Number
(available in multiple languages)- 1800-257-4324
Web portal- https://highwayconcessionsone.integritymatters.in
Email- highwayconcessionsone@integritymatters.in
Post- Highway Concessions One Pvt Ltd.,
C/o Integrity Matters, Unit 1211,
CENTRUM, Plot No. C3, S.G. Barve Road, Wagle Estate, Thane
West - 400604, Maharashtra, India

OUR OFFICES

MUMBAI

HIGHWAYS INFRASTRUCTURE TRUST

601-602, 6th Floor, Windsor House, Off CST Road, Kalina,
Santacruz (East), Mumbai- 400098, Maharashtra, India

INVESTMENT MANAGER

HIGHWAY CONCESSIONS ONE PRIVATE LIMITED

601-602, 6th Floor, Windsor House, Off CST Road, Kalina,
Santacruz (East), Mumbai- 400098, Maharashtra, India

PROJECT MANAGER

HC ONE PROJECT MANAGER PRIVATE LIMITED

601-602, 6th Floor, Windsor House, Off CST Road, Kalina,
Santacruz (East), Mumbai- 400098, Maharashtra, India