

POLICY ON RELATED PARTY TRANSACTIONS OF BHARAT HIGHWAYS INVIT

1. Preamble

The board of directors of GR Highways Investment Manager Private Limited (the “**Board**”), the investment manager to Bharat Highways InvIT (the “**Investment Manager**”), has adopted the following policy and procedures (the “**Policy**”) with respect to related party transactions of the InvIT (as defined below) and conflict of interest situations. The Board may amend the Policy from time to time, subject to applicable law.

The Policy is adopted to regulate the transactions of the Bharat Highways InvIT (the “**InvIT**”) with its Related Parties (*as defined below*), based on the laws and regulations applicable to the InvIT and best practices.

2. Objectives

The objective of the Policy is to ensure proper approval, supervision and reporting of the transactions between the InvIT and its Related Parties.

3. Definitions

- (i). “**Act**” means the Companies Act, 2013, as amended.
- (ii). “**Associate**” of any person shall have the meaning ascribed to such term under the InvIT Regulations.
- (iii). “**Audit Committee**” means the audit committee constituted by the Board pursuant to Section 177 of the Act.
- (iv). “**Director**” means a director on the board of directors of the Investment Manager.
- (v). “**Investment Manager**” means GR Highways Investment Manager Private Limited, the investment manager of the InvIT.
- (vi). “**Project Manager**” means such company appointed as the project manager of the InvIT.
- (vii). “**SPV**” shall have the meaning ascribed to such term in the InvIT Regulations.
- (viii). “**Related Party of the InvIT**”/ “**Related Parties**” shall be defined under the Companies Act, 2013, as amended, and shall also include (i) the Sponsor, the Investment Manager, the Project Manager and the Trustee; (ii) any promoters, directors or partners of persons mentioned in clause (i) above; and (iii) all parties covered under the applicable accounting standards, namely Ind-AS 24 ‘*Related Party Disclosures*’.
- (ix). “**Related Party Transactions**” shall mean any transactions between the InvIT and any Related Party of the InvIT. Further, any transaction between the InvIT and one or more infrastructure investment trusts having a common investment manager or sponsor, or a transaction where any of the Investment Manager or the Sponsor is an Associate of the investment manager or sponsor of the other infrastructure investment trust(s), shall be deemed to be related party transactions for such parties.
- (x). “**Settlor**” means a person who has established a trust by transferring funds to initial corpus of the trust, in present case, the G R Infraprojects Limited.
- (xi). “**Sponsor**” shall mean Sponsor of the InvIT, in accordance with the SEBI (Infrastructure Investments Trust) Regulations, 2014
- (xii). “**Trustee**” means IDBI Trusteeship Services Limited, the trustee to the InvIT.

- (xiii). “Unit” shall mean an undivided beneficial interest of the InvIT, and such Units together represent the entire beneficial interest of the InvIT.
- (xiv). “Unitholder” means any person who owns Units of the InvIT.

4. 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 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.

5. Policy

- (i). In accordance with the InvIT Regulations, the Investment Manager will ensure that all future Related Party Transactions shall be:
 - (a). on an arm’s length basis;
 - (b). in accordance with the relevant accounting standards;
 - (c). in the best interest of the Unitholders;
 - (d). consistent with the strategy and investment objectives of the InvIT; and
 - (e). compliant with applicable law.
- (ii). Review and approval of Related Party Transactions:
 - (a). Each transaction which is identified as a Related Party Transaction shall be pre-approved by the Audit Committee prior to entering into such transaction, (b) The Audit Committee shall grant omnibus approval for Related Party Transactions. Each such omnibus approval shall be valid for a period not exceeding one year from the date of such approval, and Related Party Transactions undertaken after the expiry of such period shall require fresh approval of the Audit Committee. The Audit Committee shall review, on a quarterly basis, the details of Related Party Transactions entered into by the InvIT pursuant to the omnibus approval.
- (iii). The Investment Manager will establish an internal control system so as to ensure that all future Related Party Transactions are compliant with the InvIT Regulations and applicable accounting standards. Further, the Investment Manager shall convene meetings of the Unitholders in accordance with Regulation 22 of the InvIT Regulations, and maintain records pertaining to such meetings in the manner prescribed. The Investment Manager shall also ensure compliance with any additional guidelines issued in this regard by Securities and Exchange Board of India and other relevant regulatory, statutory or governmental authorities from time to time.
- (iv). In addition to any other requirement that may be prescribed in terms of the InvIT Regulations or other applicable laws, all Related Party Transactions to be entered into in the future will be decided by the Board after the examination of the nature of the transaction and its supporting documents, as available, or such other data as may be deemed necessary by the Board.
- (v). The Investment Manager will ensure that if the (i) 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 SPVs, or any other threshold prescribed by the InvIT

Regulations, or (ii) total value of all the Related Party Transactions in a financial year pertaining to acquisition or sale of assets, whether directly or through a holding company or SPV, or investments into securities, exceeds 5% of the value of the assets of the InvIT or any other threshold prescribed by the InvIT Regulations, 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.

- (vi). As a general rule, the Investment Manager must demonstrate to the Board that future Related Party Transactions satisfy the criteria set out in Paragraph 5(i) at the time of recommending the same for the approval of the Board.
- (vii). The Investment Manager will maintain a register to record all Related Party Transactions entered into by the InvIT and the basis on which they are entered into.
- (viii). The review of Related Party Transactions by the Board will include the examination of the nature of the transaction and its supporting documents or such other data as may be deemed necessary by the Board.
- (ix). The Investment Manager shall ensure that all the incomes and expenses from Related Party Transactions have arisen from legitimate business transactions.
- (x). While considering a Related Party Transaction, any director on the Board who has a potential interest in any Related Party Transaction will recuse himself or herself and abstain from discussion, review and voting on the Related Party Transaction.

6. Potential Conflict of Interest

- (i). Subject to applicable law and this Policy, all resolutions in writing of the Board in relation to matters concerning related party transactions of the InvIT must be approved by a majority of the Directors.
- (ii). Where matters concerning the InvIT relate to transactions entered into or to be entered into by the Investment Manager for and on behalf of InvIT with a Related Party, the Board is required to consider the terms of the transactions to satisfy itself that the transactions are conducted in accordance with the parameters set out in paragraph D(i).

7. Disclosure and Reporting

Related Party Transactions shall be disclosed to the stock exchanges and the Unitholders periodically, in accordance with the InvIT Regulations and the agreements to be entered into with the stock exchanges in relation to the listing of the Units.

- 8. 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.

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