

# IPO Note

February 27, 2024

## Bharat Highways InvIT





## Issue Snapshot:

Issue Open: February 28 – March 01, 2024

Price Band: Rs. 98 – 100

\*Issue Size: 250,000,000 shares (aggregating up to Rs.2,500.00 Cr)

Reservation for:

QIB	upto	75% eq sh
Non-Institutional	atleast	25% eq sh

NAV: Rs 122.18 (September 30, 2023)

Bid size: - 150 equity shares and in multiples thereof

100% Book built Issue

Listing: BSE & NSE

Book Running Lead Managers: ICICI Securities Limited, Axis Capital Limited, HDFC Bank Limited, IIFL Securities Limited

Sponsor Bank: HDFC Bank Ltd & Axis Bank Limited

Registrar to issue: KFin Technologies Limited

Sponsor: Aadharshila Infratech Private Limited

Investment Manager: GR Highways Investment Manager Private Limited

Project Manager: Aadharshila Infratech Private Limited

Trustee: IDBI Trusteeship Services Limited

## Equity Value (in Rs, million)

Particulars	At Floor Price*	At Cap Price*
Equity Value Post Issue	43,407.98	44,293.86
Total Unit Post Issue	442,938,605	442,938,605

\*assuming full subscription in the Issue

Source for this Note: RHP

## Background & Operations:

Bharat Highways InvIT (BHI) is an infrastructure investment trust established to acquire, manage, and invest in a portfolio of infrastructure assets in India and to carry on the activities of an infrastructure investment trust, as permissible under the SEBI InvIT Regulations. It was settled by way of the Original Trust Deed, by G R Infraprojects Limited, GRIL (the Settlor), and registered as an infrastructure investment trust with SEBI on August 3, 2022, pursuant to the SEBI InvIT Regulations. The Sponsor is engaged in testing services in the field of transportation engineering and has expertise in NSV survey, FWD survey, pavement design of roads and airports, physical and chemical testing of soil, lime, cement, road roughness testing, concrete and bituminous mix design of road projects. The Sponsor has set up a laboratory at its registered address which is accredited with National Accreditation Board for Testing and Calibration Laboratories for the discipline of chemical, mechanical, and non-destructive testing. NMHPL, the Associate of the Sponsor is a road engineering, procurement, and construction company, with experience in design and construction of various road/highway projects.

The Sponsor has an established track record of physical and chemical testing of soil and other material (cement testing, fly ash, bitumen emulsion, aggregate testing) at its laboratory accredited by NABL, which enables it to determine the appropriate material mix for development of bituminous and concrete road projects. Further, its capability to assess the roughness and balance life of road projects allows it to determine the appropriate maintenance activity to be undertaken on the road projects. The Sponsor, through itself and its Associate, Nagaur Mukundgarh Highways Private Limited (NMHPL), complies with the eligibility requirements under the SEBI InvIT Regulations of ensuring a soundtrack record in development of infrastructure.

BHI's initial portfolio assets consist of seven road assets, all operating on Hybrid Annuity Model (HAM) basis, in the states of Punjab, Gujarat, Andhra Pradesh, Maharashtra and Uttar Pradesh. These roads are operated and maintained pursuant to concession rights granted by the NHAI and are owned and operated by the Project SPVs, which are currently wholly owned by GRIL. All the InvIT Assets are HAM projects awarded by NHAI and its revenue stream is primarily through annuity payments from the NHAI. GRIL is monetizing future annuity payments (including interest payable thereon) and O&M income receivable from the NHAI by transferring the InvIT Assets to the InvIT. The total income of the SPV Group for the six-month period ended September 30, 2023, and the Financial Years ended March 31, 2023, 2022 and 2021 was Rs. 3,885.40 million, Rs. 15,374.70 million, Rs. 16,001.80 million and Rs. 21,703.93 million, respectively. The Trustee, the Investment Manager and the respective Project SPVs have appointed the Sponsor, Aadharshila Infratech Private Limited, to act as the Project Manager for each Project SPV. Given its experience in constructing, operating and maintaining road projects in accordance with the terms of concession agreements, the balance EPC work in relation to the Project SPVs will be undertaken by GRIL.

## Investment Objectives:

The object and purpose of the InvIT, as described in the Amended and Restated Trust Deed, is to carry on the activity of an infrastructure investment trust as permissible under the SEBI InvIT Regulations to raise funds through the InvIT, to make investments in accordance with the SEBI InvIT Regulations and the investment objectives and investment strategy and to carry on the activities as may be required for operating the InvIT, including incidental and ancillary matters thereto. The objective and purpose of the InvIT includes the following:



- to raise funds in accordance with applicable law, for the purpose of attaining the object and purpose of the InvIT as set out above.
- to make investments or re-investments in accordance with the InvIT Documents and applicable law, including investments in government securities, money market instruments, liquid mutual funds or cash equivalents, in the manner and to the extent permitted under the SEBI InvIT Regulations.
- to park amounts held by the InvIT pending investment or distribution, or as a reserve of the InvIT's anticipated obligations, as permitted under the SEBI InvIT Regulations;
- to make distributions to the Unitholders in the manner prescribed in the Amended and Restated Trust Deed;
- to do all other things necessary and conducive to the attainment of the investment objectives of the InvIT, through agents or other delegates (including the Investment Manager); and
- to carry on generally such other activities as may be permitted under applicable laws.

## Utilisation of Net Proceeds

Sr No	Particulars	Amount (Rs in million)
1	Providing loans to the Project SPVs for repayment/ pre-payment, in part or in full, of their respective outstanding loans (including any accrued interest and prepayment penalty)	*
2	General corporate purposes	*
3	Total	*

## Competitive Strengths

**Sizeable portfolio of stable revenue generating assets with no construction risk and long-term predictable cash flows:** BHI will own an initial portfolio consisting of seven InvIT Assets having an aggregate length of approximately 497.292 km located on national networks across five states in India. The projects are located on national highway networks that experience both commercial and passenger vehicular traffic. In addition, each Project SPV has entered into a long-term Concession Agreement with the NHAI, with each agreement having a residual operations period of between 11.07 and 13.51 years as of January 31, 2024, thereby will be providing long-term cash flows to the InvIT. On a collective basis, InvIT Assets had a weighted average (based on bid project cost) residual project life of approximately 11.99 years as of January 31, 2024. Given that all BHI's InvIT Assets are on HAM basis; its entire revenue is expected to continue in the future from annuities paid by the NHAI, which signifies the steady nature of income for the InvIT. As a mix of EPC and annuity models, HAM reduces the financial burden of a concessionaire during the project construction phase and provides an assured revenue in form of annuities, interest on reducing balance of completion cost (BCC) and O&M payments linked to inflation in the operational phase.

**Geographically diversified road asset portfolio and revenue base:** The InvIT Assets consist of seven operational HAM assets located across five states of India. The geographic diversity of InvIT Assets will play a major role in developing BHI's experience and expertise, including its ability to evaluate, acquire, operate, and maintain new projects. Its temporally and geographically diverse project portfolio and its expertise leveraged from existing projects provides it with an advantage in capitalizing on new opportunities available in the roads and highways sector. This diversification strengthens its business by reducing its reliance on any specific project and reducing the potential impact on its business of any economic slowdown or force majeure event or with respect to any particular project.

**Attractive industry sector with strong underlying fundamentals and favorable government policies:** The roads and highways sectors play an important role in the overall economy of India. The development of the infrastructure sector has been a priority area for the Government and has witnessed enhanced public investment over the years. In the Union Budget for Fiscal Year 2023-24, a total of approximately Rs.2.7 trillion has been budgeted for the MoRTH, which is 25% higher than the revised estimates for Fiscal Year 2022-23. The Govt's focus on and sustained increases in budgetary allocations for the sector as well as the development of comprehensive infrastructure policies will be beneficial to BHI's business in terms of bringing in more opportunities for acquisition of assets.

**Growth opportunities and rights to expand portfolio of assets:** Through the proposed ROFO Agreement, BHI will have a right of first offer to acquire certain assets of GRIL, its proposed significant Unitholder and the current majority shareholder of the Project SPVs, including the projects currently owned by GRIL or which may be acquired or developed by GRIL or its existing or future subsidiaries. This access to future road assets of GRIL or its existing or future subsidiaries will be an important source of InvIT's growth in the future.

**Skilled and experienced management team with industry experience with a focus on corporate governance:** BHI will be managed by qualified personnel of the Investment Manager who has a strong management team with extensive experience, in-depth understanding, and a proven track record of performance in the road and highways sector. The management team has an average of more than 32 years of experience in various sectors including in the road and highways sector and brings expertise in the areas of



business strategy, operational and financial capabilities. The experience and leadership of these teams will contribute to its growth and success and will enable road assets to be operated and managed in an efficient manner.

**Consistent track record in operating and maintaining projects in the roads sector in India:** BHI intends to leverage the experience and expertise of its Sponsor, and its Associate NMHPL, to gain a competitive advantage within the road and highways industry. NMHPL is a road engineering, procurement, and construction company, with experience in design and construction of various road/highway projects and has over six years of experience in the execution of the projects. NMHPL has undertaken the development and augmentation of road projects, in the state of Rajasthan, by two-laning / intermediate laning on annuity basis, pursuant to a concession agreement dated March 3, 2017, entered with the Public Works Department, Rajasthan. The Sponsor has an established track record of assessing the roughness and balance life of road projects, which enables it to determine the appropriate maintenance activity to be undertaken on the road projects. The Sponsor will also act as the Project Manager of the InvIT.

## Investment Strategy and Risk and Capital Management Strategy

**Institute and maintain capital management policies:** The Investment Manager intends to pursue a strategy to maximise distributions to Unitholders while optimizing BHI's capital structure for it to retain enough flexibility to make acquisitions in the future. After utilizing the proceeds of the Issue, its total consolidated borrowings will not exceed 40.00% of the total value of its consolidated assets, in accordance with the SEBI InvIT Regulations.

**Active asset management:** BHI intends to continue to manage its assets through the services of the Project Manager and the Investment Manager. The Project Manager is responsible for providing the Project SPVs management-related services and routine O&M services pursuant to the provisions of the Project Management Agreement. The Project Manager will also assist in managing project operating expenses. The Project Manager will also coordinate with the NHAI and local authorities to make sure that the new requirements of such agencies, to the extent reasonable, are complied with within each project timeline. As part of its operations and maintenance systems and processes, the Investment Manager intends to work with the Project Manager to employ both preventive and corrective measures to optimise the long-term performance of each project, to minimize downtime or defects with respect to the InvIT Assets.

**Expand the portfolio of road assets:** The Investment Manager intends to expand BHI's initial portfolio by identifying and acquiring additional road projects that meet its investment objective in accordance with the provisions of the Amended and Restated Trust Deed. The Investment Manager will be selective with respect to new projects it acquires in the future and will rely on the relevant policies of the InvIT to make investment decisions in road projects. In addition, the Investment Manager believes that certain acquisition opportunities may be available in the industry. The Investment Manager intends to take advantage of these opportunities by sourcing and acquiring assets from such third parties on a case-by-case basis in accordance with the SEBI InvIT Regulations, the concessions and other road project related agreements and policies.

## Industry:

### Overview of the Indian Economy

As per 2023 estimates, India has surpassed China to become the most populous country in the world with a population of approximately 1,428.6 million as opposed to 1,425.7 million of China (excluding Hong Kong and Macao, Special Administrative Regions of China, and Taiwan Province of China) (Source: United Nations Population Fund). India's GDP grew at a CAGR of 5.7%, growing to ~₹160 trillion in Fiscal Year 2023 (Base 2011-12) from ₹87 trillion in Fiscal Year 2012 (Source: Ministry of Statistics and Programme Implementation, Government of India).

At approximately ₹160 trillion in Fiscal Year 2023, India's GDP (in absolute terms) was above the Fiscal Year 2022 level of approximately ₹149 trillion. Because of the COVID-19 pandemic, India's GDP had contracted in the first half of Fiscal Year 2021. However, the Indian economy rebounded in the second half of the Fiscal Year 2021. In Fiscal Year 2022, the Indian economy showed signs of recovery with the GDP growing at 9.1% (First Revise Estimate) and in Fiscal Year 2023, growing at 7.2% (Provisional Estimate). (Source: Ministry of Statistics and Programme Implementation, Government of India)

As per the World Economic Outlook Update, January 2024, global growth is projected at 3.1% in 2024 and 3.2% in 2025. Growth in India is projected to remain strong at 6.5% in both 2024 and 2025. The table given below sets forth a comparison between India's real GDP growth rate along with its expected real GDP growth rate for 2024 and 2025, as compared to advanced economies, emerging markets and developing economies and the world.



## Overview of the Infrastructure Sector in India

The development of the infrastructure sector has been a priority area for the Government and has witnessed enhanced public investment over the years. The infrastructure sector comprises roads, railways, power, ports, telecommunication, and civil aviation among others. The size and magnitude of major infrastructure development projects dictate substantial capital investment. Many reforms have been initiated in the infrastructure sector, resulting in robust growth. The Government has introduced policy reforms which resulted in a cumulative FDI equity inflow of \$32.08 billion in construction activities in infrastructure from Fiscal Year 2001 to six months ended September 30, 2023 (Source: Department for Promotion of Industry and Internal Trade, Ministry of Commerce and Industry).

In the Fiscal Year 2020, the Government focused on enhancing expenditure in the infrastructure sector and has planned to invest more than ₹100 trillion in the infrastructure sector in the next five years as part of the National Infrastructure Pipeline ("NIP") announced in December 2019 (Source: [www.pib.gov.in](http://www.pib.gov.in)). The Government launched the NIP with a forward-looking approach and with a projected infrastructure investment of around ₹111 trillion during Fiscal Years 2020 - 2025. The NIP currently has 8,964 projects with a total investment of more than ₹108 trillion under different stages of implementation. Out of the total capital outlay under the NIP, 55% are under implementation, 16% are at a conceptual stage and 29% are under development stage. Sectors such as commercial infrastructure, energy, social infrastructure and transport amount to 4.6%, 20.4%, 13.9% and 43.5% respectively out of the total capital outlay. (Source: Economic Survey 2022-2023, Ministry of Finance, Government of India)

## Overview of the Road Sector in India

India has the second largest road network in the world, spanning a total of 6.33 million km (Source: Annual Report 2022-23, Ministry of Road Transport and Highways, Government of India). This road network primarily comprises national highways, expressways, state highways, major district roads, other district roads and village roads. Road network in India can be classified into the following categories: National Highways constitute the primary system of road transportation in India, which facilitates medium and long-distance inter-city passenger and freight traffic across the country State Highways constitute the secondary system of road transportation in India, which facilitates the traffic across major centers within the states District Roads primarily link and provide accessibility within the districts and provide the secondary function of linkage between the highways and rural roads Rural Roads are a key component of rural development providing accessibility to the villages to meet their social needs as also act as the means to transport agriculture produce from village to nearby markets

Approximately 10,331 km of National Highways was constructed in 2022-2023. The length of the National Highways has increased by more than 58% from 91,287 km in April 2014 to around 144,955 km in FY23. As of November 2023, the length of the National Highways is ~1,46,145 Km. Pace of construction of roads increased from 28 km per day in Fiscal Year 2020 to 36.5 km per day in Fiscal Year 2021 and was around 28 km per day in Fiscal Year 2023. The significant upturn in road construction in Fiscal Year 2021 was due to the increase in public expenditure by 29.5 percent as compared to the previous year, which reflects the impetus given by the Government to the sector. Approximately 6,216 km of the National Highways was built from April 1, 2023 to December 31, 2023.

Road Construction in India



In the Union Budget for Fiscal Year 2024-25, a total of approximately ₹2.8 trillion have been budgeted for the MoRTH, which is 1% higher than the revised estimates for Fiscal Year 2023-24. Budget Allocation for MoRTH (in ₹ billion)

	Fiscal Year 2022-23 (Actual)	Fiscal Year 2023-24 (Revised estimate)	Fiscal Year 2024-25 (Budget estimate)	% change (Revised estimate over budget estimate)
Revenue Expenditure	111.0	118.3	57.6	(51%)
Capital Expenditure	2,059.9	2,645.3	2,722.4	3%
<b>Total</b>	<b>2,170.9</b>	<b>2,763.5</b>	<b>2,780.0</b>	<b>1%</b>

(Source: Demands for Grants, 2024-25, MoRTH)

## Development and Maintenance of Roads and Highways

The Government has taken several initiatives for development of roads and highways in India.

### Bharatmala Pariyojana

Bharatmala Pariyojana is an umbrella program for the highways sector that focuses on optimizing efficiency of freight and passenger movement across the country by bridging critical infrastructure gaps through interventions including development of economic corridors, inter corridors and feeder routes, national corridor efficiency improvement, border and international connectivity roads, coastal and port connectivity roads and green-field expressways. It envisages a corridor approach in place of the existing package-based approach which has, in many cases, resulted in skewed development. Bharatmala Pariyojana envisages development of about 26,000 km length of economic corridors, which along with Golden Quadrilateral and North-South and East-West Corridors are expected to carry majority of the freight traffic on roads. The scheme will include the existing NHDP programme as well. (Source: Annual Report 2022-23, MoRTH and BharatMala: Optimizing the Efficiency of Movement – Move towards New India Ensuring Ease of Living, MoRTH) The Government approved Phase-I of Bharatmala Pariyojana in October 2017 with an aggregate length of about 34,800 km (including the residual NHDP stretches of 10,000 km) at an estimated outlay of ~₹ 5.35 trillion. Phase- I will involve development of the following:

Scheme	Length (km)	Cost (in ₹ billion)
Economic Corridors	9,000	1,200
Inter-Corridors & feeder roads	6,000	800
National Corridor Efficiency improvement	5,000	1,000
Border & International connectivity roads	2,000	250
Coastal & port connectivity roads	2,000	200
Expressways	800	400
<b>Sub-total</b>	<b>24,800</b>	<b>3,850</b>
Ongoing Projects (incl. NHDP)	10,000	1,500
<b>Total</b>	<b>34,800</b>	<b>5,350</b>

Source: MoRTH

### Key Concerns

- The InvIT is a newly settled trust and does not have an established operating history, which will make it difficult to accurately assess its future growth prospects.
- Consummation of the Formation Transactions pursuant to which BHI will acquire the Project SPVs is subject to certain conditions.
- Failure and inability to identify and acquire new infrastructure assets that generate comparable revenue, profits or cash flows may have an adverse effect on the business, financial condition, cash flows and results of operations and its ability to make distributions.
- All of revenue from InvIT Assets is dependent on receiving consistent annuity income from NHAI.
- If any of InvIT Assets are terminated prematurely, BHI may not receive payments due to its which may result in a material adverse effect on its financial condition.
- If BHI fails to maintain the roads constructed by it pursuant to and as per the relevant contractual requirements, it may be subject to penalties or even termination of its contracts, which may have a material adverse effect on its reputation, business, financial condition, results of operations and cash flows.



- BHI may be subject to an increase in costs, including O&M costs, which it cannot recover by increasing annuity income under the relevant Concession Agreement.
- There are risks associated with the potential acquisition of the ROFO Assets by the InvIT pursuant to the ROFO Agreement
- BHI may face limitations and risks associated with debt financing, refinancing and restrictions on investment, which may adversely affect its operations and its ability to make distributions to Unitholders.
- The acquisition by the InvIT of the Project SPVs from GRIL may be subject to certain risks, which may result in damages and losses, and conditions that may prevent the InvIT from acquiring the Project SPVs, operating, and maintaining the InvIT Assets or providing debt financing to them.
- BHI's Project SPVs are subject to restrictive covenants under their financing agreements that could limit its flexibility in managing its business or to use cash or other assets. Any default under the existing financing arrangements by any of the Project SPVs could adversely impact the InvIT's ability to continue to own a majority of each of the Project SPVs, its cash flows, and its ability to make distributions to Unitholders.
- BHI's insurance policies may not provide adequate protection against all possible risks associated with its operations.
- Certain of the Project SPVs, certain of the Associates of the Investment Manager and the Trustee are involved in certain legal and other proceedings, which may not be decided in their favour.
- BHI will depend on various third parties to undertake certain activities in relation to the operation and maintenance of the InvIT Assets and any delay, default, or unsatisfactory performance by these third parties could materially and adversely affect its ability to effectively operate or maintain the InvIT Assets.
- It 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.
- BHI may be unable to renew or maintain the statutory and regulatory permits and approvals required to operate the InvIT Assets which may have an adverse effect on the business, results of operation and financial condition.
- The Project SPVs' financing agreements entail interest at floating rates, and any increases in interest rates may adversely affect the results of operations, financial condition, and cash flows.
- As a proposed shareholder of the Project SPVs, the InvIT'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 Project SPVs.
- BHI's actual results may be materially different from the expectations expressed or implied in the Projections of Revenue from Operations and Cash Flow from Operating Activities to this Offer Document and are inherently uncertain and subject to significant business, economic, financial, regulatory, and competitive risks and uncertainties that could cause actual results to differ materially from those projected.
- The InvIT and the Project SPVs have entered certain related party transactions and expect to continue to enter into related party transactions and there can be no assurance that such transactions will not have an adverse effect on its results of operations, cash flows and financial condition.
- Changes in the policies adopted by governmental entities or in the relationships of the InvIT and the Project SPVs with the Government of India or state governments could adversely affect the business, financial performance, cash flows and results of operations.
- The results of operations of the Project SPVs could be adversely affected by strikes, work stoppages or increased wage demands by its employees and sub-contractors.
- The ability of the InvIT to make or maintain consistency in distributions to Unitholders depends on the financial performance of the Project SPVs and their profitability.



- The Project SPVs' concessions are illiquid in nature, which may make it difficult for the InvIT to realize, sell or dispose of its non-performing assets.
- BHI will assume liabilities in relation to the InvIT Assets and Project SPVs and these liabilities, if realised, may adversely affect the results of operations, cash flows, the trading price of the Units and its profitability and ability to make distributions.
- BHI depend on the Investment Manager, the Project Manager and the Trustee to manage its business and InvIT 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 interests of GRIL, which is an associate of the Investment Manager and seller of the Project SPVs and ROFO Assets, may conflict with the interests of the InvIT in the future.
- The InvIT may be dissolved, and the proceeds from the dissolution thereof may be less than the amount invested by the Unitholders.
- The interpretation and enforcement of the regulatory framework governing infrastructure investment trusts in India is untested and is still evolving, which may have an adverse effect on the business, financial condition and results of operations and its ability to make distributions to Unitholders.
- Any payment by the Project SPVs, including in an event of termination of the relevant Concession Agreement, is subject to a mandatory escrow arrangement which restricts their flexibility to utilize the available funds.
- Depend on certain directors and key employees of the Investment Manager, the Project Manager and the Project SPVs, and such entities may be unable to retain such personnel or to replace them with similarly qualified personnel, which could have a material, adverse effect on the business, financial condition, cash flows, results of operations and prospects of the InvIT and the Project SPVs.
- The Investment Manager has limited experience and may not be able to implement its capital and risk management strategies.
- Parties to the InvIT are required to maintain the eligibility conditions specified under Regulation 4 of the SEBI InvIT Regulations on an ongoing basis. The InvIT may not be able to ensure such ongoing compliance by the Sponsor/ Project Manager, the Investment Manager and the Trustee, which could result in the cancellation of the registration of the InvIT.
- The Investment Manager is required to comply with certain ongoing reporting and management obligations in relation to the InvIT. BHI cannot assure that the Investment Manager will be able to comply with such requirements.
- Global spread of the COVID-19 or any future pandemic or widespread public health emergency, could adversely affect the business, results of operations, cash flows and financial conditions.
- The sale or possible sale of a substantial number of Units by the Sponsor in the public market following the lapse of its lock-in requirement as prescribed under the SEBI InvIT Regulations could adversely affect the price of the Units.
- BHI may not be able to make distributions to Unitholders or the level of distributions may fall.
- BHI's rights and the rights of the Unitholders to recover claims against the Investment Manager or the Trustee are limited.
- Business is dependent on economic growth in India and financial stability in Indian markets, and any slowdown in the Indian economy or in Indian financial markets could have an adverse effect on the business.
- Fluctuations in the exchange rate of the Indian Rupee with respect to the U.S. Dollar or other currencies will affect the foreign currency equivalent of the value of the Units and any distributions.
- If inflation rises in India, increased costs may result in a decline in profits.





- Changes in legislation or the rules relating to tax regimes could adversely affect the business, prospects, cash flows and results of operations.
- Investors may be subject to Indian taxes arising out of capital gains on the sale of Units and on any dividend or interest component of any returns from the Units.

## Financials (Special Purpose Combined Statement)

### Profit & Loss

Particulars (Rs in million)	H1FY24	FY23	FY22	FY21
<b>Income</b>				
Revenue from operations	3,680.7	15,094.9	15,857.0	21,539.7
Interest on deposits with banks	173.9	225.8	104.8	36.6
Interest from vendor advance and income tax refund	19.9	34.8	40.0	124.7
Other income	10.9	19.2	0.0	3.0
<b>Total income</b>	<b>3,885.4</b>	<b>15,374.7</b>	<b>16,001.8</b>	<b>21,703.9</b>
<b>Expenses</b>				
Sub - contractor charges	372.8	4,118.7	11,381.6	16,365.8
Employee benefits expense	2.1	3.8	3.9	4.6
Finance costs	2,007.9	3,758.6	3,440.9	2,648.6
Other expenses	147.0	283.8	332.3	341.8
<b>Total expenses</b>	<b>2,529.7</b>	<b>8,164.9</b>	<b>15,158.6</b>	<b>19,360.7</b>
<b>Profit before tax</b>	<b>1,355.7</b>	<b>7,209.8</b>	<b>843.2</b>	<b>2,343.2</b>
<b>Tax expense</b>				
Current tax	304.3	208.2	1.8	0.0
Adjustment of tax related to earlier year (net)	0.0	0.0	0.0	-202.8
Deferred tax charges	37.9	1,731.2	212.7	1,051.5
<b>Total tax expenses</b>	<b>342.2</b>	<b>1,939.4</b>	<b>214.5</b>	<b>848.8</b>
<b>Net profit for the period/year</b>	<b>1,013.5</b>	<b>5,270.5</b>	<b>628.7</b>	<b>1,494.5</b>

### Balance Sheet

Particulars (Rs in million) As at	H1FY24	FY23	FY22	FY21
<b>Non-current assets</b>				
Contract assets	0.0	0.0	2,295.3	6,924.6
Financial assets				
<i>Receivable under service concession agreements</i>	45,454.2	46,801.7	38,321.4	26,766.4
<i>Other financial assets</i>	213.3	240.1	9.5	8.5
Income tax assets (net)	680.2	879.8	870.2	534.4
Other non-current assets	728.1	1,601.7	3,258.1	3,996.4
<b>Total Non-Current Assets</b>	<b>47,075.8</b>	<b>49,523.3</b>	<b>44,754.5</b>	<b>38,230.3</b>
<b>Current assets</b>				
Contract assets	0.0	0.0	1,349.8	4,107.4
Financial assets				
<i>Investments</i>	241.1	352.4	0.0	0.0
<i>Trade receivables</i>	77.7	78.3	226.8	347.0
<i>Cash and cash equivalents</i>	397.2	612.6	2,113.7	1,343.3
<i>Bank balances other than (iii) above</i>	3,425.1	3,671.3	2,895.1	1,380.9
<i>Receivable under service concession agreements</i>	3,643.2	3,425.3	2,491.2	2,640.1
<i>Other financial assets</i>	1,900.2	569.7	158.0	14.5
Other current assets	2,407.7	2,329.9	1,374.8	1,376.1
<b>Total Current Assets</b>	<b>12,092.1</b>	<b>11,039.5</b>	<b>10,609.4</b>	<b>11,209.2</b>
<b>Total Assets</b>	<b>59,168.0</b>	<b>60,562.8</b>	<b>55,364.0</b>	<b>49,439.5</b>
<b>Equity and liabilities</b>				
<b>Equity</b>				
Capital	1,877.9	1,877.9	1,877.9	1,877.9
Other equity	10,308.1	9,294.6	4,024.1	3,395.5
<b>Total Equity</b>	<b>12,186.0</b>	<b>11,172.5</b>	<b>5,902.0</b>	<b>5,273.4</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
Financial liabilities				



<b>Borrowings</b>	39,637.9	42,970.9	44,337.7	35,587.7
<b>Deferred tax liabilities (net)</b>	3,242.2	3,204.3	1,473.1	1,260.5
<b>Total Non-Current Liabilities</b>	<b>42,880.1</b>	<b>46,175.2</b>	<b>45,810.8</b>	<b>36,848.1</b>
<b>Current liabilities</b>				
Contract liabilities	0.0	0.0	64.5	577.3
Financial liabilities				
<b>Borrowings</b>	3,745.2	2,859.0	2,454.9	1,516.7
<b>Trade payables</b>				
Total outstanding dues of micro enterprises and small enterprises	0.2	0.3	0.4	0.2
Total outstanding dues of creditors other than micro and small enterprises	345.7	274.3	1,039.7	5,139.1
Other financial liabilities	0.4	0.3	0.3	0.4
Other current liabilities	7.7	81.2	91.2	84.4
Current tax liabilities (net)	2.6	0.0	0.0	0.0
<b>Total Current Liabilities</b>	<b>4,101.9</b>	<b>3,215.1</b>	<b>3,651.1</b>	<b>7,318.0</b>
<b>Total Liabilities</b>	<b>46,982.0</b>	<b>49,390.3</b>	<b>49,461.9</b>	<b>44,166.1</b>
<b>Total Equity and Liabilities</b>	<b>59,168.0</b>	<b>60,562.8</b>	<b>55,364.0</b>	<b>49,439.5</b>

Source: RHP

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HDFC securities Limited, I Think Techno Campus, Building - B, "Alpha", Office Floor 8, Near Kanjurmarg Station, Opp. Crompton Greaves, Kanjurmarg (East), Mumbai 400 042 Phone: (022) 3075 3400 Fax: (022) 2496 5066

**Compliance Officer: Murli V Karkera Email: [complianceofficer@hdfcsec.com](mailto:complianceofficer@hdfcsec.com) Phone: (022) 3045 3600**

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