

BORROWING POLICY OF THE BHARAT HIGHWAYS INVIT

1. Preamble

The amended and restated trust deed dated October 31, 2023 entered into between G R Infraprojects Limited (acting as the settlor), Aadharshila Infratech Private Limited (the “**Sponsor**”) and IDBI Trusteeship Services Limited (the “**Trustee**”) in relation to the Bharat Highways InvIT (the “**InvIT**”) empowers the Trustee to, on behalf of the InvIT, borrow monies for the InvIT or any of its existing or future Project SPVs subject to applicable law and restrictions under the InvIT Regulations, and offer such security as it may deem fit, for the purpose of availing such borrowings. Further, pursuant to the investment management agreement dated July 21, 2022, the Trustee has empowered GR Highways Investment Manager Private Limited (the “**Investment Manager**”) to, amongst others, borrow monies for the InvIT or any of its existing or future Project SPVs, subject to applicable law (including the requirement to procure approvals from the Unitholders in accordance with the InvIT Regulations), including in order to meet any liabilities, for undertaking any investments/ acquisitions or meet any obligations of the InvIT.

Accordingly, the Investment Manager has formulated this Policy (as defined below) to outline the process for borrowing monies in relation to the InvIT.

2. Definitions

- (i) “**InvIT Regulations**” means the 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.
- (ii) “**Policy**” shall mean this borrowing policy of the InvIT.
- (iii) “**Project SPV**” has the meaning ascribed to such term in the InvIT Regulations or otherwise as permitted by SEBI.
- (iv) “**Unitholders**” mean the unitholders of the InvIT.

3. Interpretation

- (i) Capitalised terms used, but not defined herein, shall have the meaning ascribed to such term under the amended and restated trust deed dated October 31, 2023 between G R Infraprojects Limited (acting as the settlor), the Sponsor and the Trustee (“**Trust Deed**”) and other InvIT Documents (as defined in the Trust Deed), as the case may be.
- (ii) In case of any inconsistency between the terms of the Trust Deed and this Policy, the terms of the Trust Deed shall prevail.

4. Policy

- (i) The Investment Manager shall ensure that all funds borrowed in relation to the InvIT are in compliance with the InvIT Regulations.
- (ii) Subject to the InvIT Regulations and the InvIT Documents, the aggregate consolidated borrowings and deferred payments of the InvIT, and the Project SPV, net of cash and cash equivalents shall not exceed 70.00% of the value of the InvIT assets.
- (iii) If the aggregate consolidated borrowings and deferred payments of the InvIT, and the Project SPV, net of cash and cash equivalents exceed 25.00% of the value of the InvIT assets, for any further borrowing:
 - (a) credit rating shall be obtained from a credit rating agency registered with the SEBI; and

- (b) approval of Unitholders shall be obtained in the manner as specified in the InvIT Regulations.
- (iv) If the conditions specified in SEBI InvIT Regulations are breached on account of market movements of the price of the underlying assets or securities, the Investment Manager shall inform the same to the Trustee and ensure that the conditions are satisfied within six months of such breach.
 - (v) The InvIT may raise debt and avail borrowings and deferred payments from time to time, including through issuance of debt securities and availing loans from banks and financial institutions in accordance with applicable law (including the InvIT Regulations). The InvIT may issue debt securities in the manner specified by the SEBI, and in accordance with applicable law. In the event the aggregate consolidated borrowings and deferred payments (net of cash and cash equivalents) of the InvIT, any holding company and the Project SPVs, exceed any thresholds prescribed under the InvIT Regulations in this regard, any further borrowings by the InvIT shall be availed in accordance with the requirements prescribed under the InvIT Regulations, including any approval from Unitholders under Regulation 22 of the InvIT Regulations.
 - (vi) The Investment Manager shall ensure that if the value of funds borrowed from related parties in a financial year, exceeds 5% of the total consolidated borrowings of the InvIT, any holding company and the Project SPV, approval from the Unitholders shall be obtained prior to entering into any such subsequent transaction with any related party, in accordance with Regulation 22 of the InvIT Regulations.
 - (vii) For the purposes of this Policy and in accordance with the InvIT Regulations, investments by the InvIT in overnight mutual funds, characterized by their investments in overnight securities, having maturity of one day, shall be considered as cash and cash equivalents. Further, in accordance with the InvIT Regulations, the amount of cash and cash equivalents shall be excluded from the value of the assets of the InvIT.
 - (viii) The InvIT shall be permitted to borrow monies through any permitted means, by any instrument, in Indian or foreign currency, as permitted by applicable law, including as prescribed by the Reserve Bank of India. The Investment Manager and the Trustee (both on behalf of the InvIT) shall be permitted to borrow monies in relation to the InvIT, subject to the approval of its board of directors and such other committee of the board of directors of the Investment Manager as may be constituted in this regard.
 - (ix) The InvIT also has the power to create, mortgage or secure any of its assets or provide guarantees in order to borrow funds. However, the Investment Manager shall not be allowed to create any obligation which would allow the liabilities to extend beyond the assets held by the InvIT.
 - (x) In addition to the above, any borrowing by any holding company or the Project SPV, incorporated under the Companies Act, 1956 or the Companies Act, 2013, will be in accordance with the conditions prescribed therein.
 - (xi) Any variation of this Policy shall be only with the approval of the Unitholders of the InvIT and in accordance with the InvIT Regulations.
 - (xii) In case of any discrepancy, the provisions of applicable law shall prevail over the provisions of this Policy. Notwithstanding the above, this Policy will stand amended to the extent of any change in applicable law, including any amendment to the InvIT Regulations, without any action from the Investment Manager or approval of the Unitholders of the InvIT.

5. Disclosure and Reporting

- (i) The Investment Manager shall disclose to the designated stock exchange(s) any additional borrowing, at level of Project SPV or the InvIT, as per the requirements prescribed under the InvIT Regulations.

- (ii) Details of changes during the year pertaining to borrowings or repayment of borrowings (standalone and consolidated) shall be disclosed in the annual report of the InvIT as per the requirements prescribed under the InvIT Regulations.
- (iii) Details of outstanding borrowings and deferred payments of InvIT including any credit rating(s), debt maturity profile, gearing ratios of the InvIT on a consolidated and standalone basis shall be disclosed in the annual report of the InvIT as per the requirements prescribed under the InvIT Regulations.

Adopted by the board of directors of the Investment Manager on behalf of Bharat Highways InvIT.

Certified True Copy

Authorised Signatory

Name: Mohnish Dutta

Designation: Company Secretary