

To,  
The Head Operations  
**CATALYST TRUSTEESHIP LIMITED**  
Windsor, 6th Floor, Office No. 604,  
C.S.T. Road, Kalina, Santacruz (East),  
Mumbai – 400098

Dear Sir,

**Ref No. CTL/Compliance/Quarterly/2022-23/240**

**Sub: Statutory Quarterly Compliance Report in the matter of Debentures Issued by Highways Infrastructure Trust ("Trust/HIT").**

We refer to the various disclosure requirements provided under Debenture Trust Deed and pursuant to SEBI (Issue and Listing of Non-convertible Securities) 2021, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI (Debenture Trustee) Regulations 1993, as amended from time to time. In compliance with the same, we hereby certifying and furnishing the following information for the quarter ended March 31, 2023: -

**Part I: Information to Debenture Trustee:**

Sl. No.	Particulars	Annexures	Remarks
1	Updated list of the names and addresses of the Debenture Holders (as recorded in the Beneficiary Position statement i.e. "BENPOS") separately under each CL / ISIN;	1	<b>Refer Annexure</b>
2	Details of interest and principal due but unpaid and reasons thereof	2	The Interest/Principal amount has paid timely.  <b>Refer Annexure</b>
3	The number and nature of grievances, received from the debenture holders and (a) number of grievances resolved by the Company (b) grievances unresolved by the Company and the reasons for the same	3	<b>Refer Annexure</b>
4	<b>Security Cover Certificate:</b> A statement that the assets of the Company, which are available by way of security are sufficient to discharge the claims of the debenture holders as and when they become due and that such assets are free from any other encumbrances except those which are specifically agreed to by the charge holders.	4	<b>Refer Annexure</b>

	Said Statement to be duly signed by key managerial personnel viz., Managing Director /Whole Time Director / CEO / CS / PCA / CFO / CA of the Company and Statutory Auditor as per <b>format specified in Annexure I of SEBI circular dated 19.05.2022.</b> (Ref. SH-12 & SEBI LODR) Further, listed entity shall furnish the compliance status with respect to financial covenants of the listed debt security certified by statutory auditor on quarterly basis.		
5	A Half-Yearly certificate regarding maintenance of hundred percent Security Cover or higher security cover as per the terms of offer document/ Information Memorandum and/or Debenture Trust Deed, including compliance with all the covenants, in respect of listed non-convertible debt securities, <b>by the statutory auditor</b> , along with the financial results, in the manner and format as specified by the Board (Format as per SEBI circular dated May 19, 2022) <b>Applicable for Half year ending on September &amp; March)</b>		
6	A copy of the financial results submitted to stock exchanges shall also be provided to Debenture Trustees on the same day the information is submitted to stock exchanges <b>as per Regulation 52 (1) of SEBI (LODR) Regulation, 2015</b> and financial results submitted to stock exchanges shall disclose items <b>as per Regulation 52 (4) of SEBI (LODR) Regulation, 2015.</b>	5	<b>Refer Annexure</b>
7	Details of Debenture Redemption Reserve/Debenture Redemption/ maintenance of funds as per Companies (Share Capital and Debentures) Rules, 2014 (in case not applicable, please mention reason for the same.		Highways Infrastructure Trust which is registered as an infrastructure investment trust under the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended ("SEBI InvIT Regulations") on December 23, 2021 having registration number IN/InvIT/21-22/0019), being a SEBI Registered InvIT Trust, maintenance of adequate Debenture Redemption

			Reserve ("DRR") for the Debt Securities is not applicable.
8	Details of Recovery Expense Fund	6	<b>Refer Annexure</b>
9	Details of Accounts/ funds to be maintained in case of Municipal Debt Securities, if applicable	-	Not Applicable
10	<b>Utilization of issue proceeds of non-convertible securities</b>  i. Copy of statement indicating the utilization of issue proceeds of non-convertible securities, which shall be continued to be given till such time the issue proceeds have been fully utilised or the purpose for which these proceeds were raised has been achieved submitted to the stock exchange within forty-five days from the end of every quarter as per granular disclosure as to object of issue in Placement Memorandum/Shelf Placement Memorandum/Offer Document. (As per Regulation 52(7) of SEBI (LODR) Regulation, 2015. ii. A report from the lead bank regarding progress of the project; (If applicable) iii. A certificate from the Company's Statutory Auditor (annual). (In case not applicable, reason may be mentioned) a) In respect of utilization of funds during the implementation period of the project and b) In the case of debentures issued for financing working capital, at the end of each accounting year.	7	i) Statement of utilisation of issue proceeds has submitted of quarter ended March 31, 2023 is submitted with Stock Exchange, <b>Refer Annexure</b>  ii) Not applicable  iii) Proceeds have been fully utilised; hence the certificate is not applicable
11	In case of any material deviation in the use of proceeds as compared to the objects of the issue, the same shall be indicated in the format as specified by the Board.	Refer declaration. Annexure 8	No material deviation in the use of proceeds as compared to the objects of the issue.

12	Details of any significant change in composition of Board of Directors, if any, which may amount to change in control as defined in SEBI (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (as amended from time to time), Changes if any to be disclosed along with copies of intimation made to the stock exchanges;		No significant change in composition of Board of Directors for the quarter ended March 31, 2023.
13	Details of any amalgamation, demerger, merger or corporate restructuring or reconstruction scheme proposed by the Company;		Not Applicable
14	Details of change, if any, in the nature and conduct of the business by the Company;		Not Applicable
15	Proposals, if any placed before the Board of Directors for seeking alteration in the form or nature or rights or privileges of the Debentures or in the due dates on which interest or redemption are payable, if any;		Not Applicable
16	Outstanding litigations, orders, directions, notices, of court/tribunal affecting, or likely to materially affect the interests of the Debenture Holders or the assets, mortgaged and charged under security creation documents, if any;	9	Refer Annexure
17	Compliance of all covenants of the issue (including side letters, accelerated payment clause, etc.) and status thereof.	Refer Annexure 4	CA Certificate will be confirming on the compliance of all the covenants along with the Half-Yearly certificate regarding maintenance of hundred percent Security Cover. <b>Refer Annexure 4:</b> CA certificate.
18	A Statement confirming that there are no events or information or happenings which may have a bearing on the performance/operation of the Company, or there is no price sensitive information or any action as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 that may affect the payment of interest or redemption of the Debentures.		No Material events
19	Details of Fraud/defaults by promoter or key managerial personnel or by Issuer Company or arrest of key managerial personnel or promoter, if any;		Not Applicable
20	Details of requisite / pending (if any) information / documents indicated as conditions		Not Applicable



	precedent/subsequent in debenture document/s in respect of your NCD.		
21	A Certificate confirming that the properties secured for the Debentures are adequately insured and policies are in the joint names of the Trustees; (wherever applicable copy of the Insurance Policies duly endorsed in favor of the Debenture Trustee as 'Loss Payee'), <b>(If applicable)</b> .		Confirmed
22	Change in Credit rating for each ISIN if any	10	<b>Refer Annexure</b>
23	A statement confirming that Company has complied with the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, the listing agreement with stock exchange, trust deed and all other regulations issued by SEBI pertaining to debt issue from time to time		Complied
24	If there is any change in the provided bank details same are required to be shared within working day as specified in the SEBI Operational circular dated 10.08.2021 bearing reference no SEBI/HO/DDHS/P/CIR/2021/613 (if same is not provided please share at earliest)		No Change
25	The 'High Value Debt Listed Entities' which has listed its non-convertible debt securities and has an outstanding value of listed non-convertible debt securities of Rupees Five Hundred Crore and above (provided that in case an entity that has listed its non-convertible debt securities triggers the specified threshold of Rupees Five Hundred Crore during the course of the year), shall ensure compliance with the provisions outlined under Regulations 16 to 27.	11	Complied. In accordance with the provisions of the Securities and Exchange Board of India (Infrastructure Investment Trusts) (Amendment) Regulations, 2023 dated February 14, 2023, the provisions contained in sub-regulations (2), (4), (5), (9) and (10) of regulation 17 and regulations 18, 19, 20, 21, 26 and sub-regulation (1), (2), (2A), (3), (4), (5), (7),(8), (9), (10) and (11) of regulation 25 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 are applicable to InvIT Trust.

26	<p>The listed entity shall submit the following to the stock exchange and to the Debenture Trustee and also publish the same on Companies website: (For applicable Quarter)</p> <p>a. A copy of the annual report sent to the shareholders along with the notice of the annual general meeting not later than the date of commencement of dispatch to its shareholders; and</p> <p>b. In the event of any changes to the annual report, the revised copy along with the details and explanation for the changes not later than 48 hours after the annual general meeting.</p>		<p>The Annual Report for the FY 2022-23 shall be submitted to the stock exchange and to the Debenture Trustee and also publish the same on Company's website on or before June, 2023 as stipulated under InvIT regulation .</p>
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## Part II: Confirmation about the Information to be submitted to the Debenture holders (Regulation 58)

1	<p>The Listed entity shall send the following documents:</p> <p>a) Soft copies of the full annual reports to all the holders of non-convertible securities who have registered their email address(es) either with the listed entity or with any depository;</p> <p>b) Hard copy of statement containing the salient features of all the documents, as specified in Section 136 of Companies Act, 2013 and rules made thereunder to those holders of non-convertible securities who have not so registered;</p> <p>c) Hard copies of full annual reports to those holders of non-convertible securities who request for the same.</p>		<p>The Annual Report for the FY 2022-23 shall be submitted to the stock exchange and to the Debenture Trustee and also publish the same on Company's website on or before June, 2023 as stipulated under InvIT regulation .</p>
2	<p>The listed entity shall send the notice of all meetings of holders of non-convertible debt securities specifically stating that the provisions for appointment of proxy as mentioned in Section 105 of the Companies Act, 2013, shall be applicable for such meeting;</p>		<p>No meeting of holders of non-convertible debt securities convened during the quarter ended March 31, 2023.</p>
3	<p>The listed entity shall send proxy forms to holders of non-convertible debt securities which shall be worded in such a manner that holders of these securities may vote either for or against each resolution.</p>		<p>Not Applicable</p>

For **Highway Concessions One Private Limited**

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

**Kunjal Shah**

**Company Secretary & Compliance officer**

**Place: Mumbai**

**Date: May 23, 2023**

HIGHWAYS INFRASTRUCTURE TRUST SR II 8.25 NCD 22SP29 FVRS10LAC

I S I N : INE0KXY07026

Page : 1

MEMBER'S INDEX OF NSDL/CDSL BENIFICIARY OWNERS AS ON : 31/03/2023

-----  
SRL DP ID / CLIENT ID    SECURITIES    BENIFICIARY OWNER NAME  
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1 IN301330 20015622        2500 INDIA INFRASTRUCTURE FINANCE COMPANY LIMITED  
INDIA INFRASTRUCTURE FINANCE COMPANY  
5TH FLOOR NBCC TOWER OFFICE BLOCK 2  
PLATE A&B EAST KIDWAI NAGAR  
NEW DELHI  
110023  
TELE:1123730270 FAX:1123766256  
PANGIR1:AABCI4645K

=====  
Total Securities -->        2500  
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HIGHWAYS INFRASTRUCTURE TRUST SR I 7.71 NCD 22DC25 FVRS10LAC  
I S I N : INE0KXY07018 Page : 1  
MEMBER'S INDEX OF NSDL/CDSL BENIFICIARY OWNERS AS ON : 31/03/2023

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SRL DP ID / CLIENT ID SECURITIES BENIFICIARY OWNER NAME  
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1 IN300167 10031992 1750 NIPPON LIFE INDIA TRUSTEE LTD-A/C NIPPON INDI  
A LOW DURATION FUND  
DEUTSCHE BANK AG  
DB HOUSE, HAZARIMAL SOMANI MARG  
POST BOX NO. 1142, FORT  
MUMBAI  
400055  
TELE:022 - 6670 3000 FAX:022 - 6670 3901  
PANGIR1:AAATR0090B

2 IN303786 10006360 1750 SBI CORPORATE BOND FUND  
SBI SG GLOBAL SECURITIES SERVICES PL  
JEEVAN SEVA ANNEXE BUILDING  
GR FLOOR, S V ROAD  
SANTACRUZ WEST, MUMBAI  
400054  
TELE:91 22 4206 6166/6203 FAX:91 22 4206 6275  
PANGIR1:AABTS6407Q

3 IN301348 20000065 500 ICICI BANK LTD  
TREASURY MIDDLE OFFICE GROUP  
2ND FLOOR, NORTH TOWER, EAST WING  
ICICI BANK TOWER, BKC  
BANDRA (EAST) , MUMBAI  
400051  
TELE:26536267/66538880 FAX:66538876/26531201  
PANGIR1:AAACI1195H

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Total Securities --> 4000  
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# HIGHWAYS INFRASTRUCTURE TRUST

April 03, 2023

National Stock Exchange of India Limited  
Exchange Plaza, C-1, Block-G Bandra Kurla  
Complex, Bandra (E), Mumbai-400051  
Symbol- HIGHWAYS

BSE Limited  
Phiroze Jeejeebhoy Towers Dalal Street,  
Mumbai — 400 001  
Security Code- 974227 & 974228

**Subject: Intimation under Regulation 57(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

**Ref:** SEBI Circular SEBI/HO/DDHS/DDHS\_Div1/P/CIR/2022/0000000103 dated 29 July 2022 ('SEBI Circular')

Dear Sir/ Madam,

Pursuant to the provisions of Regulations 57(5) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 we hereby confirm that the Highways Infrastructure Trust has paid the interest and Principal (part redemption) in respect of the below mentioned secured, rated, listed Non-Convertible Debentures falling due during the quarter ended March 31, 2023, as per the following details:

Sl. No.	Name of the Issuer	ISIN	Scrip code	Coupon Rate	Due date for payment of Interest and Principal (part redemption)	Due Amount (In Rs.)	Record Date	Purpose (Part redemption/ Interest)	Reason for Unpaid (if any)	Date of payment
1	Highways Infrastructure Trust	INE0KXY07018	974227	7.71%	31.03.2023	8,58,53,725.28	17.03.2023	Part Redemption and Interest payment	NA	29.03.2023
2		INE0KXY07026	974228	8.25%	31.03.2023	5,69,79,023.97	17.03.2023	Part Redemption and Interest payment	NA	29.03.2023

We further confirm that there are no other unpaid interest/dividend/principal obligations in relation to the aforesaid NCDs as at the end of the quarter.

You are requested to take the same on record.

Thanking you,

**For Highway Concessions One Private Limited**

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

**Kunjali Shah**

**Company Secretary and Compliance Officer**

## HIGHWAYS INFRASTRUCTURE TRUST

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CC:

<b>Axis Trustee Services Limited</b> (“Trustee of the InvIT”) Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400 025, Maharashtra, India	<b>Catalyst Trusteeship Limited</b> (“Debenture Trustee”) Windsor, 6th floor, Office No.604, C.S.T Road, Kalina, Santacruz (East), Mumbai – 400098
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**HIGHWAYS INFRASTRUCTURE TRUST**

April 4, 2023

To,

<b>National Stock Exchange of India Limited</b> Exchange Plaza, C-1, Block-G Bandra Kurla Complex, Bandra (E), Mumbai-400051 <b>Symbol- HIGHWAYS</b>	<b>BSE Limited</b> Corporate Relationship Department Phiroze Jeejeebhoy Towers Dalal Street, Fort Mumbai- 400001 <b>Scrip Code: 974227 &amp; 974228</b>
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**Sub: Statement of Investor Complaints for Highways Infrastructure Trust ('HIT/Trust') for the quarter ended March 31, 2023.**

**Reference:**

1. 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;
2. Regulation 13(3) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended.

Dear Sir/Ma'am,

Pursuant to regulation 13(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Statement of Investor Complaints for the quarter ended March 31, 2023 for Highways Infrastructure Trust, issued by Link In time India Private Limited, Registrar & Share Transfer Agent of the Trust.

You are requested to take the above information on record.

Thanking you,

**For Highway Concessions One Private Limited**

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



**Kunjal Shah**

**Company Secretary and Compliance Officer**

**Place: Mumbai**

## HIGHWAYS INFRASTRUCTURE TRUST

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**CC:**

<b>Axis Trustee Services Limited</b> ("Trustee of the InvIT") Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400 025, Maharashtra, India	<b>Catalyst Trusteeship Limited</b> ("Debenture Trustee") Windsor, 6 <sup>th</sup> floor, Office No. 604, C.S.T Road, Kalina, Santacruz (East), Mumbai - 400098
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Link Intime India Pvt. Ltd.  
CIN : U67190MH1999PTC118368  
C- 101, 247 Park, L.B.S. Marg,  
Vikhroli (West), Mumbai - 400 083.  
Tel. : +91 22 4918 6000  
Fax : +91 22 4918 6060  
E-mail : mumbai@linkintime.co.in  
Website : www.linkintime.co.in

Date : 04.04.2023

TO,  
**UNIT: HIGHWAYS INFRASTRUCTURE TRUST**

**ISIN'S: INE0KXY07018 INE0KXY07026**

<b>Sub.:</b>	<b>Statement of Investor Complaints for the period ended as on March 31, 2023 w.r.t. Non-Convertible Debentures ("NCDs")</b>
<b>Ref.:</b>	<b>Regulation 13 (3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations")</b>

We, Link Intime India Private Limited, are the Registrar and Transfer Agents of the Company w.r.t. said NCDs, only for providing electronic connectivity.

We further confirm that during the period from **01<sup>st</sup> January 2023** to **31<sup>st</sup> March 2023**, we have not received any complaints/ grievances from holders of the NCDs issued by the Company and a summary of the same, as required in terms of the SEBI Listing Regulations as mentioned in the below table:

<b>Particulars</b>	<b>No. of Complaints</b>
Pending at the beginning of the quarter	0
Received during the quarter	0
Disposed off during the quarter	0
Remaining unresolved at the end of the quarter	0

This is for your information.

Thanking You.

Yours faithfully,

For Link Intime India Pvt Ltd.

**Ganesh Jadhav**  
**Asst. Vice President - Depository Operations**

SINCE IT IS SYSTEM GENERATED WE WILL NOT BE ABLE TO PROVIDE YOU THE HARDCOPY OF THE SAME.

May 19, 2023

To

**BSE Limited**

Corporate Relationship Department  
Phiroze Jeejeebhoy Towers  
Dalal Street, Fort  
Mumbai- 400001  
**Scrip Code: 974227 & 974228**

**Sub: Certificate issued by the Statutory Auditor pursuant to Regulation 54 of SEBI LODR Regulations covering the security cover.**

**Dear Sir/Madam,**

Pursuant to Regulation 54 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we enclose herewith the Certificate issued by the Statutory Auditor pursuant to Regulation 54 of SEBI LODR Regulations covering the security cover.

You are requested to kindly take the same on record.

Thanking you,

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

**Kunjal Shah**  
**Company Secretary and Compliance Officer**

**Place: Mumbai**  
**Encl: as above**

CC:

**Catalyst Trusteeship Limited**

("Debenture Trustee")  
Windsor, 6th floor, Office No.604, C.S.T Road,  
Kalina, Santacruz (East), Mumbai – 400098  
Maharashtra, India

# Walker Chandiook & Co LLP

Walker Chandiook & Co LLP  
21<sup>st</sup> Floor, DLF Square  
Jacaranda Marg, DLF Phase II  
Gurgaon – 122 002  
India  
T +91 124 4628099  
F +91 124 4628001

**Independent Auditor's Certificate pursuant to Regulation 56(1)(d) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and Regulation 15(1)(t)(ii)(a) of SEBI (Debt Securities) Regulations, 1993 (as amended) (collectively referred to as 'the Regulations') read with Chapter V of SEBI Operational Circular for Debt Securities/HO/DDHS/P/CIR/2023/50 dated 31 March 2023**

To,  
The Board of Directors  
Highway Concessions One Private Limited  
(As the Investment Manager of Highways Infrastructure Trust)  
C-17, 316-317, 3rd Floor, Kanakia Zillion  
LBS Marg, BKC Annexe, Kurla West  
Mumbai-400070

1. This certificate is issued in accordance with the terms of our engagement letter dated 01 April 2023 with Highways Infrastructure Trust ("the Trust").
2. The accompanying statement containing details of listed secured non-convertible debt securities ('NCDs') of the Trust outstanding as at 31 March 2023 along with security cover maintained against such NCDs (Section I), and the details of compliance with the financial covenants and covenants other than financial covenants as per the terms of debt security trust deed ("DSTD") dated 20 September 2022, and rupee loan agreement (RLA) dated 03 September 2022 as included in (Sections II, III, and IV) of the aforesaid statement (collectively referred to as 'the Statement') has been prepared by the Investment Manager of the Trust for the purpose of submission of the Statement along with this certificate to the Catalyst Trusteeship Limited ("Trustee" and "Rupee Lender's Agent") of the listed secured NCDs, ICICI Bank Limited, State Bank of India and Axis Bank Limited (together referred to as "lenders") pursuant to the requirements of Regulation 56(1)(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ("SEBI LODR") and pursuant to the requirements of Regulation 15(1)(t)(ii)(a) of SEBI (Debt Securities) Regulations, 1993 (as amended) ("Debt Securities Regulations") (collectively referred to as 'the Regulations') read with Chapter V of SEBI Operational Circular for Debt Securities/HO/DDHS/P/CIR/2023/50 dated 31 March 2023 and for the purpose of submission to National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE"). We have initialed the Statement for identification purposes only.

Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurgaon, Hyderabad, Kolkata, Mumbai, New Delhi, Noida and Pune



Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India



# Walker ChandioK & Co LLP

Independent Auditor's Certificate pursuant to Regulation 56(1)(d) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and Regulation 15(1)(t)(ii)(a) of SEBI (Debenture Trustees) Regulations, 1993 (as amended) (collectively referred to as 'the Regulations') read with Chapter V of SEBI Operational Circular for Debenture Trustees/HO/DDHS/P/CIR/2023/50 dated 31 March 2023 (Cont'd)

## Responsibilities of Investment Manager of the Trust for the Statement

3. The preparation of the Statement, including the preparation and maintenance of all accounting and other relevant supporting records and documents, is solely the responsibility of the Investment Manager of the Trust. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances.
4. The Investment Manager of the Trust is also responsible for ensuring the compliance with the requirements of the Regulations, RLA and DSTD for the purpose of furnishing this Statement and for providing all relevant information to the Trustee, lenders, NSE and BSE.

## Auditor's Responsibility

5. Pursuant to requirements of the Regulations as referred to in paragraph 2 above, it is our responsibility to provide reasonable assurance in the form of a opinion as to whether the details included in:
  - a) Section 1 of the accompanying statement regarding maintenance of hundred percent security cover with respect to book value of assets as at 31 March 2023 is in all material respects in agreement with the audited standalone financial statement of the Trust, underlying books of account and other relevant records and documents maintained by the Trust for the year ended 31 March 2023, and that the calculation thereof is arithmetically accurate.
  - b) Section II of the accompanying statement regarding compliance with financial covenants relating to consolidated net debt to enterprise value as stated in Paragraph (ix) of Clause (d) of schedule III of the DSTD of listed NCDs of the Trust outstanding as at 31 March 2023, is in compliance with the terms of aforesaid DSTD and is in all material respects in agreement with the audited consolidated financial statement of the Trust, underlying books of account and other relevant records and documents maintained by the Trust for the year ended 31 March 2023, and that the calculation thereof is arithmetically accurate.

Further, it is our responsibility to provide limited assurance in the form of a conclusion as to whether anything has come to our attention that cause us to believe that:

- a) the details included in Section III of the accompanying Statement with respect to financial covenant on 'Historical Debt Service Coverage Ratio' as stated in Paragraph (ix) of clause (d) of schedule III of DSTD of the listed secured NCDs for the period from 23 August 2022 to 31 March 2023 is not in compliance with the terms of DSTD and is in all material respects not in agreement with the audited standalone and consolidated financial statement of the Trust, underlying books of account and other relevant records and documents maintained by the Trust for the period from 23 August 2022 to 31 March 2023 or that the calculations thereof is not arithmetically incorrect
- b) the details included in Section IV of the accompanying Statement with respect to compliance of all the covenants other than those covenants mentioned in Section I, Section II and Section III of the accompanying Statement of the listed NCDs of the Trust outstanding as at 31 March 2023, is in all material respects, not fairly stated.



# Walker ChandioK & Co LLP

Independent Auditor's Certificate pursuant to Regulation 56(1)(d) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and Regulation 15(1)(t)(ii)(a) of SEBI (Debenture Trustees) Regulations, 1993 (as amended) (collectively referred to as 'the Regulations') read with Chapter V of SEBI Operational Circular for Debenture Trustees/HO/DDHS/P/CIR/2023/50 dated 31 March 2023 (Cont'd)

6. The columns with respect to market value of assets (columns K to O) of the Section I of accompanying Statement are not covered by this certificate and no procedures have been performed by us on such information as per our terms of engagement.
7. The audited standalone and consolidated financial statements, referred to in paragraph 5 above, have been audited by us, on which we have expressed an unmodified audit opinion vide our report dated 19 May 2023. Our audit of these standalone and consolidated financial statements was conducted in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ('the ICAI'). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Such audit was not planned and performed in connection with any transactions to identify matters that may be of potential interest to third parties.
8. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) ('the Guidance Note') issued by the ICAI. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements, issued by the ICAI.
10. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the subject matter. The procedures selected depend on the auditor's judgment, including the assessment of the risks associated with the matters mentioned in paragraph 5 (a) and (b) above pertaining to Section I and Section II of the Statement. We have performed the following procedures in relation to such matters:

## **Section I of the accompanying Statement - Statement on security cover ratio:**

- a) Verified the details of security cover ratio criteria from the DSTD in respect of listed NCDs of the Trust outstanding as at 31 March 2023;
- b) Obtained the list and value of assets offered as security against listed secured NCDs of the Trust outstanding as at 31 March 2023;
- c) Traced the book values of assets mentioned in columns A to J from the Statement to the audited standalone financial statements, underlying books of account and other relevant records and documents maintained by the Trust for the year ended 31 March 2023;
- d) Traced the principal amount of the listed secured NCDs and other debt outstanding as at 31 March 2023 to the audited standalone financial statements, underlying books of account and other relevant records and documents maintained by the Trust for the year ended 31 March 2023;
- e) Verified that the computation of security cover is in accordance with the basis of computation given in the Statement and the amounts used in such computation (from columns A to J) have been accurately extracted from audited standalone financial statements, underlying books of account and other relevant records and documents maintained by the Trust;
- f) Obtained necessary representations from the Investment Manager of the Trust; and
- g) Verified the arithmetical accuracy of the Statement.





# Walker Chandiok & Co LLP

Independent Auditor's Certificate pursuant to Regulation 56(1)(d) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and Regulation 15(1)(t)(ii)(a) of SEBI (Debtenture Trustees) Regulations, 1993 (as amended) (collectively referred to as 'the Regulations') read with Chapter V of SEBI Operational Circular for Debtenture Trustees/HO/DDHS/P/CIR/2023/50 dated 31 March 2023 (Cont'd)

## **Section II of the accompanying Statement - Statement on financial covenant on 'Consolidated net debt to enterprise value'**

- h) Verified the computation of financial covenants in relation to 'consolidated Net Debt to Enterprise value' as mentioned in the Section II of the Statement as on 31 March 2023 and ensured that it is in accordance with the basis of computation given in the DSTD, and the amounts used in such computation for 'consolidated net debt' have been accurately extracted from audited consolidated financial statement, underlying books of account and other relevant records and documents maintained by the Trust for the year ended 31 March 2023 and also traced the enterprise value as at 31 March 2023 from the valuation report dated 12 May 2023 of the independent registered valuer appointed by the Trust in accordance with SEBI (Infrastructure Investments Trusts) Regulations, 2014, as amended, used for calculation of enterprise value in consolidated net debt to enterprise value ratio;
  - i) Obtained necessary representations from the Investment Manager of the Trust; and
  - j) Verified the arithmetical accuracy of the Statement.
11. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. The procedures selected depend on the auditor's judgment, including the assessment of the areas where a material misstatement of the subject matter information is likely to arise. We have performed the following procedures in relation to Section III and Section IV of the Statement:

## **Section III of the accompanying Statement - Statement on financial covenant on Historical Debt Service Coverage Ratio ("DSCR")**

- a) Obtained the audited standalone and consolidated financial statements of the Trust for the year ended 31 March 2023;
- b) Obtained the standalone financial statements of Ulundurpet Expressways Private Limited ("UEPL"), Shillong Expressway Private Limited ("SEPL") and Dewas Bhopal Corridor Private Limited ("DBCPL") for the period 01 April 2022 to 31 March 2023, which have been audited by Gianender & Associates on which they have expressed unmodified opinion vide report dated 21 April 2023;
- c) Obtained the standalone financial statements of Jodhpur Pali Expressway Private Limited ("JPEPL") for the period 01 April 2022 to 31 March 2023, which have been audited by Mahesh C. Solanki & Co on which they have expressed unmodified opinion vide report dated 21 April 2023;
- d) Obtained the standalone financial statements of Nirmal BOT Limited ("NBL") and Godhra Expressways Private Limited ("GEPL") for the period 01 April 2022 to 31 March 2023, which have been audited by Luthra & Luthra LLP on which they have expressed unmodified opinion vide report dated 21 April 2023;
- e) Obtained the special purpose standalone interim financial statement of the Trust for the period 01 April 2022 to 22 August 2022, which have been certified by the Investment Manager of the Trust;
- f) Obtained the special purpose interim financial statements of UEPL, SEPL and DBCPL the for the period 01 April 2022 to 22 August 2022, which have been audited by Gianender & Associates on which they have



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expressed unmodified opinion vide reports dated 18 October 2022, 18 October 2022 and 19 October 2022 respectively;

- g) Obtained the special purpose interim financial statements of JPEPL for the period 01 April 2022 to 22 August 2022, which have been audited by Mahesh C. Solanki & Co on which they have expressed unmodified opinion vide report dated 19 October 2022;
- h) Obtained the special purpose interim financial statements of NBL and GEPL for the period 01 April 2022 to 22 August 2022, which have been reviewed by Luthra & Luthra LLP on which they have expressed unmodified conclusion vide report dated 18 October 2022;
- i) Recomputed the figures in the statement for the period from 23 August 2022 to 31 March 2023 as balancing figures between the figures for the year ended 31 March 2023 (as mentioned in "a", "b", "c" and "d" above) and figures for the period ended 22 August 2022 (as mentioned in "e", "f", "g" and "h" above);
- j) Obtained the independent certificate by respective auditors of the subsidiaries (Refer Annexure 1 for list of subsidiaries) of the Trust to trace the amount used in computation of historical debt service coverage ratio of the Trust;
- k) Verified the computation in respect of compliance of covenant on the historical debt service coverage ratio as mentioned in the Statement;
- l) Obtained necessary representations from the Investment Manager of the Trust; and
- m) Verified the arithmetical accuracy of the Statement.

## **Section IV of the accompanying Statement - Statement on compliance with the covenants other than those mentioned in Section I, Section II and Section III of the accompanying Statement:**

- n) Obtained a detailed listing of all the covenants other than financial covenant stated in the DSTD in respect of the listed NCD's of the Trust outstanding as at 31 March 2023;
- o) Enquired and understood Investment Manager's assessment of compliance with all the covenants other than financial covenants and corroborated the responses from supporting documents (on test check basis) as deemed necessary;
- p) Obtained necessary representations from the Investment Manager of the Trust;
- q) Based on the procedure performed in (n), (o) and (p) above, evaluated the appropriateness of the declaration made by the Investment Manager of the Trust in Section IV of the Statement; and
- r) Verified the arithmetical accuracy of the Statement.





# Walker ChandioK & Co LLP

Independent Auditor's Certificate pursuant to Regulation 56(1)(d) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and Regulation 15(1)(t)(ii)(a) of SEBI (Debt Securities) Regulations, 1993 (as amended) (collectively referred to as 'the Regulations') read with Chapter V of SEBI Operational Circular for Debt Securities Trustees/HO/DDHS/P/CIR/2023/50 dated 31 March 2023 (Cont'd)

## Opinion on Section I and Section II of the Statement

12. Based on our examination and the procedures performed as per paragraph 10 above, evidences obtained, and the information and explanations given to us, along with the representations provided by the Investment Manager of the Trust, in our opinion the
- a) the details mentioned in Section I of the accompanying statement regarding maintenance of hundred percent security cover with respect to book value of assets as at 31 March 2023, is in all material respects, in agreement with the audited standalone financial statement of the Trust, underlying books of account and other relevant records and documents maintained by the Trust for the year ended 31 March 2023, and that the calculation thereof is arithmetically accurate.
  - b) the details included in Section II of the accompanying statement regarding compliance with financial covenants relating to consolidated net debt to enterprise value as stated in Paragraph (ix) of Clause (d) of schedule III of the DSTD and outstanding as at 31 March 2023, is in compliance with the terms of aforesaid DSTD and in all material respects in agreement with the audited consolidated financial statement of the Trust, underlying books of account and other relevant records and documents maintained by the Trust for the year ended 31 March 2023, and that the calculation thereof is arithmetically accurate.

## Conclusion on Section III and Section IV of the Statement

13. Based on our examination and the procedures performed in section 11 above, evidence obtained, and the information and explanations given to us, along with the representations provided by the Investment Manager of the Trust, nothing has come to our attention that cause us to believe that the:
- a) details regarding financial covenant on 'Historical Debt Service Coverage Ratio' as stated in Paragraph (ix) of clause (d) of schedule III of DSTD of the listed secured NCDs for the period from 23 August 2022 to 31 March 2023, as mentioned in Section III of the accompanying statement is not in compliance with the terms of DSTD and is in all material respects, not in agreement with the audited standalone and consolidated financial statement of the Trust, underlying books of account and other relevant records and documents maintained by the Trust for the period from 23 August 2022 to 31 March 2023 and that the calculations thereof is not arithmetically incorrect; and
  - b) details included in Section IV of the accompanying statement with respect to compliance of all the covenants other than those covenants mentioned in Section I, Section II and Section III of the accompanying Statement of the listed NCDs of the Trust outstanding as at 31 March 2023, is in all material respects, not fairly stated.

## Other matter

14. The certificates referred to in paragraph 11(j) above, have been certified by Gianender & Associates for UEPL, SEPL and DBCPL, Luthra & Luthra LLP for NBL and GEPL and Mahesh C. Solanki & Co for JPEPL, who vide their certificates dated 04 May 2023, 18 May 2023 and 11 May 2023 respectively have expressed an unmodified conclusion, and whose certificate has been furnished to us by the Investment Manager of the Trust and which has been relied upon by us for the purpose of our examination. Our conclusion is not modified in respect of this matter.



# Walker Chandiok & Co LLP

Independent Auditor's Certificate pursuant to Regulation 56(1)(d) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and Regulation 15(1)(t)(ii)(a) of SEBI (Debt Instruments) Regulations, 1993 (as amended) (collectively referred to as 'the Regulations') read with Chapter V of SEBI Operational Circular for Debenture Trustees/HO/DDHS/P/CIR/2023/50 dated 31 March 2023 (Cont'd)

## Restriction on distribution or use

15. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Regulations. Our obligations in respect of this certificate are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have as the statutory auditors of the Trust or otherwise. Nothing in this certificate, nor anything said or done in the course of or in connection with the services that are the subject of this certificate, will extend any duty of care we may have in our capacity as statutory auditors of the Trust.
16. The certificate is addressed to and provided to the Board of Directors of Investment Manager of the Trust solely for the purpose of enabling it to comply with the requirements of the Regulation as mentioned in paragraph 2 above, which inter alia, require it to submit this certificate along with the accompanying Statement to the Trustee, lenders and for the purpose of submission to NSE and BSE and therefore, this certificate should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

## For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013



**Manish Agrawal**

Partner

Membership No: 507000

UDIN: 23507000BGYERW2468



**Place:** Mumbai

**Date:** 19 May 2023

# Walker ChandioK & Co LLP

Independent Auditor's Certificate pursuant to Regulation 56(1)(d) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and Regulation 15(1)(i)(ii)(a) of SEBI (Debenture Trustees) Regulations, 1993 (as amended) (collectively referred to as 'the Regulations') read with Chapter V of SEBI Operational Circular for Debenture Trustees/HO/DDHS/P/CIR/2023/50 dated 31 March 2023 (Cont'd)

## Annexure 1

### List of subsidiaries:

- a) Ulundurpet Expressways Private Limited ('UEPL')
- b) Nirmal Bot Limited ('NBL')
- c) Jodhpur Pali Expressway Private Limited ('JEPL')
- d) Shillong Expressway Private Limited ('SEPL')
- e) Godhra Expressways Private Limited ('GEPL')
- f) Dewas Bhopal Corridor Private Limited ('DBCPL')





Section 1 - Computation of Security Cover Ratio as on 31 March 2023

(₹ in millions)

Statement of Security Cover Ratio														
Column A	Column B	Column C	Column D	Column E	Column F	Column G	Column H	Column I	Column J	Column K	Column L	Column M	Column N	Column O
Particulars	Description of Asset for which this certificate relate	Exclusive Charge		Pari-Passu Charge			Assets not offered as Security (refer note 7)	Elimination (amounting negative)	TOTAL (C TO H)	Related to only those items covered by this certificate				
		Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari passu charge)	Other assets on which there is pari-Passu charge (excluding items covered in column F)				Market Value for Assets charged on Exclusive basis	Carrying / Book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSHA market value is not applicable)	Market Value for Pari passu charge Assets viz (refer note 8)	Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSHA market value is not applicable)	Total Value (K+L+M+N)
		Book Value	Book Value	Yes/No	Book Value	Book Value								
Assets														
Investments	Investment in Equity shares of subsidiaries of Trust, Investment in 6% Preference share of Shillong Expressway Private Limited, Investment in OCD of subsidiaries of Trust and Interest accrued on unpaid convertible debentures (OCD)	-	-	Yes	36,451.98	-	-	-	36,451.98	-	-	52,802.88	-	89,253.86
Loans	Current and Non-current portion of loans given to SPVs and Interest accrued thereon	-	-	Yes	12,456.86	-	-	-	12,456.86	-	-	-	-	-
Cash & cash equivalents	Cash and cash equivalents	-	-	Yes	265.34	-	-	-	265.34	-	-	265.34	-	265.34
Bank balance other than Cash and Cash equivalents	Bank balance other than cash and cash equivalents	-	-	Yes	976.43	-	-	-	976.43	-	-	976.43	-	976.43
Other current and non-current assets	Prepaid expenses and Non-current assets (net)	-	-	Yes	4.18	-	-	-	4.18	-	-	4.18	-	4.18
Total assets (G)		-	-		50,154.99	-	-	-	50,154.99	-	-	52,802.88	1,246.15	53,649.03
Liabilities														
Debt securities to which this certificate pertains (refer note 2)	Borrowings (including current and non-current)			Yes	6,416.05				6,416.05					6,416.05
Other debt sharing pari-passu charge with above debt (refer note 3)	Borrowings (including current and non-current)			No	7,833.13	-	-	-	7,833.13	-	-		-	7,833.13
Interest earned but not due on NCD	Other financial liabilities			Yes	1.30				1.30					1.30
Interest earned but not due on RTL	Other financial liabilities			No	1.19				1.19					1.19
Other payable	Other financial liabilities			No	-		0.60		0.60					
Trade payables	Trade payables			No	-		52.03		52.03					
Other payables	Other current liabilities			No	-		16.41		16.41					
Total liabilities (H)					14,250.67	-	69.14	-	14,320.11				-	14,320.67
Cover on Book Value [(G)/(H)] (refer note 4)					3.52									3.76
Cover on Market value [(O)/(M)] (refer note 5)														

Notes:

- The amount disclosed in column A to J is accurately extracted from standalone audited financial statement of Highways Infrastructure Trust ("Trust"), underlying books of account and other relevant records and documents maintained by the Trust for the year ended 31 March 2023 prepared in accordance with Indian Accounting Standards and/or any addendum thereto as defined in the Rule 2(i)(x) 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").
- Debt securities to which this certificate pertains is outstanding amount of 6500 senior, secured, taxable, rated, listed, redeemable, non-convertible debt (NCD) securities having a face value of ₹1,000,000/- (Rupees Ten Lakhs only) each.
- Other debt sharing pari-passu charge with above debt includes current and non-current portion of Rupee Term Loan (RTL) taken from ICICI Bank Limited, State Bank of India and Axis Bank Limited.
- Cover on book value has been calculated in the following manner:  

$$\text{Pari-passu security cover} = \frac{\text{Value of assets (Column G) having pari-passu charge / Outstanding value of corresponding debt (refer note 6) + interest accrued (both NCD and RTL)}}{\text{Pari-passu security cover (on book value)}} = 3.52$$
- Cover on market value has been calculated in the following manner:  

$$\text{Pari-passu security cover} = \frac{\text{Total value of assets (Column O) / Outstanding value of corresponding debt (refer note 6) + interest accrued (both NCD and RTL)}}{\text{Pari-passu security cover (on market value)}} = 3.76$$
- Value of corresponding debt includes debt securities to which certificates pertains and all other debt sharing pari-passu charge with that debt.
- Assets not offered as security includes Trade and other payables which are not offered as security in Debt security trust deed.
- The amounts disclosed in column M is based on the enterprise valuation as at 31 March 2023 of the subsidiaries of the Trust as at 31 March 2023 namely (i) DBCPL - Dewas Bhopal Corridor Private Limited; (ii) GEPL - Gurgaon Expressways Private Limited; (iii) NBL - Normal BOT Limited; (iv) JPEPL - Jodhpur Pali Expressways Private Limited; (v) SHEL - Shillong Expressways Private Limited; and (vi) UHPL - Udhampur Expressways Private Limited, conducted by SEBI registered valuer in accordance with the SEBI (Infrastructure Investment Trusts) Regulations, 2014 (as amended).

For and on behalf of

Highway Concessions One Private Limited  
(as Investment Manager of Highways Infrastructure Trust)

  
Neeraj Sanghi  
Whole time Director and CEO  
DIN: 05161000

Place: Mumbai  
Date: 19 May 2023

  
Kunjal Shah  
Compliance officer  
ACS No. A27382

Place: Mumbai  
Date: 19 May 2023

  
Narayanan Doraiswamy  
Chief Financial Officer

Place: Mumbai  
Date: 19 May 2023

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**Section II- Statement on Consolidated Net Debt to Enterprise value of Highways Infrastructure Trust as at 31 March 2023:**

- i) The Trust has issued secured, taxable, rated, listed, redeemable, non-convertible debt securities having a face value of ₹1,000,000/- (Rupees Ten Lakhs only) each, aggregating up to ₹6,500.00 millions in two series of:
- (a) Series I Debt Securities up to ₹4,000.00 millions; and
- (b) Series II Debt Securities up to ₹2,500.00 millions, pursuant to the Debt Security Trust deed dated 20 September 2022 read with the common terms schedule executed inter alia amongst the Trust, acting through Catalyst Trusteeship Limited ("Trustee"). The Trust has prepared this statement of Consolidated Net Debt to Enterprise value of the Trust as at 31 March 2023 pursuant to the financial covenants stated in the Debt Security Trust Deed ("DSTD"). The Trust shall be required to ensure that the aggregate Consolidated Net Debt to Enterprise value of the Trust and the Project SPVs, shall be less than 49%.

**ii) Below are the calculations of the Consolidated Net Debt to Enterprises Value: (₹ in millions)**

Particulars	As at 31 March 2023	Remarks
<b>Consolidated Net Debt:</b>		
Long term borrowings	14,711.83	Refer note 2
Short term borrowings	225.00	Refer note 2
	<b>14,936.83</b>	Refer note 3
Less: Cash and Cash equivalents	(962.83)	Refer note 4
<b>TOTAL (A)</b>	<b>13,974.01</b>	
<b>Enterprise Value:</b>		
Enterprise Value	52,402.00	Refer note 5
<b>TOTAL (B)</b>	<b>52,402.00</b>	
<b>Consolidated Net debt to Enterprise Value (A)/(B)</b>	<b>26.67%</b>	Refer note 6

**Notes:**

- The Statement has been prepared based on the basis of consolidated financial statement of Highways Infrastructure Trust ("Trust"), underlying books of account and other relevant records and documents maintained by the Trust for the year ended 31 March 2023 in accordance with 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");
- Represents amounts outstanding against rupee term loans from banks and non convertible debentures holders (NCD) as at 31 March 2023, gross off unamortized processing fees of ₹ 169.97 millions. Borrowing amount does not includes interest accrued on rupee term loan and NCD amounting to ₹ 2.49 millions;
- It does not includes provisions, deferred tax liabilities, trade payables, other current and non-current financial liabilities, other current liabilities;
- For the purpose of above calculations of ratios, it includes amounts classified as 'cash and cash equivalents', investments', and 'bank balances other than cash and cash equivalents' as per consolidated financial statement of Trust, underlying books of account and other relevant records and documents of the Trust as at 31 March 2023, amounting to ₹ 349.11 millions, ₹ 648.60 millions, ₹ 1,546.58 millions, respectively. The amounts of cash and cash equivalents of ₹ 962.83 millions as disclosed in the ratio above, excludes cash balance earmarked for distribution of ₹ 700.12 millions, any surplus cash available with Trust as at 31 March 2023 for meeting issue expenses amounting to ₹ 26.88 millions and cash balance earmarked for Major maintenance reserve / for Madhya Pradesh Road Development Corporation Limited ("MPRDC") amounting to ₹ 854.46 millions;
- For the purpose of above calculations, enterprise value as at 31 March 2023 has been considered of the subsidiaries of the Trust namely (i) DBCPL - Dewas Bhopal Corridor Private Limited; (ii) GEPL - Godhra Expressways Private Limited; (iii) NBL - Nirmal BOT Limited; (iv) JPEPL - Jodhpur Pali Expressways Private Limited; (v) SEPL - Shillong Expressways Private Limited; and (vi) UEPL - Ulundurpet Expressways Private Limited, conducted by SEBI registered valuer in accordance with the SEBI (Infrastructure Investment Trust) Regulations, 2014 (as amended);
- The consolidated net debt to enterprise value as calculated above is in compliance with the Paragraph (ix) of Clause (d) of schedule III of the DSTD.

**For and on behalf of**


Highway Concessions One Private Limited  
(as Investment Manager of Highways Infrastructure Trust)

  
Neeraj Sanghi  
Whole Time Director and CEO  
DIN: 05110400

Place: Mumbai  
Date: 19 May 2023

  
Kunjal Shah  
Compliance officer  
ACS No. A27382

Place: Mumbai  
Date: 19 May 2023

  
Mr. Narayanan Doraiswamy  
Chief Financial Officer

Place: Mumbai  
Date: 19 May 2023

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### Section III - Statement on Historical Debt Service Coverage Ratio of Highways Infrastructure Trust :-

- i) The Trust availed rupee term-loan facilities from Axis Bank Limited, ICICI Bank Limited and State Bank of India for an aggregate amount of ₹ 7,969,034,669 pursuant to the rupee loan agreement ("RLA") dated 02 September 2022. Further, the Trust has also issued 6500 senior, secured, taxable, rated, listed, redeemable, non-convertible debt securities pursuant to the Debt Security Trust Deed (DSTD) dated 20 September 2022 having a face value of ₹ 1,000,000/- (Rupees Ten Lakhs only) each, aggregating up to ₹ 6,500,000,000 (Rupees Six Hundred Fifty Crore only) in two series of:
- (a) Series I Debt Securities up to ₹ 4,000,000,000; and
- (b) Series II Debt Securities up to ₹ 2,500,000,000.

Out of which Non Convertible Debentures ("NCD") of ₹ 2,500,000,000 have been allotted to India Infrastructure Finance Company Limited, ₹ 1,750,000,000 have been allotted to Nippon India Mutual Fund, ₹ 500,000,000 have been allotted to ICICI Bank Limited and ₹ 1,750,000,000 have been allotted to State Bank of India Corporate Bond Fund. The Investment Manager of the Trust has prepared the accompanying statement of the historical debt service coverage ratio pursuant to requirements of the RLA and DSTD. Refer calculation of Historical Debt Coverage ratio for the period from 23 August 2022 to 31 March 2023 below:

- ii) Below are the calculations of the Historical Debt Coverage Service Ratio :

(₹ in millions)

For the period from 23 August 2022 to 31 March 2023									
Particulars	DBCPL (Refer Note 13)	NBL (Refer Note 13)	GEPL (Refer Note 13)	JPEPL (Refer Note 13)	UEPL (Refer Note 13)	SEPL (Refer Note 13)	Trust	Total	Remarks
Total Cash Available ( A )									
Add: Cash Revenue	1,175.39	287.80	888.42	423.16	1,048.80	297.06	-	4,120.64	Refer Note 5
Add: Other Cash Income	49.65	13.41	41.45	18.90	50.52	7.09	42.75	223.77	Refer Note 6
Add: Funds from Investors and Non - Convertible debenture holder's in HIT for General Corporate Purpose utilised for Debt Service	-	-	-	-	-	-	382.85	382.85	Refer Note 7
Less : Premium paid (including current and deferred) to the Authority, if any, which was due during the trailing 12 months in accordance with the provisions of the Concession Agreement	-	-	(73.80)	(9.70)	-	-	-	(83.50)	Refer Note 8
Less: Cash operating expenditure	(155.26)	(76.91)	(113.40)	(141.05)	(132.43)	(83.03)	(178.64)	(880.72)	Refer Note 9
Less: Major maintenance expenses incurred during the period, which have not been met from the major maintenance reserve (MMR)	-	-	-	-	-	-	-	-	Refer Note 11
Less : Cash taxes	(114.94)	-	-	-	6.41	(1.83)	(18.27)	(128.63)	Refer Note 10
Less MMR created or to be created during the testing period as per Base Case Business Plan	-	-	-	-	-	-	-	-	Refer Note 11
Total ( A )	954.84	224.31	742.68	291.32	973.30	219.28	228.68	3,634.41	
External debt obligation (B)- (for the trailing 12 months, excluding any bullet payments, which have been refinanced during the period)									
Add : Interest/ coupon payments on external debt	23.37	9.23	34.64	55.17	15.02	-	572.58	710.00	Refer Note 12
Add: any fees paid on external debt	-	-	-	-	-	-	118.89	118.89	
Add: principal paid on external debt	-	-	-	27.91	-	-	112.50	140.41	
Total ( B )	23.37	9.23	34.64	83.08	15.02	-	803.97	969.30	
DSCR : Total Cash Available ( A ) / External debt obligation (B)								3.75	

#### Notes:

- The Statement has been prepared on the basis of special purpose audited standalone and consolidated financial information of the Highways Infrastructure Trust ("Trust") and standalone financial information of the subsidiaries, underlying books of accounts and other records maintained by the Trust for the period from 23 August 2022 to 31 March 2023. The figures for the year ended 31 March 2023 of audited standalone and consolidated financial statement of the Trust are audited by the statutory auditor's of the Trust and for the subsidiaries, the same are audited by their respective auditors. The figures for the period 01 April 2022 to 22 August 2022 of the subsidiaries are reviewed/audited by their respective auditor's of the subsidiaries and for Trust the same is certified by the management. The above figures for the period from 23 August 2022 to 31 March 2023 computed as balancing figures between the figures for the year ended 31 March 2023 of audited standalone and consolidated financial statement of the Trust and standalone financial statement of the subsidiaries and figures for the period 01 April 2022 to 22 August 2022 of the subsidiaries and the Trust.
- As per the terms of Debt Security Trust Deed and Rupee Loan Agreement , DSCR calculation is based on the cash available for debt servicing and debt servicing obligations for the trailing 12 months period; However, considering the Trust physically acquired the Project SPV's on 23 August 2022, therefore, the numbers reported above are considered from 23 August 2022 till 31 March 2023.
- There are no transactions in standalone Trust from 01 April 2022 till 22 August 2022.
- The figures reported above are after considering the impacts of all eliminations of inter SPV / Trust transactions.
- Cash Revenue represents revenue from operations from the statement of Profit and Loss of the Trust and subsidiaries, proportionate amount of actually annuity received in cash in SEPL and NBL and excluding Interest income on annuity receivable from Concession authority and Revenue from operations and maintenance of road for the period 23 August 2022 to 31 March 2023 being notional in nature. Further, revenue from operations of standalone trust doesn't includes income generated from inter SPV transactions, considering the numbers reported above are after eliminations.



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Other cash income represents other income from the statement of Profit and Loss of the Trust and subsidiaries excluding fair value gain of mutual fund (NCD) and for the period from 23 August 2022 to 31 March 2023.

**Section III - Statement on Historical Debt Service Coverage Ratio of Highways Infrastructure Trust (cont'd) :-**

- 7 It includes the amount raised from Unit holders and Non - Convertible debenture holder's of the Trust as General Corporate purpose that are utilized for the purpose of Cash Taxes, Cash Operating Expense and repayment of Interest/ coupon payments, principal and fees paid on external debt.
- 8 Premium paid (including current and deferred) to the Authority represents Concession Premium paid to National Highway Authority of India ("NHAI") / Public Works Department ("PWD") for the period 23 August 2022 to 31 March 2023.
- 9 Cash operating expenses represents Employee Benefit expenses, Subcontracting Expenses and Operating Expenses from the statement of Profit and Loss of the Trust and subsidiaries excluding Loss on investments carried at fair value through profit or loss (MTM loss), provision against major maintenance obligation, being notional in nature and loss on reduction of investment in equity for the period from 23 August 2022 to 31 March 2023. Further, finance cost has not been considered in order to calculate total cash available for debt servicing.
- 10 Cash Taxes represent current tax expense as per statement of Profit and Loss of the Trust and subsidiaries for the period from 23 August 2022 to 31 March 2023.
- 11 MMIR is currently maintained at UEPL and HIT level out of the fund raised from NCD for the MM expenses expected to be incurred in the next six months, in line with the existing financing documents submitted to ICICI bank vide letter dated 06 September 2022. Further, major maintenance expenses for year ended 31 March 2023 were incurred from opening earmarked funds as at 01 April 2022 in case of DBCPL and RTL given by the Trust from NCD debt fund in case of JPEPL. Hence not considered in the calculation of DSCR.
- 12 Interest/ coupon payments on external debt and principal paid on external debt represents interest and principal paid on debt obtained from external parties for the period from 23 August 2022 to 31 March 2023. Further any fees paid on external debt represents processing fees paid by the Trust on availment on rupee term loans and non-convertible debentures post acquisition of subsidiaries. Further any interest payment, principal payment or write - off of processing fees at the time of refinancing of borrowings have not been considered considering there is no impact on cash flows pursuant to the refinancing arrangement entered between the Trust and SPVs.
- 13 DBCPL - Dewas Bhopal Corridor Private Limited; GEPL - Godhra Expressways Private Limited; NBL - Nirmal BOT Limited; JPEPL - Jodhpur Pali Expressways Private Limited; SEP - Shillong Expressways Private Limited; UEPL - Ulundurpet Expressways Private Limited; (herein referred to as "project SPVs" or "SPVs" or "subsidiaries").

For and on behalf of Board of Directors of  
Highway Concessions One Private Limited

(As the Investment Manager of Highways Infrastructure Trust)

  
Neeraj Sanghi  
Whole time director and CEO  
DIN: 05110400

Place: Mumbai  
Date: 19 May 2023

  
Kunjal Shah  
Compliance officer  
ACS No. A27382

Place: Mumbai  
Date: 19 May 2023

  
Narayanan Doraiswamy  
Chief Financial Officer

Place: Mumbai  
Date: 19 May 2023



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PURPOSES



**Section IV- Compliance with all covenants other than those covenants mentioned in Section I, Section II and Section III**

**Management Declaration**

We confirm that the Trust has complied with all the following covenants as included in Schedule III of the Debt Security trust deed dated 20 September 2022:

- Part 1: Affirmative Covenants
- Part 2: Information Covenants
- Part 3: Negative Covenants
- Part 4: General Covenants

**For and on behalf of Board of Directors of**

Highway Concessions One Private Limited

(as Investment Manager of Highways Infrastructure Trust)



Neeraj Sanghi  
Whole time director and CEO  
DIN: 05110400

Place: Mumbai

Date: 19 May 2023



Kunjal Shah  
Compliance officer  
ACS No. A27382

Place: Mumbai

Date: 19 May 2023



Narayanan Doraiswamy  
Chief Financial Officer

Place: Mumbai

Date: 19 May 2023



**SIGNED FOR  
IDENTIFICATION  
PURPOSES**



May 19, 2023

To

<b>National Stock Exchange of India Limited</b> Exchange Plaza, C-1, Block-G Bandra Kurla Complex, Bandra (E), Mumbai-400051 <b>Symbol- HIGHWAYS</b>	<b>BSE Limited</b> Corporate Relationship Department Phiroze Jeejeebhoy Towers, Dalal Street, Fort Mumbai- 400001 <b>Scrip Code: 974227 &amp; 974228</b>
--	--

**Sub:** Intimation of outcome of the Meeting of Board of Directors of Highway Concessions One Private Limited (the “**Investment Manager**” of Highways Infrastructure Trust) held on May 19, 2023.

**Dear Sir/Madam,**

In compliance with the provisions of the SEBI (Infrastructure Investment Trusts) Regulations, 2014 read with circulars and guidelines issued thereunder from time to time (“**SEBI InvIT Regulations**”) and applicable regulations 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 Highway Concessions One Private Limited, acting in its capacity as Investment Manager of Highways Infrastructure Trust (“**HIT**”), in its meeting held on Friday, May 19, 2023, have considered and approved the following matters:-

1. Audited Standalone and Consolidated Financial Information/Results of HIT for the financial year ended March 31, 2023, along with auditors report thereon.

Further, please note that the financial information of the Investment Manager is not disclosed as there is no material erosion in the net worth.

2. Confirmation that In compliance with the provisions of Regulation 52(3)(a) of the SEBI LODR Regulations, the Statutory Auditors i.e. Walker Chandio & Co LLP, Chartered Accountants, New Delhi have issued the Audit Reports with unmodified opinion on the Annual Audited Financial Information/Results of the HIT for the financial year ended March 31, 2023.
3. Statement indicating statement of utilization of issue proceeds and Statement of deviation/ variation in use of issue proceeds of listed non-convertible debt securities for the quarter ended March 31, 2023.



4. Declared Distribution of INR 1.6876 /- per unit to all Unitholders.

The break-up of the same is as under: -

Particulars	INR
Total Distribution	70,11,97,800
No. of Units	41,55,00,000
Distribution per unit	
Distribution as Return on capital	0.7046
Distribution as Return of capital	0.6872
Distribution as Dividend	0.2958
Distribution as other income	-
<b>Total Dividend per units</b>	<b>1.6876</b>

Please note that Saturday, May 27, 2023, has been fixed as the Record Date for the purpose of distribution to the Unitholders which will be paid on or before Friday, June 2, 2023.

- The Valuation Report dated May 12, 2023, as prepared by independent valuer, Mr. S Sundararaman having IBBI Registration Number IBBI/RV/06/2018/10238, for the period ended March 31, 2023, in accordance with the provisions of Regulation 21 of SEBI InvIT Regulations. A copy of the same is enclosed.
- Net Asset Value (“NAV”) of HIT as on March 31, 2023 as disclosed in the financial information of HIT pursuant to Regulation 10 of the SEBI InvIT Regulations. The same is enclosed.
- Certificate issued by the Statutory Auditor pursuant to Regulation 54 of SEBI LODR Regulations covering the security cover and the covenant status. The same is enclosed.

The meeting of the Board of Director of the Investment Manager commenced at 11.30 am and concluded at 3.30 pm.

The same is also available on the website of the Trust at [www.highwaystrust.com](http://www.highwaystrust.com).

You are requested to kindly take the same on record.

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

**Kunjai Shah**  
**Company Secretary and Compliance Officer**

**Place: Mumbai**  
**Encl: as above**

CC:

<b>Axis Trustee Services Limited</b> ("Trustee of the InvIT") Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400 025, Maharashtra, India	<b>Catalyst Trusteeship Limited</b> ("Debenture Trustee") Windsor, 6th floor, Office No.604, C.S.T Road, Kalina, Santacruz (East), Mumbai – 400098 Maharashtra, India
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# Walker Chandio & Co LLP

**Walker Chandio & Co LLP**  
(Formerly Walker, Chandio &  
Co)  
L-41 Connaught Circus  
New Delhi 110001  
India

T +91 11 4278 7070  
F +91 11 4278 7071

## Independent Auditor's Report on Consolidated Annual Financial Results of the Trust pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

To the Board of Directors of Highway Concessions One Private Limited (As the Investment Manager of Highways Infrastructure Trust)

### Opinion

1. We have audited the accompanying consolidated annual financial results ('the Statement') of **Highways Infrastructure Trust** (the Trust) and its subsidiaries (the Trust and its subsidiaries together referred to as 'the Group'), for the year ended 31 March 2023, attached herewith, being submitted by the Highway Concessions One Private Limited ('the Investment Manager') pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').
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 other auditors on separate audited financial statements of the subsidiaries, as referred to in paragraph 11 below, the Statement:
  - (i) includes the annual financial results of the entities listed in Annexure 1;
  - (ii) presents financial results in accordance with the requirements of Regulation 52 of the Listing Regulations; and
  - (iii) gives a true and fair view in conformity with recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') as defined under Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended), read with relevant rules issued thereunder, and other accounting principles generally accepted in India, of the consolidated net profit after tax and other comprehensive income and other financial information of the Group for the year ended 31 March 2023.

### Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SA's) and other pronouncements issued by 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 Statement 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 obtained by us together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 11 of the Other Matters section below, is sufficient and appropriate to provide a basis for our opinion.





## Independent Auditor's Report on Consolidated Annual Financial Results of the Trust pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (Cont'd)

### Responsibilities of Investment Manager and Those Charged with Governance for the Statement

4. The Statement, which is the responsibility of the Trust's Investment Manager and has been approved by the Board of Directors of the Investment Manager, has been prepared on the basis of the consolidated annual financial statements. The Trust's Investment Manager is responsible for the preparation and presentation of the Statement that gives a true and fair view of the consolidated net profit and other comprehensive income, and other financial information of the Group in accordance with the Ind AS as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other accounting principles generally accepted in India, and in compliance with Regulation 52 of the Listing Regulations. The Trust's Investment Manager is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of the Statement. Further, 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 results, that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial results have been used for the purpose of preparation of the Statement by the Board of Directors Investment Manager of the Trust, as aforesaid.
5. In preparing the Statement, the respective Board of Directors of the Investment Manager of the Trust and of 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 intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.
6. The respective Board of Directors are responsible for overseeing the financial reporting process of the entities included in the Group.

### Auditor's Responsibilities for the Audit of the Statement

7. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing issued by the ICAI, 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 this Statement.
8. As part of an audit in accordance with the Standards on Auditing issued by the ICAI, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the



# Walker ChandioK & Co LLP

## Independent Auditor's Report on Consolidated Annual Financial Results of the Trust pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (Cont'd)

Trust has in place adequate internal financial controls system 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 the Investment Manager.
  - Conclude on the appropriateness of Board of Directors of the Investment Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
  - Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
  - Obtain sufficient appropriate audit evidence regarding the financial results of the entities within the Group, to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement, of which we are the independent auditors. For the other entities included in the Statement, 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.
9. 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.
10. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### Other Matters

11. We did not audit the annual financial statements of 3 subsidiaries included in the statements, whose financial information reflects total assets of ₹ 8,909.72 millions as at 31 March 2023, total revenues of ₹ 2,680.80 millions, total net loss after tax of ₹ 618.78 millions, total comprehensive loss of ₹ 617.70 millions, and net cash outflows of ₹ 38.64 millions for the year ended 31 March 2023 as considered in the Statement. These annual financial statements have been audited by other auditors and whose audit reports have been furnished to us by the Investment Manager of the Trust, and our opinion in so far as it relates to the amounts and disclosures included in respect of these is based solely on the audit report(s) of such other auditors. Our opinion is not modified in respect of this matters with respect to our reliance on the work done by and the reports of the other auditors.
12. The Statement includes the comparative consolidated financial results of the Trust for the period from 03 December 2021 to 31 March 2022, for the quarter ended 31 March 2022 and as at 31 March 2022, which has been certified by the Board of directors of the Investment Manager but has not been subjected to audit or review.





# Walker Chandiok & Co LLP

**Independent Auditor's Report on Consolidated Annual Financial Results of the Trust pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (Cont'd)**

13. The Statement includes the consolidated financial results for the quarter ended 31 March 2023, being the balancing figures between the audited consolidated figures in respect of the full financial year and the published unaudited year-to-date consolidated figures up to the third quarter of the current financial year, which were subject to limited review by us.

For **Walker Chandiok & Co LLP**

Chartered Accountants

Firm's Registration No.: 001076N/N500013



**Manish Agrawal**

Partner

Membership No.: 507000

UDIN: 23507000BGYERV8728

**Place:** Mumbai

**Date:** 19 May 2023



# Walker Chandiook & Co LLP

Independent Auditor's Report on Consolidated Annual Financial Results of the Trust pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (Cont'd)

## Annexure 1

### List of entities included in the Statement:

- a. Jodhpur Pali Expressways Private Limited ('JPEPL')
- b. Godhra Expressways Private Limited ('GEPL')
- c. Nirmal BOT Limited ('NBL')
- d. Dewas Bhopal Corridor Private Limited ('DBCPL')
- e. Shillong Expressways Private Limited ('SEPL')
- f. Ulundurpet Expressways Private Limited ('UEPL')



Highways Infrastructure Trust  
Consolidated Statement of Assets and Liabilities as at 31 March 2023  
(All amounts in ₹ millions unless otherwise stated)

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (refer note 10)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Property, plant and equipment	100.00	130.04
Capital work-in-progress	-	2.39
Intangible assets	19,353.89	20,246.56
Financial assets		
Others financial assets	541.71	1,387.67
Non-current tax assets (net)	83.57	89.40
Other non-current assets	6.26	0.28
<b>Total non-current assets</b>	<b>20,085.43</b>	<b>21,856.34</b>
<b>Current assets</b>		
Financial assets		
Investments	648.60	2,152.39
Trade receivables	0.16	37.30
Cash and cash equivalents	349.11	365.82
Bank balances other than cash and cash equivalents above	1,546.58	1,972.62
Others financial assets	631.38	936.82
Other current assets	55.23	72.90
<b>Total current assets</b>	<b>3,231.06</b>	<b>5,537.85</b>
<b>Total assets</b>	<b>23,316.49</b>	<b>27,394.19</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Unit capital	41,550.00	-
Other equity	(37,168.34)	388.86
<b>Total equity</b>	<b>4,381.66</b>	<b>388.86</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
Borrowings	14,541.86	21,260.80
Other financial liabilities	1,556.83	1,276.93
Provisions	281.56	324.84
Deferred tax liabilities (net)	1,246.18	849.36
<b>Total non-current liabilities</b>	<b>17,626.43</b>	<b>23,711.93</b>
<b>Current liabilities</b>		
Financial liabilities		
Borrowings	225.00	2,007.63
Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises	10.18	18.66
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	377.53	302.14
Other financial liabilities	227.12	649.37
Other current liabilities	43.11	31.16
Provisions	425.46	280.15
Current tax liabilities (net)	-	4.29
<b>Total current liabilities</b>	<b>1,308.40</b>	<b>3,293.40</b>
<b>Total liabilities</b>	<b>18,934.84</b>	<b>27,005.33</b>
<b>Total equity and liabilities</b>	<b>23,316.49</b>	<b>27,394.19</b>

**SIGNED FOR  
IDENTIFICATION  
PURPOSES**



*[Handwritten signatures]*

Highways Infrastructure Trust  
Statement of Consolidated financial results for the quarter and year ended 31 March 2023  
(All amounts in ₹ millions unless otherwise stated)

Particulars	01 January 2023 to 31 March 2023	1 October 2022 to 31 December 2022	01 January 2022 to 31 March 2022	01 April 2022 to 31 March 2023	03 December 2021 to 31 March 2022
	(Refer Note 9)	(unaudited)	(refer note 10)	(Audited)	(refer note 10)
<b>Income and gains</b>					
Revenue from operations	1,600.34	1,564.43	1,618.71	6,152.35	1,876.03
Interest income from bank deposits	23.63	47.45	24.45	121.51	27.67
Profit on sale of assets/investments	24.87	41.23	20.93	126.04	30.35
Other income	5.88	6.47	51.86	31.17	46.04
<b>Total income and gains</b>	<b>1,654.72</b>	<b>1,659.58</b>	<b>1,715.95</b>	<b>6,431.07</b>	<b>1,980.09</b>
<b>Expenses and losses</b>					
Valuation expenses	0.81	1.00	1.28	2.40	0.85
Audit fees (statutory auditor of Trust)	8.71	1.74	-	17.38	-
Audit fees (auditor of subsidiaries)	1.09	0.67	0.59	5.64	5.21
Insurance and security expenses	11.90	11.35	5.88	45.66	8.47
Employee benefits expense	26.36	24.47	27.40	104.03	27.76
Project management fees	40.83	12.72	-	53.55	-
Investment manager fees	60.49	39.32	-	111.61	-
Management support services fee	-	31.67	45.63	247.43	51.24
Trustee fees	2.92	0.33	1.12	4.43	0.75
Depreciation on property, plant and equipment	9.16	3.52	5.58	26.96	6.03
Amortization of intangible assets	307.82	293.23	230.60	1,139.01	282.17
Finance costs	-	-	-	-	-
- Interest on term loan, non convertible debentures and others	367.60	295.49	655.86	1,743.11	709.16
- Other finance costs	(18.07)	150.32	20.46	447.48	73.60
Rating fee	1.82	-	0.90	2.35	0.32
Operation and maintenance expense	82.43	140.88	125.08	433.39	139.29
Corporate social responsibility	7.25	7.91	1.72	15.16	1.74
Provision for major maintenance obligation	226.20	30.84	89.25	416.39	100.14
Operating expenses	141.76	1.96	22.98	365.44	46.69
Independent consultancy and project monitoring fees	18.34	16.62	16.21	69.28	18.11
Legal and professional fees	91.47	40.19	6.14	152.55	1.76
Other expenses	7.80	13.07	17.32	63.34	17.77
<b>Total expenses and losses</b>	<b>1,396.70</b>	<b>1,117.30</b>	<b>1,274.00</b>	<b>5,466.59</b>	<b>1,491.06</b>
<b>Profit before tax for the period / year</b>	<b>258.02</b>	<b>542.28</b>	<b>441.95</b>	<b>964.48</b>	<b>489.03</b>
<b>Tax expense:</b>					
Current tax	36.25	74.87	74.96	225.67	81.95
Deferred tax	14.63	(26.87)	(39.26)	396.82	(41.30)
<b>Total tax expense</b>	<b>50.88</b>	<b>48.00</b>	<b>35.70</b>	<b>622.49</b>	<b>40.65</b>
<b>Profit after tax for the period/year</b>	<b>207.14</b>	<b>494.28</b>	<b>406.25</b>	<b>341.99</b>	<b>448.38</b>
<b>Other comprehensive income</b>					
Items that will not be reclassified to profit or loss					
Remeasurement gains / (losses) on defined benefit plans	(0.11)	0.05	(0.21)	0.90	(0.23)
Income tax related to these items	-	-	-	-	-
<b>Total other comprehensive (loss) /income for the period /year</b>	<b>(0.11)</b>	<b>0.05</b>	<b>(0.21)</b>	<b>0.90</b>	<b>(0.23)</b>
<b>Total comprehensive income for the period/year</b>	<b>207.03</b>	<b>494.33</b>	<b>406.04</b>	<b>342.89</b>	<b>448.15</b>
<b>Earning per unit (not annualized)</b>					
Basic (₹)	0.50	1.19	0.98	0.82	*
Diluted (₹)	0.50	1.19	0.98	0.82	*

\* refer note 11

(this space has been left blank intentionally)

**SIGNED FOR  
IDENTIFICATION  
PURPOSES**



*Handwritten signature and initials.*



Highways Infrastructure Trust  
Consolidated Cash Flow Statement for the year ended 31 March 2023  
(All amounts in ₹ millions unless otherwise stated)

Particulars	01 April 2022 to 31 March 2023	03 December 2021 to 31 March 2022
	<i>(Audited)</i>	<i>(refer note 10)</i>
<b>A. Cash flows from operating activities</b>		
Profit before tax	964.48	489.03
Adjustments for:		
Depreciation on property, plant and equipment	26.96	6.03
Amortization of intangible assets	1,139.01	282.17
Gain on sale of property, plant and equipment (net)	(0.02)	(0.65)
Gain on sale of investments (net)	(123.66)	(29.70)
(Gain)/loss on investments carried at fair value through profit or loss (net)	(2.36)	6.26
Excess provisions written back	(9.15)	(1.00)
Bad debts written off	9.34	-
Provision for major maintenance obligation	416.39	100.14
Interest income	(121.51)	(27.67)
Finance cost		
Interest on term loan and non convertible debentures and others	1,684.64	709.16
Unwinding finance cost on deferred payment to National Highway Authority of India ('NHAI') for purchase of right to charge users of toll road	177.46	42.50
Unwinding of discount on provisions and financial liabilities carried at amortised cost	110.04	13.18
Unwinding of discount on provision for major maintenance	51.31	15.87
Finance and bank charges	162.08	2.05
Modification loss on preference shares liability	5.06	-
Modification loss / (gain) on annuity	298.58	(243.08)
Modification gain on financial liability	-	(26.03)
<b>Operating profit before working capital changes and other adjustments</b>	<b>4,788.65</b>	<b>1,338.26</b>
<b>Working capital changes and other adjustments:</b>		
Trade receivables	36.95	9.54
Other financial assets	621.00	916.58
Other assets	11.70	16.26
Trade payables	66.91	222.87
Provisions	(314.36)	(766.62)
Financial liabilities	72.32	37.62
Other liabilities	11.99	19.86
<b>Cash flow from operating activities post working capital changes</b>	<b>5,295.16</b>	<b>1,794.36</b>
Income tax paid (net of refund)	(267.30)	(96.93)
<b>Net cash flow from operating activities (A)</b>	<b>5,027.86</b>	<b>1,697.43</b>
<b>B. Cash flows from investing activities</b>		
Acquisition of property, plant and equipments	(13.34)	(55.65)
Proceeds from disposal of property plant and equipment and capital work-in progress	18.83	8.55
Investment in compulsorily convertible debentures ('CCD's')	(3,060.00)	-
Investment in bank deposits	-	(800.99)
Investment in preference shares	(545.10)	-
Proceeds from maturity of bank deposits	784.00	-
Purchase of current investments	-	(170.34)
Proceeds from sale of current investments (net)	1,629.82	-
Interest received on bank deposits and others	-	27.67
<b>Net cash used in investing activities (B)</b>	<b>(1,185.79)</b>	<b>(990.76)</b>
<b>C. Cash flows from financing activities</b>		
Proceeds from issuance of units	4,160.00	-
Repayment of current borrowings	(112.50)	(7,693.51)
Repayment of non-current borrowings	(14,300.60)	-
Proceeds from compulsorily convertible debentures	-	7,562.77
Proceeds from current borrowings	14,469.03	-
Formation and issue expenses	(111.58)	-
Processing fees	(118.90)	-
Finance costs paid	(1,814.23)	(724.39)
Distribution made to unit-holders	(6,030.00)	-
<b>Net cash used financing activities (C)</b>	<b>(3,858.78)</b>	<b>(855.13)</b>
<b>D Net decrease in cash and cash equivalents (A+B+C)</b>	<b>(16.71)</b>	<b>(148.46)</b>
<b>E Cash and cash equivalents acquired under business combinations</b>	-	514.28
<b>F Cash and cash equivalents at the beginning of the year</b>	<b>365.82</b>	-
<b>Cash and cash equivalents at the end of the year / period (D+E+F)</b>	<b>349.11</b>	<b>365.82</b>

**Note:**

The above Consolidated Cash Flows statement has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

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*[Handwritten signature]*

(all amounts in ₹ millions, except ratios)

Sl.No.	Particulars	01 January 2023 to 31 March 2023	1 October 2022 to 31 December 2022	01 January 2022 to 31 March 2022	01 April 2022 to 31 March 2023	03 December 2021 to 31 March 2022
		(Refer Note 9)	(unaudited)	(refer note 10)	(Audited)	(refer note 10)
(a)	Debt equity ratio (in times) [Non-current borrowings + Current borrowings / unit capital]	3.37	1.81	59.84	3.37	59.84
(b)	Debt service coverage ratio (in times) [Profit before tax, finance costs, exceptional items / Finance costs + Principal repayment for borrowings]	1.60	2.04	1.25	0.20	0.40
(c)	Interest service coverage ratio (in times) [Profit before tax, finance costs, exceptional items, depreciation and amortization expense] / Finance cost	2.65	2.88	2.00	1.97	1.99
(d)	Outstanding redeemable preference shares	-	-	-	-	-
(e)	Capital redemption reserve/debenture redemption reserve	2.83	2.83	2.83	2.83	2.83
(f)	Net worth [Unit Capital + Other equity]	4,381.66	8,194.49	388.86	4,381.66	388.86
(g)	Net Profit after tax	207.14	494.28	406.25	341.99	448.38
(h)	Earning per unit [Profit/(loss) after tax/Total number of units]	0.50	1.19	0.98	0.82	refer note 11
(i)	Current ratio (in times) [Current assets / Current liabilities]	2.47	5.83	1.68	2.47	1.68
(j)	Long term debt to working capital (in times) [Non-current borrowings + Current borrowings / Current assets less current liabilities (excluding current maturity of non-current borrowings)]	6.88	2.58	5.47	6.88	5.47
(k)	Bad debts to account receivable ratio (in %) [Bad debts / Average trade receivables]	-	-	-	-	-
(l)	Current liability ratio (in %) [Current liabilities / Total liabilities]	6.91%	6.03%	12.20%	6.91%	12.20%
(m)	Total debts to total assets ratio (in %) [Non-current borrowings + Current borrowings / Total assets]	63.33%	54.45%	84.94%	63.33%	84.94%
(n)	Debtors turnover (in times) [Revenue from operations/ Average Trade Receivables (including financial assets)]	1,339.19	112.73	81.90	328.47	100.59
(o)	Inventory turnover * [Sale of products / Average inventory of finished goods and stock in trade]	NA	NA	NA	NA	NA
(p)	Operating margin (in %) [Profit before tax, finance cost, exceptional items and other income] / Revenue from operations]	37.96%	63.16%	69.08%	51.28%	67.79%
(q)	Net profit margin (in %) [Profit after tax / Revenue from operations]	12.94%	31.59%	25.10%	5.56%	23.90%

\* The Trust does not have any inventory, hence inventory turnover ratio is not applicable

**Notes:**

(i) The Trust has outstanding secured non-convertible debentures (NCDs) amounting to ₹6,416.05 millions (31 March 2022: ₹ Nil) for Series I and Series II which will mature on 22 December 2025 and 22 September 2029 respectively. The NCDs are listed on Bombay Stock Exchange (BSE). The asset cover exceeds 100% of the principal amount of NCD's as at 31 March 2023

(ii) The Non Convertible Debentures ("NCD's") are secured by charge on the following:

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 Hold Cos and SPVs;

(iii) dividends and any other amounts to be paid / payable by the Hold Cos 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; and

(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 immovable 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 Hold Cos 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 (a) 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 Hold Cos and SPVs present and future (collectively, the "Issuer Loans"); (b) 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 the SPVs and the Hold Cos to the Issuer / HoldCo ("Pledged Securities");

g) undertaking from SPV and HoldCo, in a form and manner satisfactory to the Debenture Trustee, as a part of the Corporate Guarantee; and

h) unconditional and irrevocable corporate guarantee by each of the SPVs and the HoldCos, in a form and manner satisfactory to the Trustee (the "Corporate Guarantee").

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## Highways Infrastructure Trust

### Notes to Consolidated Financial results for the quarter and year ended 31 March 2023

(All amounts in ₹ millions unless otherwise stated)

- 1 The audited consolidated financial results of Highways Infrastructure Trust ("Trust") for quarter and year ended 31 March 2023 have been reviewed by the Audit Committee of Highway Concessions One Private Limited ("Investment Manager of the Trust") at their meeting held on 19 May 2023 and approved by the Board of Directors of the Investment Manager of the Trust at their meeting held on 19 May 2023. The statutory auditors have issued an unmodified audit report on the consolidated financial results.
- 2 The Consolidated financial results comprises the consolidated statement of profit and loss, consolidated statement of assets and liabilities, consolidated cash flow statement and other explanatory notes pursuant to requirements of Regulation 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ("Consolidated financial results"). The Consolidated financial results has been prepared in accordance with the recognition and measurement principles prescribed under Indian Accounting Standard-34 Interim Financial Reporting (Ind AS 34) read with rule 2(1)(a) of Companies (Indian Accounting Standards) Rules, 2015 (Ind AS 34) as amended and the SEBI circular.
- 3 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 23 December 2021 having registration number IN/ InvIT/ 21-22/ 0019. Accordingly, the financial information for the corresponding period in immediately preceding financial year ended 31 March 2023 is given from from 03 December 2021 to 31 March 2022.
- 4 The Board of Directors of the Investment Manager have declared distribution of ₹ 4.8375 (rounded off) per unit amounting to ₹ 2,010.00 millions, ₹ 4.8375 (rounded off) per unit amounting to ₹ 2,009.98 millions and ₹ 4.8376 (rounded off) per unit amounting to ₹ 2,010.02 millions in their meeting held on 11 November 2022, 08 February 2023 and 08 March 2023 respectively and the aforesaid distribution was paid to eligible unitholders on 19 November 2022, 15 February 2023 and 18 March 2023 respectively. Subsequent to year end 31 March 2023, the Board of Directors of the Investment Manager have declared distribution of ₹ 1.6876 (rounded off) per unit amounting to ₹ 701.20 millions in their meeting held on 19 May 2023.
- 5 The Trust acquired the following companies (Project SPV's) on 23 August 2022 :
  - (i) Dewas Bhopal Corridor Private Limited ("DBCPL")
  - (ii) Nirmal BOT Limited ("NBL")
  - (iii) Jodhpur Pali Expressway Private Limited ("JPEPL")
  - (iv) Godhra Expressways Private Limited ("GEPL")
  - (v) Ulundurpet Expressways Private Limited ("UEPL")
  - (vi) Shillong Expressway Private Limited ("SEPL")
- 6 During the current period, the Trust acquired the SPV's (as stated above) which are engaged in the design, construction, development, operation and maintenance of roads and highways on 23 August 2022 for an equity consideration of ₹ 31,715.33 millions. Galaxy Investments II Pte Limited had earlier acquired "DBCPL", "NBL", "JPEPL", "GEPL" and "UEPL" on 17 December 2021 and "SEPL" on 13 January 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 recognize any new assets or liabilities. The only adjustments that are made are to harmonize 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 03 December 2021 to 31 March 2022 as if the acquisition had occurred on 17 December 2021 for "DBCPL", "NBL", "JPEPL", "GEPL" and "UEPL" and 13 January 2022 for "SEPL", irrespective of the actual date of the combination which is 23 August 2022 and the difference between the purchase consideration and the value of net identifiable assets acquired has been adjusted with the "Acquisition adjustment deficit account" in other equity.

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- 7 During the current year ended 31 March 2023, pursuant to the approval dated 22 November 2022 granted by the Securities and Exchange Board of India ("SEBI") and the approval of the unitholders of the Trust as required under Regulation 9(15) of the InvIT Regulations obtained from the unitholders in the extraordinary general meeting held on 14 November 2022, Highway Concessions One Private Limited ("HIC 1") and HIC One Project Manager Private Limited ("HIC One") was appointed as the new Investment Manager and Project Manager of the Trust respectively in place of Virescent Infrastructure Investment Manager Private Limited ("erstwhile Investment Manager") and Virescent Renewable Energy Project Manager Private Limited ("erstwhile Project Manager"). The appointment of the new Investment Manager was also approved by the Board of erstwhile Investment Manager of the Trust vide its circular Resolution dated 19 October 2022. Consequently, Highway Concessions One Private Limited and HIC One Project Manager Private Limited have been acting as the new Investment Manager and Project Manager of the Trust effective from 23 November 2022 and 14 November 2022 respectively.
- 8 During the current year ended 31 March 2023, three of the project SPV's viz. GEPL, DBCPL and 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 19 October 2022 for GEPL and DBCPL and on 29 November 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 the capital reduction scheme in DBCPL was received on 27 February 2023 however, final order for approving the capital reduction scheme is awaited in GEPL and UEPL. Accordingly, the necessary impacts on account of capital reduction in DBCPL have been considered in these audited consolidated financial statements for the year ended 31 March 2023.
- 9 The consolidated financial results for the quarter ended 31 March 2023, being the balancing figures between the audited consolidated figures in respect of the full financial year and the published unaudited year-to-date consolidated figures up to the third quarter of the current financial year, which were subject to limited review by us.
- 10 The consolidated financial information :  
 (i) for the period 03 December 2021 to 31 March 2022;  
 (ii) 01 January 2022 to 31 March 2022; and  
 (iii) as at 31 March 2022  
 as reported in these results have been certified by the Investment Manager of the Trust and are not subject to audit or review.
- 11 Units were issued on 23 August 2022, however for the purpose of Earning per unit, it has been arrived without considering weighted average number of units as the statement of profit and loss pertains to entire twelve months based on common control arrangement of business combinations as explained in note 6. Further the number of units issued by Highways Infrastructure Trust to the unitholders in exchange for the shareholding of the project SPVs were issued during the current period, hence earning per unit has not been calculated for the period from 03 December 2021 to 31 March 2022.
- 12 Previous period figures have been reclassified/regrouped wherever necessary to conform to current period classification. The impact of the same is not material to the user of the consolidated financial results.

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13 All values are rounded to 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.

For and on behalf of Board of Directors of  
Highways Concessions One Private Limited  
(as Investment Manager of Highways Infrastructure Trust)



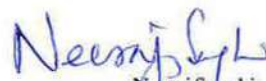
Kunjal Shah  
Compliance Officer  
Membership No : A27382

Place: Mumbai  
Date: 19 May 2023



Narayanan Doraiswamy  
Chief Financial Officer

Place: Mumbai  
Date: 19 May 2023



Neeraj Sanghi  
Whole time director and CEO  
DIN: 05110400

Place: Mumbai  
Date: 19 May 2023

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# Walker Chandiook & Co LLP

**Walker Chandiook & Co LLP**  
(Formerly Walker, Chandiook & Co)  
L-41 Connaught Circus  
New Delhi 110001  
India

T +91 11 4278 7070  
F +91 11 4278 7071

## **Independent Auditor's Report on Consolidated Half Yearly and Annual Financial Results of the Trust Pursuant to the Regulation 23 of the SEBI (Infrastructure Investment Trusts) Regulations, 2014 (as amended) and SEBI Circular CIR/IMD/DF/127/2016/ dated 29 November 2016**

**To the Board of Directors of Highway Concessions One Private Limited (As the Investment Manager of Highways Infrastructure Trust)**

### **Opinion**

1. We have audited the accompanying consolidated financial results ('the Statement') of Highways Infrastructure Trust ('the Trust') and its subsidiaries (the Trust and its subsidiaries together referred to as 'the Group') for the half year and year ended 31 March 2023, consisting of the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), explanatory notes thereto and additional disclosures as required in paragraph 6 of Annexure A to the SEBI Circular CIR/IMD/DF/127/2016 dated 29 November 2016 and continuous disclosure requirements specified under paragraph 5.1 and 5.2.1 of the SEBI Circular SEBI/HO/DDHS/DDHS/CIR/P/2018/71 dated 13 April 2018 for issuance of debt securities by Infrastructure Investment Trusts (InvITs) (hereinafter collectively referred to as 'the SEBI Circulars') being submitted by Highway Concessions One Private Limited ('the Investment Manager') pursuant to the requirements of Regulation 23 of the SEBI (Infrastructure Investment Trusts) Regulations, 2014 (as amended) ('SEBI Regulations'), read with SEBI Circulars.
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 other auditors on separate audited financial statements of the subsidiaries, as referred to in paragraph 12 below, the Statement:
  - (i) includes the annual financial results of the entities listed in Annexure 1;
  - (ii) presents financial results in accordance with the requirements of Regulation 23 of the SEBI Regulations read with the SEBI Circulars in this regard; and
  - (iii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') as defined under Rule 2 (1) (a) of the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the consolidated net profit after tax and other comprehensive income and other financial information of the Group, for the half year and year ended 31 March 2023.



Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurgaon, Hyderabad, Kolkata, Mumbai, New Delhi, Noida and Pune

Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India

# Walker Chandiook & Co LLP

Independent Auditor's Report on Consolidated Half Yearly and Year to date Financial Results of the Trust Pursuant to the Regulation 23 of the SEBI (Infrastructure Investment Trusts) Regulations, 2014 (as amended) SEBI Circular CIR/IMD/DF/127/2016/ dated 29 November 2016 (Cont'd)

## 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 Statement 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 obtained by us together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 12 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

## Responsibilities of Investment Manager and Those Charged with Governance for the Statement

4. The Statement, which is the responsibility of the Trust's Investment Manager and approved by the Investment Manager's Board of Directors, has been prepared on the basis of the consolidated annual financial statements. The Trust's Investment Manager is responsible for the preparation and presentation of the Statement that gives a true and fair view of the consolidated net profit after tax and other comprehensive income, and other financial information of the Group in accordance with the requirements of SEBI Regulations read with the SEBI Circulars, including Ind AS as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended), and other accounting principles generally accepted in India. The Trust's Investment Manager is also responsible for ensuring accuracy of records including financial information considered necessary for the preparation of the Statement. Further, the respective Board of Directors of Investment Manager of the Trust and of the companies included in the Group, are responsible for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, 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 results, that give a true and fair view and are free from material misstatement, whether due to fraud or error. These financial results have been used for the purpose of preparation of the Statement by the Investment Manager of the Trust, as aforesaid.
5. In preparing the Statement, 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 intends to liquidate the Group or to cease operations, or have no realistic alternative but to do so.
6. The respective Board of Directors are responsible for overseeing the financial reporting process of the entities included in the Group.

## Auditor's Responsibilities for the Audit of the Statement

7. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing issued by the ICAI, 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 this Statement.





# Walker Chandio & Co LLP

Independent Auditor's Report on Consolidated Half Yearly and Year to date Financial Results of the Trust Pursuant to the Regulation 23 of the SEBI (Infrastructure Investment Trusts) Regulations, 2014 (as amended) SEBI Circular CIR/IMD/DF/127/2016/ dated 29 November 2016 (Cont'd)

8. As part of an audit in accordance with the 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 Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
  - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Trust has in place an 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 the Investment Manager;
  - Conclude on the appropriateness of Board of Directors of Investment Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the 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 Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
  - Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents 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 within the Group, to express an opinion on the Statement. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the Statement, of which we are the independent auditors. For the other entities included in the Statement, 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.
9. 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.
10. 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.
11. We also performed procedures in accordance with Regulation 13(2)(e) of the SEBI (Infrastructure Investment Trusts) Regulations, 2014 (as amended) to the extent applicable.

## Other Matters

12. We did not audit the half -year and annual financial statements of 3 subsidiaries included in the Statement, whose financial information reflects total revenues of ₹ 1,287.76 millions and ₹ 2,680.80 millions, total net loss after tax of ₹ 475.87 millions and ₹ 618.78 millions, and total comprehensive loss of ₹ 475.48 millions and ₹ 617.70 millions, for the half year and year ended 31 March 2023, as considered in the Statement. These financial statements have been audited by other auditors whose audit reports have been furnished to us by the Investment Manager of the Trust, and our opinion in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the audit reports of such other auditors.





# Walker Chandiok & Co LLP

Independent Auditor's Report on Consolidated Half Yearly and Year to date Financial Results of the Trust Pursuant to the Regulation 23 of the SEBI (Infrastructure Investment Trusts) Regulations, 2014 (as amended) SEBI Circular CIR/IMD/DF/127/2016/ dated 29 November 2016 (Cont'd)

Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and the reports of the other auditors.

13. The Statement includes the comparative consolidated half-year and annual financial results of the Trust for the period from 03 December 2021 to 31 March 2022 and as at 31 March 2022 which has been certified by the Board of directors of the Investment Manager of the Trust but have not been subjected to audit or review.
14. The statement includes the consolidated financial results for the half year ended 31 March 2023, being the balancing figures between the audited consolidated figures in respect of the full financial year and the published unaudited year-to-date consolidated figures up to first half of the current financial year, being the date of the end of first half of the current financial year, which were subject to limited review by us.

**For Walker Chandiok & Co LLP**

Chartered Accountants

Firm Registration No.: 001076N/N500013



**Manish Agrawal**

Partner

Membership No. 507000

UDIN: 23507000BGYERU3287

**Place:** Mumbai

**Date:** 19 May 2023



# Walker ChandioK & Co LLP

Independent Auditor's Report on Consolidated Half Yearly and Year to date Financial Results of the Trust Pursuant to the Regulation 23 of the SEBI (Infrastructure Investment Trusts) Regulations, 2014 (as amended) SEBI Circular CIR/IMD/DF/127/2016/ dated 29 November 2016 (Cont'd)

## Annexure 1

### List of subsidiaries included in the Statement (in addition to Highways Infrastructure Trust)

- a. Nirmal BOT Limited ('NBL')
- b. Godhra Expressways Private Limited ('GEPL')
- c. Ulundurpet Expressways Private Limited ('UEPL')
- d. Jodhpur Pali Expressways Private Limited ('JPEPL')
- e. Dewas Bhopal Corridor Expressways Private Limited ('DBCPL')
- f. Shillong Expressway Private Limited ('SEPL')



Highways Infrastructure Trust

Audited Consolidated Financial Results of the Trust for the half year and year ended 31 March 2023

(All amounts in ₹ millions unless otherwise stated)

Particulars	01 October 2022 to 31 March 2023	01 April 2022 to 30 September 2022	01 April 2022 to 31 March 2023	03 December 2021 to 31 March 2022
	(Refer note 10)	(Unaudited)	(Audited)	(Refer note 6 and 9)
<b>Income and gains</b>				
Revenue from operations	3,164.77	2,987.58	6,152.35	1,876.03
Interest income from bank deposits	71.08	50.43	121.51	27.67
Profit on sale of assets/investments	66.10	59.94	126.04	30.35
Other income	12.35	18.82	31.17	46.04
<b>Total Income and gains</b>	<b>3,314.30</b>	<b>3,116.77</b>	<b>6,431.07</b>	<b>1,980.09</b>
<b>Expenses and losses</b>				
Valuation expenses	1.81	0.59	2.40	0.85
Audit fees (Statutory auditor of Trust)	10.45	6.93	17.38	-
Audit fees (Auditor of subsidiaries)	1.76	3.88	5.64	5.21
Insurance and security expenses	23.25	22.41	45.66	8.47
Employee benefits expense	50.83	53.20	104.03	27.76
Project management fees (Refer note b (i) and (ii))	53.55	-	53.55	-
Investment manager fees (Refer note b (i) and (ii))	99.81	11.80	111.61	-
Management support services fee	31.68	215.75	247.43	51.24
Trustee fees	3.25	1.18	4.43	0.75
Depreciation on property, plant and equipment	12.68	14.28	26.96	6.03
Amortization of intangible assets	601.05	537.96	1,139.01	282.17
Finance costs				-
Interest on term loan, non convertible debentures and others	663.09	1,080.02	1,743.11	709.16
Other finance costs	132.25	315.23	447.48	73.60
Rating fee	1.82	0.53	2.35	0.32
Operation and maintenance expense	223.32	210.07	433.39	139.29
Corporate social responsibility	15.16	-	15.16	1.74
Provision for major maintenance obligation	257.04	159.35	416.39	100.14
Operating expenses	143.72	221.72	365.44	46.69
Independent consultancy and project monitoring fees	34.96	34.32	69.28	18.11
Legal and professional expenses	131.63	20.92	152.55	1.76
Other expenses	20.87	42.47	63.34	17.77
<b>Total expenses and losses</b>	<b>2,513.98</b>	<b>2,952.61</b>	<b>5,466.59</b>	<b>1,491.06</b>
<b>Profit before tax for the period / year</b>	<b>800.32</b>	<b>164.16</b>	<b>964.48</b>	<b>489.03</b>
<b>Tax expense:</b>				
Current tax	111.12	114.55	225.67	81.95
Deferred tax	(12.24)	409.06	396.82	(41.30)
<b>Total tax expense</b>	<b>98.88</b>	<b>523.61</b>	<b>622.49</b>	<b>40.65</b>
<b>Profit / (loss) after tax for the period / year</b>	<b>701.44</b>	<b>(359.45)</b>	<b>341.99</b>	<b>448.38</b>
<b>Other comprehensive income</b>				
Items that will not be reclassified to profit or loss				
Re-measurement gain on defined benefit obligations	(0.06)	0.96	0.90	(0.23)
Income tax relating to these items	-	-	-	-
<b>Total other comprehensive (loss) / income for the period / year</b>	<b>(0.06)</b>	<b>0.96</b>	<b>0.90</b>	<b>(0.23)</b>
<b>Total comprehensive income / (loss) for the period / year</b>	<b>701.38</b>	<b>(358.49)</b>	<b>342.89</b>	<b>448.15</b>
<b>Earnings per unit (not annualized)</b>				
Basic (₹)	1.69	(0.87)	0.82	*
Diluted (₹)	1.69	(0.87)	0.82	*

\*refer note 11

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Highways Infrastructure Trust

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(All amounts in ₹ millions unless otherwise stated)

a. Statement of Net Distributable Cash Flows

(i) Highways Infrastructure Trust

S. No.	Particulars	01 October 2022 to 31 March 2023	01 April 2022 to 30 September 2022	01 April 2022 to 31 March 2023	03 December 2021 to 31 March 2022
		(Refer note 10)	(Unaudited)	(Audited)	(Refer note 6 and 9)
1	<b>Net Distributable Cash Flows of the Project Entities</b>				-
	a) in the form of interest / accrued interest / additional interest	1,458.86	619.24	2,078.10	-
	b) in the form of dividend	861.11	1,032.21	1,893.32	-
	c) in the form of proceeds towards repayment of the debt issued to the Project SPVs by the Trust	3,178.77	86.00	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	21.90	272.55	294.45	-
2	Cash flows from additional borrowings (including debentures / other securities), fresh issuance of units, etc.	2,524.80	16,104.23	18,629.03	-
3	Any other income accruing at the Highways 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 Trust	39.50	3.25	42.75	-
	<b>Total cash inflow at the InvIT level (A)</b>	<b>8,084.94</b>	<b>18,117.48</b>	<b>26,202.42</b>	<b>-</b>
	<b>Adjustments:</b>				
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.	(609.27)	(280.48)	(889.75)	-
5	Any expenditure reimbursed to Investment Manager which the Investment Manager incurred on behalf of Trust	(104.30)	(11.80)	(116.10)	-
6	Income tax (if applicable) for standalone Highways Trust and / or payment of other statutory dues	(16.88)	(1.39)	(18.27)	-
7	Repayment of third-party debt (principal) / redeemable preference shares / debentures, etc., net of any debt raised by refinancing of existing debt	(95.83)	(16.67)	(112.50)	-
8	Net cash set aside to comply with borrowing requirements such as DSRA, minimum cash balance, etc.	(646.43)	(330.00)	(976.43)	-
9	Amount invested in any of the Project SPVs for service of debt or interest	(2,944.81)	(14,267.03)	(17,211.84)	-
10	Any provision or reserve deemed necessary by the Investment Manager for expenses / liabilities which may be due in future	1,053.78	(1,200.11)	(146.33)	-
	<b>Total adjustments at the Trust level (B)</b>	<b>(3,363.74)</b>	<b>(16,107.48)</b>	<b>(19,471.22)</b>	<b>-</b>
	<b>Net Distributable cash flows (C)=(A+B)</b>	<b>4,721.20</b>	<b>2,010.00</b>	<b>6,731.20</b>	<b>-</b>

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(All amounts in ₹ millions unless otherwise stated)

(ii) Dewas Bhopal Corridor Private Limited ("DBCPL")

S. No.	Particulars	01 October 2022 to 31 March 2023	01 April 2022 to 30 September 2022	01 April 2022 to 31 March 2023	03 December 2021 to 31 March 2022
		(Refer note 10)	(Unaudited)	(Audited)	(Refer note 6 and 9)
1	<b>Profit after tax as per Statement of Profit and Loss (A)</b>	542.69	477.85	1,020.54	-
	<b>Adjustments:</b>				
2	Interest (including interest on unpaid interest), if any, on loans availed from / debentures issued to Highways Trust as per profit and loss account	199.13	4.32	203.45	-
3	Depreciation, impairment (in case of impairment reversal, same will be deducted) and amortisation as per profit and loss account.	88.18	85.24	173.42	-
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 increase/ (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;	15.26	(15.21)	0.05	-
	* deferred tax, lease rents, provisions, etc.	(115.36)	(62.48)	(177.84)	-
	* any other items charged / credited to the Profit and loss account which do not involve corresponding cash flows	33.78	8.44	42.22	-
5	Increase/(Decrease) in working capital	12.11	(27.84)	(15.74)	-
6	Gain on sale of investments	(36.83)	(8.70)	(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	2,814.94	-
8	Capital expenditure, if any	(0.41)	(0.84)	(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)	(2,853.41)	-
10	Net cash set aside to comply with borrowing requirements such as DSRA, minimum cash balance, etc.	6.36	(6.36)	-	-
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	324.97	619.49	944.47	-
	<b>Total Adjustments (B)</b>	527.19	557.59	1,084.78	-
	<b>Net Distributable cash flows (C)=(A+B)</b>	1,069.88	1,035.44	2,105.32	-

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Highways Infrastructure Trust

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(All amounts in ₹ millions unless otherwise stated)

(iii) Nirmal BOT Limited

S. No.	Particulars	01 October 2022 to 31 March 2023	01 April 2022 to 30 September 2022	01 April 2022 to 31 March 2023	03 December 2021 to 31 March 2022
		(Refer note 10)	(Unaudited)	(Audited)	(Refer note 6 and 9)
1	Loss after tax as per Statement of Profit and Loss (A)	(101.19)	(142.76)	(243.95)	-
	<b>Adjustments:</b>				
2	Interest (including interest on unpaid interest), if any, on loans availed from / debentures issued to Highways Trust as per profit and loss account	99.67	26.80	126.47	-
3	Depreciation, impairment (in case of impairment reversal, same will be deducted) and amortisation as per profit and loss account	1.00	0.97	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;	(1.37)	0.45	(0.92)	-
	• deferred tax, lease rents, provisions, etc.	(5.70)	(6.05)	(11.75)	-
5	Increase / (Decrease) in working capital	14.23	(33.14)	(18.92)	-
6	Gain on sale of investments	(2.40)	(2.83)	(5.22)	-
7	Any amount received from tolls or annuities not recognised as income for the purposes of working out the profit after tax	182.98	206.43	389.41	-
8	Amount released from DSRA/MMRA or any other reserve in lieu of providing bank guarantee	(1.82)	1.82	-	-
9	Add: 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.	-	1,158.30	1,158.30	-
10	Capital expenditure, if any	(0.28)	(0.23)	(0.51)	-
11	Repayment of third-party debt (principal) / redeemable preference shares / debentures, etc., net of any debt raised by refinancing of existing debt	-	(1,249.10)	(1,249.10)	-
12	Net cash set aside to comply with borrowing requirements such as DSRA, minimum cash balance, etc.	9.68	(9.68)	-	-
13	Payment of any other liabilities (not covered under working capital)	-	(5.18)	(5.18)	-
14	Such portion of the existing cash balance available, if any, as deemed necessary by the Investment Manager in line with the SEBI InvIT Regulations	-461.14	57.32	518.45	-
	<b>Total Adjustments (B)</b>	<b>757.13</b>	<b>145.87</b>	<b>903.00</b>	<b>-</b>
	<b>Net Distributable cash flows (C)=(A+B)</b>	<b>655.94</b>	<b>3.11</b>	<b>659.05</b>	<b>-</b>

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Highways Infrastructure Trust

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(All amounts in ₹ millions unless otherwise stated)

(iv) Jodhpur Pali Expressway Private Limited

S. No.	Particulars	01 October 2022 to 31 March 2023 (Refer note 10)	01 April 2022 to 30 September 2022 (Unaudited)	01 April 2022 to 31 March 2023 (Unaudited)	03 December 2021 to 31 March 2022 (Refer note 6 and 9)
1	Loss after tax as per Statement of Profit and Loss (A)	(348.11)	(179.19)	(527.30)	-
	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	315.84	163.82	479.63	-
3	Depreciation, impairment (in case of impairment reversal, same will be deducted) and amortisation as per profit and loss account.	37.73	27.72	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:	0.29	0.56	0.87	-
	• deferred tax, lease rents, provisions, etc.	72.67	31.00	103.67	-
	• any other items charged / credited to the profit and loss account which do not involve corresponding cash flows	32.77	48.69	81.48	-
5	(Decrease)/ Increase in working capital	(188.69)	4.51	(184.18)	-
6	Gain on sale of investments	(7.06)	(1.13)	(8.19)	-
7	Capital expenditure, if any	25.92	(33.62)	(7.70)	-
8	Repayment of third-party debt (principal) / redeemable preference shares / debentures, etc., net of any debt raised by refinancing of existing debt	(1,189.10)	(65.25)	(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 InvIT Regulations.	1,506.19	-	1,506.19	-
10	Net cash set aside to comply with borrowing requirements such as DSRA, minimum cash balance, etc.	2.38	(2.38)	-	-
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	114.74	5.27	120.01	-
	Total Adjustments (B)	723.69	179.19	902.87	-
	Net Distributable cash flows (C)=(A+B)	375.58	-	375.58	-

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(All amounts in ₹ millions unless otherwise stated)

(v) Godhra Expressways Private Limited ("GEPL")

S. No.	Particulars	01 October 2022 to 31 March 2023	01 April 2022 to 30 September 2022	01 April 2022 to 31 March 2023	03 December 2021 to 31 March 2022
		(Refer note 10)	(Unaudited)	(Audited)	(Refer note 6 and 9)
1	Loss after tax as per Statement of Profit and Loss (A)	(500.78)	(129.41)	(630.19)	-
	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	628.93	370.03	998.96	-
3	Depreciation, impairment (in case of impairment reversal, same will be deducted) and amortisation as per profit and loss account.	15.72	97.70	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;	7.18	(6.79)	0.39	-
	• deferred tax, lease rents, provisions, etc.	436.56	(7.31)	429.25	-
	• any other items charged / credited to the profit and loss account which do not involve corresponding cash flows	106.38	71.04	177.42	-
5	Increase/ (Decrease) in working capital	3.48	(23.44)	(19.96)	-
6	Gain on sale of investments	(21.87)	(6.15)	(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	4,059.40	-
8	Capital expenditure, if any	(71.81)	(50.74)	(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)	(4,100.76)	-
10	Net cash set aside to comply with borrowing requirements such as DSRA, minimum cash balance, etc.	27.26	(27.26)	-	-
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	527.51	323.13	850.64	-
	Total Adjustments (B)	1,659.34	698.85	2,358.19	-
	Net Distributable cash flows (C)=(A+B)	1,158.56	569.44	1,728.00	-

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(All amounts in ₹ millions unless otherwise stated)

(vi) Ulundurpet Expressways Private Limited ("UEPL")

S. No.	Particulars	01 October 2022 to 31 March 2023	01 April 2022 to 30 September 2022	01 April 2022 to 31 March 2023	03 December 2021 to 31 March 2022
		(Refer note 10)	(Unaudited)	(Audited)	(Refer note 6 and 9)
1	(Loss) / profit after tax as per Statement of Profit and Loss (A)	(16.62)	7.29	(9.33)	-
	<b>Adjustments:</b>				
2	Interest (including interest on unpaid interest), if any, on loans availed from / debentures issued to Highways Trust as per profit and loss account	180.57	37.53	218.10	-
3	Depreciation, impairment (in case of impairment reversal, same will be deducted) and amortisation as per profit and loss account.	428.44	382.98	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;	0.09	-	0.09	-
	• deferred tax, lease rents, provisions, etc.	(8.89)	6.44	(2.43)	-
	• any other items charged / credited to the Profit and loss account which do not involve corresponding cash flows	210.48	112.89	323.37	-
5	Increase in working capital	34.50	8.85	43.35	-
6	Gain on sale of investments	(27.64)	(12.01)	(39.65)	-
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.	-	17.43	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.	70.00	2,629.29	2,699.29	-
9	Capital expenditure, if any	(1.83)	-	(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)	(2,840.24)	-
11	Net cash set aside to comply with borrowing requirements such as DSRA, minimum cash balance, etc.	15.10	(15.10)	-	-
12	Any provision or reserve deemed necessary by the Investment Manager for expenses / liabilities which may be due in future	205.89	(205.89)	-	-
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	1,046.15	-	1,046.15	-
	<b>Total Adjustments (B)</b>	<b>2,152.85</b>	<b>122.18</b>	<b>2,275.03</b>	<b>-</b>
	<b>Net Distributable cash flows (C)=(A+B)</b>	<b>2,136.23</b>	<b>129.47</b>	<b>2,265.70</b>	<b>-</b>

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(All amounts in ₹ millions unless otherwise stated)

(vi) Shillong Expressway Private Limited ("SEPL")

S. No.	Particulars	01 October 2022 to 31 March 2023 (Refer note 10)	01 April 2022 to 30 September 2022 (Unaudited)	01 April 2022 to 31 March 2023 (Audited)	03 December 2021 to 31 March 2022 (Refer note 6 and 9)
1	(Loss) / Profit after tax as per Statement of Profit and Loss (A)	(111.12)	29.09	(82.03)	-
	Adjustments:				
2	Depreciation, impairment (in case of impairment reversal, same will be deducted) and amortisation as per profit and loss	0.14	0.15	0.29	-
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:	(2.67)	2.79	0.12	-
	• deferred tax, lease rents, provisions, etc:	17.55	(64.76)	(47.21)	-
	• any other items charged / credited to the Profit and loss account which do not involve corresponding cash flows	26.03	0.63	26.66	-
4	Decrease in working capital	(20.16)	(16.76)	(36.92)	-
5	Gain on sale of investments	(2.81)	(6.30)	(9.11)	-
6	Any amount received from tolls or annuities not recognised as income for the purposes of working out the profit after tax	248.70	248.70	497.40	-
7	Amount released from DSRA/MMRA or any other reserve in lieu of providing bank guarantee	(306.73)	306.73		-
8	Capital expenditure, if any	(0.01)	(0.05)	(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)	(702.33)	-
10	Any provision or reserve deemed necessary by the Investment Manager for expenses / liabilities which may be due in future	74.92	(74.92)	-	-
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	200.59	549.57	750.16	-
	Total Adjustments (B)	235.55	243.46	479.01	-
	Net Distributable cash flows (C)=(A+B)	124.43	272.55	396.98	-

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(All amounts in ₹ millions unless otherwise stated)

## b. Project manager and Investment manager fees

### (i) Project management fees

Pursuant to the Project Management Agreement dated 08 August 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 performance of Management, Tolling and Operation and Maintenance Services. Consolidated financial results for the period from 01 April 2022 to 31 March 2023 includes amount of ₹ Nil (for the period from 01 October 2022 to 31 March 2023 : ₹ Nil, for the period from 01 April 2022 to 30 September 2022: ₹ Nil and for the period from 03 December 2021 to 31 March 2022: ₹ Nil) towards project manager fees paid to Virescent Renewable Energy Project Manager Private Limited who was Project Manager till 13 November 2022. Subsequently pursuant to the Project Management Agreement with the current project manager i.e. IIC One Project Manager Limited dated 20 October 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 Results of the Trust for the period from 01 April 2022 to 31 March 2023 includes amount of ₹ 53.55 millions (for the period from 01 October 2022 to 31 March 2023 : ₹ 53.55 millions, for the period from 01 April 2022 to 30 September 2022: ₹ Nil and for the period from 03 December 2021 to 31 March 2022: ₹ Nil) toward project manager fees paid to IIC One Project Manager Limited who is appointed as Project Manager w.e.f 14 November 2022.

### (ii) Investment Management Fees

Pursuant to the Investment Management Agreement dated 06 December 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 results for the period from 01 April 2022 to 31 March 2023 includes amount of ₹ 2.36 millions (for the period from 01 October 2022 to 31 March 2023 : ₹ (9.64) millions, for the period from 01 April 2022 to 30 September 2022: ₹ 11.80 millions and for the period from 03 December 2021 to 31 March 2022: ₹ Nil) toward Investment manager fees paid to Virescent Infrastructure Investment Manager who was Investment Manager till 22 November 2022. Subsequently, pursuant to the Investment Management Agreement with the current Investment Manager i.e. Highway Concession One Private Limited dated 20 October 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 results for the period from 01 April 2022 to 31 March 2023 includes amount of ₹ 109.25 millions (for the period from 01 October 2022 to 31 March 2023 : ₹ 109.25 millions, for the period from 01 April 2022 to 30 September 2022: ₹ Nil and for the period from 03 December 2021 to 31 March 2022: ₹ Nil) towards Investment Manager Fees to Highway Concession One Private Limited who is appointed as Investment Manager w.e.f 23 November 2022.

## c. Statement of earnings per unit ("EPU")

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

Particulars	01 October 2022 to 31 March 2023	01 April 2022 to 30 September 2022	01 April 2022 to 31 March 2023	03 December 2021 to 31 March 2022
	(Refer note 10)	(Unaudited)	(Audited)	(Refer note 6 and 9)
Profit /loss for the period (₹ millions)	701.44	(359.45)	341.99	"
Weighted average number of units outstanding for computation of basic and diluted earning per unit (Nos. millions)**	415.50	415.50	415.50	"
Earning per unit (basic and diluted) (₹)	1.69	(0.87)	0.82	

\* refer note 11

\*\* refer note 12

## d. Statement of contingent liabilities

Particulars	As at 31 March 2023	As at 31 March 2022
	(Audited)	(Refer note 6 and 9)
Sales tax/ service tax and income tax cases in respect of which Special Purpose Vehicles ("SPVs") Group is in appeals	138.19	138.19
Income tax cases in respect of Groups	4.03	-
Claims raised against the SPVs' Group for Stamp Duty dues under the Indian Stamp Act, 1899 under appeals*	221.19	221.19
Labour welfare dues in respect of which SPV Group is on appeals	47.78	47.78
<b>Total</b>	<b>411.19</b>	<b>407.16</b>

\*The said contingent liability is covered under pass through arrangement as per assignment agreement of the Project SPVs. Therefore, any liability which may arise will be borne by erstwhile owners ("assignors") of the Project SPVs as defined under respective assignment agreements, and no liability will devolve on the Trust.

## e. Statement of commitments

Particulars	As at 31 March 2023	As at 31 March 2022
	(Audited)	(Refer note 6 and 9)
Estimated amount of contracts remaining to be executed on capital account	30.57	27.13
<b>Total</b>	<b>30.57</b>	<b>27.13</b>

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## Highways Infrastructure Trust

Disclosures pursuant to SEBI circulars (Paragraph 6 of Annexure A to the SEBI Circular No. CIR/IMD/DF/127/2016 dated 29 November 2016 read with SEBI circular CIR/IMD/DF/114/2016 dated 20 October 2016 on audited consolidated financial results for the half year and year ended 31 March 2023

(All amounts in ₹ millions unless otherwise stated)

### I Information on related party transactions pursuant to Ind AS 24 - Related Party Disclosures

Following are the related parties and transactions entered with related parties:

#### A. Related parties where control exists

##### Subsidiaries

Ulundurpet Expressways Private Limited ("UEPL")  
Nirmal BOT Limited ("NBL")  
Godhra Expressways Private Limited ("GEPL")  
Devas Bhopal Corridor Private Limited ("DBCPL")  
Shillong Expressway Private Limited ("SEPL")  
Jodhpur Pali Expressway Private Limited ("JPEPL")

##### Holding Entity

Galaxy Investments II Pte. Ltd

##### Intermediate holding entities

Galaxy Investments Pte Ltd  
KKR Asia Pacific Infrastructure Holdings Pte Ltd  
KKR Asia Pacific Infrastructure Investors SCSp

##### Ultimate holding entity

KKR & Co. Inc.

##### Fellow subsidiaries\*

Highway Concessions One Private Limited ("HC1")

\*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. (v) 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 23 November 2022 and II C. (ii) for details of KMP of Virescent Infrastructure Investment Manager Private Limited who was acting as an investment manager on behalf of the trust upto 22 November 2022

### II. List of additional related parties as per Regulation 2(1)(zv) of the InvIT Regulations

#### A. Parties to Highways Infrastructure Trust

Galaxy Investments II Pte. Ltd - Sponsor of Highway Infrastructure Trust  
Highway Concessions One Private Limited ("HC1")- Investment Manager of Trust (w.e.f 23 November 2022)  
Virescent Infrastructure Investment Manager Private Limited - Investment Manager of Trust (Upto 22 November 2022)  
HC One Project Manager Private Limited- Project manager of the Trust (w.e.f 14 November 2022)  
Virescent Renewable Energy Project Manager Private Limited - Project manager of the Trust (Upto 13 November 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 14 November 2022)  
Virescent Infrastructure Investment Manager Private Limited -Promoter of Virescent Renewable Energy Project Manager Private Limited (upto 13 November 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 23 November 2022)  
Terra Asia Holdings II Pte. Ltd.- Promoter of Virescent Infrastructure Investment Manager Private Limited (upto 22 November 2022)

#### C. Directors of the parties to Highways Infrastructure Trust specified in II(A) above

##### (i) Directors of Galaxy Investment II Pte. Ltd

Mr. Cecilio Velasco (Director) (Upto 26 January 2022)  
Mr. Tang Jin Rong (Director)  
Mr. Madhura Narawane (Director) (W.e.f 26 January 2022)

##### (ii) Directors/KMP of Virescent Infrastructure Investment Manager Private Limited

Mr. Vinay Kumar Pabba, Director w.e.f 26 November 2021 till 01 February 2022  
Mr. Pradeep Kumar Panja, Director  
Mr. Sanjay Grewal, Wholetime Director  
Mr. Akshay Jaitly, Independent Director  
Mr. Hardik Bhadrak Shah, Director  
Mr. Aditya Narayan, Independent Director  
Ms Daisy Devassy Chittilapilly, Independent Director  
Ms. Charmi bhoot, Company Secretary and Compliance Officer

##### (iii) Directors of Virescent Renewable Energy Project Manager Private Limited

Mr. Sanjay Grewal, Director  
Mr. Atul Raizada, Director

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# Highways Infrastructure Trust

Disclosures pursuant to SEBI circulars (Paragraph 6 of Annexure A to the SEBI Circular No. CIR/IMD/DF/127/2016 dated 29 November 2016 read with SEBI circular CIR/IMD/DF/114/2016 dated 20 October 2016 on audited consolidated financial results for the half year and year ended 31 March 2023

(All amounts in ₹ millions unless otherwise stated)

## (iv) Directors of Axis Trustee Services Limited

Ms. Deepa Rath CEO (KMP), Managing Director  
Mr. Rajesh Kumar Dahiya (Director)  
Mr. Ganesh Sankaran (Director)

## (v) Directors/KMP of Highway Concessions One Private Limited

Mr Hardik Bhadrak Shah, Non-executive Director  
Mr Neeraj Sanghi, CEO (KMP), Whole time Director  
Ms. Sudha Krishnan, Independent Director (w.e.f 14 September 2022)  
Ms. Ami Vinoo Momaya, Non-executive Director  
Mr Subramanian Janakiraman, Independent Director (w.e.f 04 March 2022)  
Mr Manish Agarwal, Independent Director (from w.e.f 14 September 2022)  
Ms. Kunjal Shah, Company Secretary and Compliance Officer  
Mr. Narayanan Doraiswamy, Chief Financial Officer

## (vi) Directors of HC One Project Manager Private Limited

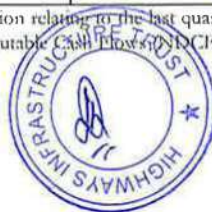
Mr Neeraj Sanghi, Director (w.e.f 20 September 2022)  
Mr Zafar Khan, Director (w.e.f 20 September 2022)

## III. Transactions and outstanding balances with related party

Particulars	01 October 2022 to 31 March 2023	01 April 2022 to 30 September 2022	01 April 2022 to 31 March 2023	03 December 2021 to 31 March 2022
	(Refer note 10)	(Unaudited)	(Audited)	(Refer note 6 and 9)
<b>Galaxy Investment II Pte Ltd.</b>				
<b>Transaction during the period</b>				
Proceeds from issue of Optionally convertible debentures ('OCD's')	-	-	-	7,978.14
Issue of unit capital	-	37,390.00	37,390.00	-
Interest on OCD's	-	444.70	444.70	312.13
Investment in compulsarily convertible debentures ('CCD's')	-	3,060.00	3,060.00	-
Investment in preference shares	-	545.10	545.10	-
Distribution to unit-holders^	5,426.24	-	5,426.24	-
<b>Balance outstanding at the end of the period</b>				
Unit capital	37,390.00	37,390.00	37,390.00	-
Investment in Equity shares of subsidiaries	-	-	-	3,200.95
Optionally Convertible Debenture	-	-	-	7,978.14
Interest accrued on Optionally Convertible Debenture	-	-	-	312.13
<b>Highway Concessions One Private Limited</b>				
<b>Transaction during the period</b>				
Reimbursement of expenses	7.83	37.02	44.85	-
Management fees	31.68	215.75	247.43	51.24
Transfer out obligation as per actuarial for employee benefit	-	0.86	0.86	0.82
Repayment of loan	-	-	-	315.00
Interest of loan	-	-	-	0.31
Investment manager fees	109.25	-	109.25	-
<b>Balance outstanding at the end of the period</b>				
Trade and other payables	151.87	45.57	151.87	0.82
Transfer out obligation as per actuarial for employee benefit	-	0.86	-	-
<b>Virescent Infrastructure Investment Manager Private Limited</b>				
<b>Transaction during the period</b>				
Reimbursement of expenses	36.38	34.87	71.25	-
Investment manager fees	(9.44)	11.80	2.36	-
<b>Balance outstanding at the end of the period</b>				
Investment manager fees payable	2.16	11.80	2.16	-
<b>HC One Project Manager Private Limited</b>				
<b>Transaction during the period</b>				
Project manager fees	53.55	-	53.55	-
<b>Balance outstanding at the end of the period</b>				
Project manager fees payable	1.92	-	1.92	-
<b>Axis Trustee Services Limited</b>				
<b>Transaction during the year/period</b>				
Trustee fees	0.83	-	0.83	-

^ Pertains to the distributions made during the financial year and does not include the distribution relating to the last quarter of financial year 2022-2023 which will be paid after 31 March 2023. The distributions made by Trust to its unit-holders are based on the Net Distributable Cash Flow (ND CF) of the Trust under the SEBI Regulations and includes interest, dividend and repayment of capital and redemption of investments.

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# Highways Infrastructure Trust

(All amounts in ₹ millions unless otherwise stated)

IV. Details in respect of related party transactions involving acquisition of InvIT assets as required by Paragraph 6 of Annexure A to the SEBI Circular No. CIR/IMD/DF/127/2016 dated 29 November 2016 read with Para 4.4(b)(iv) of Section A of Annexure A to SEBI Circular dated 20 October 2016 on audited consolidated financial results for the half year and year ended 31 March 2023 are as follows:

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 31 March 2023:

Particulars	Name of subsidiaries of the Trust					
	DBCPL	NBL	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 Convertible Debentures (CCD)\*:

Particulars	Name of Project SPVs					
	DBCPL	NBL	GEPL	JPEPL	UEPL	SEPL
Discounting rate (WACC)	-	13.71%	13.71%	13.70%	13.71%	-
Method of valuation	Discounted cash flows					

\*During the financial year, the terms of Compulsorily Convertible Debentures ("CCDs") were converted into Optionally Convertible Debentures ("OCDs")

B Material conditions or obligations in relation to the transactions:

The acquisition have been made pursuant to the terms mentioned in final placement memorandum dated 22 August 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 23 August 2022.

C No external financing has been obtained for acquisition of above subsidiaries.

D No fees or commisiom received or to be received from any associate party in relation to acquisition of Project SPVs.

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# Highways Infrastructure Trust

Additional disclosures as per SEBI circular SEBI/HO/DDHS/DDHS/CIR/P/2018/71 dated 13 April 2018, on consolidated financial results for the half year and year ended 31 March 2023

(all amounts in ₹ millions, except ratios)

(a) Ratios pursuant to SEBI circular SEBI/HO/DDHS/DDHS/CIR/P/2018/71 dated 13 April 2018

Sl.No.	Particulars	01 October 2022 to 31 March 2023 (Refer note 10)	01 April 2022 to 30 September 2022 (Unaudited)	01 April 2022 to 31 March 2023 (Audited)	03 December 2021 to 31 March 2022 (Refer note 6 and 9)
(a)	Debt equity ratio (in times) [Non-current borrowings + Current borrowings] / Total equity]	3.37	1.52	3.37	59.84
(b)	Debt service coverage ratio (in times) [Profit before tax, finance costs, exceptional items / Finance costs + Principal repayment for borrowings]	1.79	0.12	0.20	0.40
(c)	Interest service coverage ratio (in times) [Profit before tax, finance costs, depreciation and amortisation expense, exceptional items / Finance costs]	2.78	1.51	1.97	1.99
(d)	Net worth [Unit capital + Other equity]	4,381.66	9,754.00	4,381.66	388.86

## Notes:

(i) The Trust has outstanding secured non-convertible debentures (NCDs) amounting to 6,416.05 millions (31 March 2022 : Nil) for Series I and Series II which will mature on 22 December 2023 and 22 September 2029 respectively. The NCDs are listed on Bombay Stock Exchange (BSE). The asset cover exceeds 100% of the principal amount of NCD's as at 31 March 2023.

(ii) The Non Convertible Debentures ("NCD's") are secured by charge on the following:

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:

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; and

(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 immovable 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 (a) 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"); (b) 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 the SPVs and the HoldCos to the Issuer / HoldCo ("Pledged Securities");

g) undertaking from SPV and Holdco, in a form and manner satisfactory to the Debenture Trustee, as a part of the Corporate Guarantee; and

h) unconditional and irrevocable corporate guarantee by each of the SPVs and the Holdcos, in a form and manner satisfactory to the Trustee (the "Corporate Guarantee").

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## Highways Infrastructure Trust

### Notes to Audited Consolidated Financial results for the half year and year ended 31 March 2023

(All amounts in ₹ millions unless otherwise stated)

- 1 The audited consolidated financial results of Highways Infrastructure Trust ('Trust') for half year and year ended 31 March 2023 have been reviewed by the Audit Committee of Highway Concessions One Private Limited at their meeting held on 19 May 2023 and approved by the Board of Directors of the Investment Manager at their meeting held on 19 May 2023. The statutory auditors have issued an unmodified audit report on these consolidated financial results.
- 2 The audited consolidated financial results comprises the consolidated statement of profit and loss, explanatory notes and the additional disclosures as required in paragraph 6 of Annexure A to the SEBI Circular no. CIR/IMD/DF/127/2016 dated 29 November 2016 ('SEBI Circular') and SEBI circular SEBI/HO/DDHS/DDHS/CIR/P/2018/71 dated 13 April 2018 for issuance of debt securities by Infrastructure Investment Trusts (InvITs) of the Trust for the half year and year ended 31 March 2023 ('consolidated financial results'). The consolidated financial results has been prepared by 'the Investment Manager' on the basis of consolidated annual audited financial statements as at and for the year ended 31 March 2023, consolidated financial results for the half year ended 30 September 2022 and in accordance with relevant requirements of SEBI (Infrastructure Investment Trusts) Regulations, 2014 as amended from time to time ('the SEBI Regulations'), and SEBI circular.
- 3 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 23 December 2021 having registration number IN/ InvIT/ 21-22/ 0019. Accordingly, the financial information for the corresponding period in immediately preceding financial year ended 31 March 2023 is given from from 03 December 2021 to 31 March 2022.
- 4 The Board of Directors of the Investment Manager have declared distribution of ₹ 4.8375 (rounded off) per unit amounting to ₹ 2,010.00 millions, ₹ 4.8375 (rounded off) per unit amounting to ₹ 2,009.98 millions and ₹ 4.8376 (rounded off) per unit amounting to ₹ 2,010.02 millions in their meeting held on 11 November 2022, 08 February 2023 and 08 March 2023 respectively and the aforesaid distribution was paid to eligible unitholders on 19 November 2022, 15 February 2023 and 18 March 2023 respectively. Subsequent to year end 31 March 2023, the Board of Directors of the Investment Manager have declared distribution of ₹ 1.6876 (rounded off) per unit amounting to ₹ 701.20 millions in their meeting held on 19 May 2023.
- 5 The Trust acquired the following companies (Project SPV's) on 23 August 2022 :
  - (i) Dewas Bhopal Corridor Private Limited ("DBCPL")
  - (ii) Nirmal BOT Limited ("NBL")
  - (iii) Jodhpur Pali Expressway Private Limited ("JPEPL")
  - (iv) Godhra Expressways Private Limited ("GEPL")
  - (v) Ulundurpet Expressways Private Limited ("UEPL")
  - (vi) Shillong Expressway Private Limited ("SEPL")
- 6 During the current period, the Trust acquired the SPV's (as stated above) which are engaged in the design, construction, development, operation and maintenance of roads and highways on 23 August 2022 for an equity consideration of ₹ 31,715.33 millions. Galaxy Investments II Pte Limited had earlier acquired "DBCPL", "NBL", "JPEPL", "GEPL" and "UEPL" on 17 December 2021 and "SEPL" on 13 January 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 recognize any new assets or liabilities. The only adjustments that are made are to harmonize 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 03 December 2021 to 31 March 2022 as if the acquisition had occurred on 17 December 2021 for "DBCPL", "NBL", "JPEPL", "GEPL" and "UEPL" and 13 January 2022 for "SEPL", irrespective of the actual date of the combination which is 23 August 2022 and the difference between the purchase consideration and the value of net identifiable assets acquired has been adjusted with the "Acquisition adjustment deficit account" in other equity.

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Highways Infrastructure Trust

Notes to Audited Consolidated Financial results for the half year and year ended 31 March 2023

(All amounts in ₹ millions unless otherwise stated)

- 7 During the current year ended 31 March 2023, pursuant to the approval dated 22 November 2022 granted by the Securities and Exchange Board of India ("SEBI") and the approval of the unitholders of the Trust as required under Regulation 9(15) of the InvIT Regulations obtained from the unitholders in the extraordinary general meeting held on 14 November 2022, Highway Concessions One Private Limited ("HC One") and HC One Project Manager Private Limited ("HC One PM") was appointed as the new Investment Manager and Project Manager of the Trust respectively in place of Virescent Infrastructure Investment Manager Private Limited ("erstwhile Investment Manager") and Virescent Renewable Energy Project Manager Private Limited ("erstwhile Project Manager"). The appointment of the new Investment Manager was also approved by the Board of erstwhile Investment Manager of the Trust vide its circular Resolution dated 19 October 2022. Consequently, Highway Concessions One Private Limited and HC One Project Manager Private Limited have been acting as the new Investment Manager and Project Manager of the Trust effective from 23 November 2022 and 14 November 2022 respectively.
- 8 During the current year ended 31 March 2023, three of the project SPV's Viz. GEPL, DBCPL and 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 19 October 2022 for GEPL and DBCPL and on 29 November 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 the capital reduction scheme in DBCPL was received on 27 February 2023 however, final order for approving the capital reduction scheme is awaited in GEPL and UEPL. Accordingly, the necessary impacts on account of capital reduction in DBCPL have been considered in these audited consolidated financial statements for the year ended 31 March 2023.
- 9 The comparative consolidated half-year and annual financial results of the Trust for the period from 03 December 2021 to 31 March 2022 and as at 31 March 2022 which has been certified by the Board of directors of the Investment Manager of the Trust but have not been subjected to audit or review.
- 10 The consolidated financial results for the half year ended 31 March 2023, being the balancing figures between the audited consolidated figures in respect of the full financial year and the published unaudited year-to-date consolidated figures up to first half of the current financial year, being the date of the end of first half of the current financial year, which were subject to limited review by us.
- 11 The number of units issued by Highways Infrastructure Trust to the unit holders in exchange for the shareholding of the project SPVs were issued during the current period, hence earning per unit has not been calculated for the period from 03 December 2021 to 31 March 2022.
- 12 Units were issued on 23 August 2022, however for the purpose of Earning per unit, it has been arrived without considering weighted average number of units as the statement of profit and loss pertains to entire twelve months based on common control arrangement of business combinations as explained in note 6. Further the number of units issued by Highways Infrastructure Trust to the unitholders in exchange for the shareholding of the project SPVs were issued during the current period, hence earning per unit has not been calculated for the period from 03 December 2021 to 31 March 2022.
- 13 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 results.

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Notes to Audited Consolidated Financial results for the half year and year ended 31 March 2023

(All amounts in ₹ millions unless otherwise stated)

14 All values are rounded to the nearest millions, unless otherwise indicated. Certain amount that are required to disclosed and do not appear due to rounding off are expressed as 0.00

For and on behalf of Board of Directors of  
Highway Concessions One Private Limited

(as Investment Manager of Highways Infrastructure Trust)



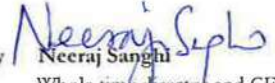
Kunjal Shah  
Compliance Officer  
Membership No: A27382

Place: Mumbai  
Date: 19 May 2023



Naranjan Doraiswamy  
Chief Financial Officer

Place: Mumbai  
Date: 19 May 2023



Neeraj Sanghi  
Whole time director and CEO  
DIN: 05110400

Place: Mumbai  
Date: 19 May 2023

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PURPOSES





# Walker Chandiook & Co LLP

**Walker Chandiook & Co LLP**  
(Formerly Walker, Chandiook & Co)  
L-41 Connaught Circus  
New Delhi 110001  
India

T +91 11 4278 7070  
F +91 11 4278 7071

**Independent Auditor's Report on Standalone Half Yearly and Annual Financial Results of the Trust pursuant to the Regulation 23 of the SEBI (Infrastructure Investment Trusts) Regulations, 2014 (as amended) and SEBI Circular CIR/IMD/DF/127/2016/ dated 29 November 2016**

**To the Board of Directors of Highway Concessions One Private Limited (As the Investment Manager of Highways Infrastructure Trust)**

## Opinion

1. We have audited the accompanying standalone financial results ('the Statement') of Highways Infrastructure Trust ('the Trust') for the half year and year ended 31 March 2023 (attached herewith) consisting of the Standalone Statement of Profit and Loss (including Other Comprehensive Income), explanatory notes thereto and additional disclosures as required in paragraph 6 of Annexure A to the SEBI Circular CIR/IMD/DF/127/2016 dated 29 November 2016 and continuous disclosure requirements specified under paragraph 5.1 and 5.2.1 of the SEBI Circular SEBI/HO/DDHS/DDHS/CIR/P/2018/71 dated 13 April 2018 for issuance of debt securities by Infrastructure Investment Trusts (InvITs) (hereinafter collectively referred to as 'the SEBI Circulars'), being submitted by Highway Concessions One Private Limited ('the Investment Manager') pursuant to the requirements of Regulation 23 of the SEBI (Infrastructure Investment Trusts) Regulations, 2014 (as amended) ('SEBI Regulations'), read with the SEBI Circulars.
2. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
  - (i) presents financial results in accordance with the requirements of Regulation 23 of the SEBI Regulations read with the SEBI Circulars in this regard; and
  - (ii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') as defined under Rule 2 (1) (a) of the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the standalone net profit after tax and other comprehensive income and other financial information of the Trust, for the half year and year ended 31 March 2023.



**Independent Auditor's Report on Standalone Half Yearly and Year to date Financial Results of the Trust pursuant to the Regulation 23 of the SEBI (Infrastructure Investment Trusts) Regulations, 2014 (as amended) and SEBI Circular CIR/IMD/DF/127/2016/ dated 29 November 2016 (Cont'd)**

**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 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 obtained by us, is sufficient and appropriate to provide a basis for our opinion.

**Responsibilities of Investment Manager and Those Charged with Governance for the Statement**

4. This Statement has been prepared on the basis of the standalone annual audited financial statements and approved by the Board of Directors of Investment Manager. The Trust's Investment Manager is responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit and other comprehensive income and other financial information of the Trust in accordance with the requirements of SEBI Regulations read with the SEBI Circulars, including Indian Accounting Standards as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended), and other accounting principles generally accepted in India. 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 Statement that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
5. In preparing the Statement, the Board of Directors of the Investment Manager of the Trust are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors of Investment Manager either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.
6. The Board of Directors of the Investment Manager of the Trust is also responsible for overseeing the Trust's financial reporting process.

**Auditor's Responsibilities for the Audit of the Statement**

7. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing issued by the ICAI, 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 this Statement.
8. As part of an audit in accordance with the Standards on Auditing issued by ICAI, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatement of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;





# Walker Chandiok & Co LLP

## Independent Auditor's Report on Standalone Half Yearly and Year to date Financial Results of the Trust pursuant to the Regulation 23 of the SEBI (Infrastructure Investment Trusts) Regulations, 2014 (as amended) and SEBI Circular CIR/IMD/DF/127/2016/ dated 29 November 2016 (Cont'd)

- 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 an 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 the Investment Manager;
  - Conclude on the appropriateness of the Board of Directors of Investment Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Trust to cease to continue as a going concern; and
  - Evaluate the overall presentation, structure and content of the Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
9. 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.
10. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### Other matters

11. The Statement includes the standalone financial results for the half year ended 31 March 2023, being the balancing figures between the audited standalone figures in respect of the full financial year and the published unaudited year-to-date figures up to the first half of the current financial year, which were subject to limited review by us.
12. The Statement includes the comparative standalone financial information of the Trust for the period from 03 December 2021 to 31 March 2022 and as at 31 March 2022 has been certified by the Board of directors of the Investment Manager of the Trust but has not been subjected to audit or review.

### For Walker Chandiok & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013



**Manish Agrawal**

Partner

Membership No. 507000

UDIN: 23507000BGYERR8728

Place: Mumbai

Date: 19 May 2023



Highways Infrastructure Trust

Audited Standalone Financial Results of the Trust for the half year and year ended 31 March 2023

(All amounts in ₹ millions unless otherwise stated)

Particulars	01 October 2022 to 31 March 2023 (Refer note 8)	01 April 2022 to 30 September 2022 (Unaudited)	01 April 2022 to 31 March 2023 (Audited)	03 December 2021 to 31 March 2022 (Refer note 7)
<b>Income and gains</b>				
Revenue from operations				
Dividend income from subsidiaries	1,642.21	-	1,642.21	-
Interest income on loans from subsidiaries	1,424.13	157.80	1,581.93	-
Other income				
Interest on fixed deposits	39.50	3.25	42.75	-
<b>Total income and gains</b>	<b>3,105.84</b>	<b>161.05</b>	<b>3,266.89</b>	<b>-</b>
<b>Expenses and losses</b>				
Finance costs				
Interest on term loan and non convertible debentures and others	557.09	27.04	584.13	-
Other finance costs	0.01	0.56	0.57	-
Valuation expenses	1.19	0.59	1.78	-
Audit fees	10.45	6.93	17.38	-
Investment manager fees (Refer note b)	13.07	11.80	24.87	-
Trustee fee	1.51	1.18	2.69	-
Rating expenses	0.49	-	0.49	-
Legal and professional	116.60	12.73	129.33	-
Other expenses	14.81	1.52	16.33	-
<b>Total expenses and losses</b>	<b>715.22</b>	<b>62.35</b>	<b>777.57</b>	<b>-</b>
<b>Profit before exceptional items and tax for the period / year</b>	<b>2,390.62</b>	<b>98.70</b>	<b>2,489.32</b>	<b>-</b>
Exceptional items (refer note 6)	1,879.71	164.88	2,044.59	-
<b>Profit / (loss) before tax for the period / year</b>	<b>510.91</b>	<b>(66.18)</b>	<b>444.73</b>	<b>-</b>
<b>Tax expense:</b>				
Current tax	16.88	1.39	18.27	-
Deferred tax	-	-	-	-
<b>Total tax expense</b>	<b>16.88</b>	<b>1.39</b>	<b>18.27</b>	<b>-</b>
<b>Profit/ (loss) after tax for the period / year</b>	<b>494.03</b>	<b>(67.57)</b>	<b>426.46</b>	<b>-</b>
Other comprehensive income for the period / year	-	-	-	-
<b>Total comprehensive income/(loss) for the period/ year</b>	<b>494.03</b>	<b>(67.57)</b>	<b>426.46</b>	<b>-</b>
<b>Earning per unit (not annualized)</b>				
Basic (₹)	2.38	(0.76)	1.70	-
Diluted (₹)	2.38	(0.76)	1.70	-

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# Highways Infrastructure Trust

Disclosures pursuant to SEBI circulars (Paragraph 6 of Annexure A to the SEBI Circular No. CIR/IMD/DF/127/2016 dated 29 November 2016 read with SEBI circular CIR/IMD/DF/114/2016 dated 20 October 2016 on audited standalone financial results for the half year and year ended 31 March 2023

(All amounts in ₹ millions unless otherwise stated)

## a. Statement of Net Distributable Cash Flows

S. No.	Particulars	01 October 2022 to 31 March 2023	01 April 2022 to 30 September 2022	01 April 2022 to 31 March 2023	03 December 2021 to 31 March 2022
		(Refer note 8)	(Unaudited)	(Audited)	(Refer note 7)
1	<b>Net Distributable Cash Flows of the Project Entities</b>				
	a) in the form of interest / accrued interest / additional interest	1,458.86	619.24	2,078.10	-
	b) in the form of dividend	861.11	1,032.21	1,893.32	-
	c) in the form of proceeds towards repayment of the debt issued to the Project SPVs by the Trust	3,178.77	86.00	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	21.90	272.55	294.45	-
2	Cash flows from additional borrowings (including debentures / other securities), fresh issuance of units, etc.	2,524.80	16,104.23	18,629.03	-
3	Any other income accruing at the Highways 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 Trust	39.50	3.25	42.75	-
	<b>Total cash inflow at the InvIT level (A)</b>	<b>8,084.94</b>	<b>18,117.48</b>	<b>26,202.42</b>	<b>-</b>
	<b>Adjustments:</b>				
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.	(609.27)	(280.48)	(889.75)	-
5	Any expenditure reimbursed to Investment Manager which the Investment Manager incurred on behalf of Trust	(104.30)	(11.80)	(116.10)	-
6	Income tax (if applicable) for standalone Highways Trust and / or payment of other statutory dues	(16.88)	(1.39)	(18.27)	-
7	Repayment of third-party debt (principal) / redeemable preference shares / debentures, etc., net of any debt raised by refinancing of existing debt	(95.83)	(16.67)	(112.50)	-
8	Net cash set aside to comply with borrowing requirements such as DSRA, minimum cash balance, etc.	(646.43)	(330.00)	(976.43)	-
9	Amount invested in any of the Project SPVs for service of debt or interest	(2,944.81)	(14,267.03)	(17,211.84)	-
10	Any provision or reserve deemed necessary by the Investment Manager for expenses / liabilities which may be due in future	1,053.78	(1,200.11)	(146.33)	-
	<b>Total cash outflow/retention at the Highways Trust Level (B)</b>	<b>(3,363.74)</b>	<b>(16,107.48)</b>	<b>(19,471.22)</b>	<b>-</b>
	<b>Net Distributable Cash Flows (C)=(A+B)</b>	<b>4,721.20</b>	<b>2,010.00</b>	<b>6,731.20</b>	<b>-</b>

## b. Investment manager fees

Pursuant to the Investment Management Agreement dated 06 December 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 statement of profit and loss for the year ended 31 March 2023 includes amount of ₹ 2.36 Million (for the period from 03 December 2021 to 31 March 2022, ₹ Nil, For the period from 01 April 2022 to 30 September 2022, ₹ 11.80 millions, For the period from 01 October 2022 to 31 March 2023, ₹ (9.44) millions) toward investment manager fees paid to Virescent Infrastructure Investment Manager who was Investment Manager till 22 November 2022. Subsequently, pursuant to the Investment Management Agreement with the new Investment Manager i.e. Highway Concession One Private Limited dated 20 October 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 statement of profit and loss for the year ended 31 March 2023 includes amount of ₹ 22.51 millions (For the period 03 December 2021 to 31 March 2022: ₹ Nil, For the period from 01 April 2022 to 30 September 2022, ₹ Nil, For the period from 01 October 2022 to 31 March 2023, ₹ 22.51 millions) towards Investment Management Fees to Highway Concession One Private Limited who is appointed as Investment Manager w.e.f 23 November 2022.

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

Basic EPU amounts are calculated by dividing the profit for the period / year attributable to unit holders by the weighted average number of units outstanding during the period / year.

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

Particulars	01 October 2022 to 31 March 2023	01 April 2022 to 30 September 2022	01 April 2022 to 31 March 2023	03 December 2021 to 31 March 2022
	(Refer note 8)	(Unaudited)	(Audited)	(Refer note 7)
Profit / (loss) for the period / year (₹ millions)	494.03	(67.57)	426.46	-
Weighted average number of units outstanding for computation of basic and diluted earning per unit (Nos. millions)	207.18	88.55	251.58	-
<b>Earning per unit (basic and diluted) (₹)</b>	<b>2.38</b>	<b>(0.76)</b>	<b>1.70</b>	<b>-</b>

d. Contingent Liabilities as at 31 March 2023 is Nil (30 September 2022 and 31 March 2022: Nil)

e. Commitments as at 31 March 2023 is Nil (30 September 2022 and 31 March 2022: Nil)

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## Highways Infrastructure Trust

Disclosures pursuant to SEBI circulars (Paragraph 6 of Annexure A to the SEBI Circular No. CIR/IMD/DF/127/2016 dated 29 November 2016 read with SEBI circular CIR/IMD/DF/114/2016 dated 20 October 2016 on audited standalone financial results for the half year and year ended 31 March 2023)

(All amounts in ₹ millions unless otherwise stated)

### f. Statement of Related Parties

#### I List of related parties as per the requirements of Ind AS 24 - "Related Party Disclosures"

##### A. Related parties where control exists

###### Subsidiaries

Dewas Bhopal Corridor Private Limited ("DBCPL")  
Nirmal BOT Limited ("NBL")  
Jodhpur Pali Expressway Private Limited ("JPEPL")  
Godhra Expressways Private Limited ("GEPL")  
Ulundurpet Expressways Private Limited ("UEPL")  
Shillong Expressway Private Limited ("SEPL")

###### Holding Entity

Galaxy Investments II Pte. Ltd

###### Intermediate holding entities

Galaxy Investments Pte Ltd  
KKR Asia Pacific Infrastructure I Holdings Pte Ltd  
KKR Asia Pacific Infrastructure Investors SCSp

###### Ultimate holding entity

KKR & Co. Inc.

###### Fellow subsidiaries\*

Highway Concessions One Private Limited ("HC1")

*\*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. (ii) 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 23 November 2022

#### II. List of additional related parties as per Regulation 2(1)(zv) of the InvIT Regulations

##### A. Parties to Highways Infrastructure Trust

Galaxy Investments II Pte. Ltd - Sponsor of Highway Infrastructure Trust  
Highway Concessions One Private Limited ("HC1")- Investment Manager of Trust ( w.e.f 23 November 2022)  
Virescent Infrastructure Investment Manager Private Limited - Investment Manager of Trust ( up to 22 November 2022)  
HC One Project Manager Private Limited- Project manager of the Trust ( w.e.f 14 November 2022)  
Virescent Renewable Energy Project Manager Private Limited - Project manager of the Trust ( up to 13 November 2022)  
Axis Trustee Services Limited (ATSIL) - 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 14 November 2022)  
Virescent Infrastructure Investment Manager Private Limited -Promoter of Virescent Renewable Energy Project Manager Private Limited (upto 13 November 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 23 November 2022)  
Terra Asia Holdings II Pte. Ltd.- Promoter of Virescent Infrastructure Investment Manager Private Limited (upto 22 November 2022)

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Highways Infrastructure Trust

Disclosures pursuant to SEBI circulars (Paragraph 6 of Annexure A to the SEBI Circular No. CIR/IMD/DF/127/2016 dated 29 November 2016 read with SEBI circular CIR/IMD/DF/114/2016 dated 20 October 2016 on audited standalone financial results for the half year and year ended 31 March 2023

(All amounts in ₹ millions unless otherwise stated)

C. Directors of the parties to Highways Infrastructure Trust specified in II(A) above

(i) Directors of Galaxy Investment II Pte. Ltd

Mr. Cecilio Velasco ( Director) ( upto 26 January 2022)  
Mr. Tang Jin Rong ( Director)  
Mr. Madhura Narawane ( Director) ( w.e.f 26 January 2022)

(ii) Directors and KMP of Virescent Infrastructure Investment Manager Private Limited

Mr. Vinay Kumar Pabba, Director w.e.f 26 November 2021 till 01 February 2022  
Mr. Pradeep Kumar Panja, Director  
Mr. Sanjay Grewal , Wholetime Director  
Mr. Akshay Jaitly, Independent Director  
Mr. Hardik Bhadrak Shah, Director  
Mr. Aditya Narayan, Independent Director  
Ms. Daisy Devassy Chittilapilly, Independent Director  
Ms. Charmi Bhoot , Compliance officer and Compliance Officer

(iii) Directors of Virescent Renewable Energy Project Manager Private Limited

Mr. Sanjay Grewal , Director  
Mr. Atul Raizada , Director

(iv) Directors of Axis Trustee Services Limited

Ms. Deepa Rath CEO (KMP), Managing Director  
Mr. Rajesh Kumar Dahiya ( Director)  
Mr. Ganesh Sankaran ( Director)

(v) Directors and KMP of Highway Concessions One Private Limited

Mr. Hardik Bhadrak Shah, Non-executive Director  
Mr. Neeraj Sanghi, CEO (KMP), Whole time Director  
Ms. Sudha Krishnan, Independent Director (w.e.f 14 September 2022)  
Ms. Ami Vinoo Momaya , Non-executive Director  
Mr. Subramanian Janakiraman, Independent Director (w.e.f 04 March 2022)  
Mr. Manish Agarwal, Independent Director (w.e.f 14 September 2022)  
Ms. Kunjal Shah , Company Secretary and Compliance Officer  
Mr. Narayanan Doraiswamy, Chief Financial Officer

(vi) Directors of HC One Project Manager Private Limited

Mr. Neeraj Sanghi, Director (w.e.f 20 September 2022)  
Mr. Zafar Khan, Director (w.e.f 20 September 2022)

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Highways Infrastructure Trust

Disclosures pursuant to SEBI circulars (Paragraph 6 of Annexure A to the SEBI Circular No. CIR/IMD/DF/127/2016 dated 29 November 2016 read with SEBI circular CIR/IMD/DF/114/2016 dated 20 October 2016 on audited standalone financial results for the half year and year ended 31 March 2023

(All amounts in ₹ millions unless otherwise stated)

III. Transactions and outstanding balances with related party

Particulars	01 October 2022 to 31 March 2023	01 April 2022 to 30 September 2022	01 April 2022 to 31 March 2023	03 December 2021 to 31 March 2022
	(Refer note 8)	(Unaudited)	(Audited)	(Refer note 7)
<b>Galaxy Investment II Pte Ltd.</b>				
<b>Transaction during the period/year</b>				
Issue of unit capital	-	37,390.00	37,390.00	-
Distribution to unit-holders^	5,426.24	-	5,426.24	-
Investment in compulsorily convertible debentures ("CCD's")	-	3,060.00	3,060.00	-
Investment in preference shares	-	545.10	545.10	-
<b>Balance outstanding at the end of the period/year</b>				
Unit capital	37,390.00	37,390.00	37,390.00	-
<b>Highway Concessions One Private Limited</b>				
<b>Transaction during the period/year</b>				
Reimbursement of expenses	7.83	37.02	44.85	-
Investment manager fees	22.51	-	22.51	-
<b>Balance outstanding at the end of the period/year</b>				
Investment manager fees payable	20.60	37.02	20.60	-
<b>Virescent Infrastructure Investment Manager Private Limited</b>				
<b>Transaction during the period/year</b>				
Reimbursement of expenses	36.38	34.87	71.25	-
Investment manager fees	(9.44)	11.80	2.36	-
<b>Balance outstanding at the end of the period/year</b>				
Investment manager fees payable	2.16	11.80	2.16	-
<b>Nirmal BOT Ltd</b>				
<b>Transaction during the period/year</b>				
Loan given	-	1,158.30	1,158.30	-
Investment in optionally convertible debentures ("OCD's") of subsidiaries	-	331.11	331.11	-
Proceeds from redemption of optionally convertible debentures ("OCD's") of subsidiaries	321.12	-	321.12	-
Impairment of non-current investment (Exceptional items)	151.36	92.69	244.05	-
Investment in equity instruments of subsidiaries	-	354.41	354.41	-
Interest on loan given	79.27	3.55	82.82	-
Interest on CCD's and OCD's given	20.41	4.95	25.36	-
Refund of loan given	188.88	-	188.88	-
<b>Balance outstanding at the end of the period/year</b>				
Investments in equity instruments of subsidiaries (net of impairment)	110.36	261.72	110.36	-
Investment in compulsorily convertible debentures ("CCD's") of subsidiaries	-	331.11	-	-
Investment in optionally convertible debentures ("OCD's") of subsidiaries	9.98	-	9.98	-
Interest receivable	0.37	39.75	0.37	-
Loan receivable	969.42	1,158.30	969.42	-
<b>Dewas Bhopal Corridor Private Limited</b>				
<b>Transaction during the period/year</b>				
Loan given	-	2,814.94	2,814.94	-
Impairment of non-current investment (Exceptional items)	136.85	-	136.85	-
Recognition of loan pursuant to equity share capital reduction	600.14	-	600.14	-
Refund of loan given	115.00	-	115.00	-
Investment in equity instruments of subsidiaries	-	12,969.36	12,969.36	-
Reduction in value of investment in equity pursuant to share capital reduction	614.36	-	614.36	-
Interest on loan given	199.13	4.32	203.45	-
Distribution of dividend	1,642.21	-	1,642.21	-
Loss on reduction of investment in equity	14.22	-	14.22	-
<b>Balance outstanding at the end of the period/year</b>				
Investments in equity instruments of subsidiaries (net of impairment)	12,218.15	12,969.36	12,218.15	-
Loan receivable	3,300.08	2,814.94	3,300.08	-
Interest receivable	3.71	4.32	3.71	-
<b>Ulundurpet Expressways Private Limited</b>				
<b>Transaction during the period/year</b>				
Loan given	70.00	2,629.28	2,699.29	-
Refund of loan given	1,375.31	84.33	1,459.64	-
Investment in optionally convertible debentures ("OCD's") of subsidiaries	-	219.04	219.04	-
Proceeds from redemption of OCD's of subsidiaries	219.05	-	219.05	-
Investment in equity instruments of subsidiaries	-	3,004.95	3,004.95	-

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# Highways Infrastructure Trust

Disclosures pursuant to SEBI circulars (Paragraph 6 of Annexure A to the SEBI Circular No. CIR/IMD/DF/127/2016 dated 29 November 2016 read with SEBI circular CIR/IMD/DF/114/2016 dated 20 October 2016 on audited standalone financial results for the half year and year ended 31 March 2023

(All amounts in ₹ millions unless otherwise stated)

## III. Transactions and outstanding balances with related party

Particulars	01 October 2022 to 31 March 2023 (Refer note 8)	01 April 2022 to 30 September 2022 (Unaudited)	01 April 2022 to 31 March 2023 (-Audited)	03 December 2021 to 31 March 2022 (Refer note 7)
<b>Ulundurpet Expressways Private Limited</b>				
<b>Transaction during the period/year</b>				
Interest on loan given	166.97	22.15	189.12	-
Interest on CCD's and OCD's	13.60	3.28	16.88	-
<b>Balance outstanding at the end of the period/year</b>				
Investment in equity instruments of subsidiaries	3,004.95	3,004.95	3,004.95	-
Investment in optionally convertible debentures ("OCD's") of subsidiaries	9.99	219.04	9.99	-
Interest receivable	0.53	24.92	0.53	-
Loan receivable	1,239.65	2,544.95	1,239.65	-
<b>Godhra Expressways Private Limited</b>				
<b>Transaction during the period/year</b>				
Loan given	-	4,059.40	4,059.40	-
Refund of loan given	3.33	1.67	5.00	-
Investment in optionally convertible debentures (OCD's) of subsidiaries	-	5,094.01	5,094.01	-
Proceeds from redemption of OCD's of subsidiaries	561.76	-	561.76	-
Investment in equity instruments of subsidiaries	-	11,167.09	11,167.09	-
Interest on loan given	283.23	12.46	295.69	-
Interest on CCD's and OCD's	345.71	72.17	417.88	-
<b>Balance outstanding at the end of the period/year</b>				
Investment in equity instruments of subsidiaries	11,167.09	11,167.09	11,167.09	-
Investment in optionally convertible debentures ("OCD's") of subsidiaries	4,532.25	5,094.01	4,532.25	-
Interest receivable on rupee term loan (RTL)	1.55	60.17	1.55	-
Interest receivable on OCD's	54.11	-	54.11	-
Loan receivable	4,054.40	4,057.74	4,054.40	-
<b>Jodhpur Pali Expressway Private Limited</b>				
<b>Transaction during the period/year</b>				
Loan given	2,874.81	-	2,874.81	-
Refund of loan given	5.00	-	5.00	-
Investment in optionally convertible debentures ("OCD's") of subsidiaries	-	2,333.70	2,333.70	-
Impairment of non-current investment (Exceptional items)	1,509.31	-	1,509.31	-
Investment in equity instruments of subsidiaries	-	3,863.25	3,863.25	-
Interest on loan given	152.90	-	152.90	-
Interest on CCD's and OCD's	162.92	34.91	197.83	-
<b>Balance outstanding at the end of the period/year</b>				
Investments in equity instruments of subsidiaries (net of impairment)	2,353.94	3,863.25	2,353.94	-
Investment in optionally convertible debentures ("OCD's") of subsidiaries	2,333.70	2,333.70	2,333.70	-
Interest receivable on OCD's and CCD's	183.02	255.12	183.02	-
Interest receivable on RTL	17.34	-	17.34	-
Loan receivable	2,869.81	-	2,869.81	-
<b>Shillong Expressway Private Limited</b>				
<b>Transaction during the period/year</b>				
Impairment of non-current investment (Exceptional items)	82.19	72.19	154.38	-
Investment in equity instruments of subsidiaries	-	356.27	356.27	-
Investment in preference shares of subsidiaries	-	545.10	545.10	-
Redemption of preference shares	272.55	-	272.55	-
<b>Balance outstanding at the end of the period/year</b>				
Investments in equity instruments of subsidiaries (net of impairment)	201.89	284.08	201.89	-
Investment in preference shares of subsidiaries	272.55	545.10	272.55	-
<b>Axis Trustee Services Limited</b>				
<b>Transaction during the year/period</b>				
Trustee fees	0.83	-	0.83	-

\* Pertains to the distributions made during the financial year and does not include the distribution relating to the last quarter of financial year 2022-2023 which will be paid after 31 March 2023. The distributions made by Trust to its unitholders are based on the Net Distributable Cash Flows (NDCF) of the Trust under the InvIT Regulations and includes interest, dividend and repayment of capital.

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IV. Details in respect of related party transactions involving acquisition of InvIT assets as required by Paragraph 6 of Annexure A to the SEBI Circular No. CIR/IMD/DF/127/2016 dated 29 November 2016 read with Para 4.4(b)(iv) of Section A of Annexure A to SEBI Circular dated 20 October 2016 on audited standalone financial results for the half year and year ended 31 March 2023 are as follows:

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 31 March 2023:

Particulars	Name of subsidiaries of the Trust					
	DBCPL	NBL	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 Convertible Debentures (CCD)\*:

Particulars	Name of Project SPVs					
	DBCPL	NBL	GEPL	JPEPL	UEPL	SEPL
Discounting rate (WACC)	-	13.71%	13.71%	13.70%	13.71%	-
Method of valuation	Discounted cash flows					

\*During the financial year, the terms of Compulsorily Convertible Debentures ("CCDs") were converted into Optionally Convertible Debentures ("OCDs")

B Material conditions or obligations in relation to the transactions:

The acquisition have been made pursuant to the terms mentioned in final placement memorandum dated 22 August 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 23 August 2022.

C No external financing has been obtained for acquisition of above subsidiaries.

D No fees or commision received or to be received from any associate party in relation to acquisition of Project SPVs.

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Highways Infrastructure Trust

Additional disclosures pursuant to SEBI circulars SEBI Circular HO/DDHS/CIR/P/2018 dated 13 April 2018, on audited standalone financial results for the half year and year ended 31 March 2023

(all amounts in ₹ millions, except ratios)

(a) Ratios pursuant to SEBI circular SEBI/HO/DDHS/DDHS/CIR/P/2018/71 dated 13 April 2018

Sl.No.	Particulars	01 October 2022 to 31 March 2023	01 April 2022 to 30 September 2022	01 April 2022 to 31 March 2023	03 December 2021 to 31 March 2022
		(Refer note 8)	(Unaudited)	(Audited)	(Refer note 7)
(a)	Debt equity ratio (in times) [Non-current borrowings + Current borrowings] / Total equity]	0.40	0.28	0.40	-
(b)	Debt service coverage ratio (in times) [Profit/ (loss) before tax, finance costs, exceptional items / {finance costs + principal repayment for borrowings}]	4.52	2.85	4.41	-
(c)	Interest service coverage ratio (in times) [Profit / (loss) before tax, finance costs/ finance costs]	5.29	4.58	5.26	-
(d)	Net worth [Unit capital + Other equity]	35,834.88	41,371.38	35,834.88	-

Notes:

i) The Trust has outstanding secured non-convertible debentures (NCDs) amounting to ₹ 6,416.05 millions (₹ 31 March 2022: Nil) for Series I and Series II which will mature on 22 December 2025 and 22 September 2029 respectively. The NCDs are listed on Bombay Stock Exchange (BSE). The asset cover exceeds 100% of the principal amount of NCD's as at 31 March 2023

(ii) The Non Convertible Debentures ("NCD's") are secured by charge on the following:

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; and

(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 immovable 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 (a) 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"); (b) 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) 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 the SPVs and the Hold Cos to the Issuer / HoldCo ("Pledged Securities");

g) undertaking from SPV and Holdco, in a form and manner satisfactory to the Debenture Trustee, as a part of the Corporate Guarantee; and

h) unconditional and irrevocable corporate guarantee by each of the SPVs and the Hold cos, in a form and manner satisfactory to the Trustee (the "Corporate Guarantee").

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## Highways Infrastructure Trust

### Notes to the audited standalone financial results of the Trust for the half year and year ended 31 March 2023

(All amounts in ₹ millions unless otherwise stated)

- 1 The audited standalone financial results of the Highways Infrastructure Trust ("Trust") for half year and year ended 31 March 2023 have been reviewed by the Audit Committee of Highway Concessions One Private Limited at their meeting held on 19 May 2023 and approved by the Board of Directors of the Investment Manager at their meeting held on 19 May 2023. The statutory auditors have issued an unmodified audit report on these audited standalone financial results.
- 2 The audited standalone financial results comprises the standalone statement of profit and loss, explanatory notes and the additional disclosures as required in paragraph 6 of Annexure A to the SEBI Circular no. CIR/IMD/DF/127/2016 dated 29 November 2016 ("SEBI Circular") read with SEBI circular SEBI/HO/DDHS/DDHS/CIR/P/2018/71 dated 13 April 2018 for issuance of debt securities of the Infrastructure Investment Trusts (InvITs) of the Trust for the half year and year ended 31 March 2023 ("Standalone financial results"). The standalone financial results have been prepared by 'the Investment Manager' on the basis of the standalone annual audited financial statements as at and for the year ended 31 March 2023, standalone financial results for the half year ended 30 September 2022 and in accordance with the relevant requirements of SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time ("the SEBI Regulations") and SEBI circular.
- 3 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 23 December 2021 having registration number IN/ InvIT/ 21-22/ 0019. Accordingly, the financial information for the immediately preceding financial year ended 31 March 2022 and corresponding preceding half year ended 31 March 2022 is given from 03 December 2021 to 31 March 2022.
- 4 The Board of Directors of the Investment Manager have declared distribution of ₹ 4.8375 (rounded off) per unit amounting to ₹ 2,010.00 millions, ₹ 4.8375 (rounded off) per unit amounting to ₹ 2,009.98 millions and ₹ 4.8376 (rounded off) per unit amounting to ₹ 2,010.02 millions in their meeting held on 11 November 2022, 08 February 2023 and 08 March 2023 respectively and the aforesaid distribution was paid to eligible unitholders on 19 November 2022, 15 February 2023 and 18 March 2023 respectively. Subsequent to year end 31 March 2023, the Board of Directors of the Investment Manager have declared distribution of ₹ 1.6876 (rounded off) per unit amounting to ₹ 701.20 millions in their meeting held on 19 May 2023.
- 5 The Trust acquired the following companies ("Project SPV's") on 23 August 2022 :
  - (i) Dewas Bhopal Corridor Private Limited ("DBCPL")
  - (ii) Nirmal BOT Limited ("NBL")
  - (iii) Jodhpur Pali Expressway Private Limited ("JPEPL")
  - (iv) Godhra Expressways Private Limited ("GEPL")
  - (v) Ulundurpet Expressways Private Limited ("UEPL")
  - (vi) Shillong Expressway Private Limited ("SEPL")
- 6 As per Ind AS 36 'Impairment of assets', management carried out the impairment assessment of investment in subsidiaries and provided for impairment loss for year ended 31 March 2023 : ₹ 2,044.59 millions (For the period 03 December 2021 to 31 March 2022: ₹ Nil, For the period from 01 April 2022 to 30 September 2022, ₹ 164.88 millions and For the period from 01 October 2022 to 31 March 2023, ₹ 1,879.71 millions) basis the fair valuation conducted as per the future projected cash flows of the assets (after performing sensitivity analysis) during the year ended 31 March 2023.
- 7 The standalone financial information:
  - (i) for the period from 03 December 2021 to 31 March 2022, and
  - (ii) as at 31 March 2022as reported in these results have been certified by the Investment Manager of the Trust and are not subject to audit or review.
- 8 The Statement includes the standalone financial results for the half year ended 31 March 2023, being the balancing figures between the audited standalone figures in respect of the full financial year and the published unaudited year-to-date figures up to the first half of the current financial year, which were subject to limited review by us.
- 9 During the current financial year ended 31 March 2023, pursuant to the approval dated 22 November 2022 granted by the Securities and Exchange Board of India ("SEBI") and the approval of the unitholders of the Trust as required under Regulation 9(15) of the InvIT Regulations obtained from the unitholders in the extra ordinary general meeting held on 14 November 2022, Highway Concessions One Private Limited ("HC 1") and HC One Project Manager Private Limited ("HC One") was appointed as the new Investment Manager and Project Manager of the Trust respectively in place of Virescent Infrastructure Investment Manager Private Limited ("erstwhile Investment Manager") and Virescent Renewable Energy Project Manager Private Limited ("erstwhile Project Manager"). The appointment of the new Investment Manager was also approved by the Board of erstwhile Investment Manager of the Trust vide its circular Resolution dated 19 October 2022. Consequently, Highway Concessions One Private Limited and HC One Project Manager Private Limited have been acting as the new Investment Manager and Project Manager of the Trust effective from 23 November 2022 and 14 November 2022 respectively.
- 10 During the current year ended 31 March 2023, three of the project SPV's Viz. GEPL, DBCPL and 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 SPV's which were held on 19 October 2022 for GEPL and DBCPL and on 29 November 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 the capital reduction scheme in DBCPL was received on 27 February 2023 however, final order for approving the capital reduction scheme is awaited in GEPL and UEPL. The necessary impacts on account of capital reduction in DBCPL have been considered in these audited standalone financial results for the half year and year ended 31 March 2023.

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Highways Infrastructure Trust

Notes to the audited standalone financial results of the Trust for the half year and year ended 31 March 2023

(All amounts in ₹ millions unless otherwise stated)

11 All values are rounded to 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.

For and on behalf of Board of Directors of

Highway Concessions One Private Limited

(as Investment Manager of Highways Infrastructure Trust)



Kunjal Shah

Compliance officer

Membership No: A27382

Place: Mumbai

Date: 19 May 2023



Narayanan Doraiswamy

Chief Financial Officer

Place: Mumbai

Date: 19 May 2023



Neeraj Sanghi

Whole time director and CEO

DIN: 05110400

Place: Mumbai

Date: 19 May 2023

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# Walker Chandiook & Co LLP

**Walker Chandiook & Co LLP**  
(Formerly Walker, Chandiook & Co)  
L-41 Connaught Circus  
New Delhi 110001  
India

T +91 11 4278 7070  
F +91 11 4278 7071

## **Independent Auditor's Report on Standalone Annual Financial Results of the Trust pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

**To the Board of Directors of Highway Concessions One Private Limited (As the Investment Manager of Highways Infrastructure Trust)**

### **Opinion**

1. We have audited the accompanying standalone annual financial results ('the Statement') of Highways Infrastructure Trust ('the Trust') for the year ended 31 March 2023, attached herewith, being submitted by the Highway Concessions One Private Limited ('the Investment Manager') pursuant to the requirements of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('Listing Regulations').
2. In our opinion and to the best of our information and according to the explanations given to us, the Statement:
  - (i) presents financial results in accordance with the requirements of Regulation 52 of the Listing Regulations; and
  - (ii) gives a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') as defined under Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended), read with relevant rules issued thereunder, and other accounting principles generally accepted in India, of the standalone net profit after tax and other comprehensive income and other financial information of the Trust for the year ended 31 March 2023.

### **Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing (SA's) and other pronouncements issued by 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 Statement* 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 obtained by us, is sufficient and appropriate to provide a basis for our opinion.

Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurgaon, Hyderabad, Kolkata, Mumbai, New Delhi, Noida and Pune





# Walker ChandioK & Co LLP

**Independent Auditor's Report on Standalone Annual Financial Results of the Trust pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)**

## **Responsibilities of Investment Manager and Those Charged with Governance for the Statement**

4. This Statement has been prepared on the basis of the standalone annual financial statements and approved by the Board of Directors of the Investment Manager. The Investment Manager is responsible for the preparation and presentation of the Statement that gives a true and fair view of the net profit/ (loss) and other comprehensive income and other financial information of the Trust in accordance with the Ind AS as defined in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other accounting principles generally accepted in India, and in compliance with Regulation 52 of the Listing Regulations. 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 Statement that gives a true and fair view and is free from material misstatement, whether due to fraud or error.
5. In preparing the Statement, Board of Directors of the Investment Manager are responsible for assessing the Trust's ability to continue as a going concern, disclosing, as applicable, matters related to going concern, and using the going concern basis of accounting unless the Board of Directors of Investment Manager either intends to liquidate the Trust or to cease operations, or has no realistic alternative but to do so.
6. The Board of Directors of the Investment Manager is also responsible for overseeing the Trust's financial reporting process.

## **Auditor's Responsibilities for the Audit of the Statement**

7. Our objectives are to obtain reasonable assurance about whether the Statement as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Standards on Auditing, issued by the ICAI, 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 this Statement.
8. As part of an audit in accordance with the Standards on Auditing as issued by ICAI, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:
  - Identify and assess the risks of material misstatements of the Statement, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls;
  - Obtain an understanding of internal controls 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 system with reference to 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 the Investment Manager;
  - Conclude on the appropriateness of the Board of Directors of Investment Manager's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Trust's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify



# Walker ChandioK & Co LLP

## Independent Auditor's Report on Standalone Annual Financial Results of the Trust pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended)

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 Statement, including the disclosures, and whether the Statement represents the underlying transactions and events in a manner that achieves fair presentation.
9. 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.
10. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### Other Matters

11. The Statement includes the standalone financial results for the quarter ended 31 March 2023 being the balancing figures between the audited standalone figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subject to limited review by us.
12. The Statement includes the comparative standalone financial information of the Trust for the period from 03 December 2021 to 31 March 2022, for the quarter ended 31 March 2022 and as at 31 March 2022, which has been certified by the Board of Directors of the Investment Manager but have not been subjected to audit or review.

### For Walker ChandioK & Co LLP

Chartered Accountants

Firm Registration No.: 001076N/N500013



**Manish Agrawal**

Partner

Membership No. 507000

UDIN: 23507000BGYERS6951



Place: Mumbai

Date: 19 May 2023



Highways Infrastructure Trust  
Standalone Statement of Assets and Liabilities as at 31 March 2023  
(All amounts in ₹ millions unless otherwise stated)

Particulars	As at 31 March 2023 (Audited)	As at 31 March 2022 (Refer Note 7)
<b>ASSETS</b>		
<b>Non-current assets</b>		
Financial assets		
Investments	36,159.46	-
Loans	11,450.25	-
Non-current tax assets (net)	1.16	-
<b>Total non-current assets</b>	<b>47,610.87</b>	<b>-</b>
<b>Current assets</b>		
Financial assets		
Investments	292.52	-
Cash and cash equivalents	265.54	-
Bank balances other than cash and cash equivalents above	976.43	-
Loans	1,006.61	-
Other current assets	3.02	-
<b>Total current assets</b>	<b>2,544.12</b>	<b>-</b>
<b>Total assets</b>	<b>50,154.99</b>	<b>-</b>
<b>EQUITY AND LIABILITIES</b>		
<b>EQUITY</b>		
Unit capital	41,550.00	-
Other equity	(5,715.12)	-
<b>Total equity</b>	<b>35,834.88</b>	<b>-</b>
<b>LIABILITIES</b>		
<b>Non-current liabilities</b>		
Financial liabilities		
Borrowings	14,024.18	-
<b>Total non-current liabilities</b>	<b>14,024.18</b>	<b>-</b>
<b>Current liabilities</b>		
Financial liabilities		
Borrowings	225.00	-
Trade payables		
(a) Total outstanding dues of micro enterprises and small enterprises	1.54	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises	50.49	-
Other financial liabilities	2.49	-
Other current liabilities	16.41	-
<b>Total current liabilities</b>	<b>295.93</b>	<b>-</b>
<b>Total liabilities</b>	<b>14,320.11</b>	<b>-</b>
<b>Total equity and liabilities</b>	<b>50,154.99</b>	<b>-</b>

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Highways Infrastructure Trust  
Statement of audited standalone financial results for the quarter and year ended 31 March 2023  
(All amounts in ₹ millions unless otherwise stated)

Particulars	01 January 2023 to 31 March 2023	1 October 2022 to 31 December 2022	01 January 2022 to 31 March 2022	01 April 2022 to 31 March 2023	03 December 2021 to 31 March 2022
	(Refer Note 8)	(Unaudited)	(Refer Note 7)	(Audited)	(Refer Note 7)
<b>Incomes and gains</b>					
Dividend income from subsidiaries	610.00	1,032.21	-	1,642.21	-
Interest income on loans from subsidiaries	715.70	708.43	-	1,581.93	-
Other income					
Interest on fixed deposits	18.47	21.03	-	42.75	-
<b>Total income and gains</b>	<b>1,344.17</b>	<b>1,761.67</b>	<b>-</b>	<b>3,266.89</b>	<b>-</b>
<b>Expenses and losses</b>					
Finance costs					
Interest on term loan, non convertible debentures and others	286.93	270.16	-	584.13	-
Finance and bank charges	0.01	-	-	0.57	-
Valuation expenses	0.94	0.25	-	1.78	-
Audit fees	8.71	1.74	-	17.38	-
Investment manager fees	5.01	8.06	-	24.87	-
Rating fees	0.49	-	-	0.49	-
Trustee fees	1.18	0.33	-	2.69	-
Legal and professional	79.27	37.33	-	129.33	-
Other expenses	14.54	0.27	-	16.33	-
<b>Total expenses and losses</b>	<b>397.08</b>	<b>318.14</b>	<b>-</b>	<b>777.57</b>	<b>-</b>
<b>Profit before exceptional items and tax for the period/year</b>	<b>947.09</b>	<b>1,443.53</b>	<b>-</b>	<b>2,489.32</b>	<b>-</b>
Exceptional items (refer note 6)	1,879.71	-	-	2,044.59	-
<b>(Loss)/profit before tax for the period/year</b>	<b>(932.62)</b>	<b>1,443.53</b>	<b>-</b>	<b>444.73</b>	<b>-</b>
<b>Tax expense:</b>					
Current tax	7.89	8.99	-	18.27	-
Deferred tax	-	-	-	-	-
<b>Total tax expense</b>	<b>7.89</b>	<b>8.99</b>	<b>-</b>	<b>18.27</b>	<b>-</b>
<b>(Loss)/profit after tax for the period/year</b>	<b>(940.51)</b>	<b>1,434.54</b>	<b>-</b>	<b>426.46</b>	<b>-</b>
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive (loss)/income for the period/year</b>	<b>(940.51)</b>	<b>1,434.54</b>	<b>-</b>	<b>426.46</b>	<b>-</b>
<b>Earning per unit (not annualised)</b>					
Basic (₹)	(5.56)	8.29	-	1.70	-
Diluted (₹)	(5.56)	8.29	-	1.70	-

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K. D.

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Highways Infrastructure Trust

Audited Standalone Cash Flow Statement for the year ended 31 March 2023

(All amounts in ₹ millions unless otherwise stated)

Particulars	01 April 2022 to 31 March 2023	03 December 2021 to 31 March 2022
	(Audited)	(Refer Note 7)
<b>A. Cash flows from operating activities</b>		
Profit before tax	444.73	-
Adjustments for:		
Interest on compulsory convertible debentures ("CCD'S")	(357.06)	-
Interest on rupee term loan ("RTL")	(923.98)	-
Interest on optionally convertible debenture ("OCD'S")	(300.89)	-
Dividend income from subsidiaries	(1,642.21)	-
Exceptional items (refer note 6)	2,044.59	-
Interest income on bank deposits	(42.75)	-
Loss on investment pursuant to capital reduction	14.22	-
Finance costs	584.70	-
<b>Operating loss before working capital changes and other adjustments</b>	<b>(178.64)</b>	<b>-</b>
<b>Working capital changes and other adjustments:</b>		
Other current assets	(3.02)	-
Trade payables	52.05	-
Other financial liabilities	2.49	-
Other current liabilities	16.41	-
<b>Cash flow used in operating activities post working capital changes</b>	<b>(110.71)</b>	<b>-</b>
Income tax paid (net of provision)	(19.43)	-
<b>Net cash used in operating activities (A)</b>	<b>(130.14)</b>	<b>-</b>
<b>B. Cash flows from investing activities</b>		
Loan given to subsidiaries	(13,606.74)	-
Investment in CCD's of subsidiaries	(3,060.00)	-
Proceeds from loan given to subsidiaries	1,773.52	-
Proceeds from redemption of OCD's of subsidiaries	1,091.93	-
Investment in bank deposits	(976.43)	-
Investment in preference shares	(545.10)	-
Redemption of preference shares	272.55	-
Interest received on "OCD's" and "CCD's"	1,177.64	-
Dividend received from subsidiaries	1,642.21	-
Interest received on rupee term loans	900.47	-
Interest received on bank deposits	42.75	-
<b>Net cash used in investing activities (B)</b>	<b>(11,287.21)</b>	<b>-</b>
<b>C. Cash flows from financing activities</b>		
Proceeds from issuance of units	4,160.00	-
Proceeds from borrowings	14,469.03	-
Repayment of borrowings	(112.50)	-
Processing fees paid	(118.89)	-
Unit issue expenses	(111.58)	-
Distribution made to unit-holders	(6,030.00)	-
Interest paid	(573.17)	-
<b>Net cash flow from financing activities (C)</b>	<b>11,682.89</b>	<b>-</b>
<b>D Net increase in cash and cash equivalents (A+B+C)</b>	<b>265.54</b>	<b>-</b>
<b>E Cash and cash equivalents at the beginning of the year</b>	<b>-</b>	<b>-</b>
<b>Cash and cash equivalents at the end of the year (D+E)</b>	<b>265.54</b>	<b>-</b>

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'.

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# Highways Infrastructure Trust

Additional disclosures as per regulation 52(4) of Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 on audited standalone financial results for the quarter and year ended 31 March 2023

(all amounts in ₹ millions, except ratios)

Sl.No.	Particulars	01 January 2023 to 31 March 2023	1 October 2022 to 31 December 2022	01 January 2022 to 31 March 2022	01 April 2022 to 31 March 2023	03 December 2021 to 31 March 2022
		(Refer Note 8)	(Unaudited)	(Refer Note 7)	(Audited)	(Refer Note 7)
(a)	Debt equity ratio (in times) [Non-current borrowings + Current borrowings / total equity]	0.40	0.34	-	0.40	-
(b)	Debt service coverage ratio (in times) [Profit/(Loss) before tax, finance costs, exceptional items / (Finance costs + Principal repayment for borrowings)]	4.30	5.12	-	4.41	-
(c)	Interest service coverage ratio (in times) [Profit/(Loss) before tax, finance costs, exceptional items / Finance costs]	4.30	6.34	-	5.26	-
(d)	Outstanding redeemable preference shares	-	-	-	-	-
(e)	Capital redemption reserve/debenture redemption reserve	-	-	-	-	-
(f)	Net worth [Unit Capital + Other equity]	35,834.88	40,795.27	-	35,834.88	-
(g)	Net (Loss)/profit after tax	(940.51)	1,434.54	-	426.46	-
(h)	Earning per unit capital [Profit/(Loss) after tax/Total number of units]	(5.56)	8.29	-	1.70	-
(i)	Current ratio (in times) [Current assets / Current liabilities]	8.60	10.38	-	8.60	-
(j)	Long term debt to working capital (in times) [Non-current borrowings + Current borrowings/ Current assets less current liabilities (excluding current maturity of non-current borrowings)]	5.76	4.60	-	5.76	-
(k)	Bad debts to account receivable ratio (in %) [Bad debts / Average trade receivables]	-	-	-	-	-
(l)	Current liability ratio (in %) [Current liabilities / Total liabilities]	2.07%	2.35%	-	2.07%	-
(m)	Total debts to total assets ratio (in %) [Non-current borrowings + Current borrowings / Total assets]	28.41%	25.89%	-	28.41%	-
(n)	Debtors turnover ratio (in times)** [Revenue from operations/ Average Trade Receivables]	N.A	N.A	N.A	N.A	N.A
(o)	Inventory turnover ratio* [Sale of products / Average inventory of finished goods and stock in trade]	N.A	N.A	N.A	N.A	N.A
(p)	Operating margin (in %) [(Profit before tax, finance cost, exceptional items and other income) / Revenue from operations]	91.69%	98.45%	-	94.00%	-
(q)	Net profit margin (in %) [Profit/(loss) after tax / Revenue from operations]	-70.94%	82.41%	-	13.23%	-

\* 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.

## Notes:

(i) The Trust has outstanding secured non-convertible debentures ("NCD's") amounting to ₹ 6,416.05 millions (31 March 2022: ₹ Nil) for Series I and Series II which will mature on 22 December 2025 and 22 September 2029 respectively. The "NCD's" are listed on Bombay Stock Exchange (BSE). The asset cover exceeds 100% of the principal amount of "NCD's" as at 31 March 2023.

(ii) The Non Convertible Debentures ("NCD's") are secured by charge on the following:

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; and

(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 immovable assets of the Issuer (if any), both present and future, 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 Hold Cos 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 (a) 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 Hold Cos and SPVs present and future (collectively, the "Issuer Loans"); (b) 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 Loans;

f) 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 the SPVs and the Hold Cos to the Issuer / HoldCo ("Pledged Securities");

g) undertaking from SPV and Holdco, in a form and manner satisfactory to the Debenture Trustee, as a part of the Corporate Guarantee; and

h) unconditional and irrevocable corporate guarantee by each of the SPVs and the Hold Cos, in a form and manner satisfactory to the Trustee (the "Corporate Guarantee").

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## Highways Infrastructure Trust

### Notes to Standalone Financial results for the quarter and year ended 31 March 2023

(All amounts in ₹ millions unless otherwise stated)

- 1 The audited standalone financial results of Highways Infrastructure Trust ('Trust') for quarter and year ended 31 March 2023 have been reviewed by the Audit Committee of Highway Concessions One Private Limited ('Investment Manager') at their meeting held on 19 May 2023 and approved by the Board of Directors of the Investment Manager at their meeting held on 19 May 2023. The statutory auditors have issued an unmodified audit report on these annual audited standalone financial results.
- 2 The audited standalone financial results comprises the standalone statement of profit and loss, standalone statement of assets and liabilities, standalone cash flow statement and other explanatory notes/disclosures pursuant to requirements of Regulation 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ('audited standalone financial results'). The standalone financial results has been prepared in accordance with the recognition and measurement principles prescribed under Indian Accounting Standard-34 Interim Financial Reporting (Ind AS 34) read with rule 2(1)(a) of Companies (Indian Accounting Standards) Rules, 2015 ('Ind AS 34') as amended and the SEBI circular.
- 3 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 23 December 2021 having registration number IN/ InvIT/ 21-22/ 0019. Accordingly, the financial information immediately preceeding financial year ended 31 March 2022 is given from 03 December 2021 to 31 March 2022.
- 4 The Board of Directors of the Investment Manager have declared distribution of ₹ 4.8375 (rounded off) per unit amounting to ₹ 2,010.00 millions, ₹ 4.8375 (rounded off) per unit amounting to ₹ 2,009.98 millions and ₹ 4.8376 (rounded off) per unit amounting to ₹ 2,010.02 millions in their meeting held on 11 November 2022, 08 February 2023 and 08 March 2023 respectively and the aforesaid distribution was paid to eligible unitholders on 19 November 2022, 15 February 2023 and 18 March 2023 respectively. Subsequent to year end 31 March 2023, the Board of Directors of the Investment Manager have declared distribution of ₹ 1.6876 (rounded off) per unit amounting to ₹ 701.20 millions in their meeting held on 19 May 2023.
- 5 The Trust acquired the following companies (Project SPV's) on 23 August 2022:
  - (i) Dewas Bhopal Corridor Private Limited ("DBCPL")
  - (ii) Nirmal BOT Limited ("NBL")
  - (iii) Jodhpur Pali Expressway Private Limited ("JPEPL")
  - (iv) Godhra Expressways Private Limited ("GEPL")
  - (v) Ulundurpet Expressways Private Limited ("UEPL")
  - (vi) Shillong Expressway Private Limited ("SEPL")
- 6 As per Ind AS 36 'Impairment of Assets', management carried out the impairment assessment of assessment of investment and provided for impairment loss for year ended 31 March 2023 ₹ 2,044.59 Millions (for the period from 01 January 2023 to 31 March 2023: ₹ 1,879.71 millions, for the period from 01 October 2022 to 31 December 2022: ₹ Nil, for the period from 01 January 2022 to 31 March 2022: ₹ Nil, and for the period from 03 December 2021 to 31 March 2022 : ₹ Nil) basis the fair valuation conducted as per the future projected cash flows of the assets (after performing sensitivity analysis) during the year ended 31 March 2023.
- 7 The standalone financial information:
  - (i) for the period from 01 January 2022 to 31 March 2022;
  - (ii) for the period from 03 December 2021 to 31 March 2022; and
  - (iii) as at 31 March 2022as reported in these results have been certified by the Investment Manager of the Trust and are not subject to audit or review.
- 8 Figures for the quarter ended 31 March 2023 represents the balancing figures between the audited figures in respect of the full financial year and the published unaudited year-to-date figures up to the third quarter of the current financial year, which were subject to limited review by us.
- 9 During the current period ended 31 March 2023, pursuant to the approval dated 22 November 2022 granted by the Securities and Exchange Board of India ("SEBI") and the approval of the unitholders of the Trust as required under Regulation 9(15) of the InvIT Regulations obtained from the unitholders in the extraordinary general meeting held on 14 November 2022, Highway Concessions One Private Limited ("HC 1") and HC One Project Manager Private Limited ("HC One") was appointed as the new Investment Manager and Project Manager of the Trust respectively in place of Virescent Infrastructure Investment Manager Private Limited ("erstwhile Investment Manager") and Virescent Renewable Energy Project Manager Private Limited ("erstwhile Project Manager"). The appointment of the new Investment Manager was also approved by the Board of erstwhile Investment Manager of the Trust vide its circular Resolution dated 19 October 2022. Consequently, Highway Concessions One Private Limited and HC One Project Manager Private Limited have been acting as the new Investment Manager and Project Manager of the Trust effective from 23 November 2022 and 14 November 2022 respectively.
- 10 During the current year ended 31 March 2023, three of the project SPV's Viz. GEPL, DBCPL and 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 19 October 2022 for GEPL and DBCPL and on 29 November 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 the capital reduction scheme in DBCPL was received on 27 February 2023 however, final order for approving the capital reduction scheme is awaited in GEPL and UEPL. The necessary impacts on account of capital reduction in DBCPL have been considered in these audited standalone financial results for the quarter and year ended 31 March 2023.

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Highways Infrastructure Trust

Notes to Audited Standalone Financial results for the quarter and year ended 31 March 2023

(All amounts in ₹ millions unless otherwise stated)

- 11 All values are rounded to 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.

For and on behalf of Board of Directors of

Highways Concessions One Private Limited

(as Investment Manager of Highways Infrastructure Trust)



Kunjal Shah  
Compliance officer  
Membership No: A27382

Place: Mumbai  
Date: 19 May 2023



Narayanan Doraiswamy  
Chief Financial Officer

Place: Mumbai  
Date: 19 May 2023



Neeraj Sanghi  
Whole time director and CEO  
DIN: 05110400

Place: Mumbai  
Date: 19 May 2023

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# HIGHWAYS INFRASTRUCTURE TRUST

**Statement indicating statement of utilization of issue proceeds and Statement of deviation/ variation in use of issue proceeds of listed non-convertible debt securities for the quarter ended March 31, 2023.**Statement of utilization of issue proceeds

Name of the Issuer	ISIN	Mode of Fund Raising (Public issues/ Private placement)	Type of instrument	Date of raising funds	Amount Raised	Funds utilized	Any deviation (Yes/ No)	If 8 is Yes, then specify the purpose of for which the funds were utilized	Remarks, if any
1	2	3	4	5	6	7	8	9	10
Highways Infrastructure Trust	INE0KXY07018	Private Placement	Non-Convertible Debenture	23-09-2022	Rs. 400,00,00,000	Rs. 400,00,00,000	No	NA	-
Highways Infrastructure Trust	INE0KXY07026	Private Placement	Non-Convertible Debenture	23-09-2022	Rs. 250,00,00,000	Rs. 250,00,00,000	No	NA	-

## A. Statement of deviation/ variation in use of Issue proceeds:

Particulars	Remarks
Name of listed entity	Highways Infrastructure Trust
Mode of fund raising	Private Placement
Type of instrument	Non-Convertible Debentures
Date of raising funds	As per above Annexure
Amount raised	As per above Annexure
Report filed for quarter ended	March 31, 2023
Is there a deviation/ variation in use of funds raised?	No Deviation
Whether any approval is required to vary the objects of the issue stated in the prospectus/ offer document?	No
If yes, details of the approval so required?	Not Applicable
Date of approval	Not Applicable
Explanation for the deviation/ variation	Not Applicable
Comments of the audit committee after review	Not Applicable
Comments of the auditors, if any	Not Applicable

Principal Place of Business: 2nd floor, Piramal Tower, Peninsula Corporate Park, Lower Parel, Mumbai – 400 013  
Correspondence address: Unit No.316-317,3rd Floor,C Wing, Kanakia Zillion, BKC Annex, Kurla West, Mumbai – 400070 Tel: +91 +91 22 6107 3200  
E-mail: [highwaysinvit@highwayconcessions.com](mailto:highwaysinvit@highwayconcessions.com); Website: [www.highwaystrust.com](http://www.highwaystrust.com)  
(SEBI Registration number IN/InvIT/21-22/0019)



## HIGHWAYS INFRASTRUCTURE TRUST

Objects for which funds have been raised and where there has been a deviation/ variation, in the following table:

Original object	Modified object, if any	Original allocation	Modified allocation, if any	Funds utilised	Amount of deviation/ variation for the quarter according to applicable object (in Rs. crore and in %)	Remarks, if any
Not Applicable						

Deviation could mean:

- Deviation in the objects or purposes for which the funds have been raised.
- Deviation in the amount of funds actually utilized as against what was originally disclosed.

**Name of signatory: Kunjal Shah**

**Designation: Compliance Officer**

**Prepared for:  
Highways Infrastructure Trust (“the Trust”)**

**Highway Concessions One Private Limited  
 (“the Investment Manager”)**

## **Valuation as per SEBI (Infrastructure Investment Trusts) Regulations, 2014 as amended**

**Fair Enterprise Valuation**

**Valuation Date: 31<sup>st</sup> March 2023**

**Mr. S Sundararaman,  
Registered Valuer,  
IBBI Registration No - IBBI/RV/06/2018/10238**

# S. SUNDARARAMAN

Registered Valuer

Registration No - IBBI/RV/06/2018/10238

RV/SSR/R/2024/07

Date: 12<sup>th</sup> May 2023

## Highways Infrastructure Trust

2<sup>nd</sup> Floor, Piramal Tower,  
Peninsula Corporate Park,  
Lower Parel, Mumbai – 400 013.

## Highway Concessions One Private Limited

(acting as the Investment Manager to Highways Infrastructure Trust)

316-317, 'C' Wing, Kanakia Zillion,  
L.B.S. Road, BKC Annex,  
Kurla (West), Mumbai – 400 070

### **Sub: Financial Valuation as per SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended ("the SEBI InvIT Regulations")**

Dear Sir(s)/ Madam(s),

I, Mr. S. Sundararaman ("**Registered Valuer**" or "**RV**" or "**I**" or "**My**" or "**Me**") bearing IBBI registration number IBBI/RV/06/2018/10238, have been appointed vide letter dated 4<sup>th</sup> April 2023 as an independent valuer, as defined as per Regulation 2(zzf) of the SEBI InvIT Regulations, by **Highway Concessions One Private Limited** ("**HC One**" or "**the Investment Manager**") acting as the investment manager for **Highways Infrastructure Trust** ("**the Trust**" or "**Highways InvIT**"), an infrastructure investment trust, registered with the **Securities Exchange Board of India** ("**SEBI**") with effect from 23<sup>rd</sup> December 2021, bearing registration number IN/InvIT/21-22/0019 and **Axis Trustee Services Limited** ("**the Trustee**") acting on behalf of the Trust. For the purpose of the financial valuation of the special purpose vehicles (defined below and hereinafter together referred as "**the SPVs**") of Galaxy Investments II Pte. Limited ("**the Sponsor**" or "**Galaxy**") as per the requirements of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended ("**SEBI InvIT Regulations**"). The SPVs are to be valued as per Regulation 21 of SEBI (Infrastructure Investment Trust) Regulations 2014 ("**SEBI InvIT Regulations**") as amended from time to time, where HC One is acting as the Investment Manager.

I am enclosing the Report providing opinion on the fair enterprise value of the SPVs as defined hereinafter on a going concern basis as at 31<sup>st</sup> March 2023 ("**Valuation Date**").

Enterprise Value ("**EV**") is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash or cash equivalents to meet those liabilities. The attached Report details the valuation methodologies used, calculations performed and the conclusion reached with respect to this valuation.

I was further requested by the Investment Manager to provide the adjusted enterprise value of the SPVs as at 31<sup>st</sup> March 2023, where the adjusted enterprise value ("**Adjusted EV**") is derived as EV as defined above plus cash or cash equivalents of the SPVs as at 31<sup>st</sup> March 2023.

I have relied on explanations and information provided by the Investment Manager. Although, I have reviewed such data for consistency, those are not independently investigated or otherwise verified. My team and I have no present or planned future interest in the Trust, the SPVs or the Investment Manager except to the extent of this appointment as an independent valuer and the fee for this Valuation Report ("**Report**") which is not contingent upon the values reported herein. The valuation analysis should not be construed as investment advice, specifically, I do not express any opinion on the suitability or otherwise of entering into any financial or other transaction with the Trust.

Mr. S Sundararaman, Registered Valuer

Registered Valuer Registration No - IBBI/RV/06/2018/10238

5B, "A" Block, 5th Floor, Mena Kampala Arcade, New #18 & 20, Thiagaraya Road, T.Nagar, Chennai – 600 017, India

Telephone No.: +91 44 2815 4192



# S. SUNDARARAMAN

Registered Valuer

Registration No - IBBI/RV/06/2018/10238

This Report has been prepared for the purpose of Fair Valuation of SPVs in compliance with the SEBI InvIT regulations.

Following Special Purpose Vehicles are proposed to be transferred to the Trust:

Sr. No.	Name of the SPV	Term	Group
<b>Annuity Model Assets ("Annuity SPVs")</b>			<b>Annuity SPVs</b>
1	Nirmal BOT Limited	NBL	
2	Shillong Expressway Private Limited	SEPL	
<b>Toll Model Assets ("Toll SPVs")</b>			<b>Toll SPVs</b>
3	Dewas Bhopal Corridor Private Limited	DBCPL	
4	Godhra Expressways Private Limited	GEPL	
5	Jodhpur Pali Expressway Private Limited	JPEPL	
6	Ulundurpet Expressways Private Limited	UEPL	

(Hereinafter all the 6 companies mentioned above are together referred to as "**the SPVs**")

The analysis must be considered as a whole. Selecting portions of any analysis or the factors that are considered in this Report, without considering all factors and analysis together could create a misleading view of the process underlying the valuation conclusions. The preparation of a valuation is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis.

The information provided to me by the Investment Manager in relation to the SPVs included but not limited to historical financial statements, forecasts/projections, other statements and assumptions about future matters like forward-looking financial information prepared by the Investment Manager. The forecasts and projections as supplied to me are based upon assumptions about events and circumstances which are yet to occur.

I have not tested individual assumptions or attempted to substantiate the veracity or integrity of such assumptions in relation to the forward-looking financial information, however, I have made sufficient enquiry to satisfy myself that such information has been prepared on a reasonable basis.

Notwithstanding anything above, I cannot provide any assurance that the forward looking financial information will be representative of the results which will actually be achieved during the cash flow forecast period.

The valuation provided by RV and the valuation conclusion are included herein and the Report complies with the SEBI InvIT Regulations and guidelines, circular or notification issued by the Securities and Exchange Board of India ("**SEBI**") thereunder.

Please note that all comments in the Report must be read in conjunction with the caveats to the Report, which are contained in Section 11 of this Report. This letter, the Report and the summary of valuation included herein can be provided to Trust's advisors and may be made available for the inspection to the public and with the SEBI, the stock exchanges and any other regulatory and supervisory authority, as may be required.

RV draws your attention to the limitation of liability clauses in Section 11 of this Report.

# **S. SUNDARARAMAN**

Registered Valuer

Registration No - IBBI/RV/06/2018/10238

This letter should be read in conjunction with the attached Report.

Yours faithfully,

---

**S. Sundararaman**

Registered Valuer

IBBI Registration No.: IBBI/RV/06/2018/10238

Asset Class: Securities or Financial Assets

Place: Chennai

UDIN: 23028423BGYWGT8936

Mr. S Sundararaman, Registered Valuer

Registered Valuer Registration No - IBBI/RV/06/2018/10238

5B, "A" Block, 5th Floor, Mena Kampala Arcade, New #18 & 20, Thiagaraya Road, T.Nagar, Chennai – 600 017, India

Telephone No.: +91 44 2815 4192

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Definition, abbreviation & glossary of terms

Abbreviations	Meaning
BOT	Build, Operate and Transfer
Capex	Capital Expenditure
CCIL	Clearing Corporation of India Limited
CCM	Comparable Companies Multiples
COD	Commercial Operation Date
Cr	Crores
CTM	Comparable Transactions Multiples
DBFOT	Design, Build, Finance, Operate and Transfer
DCF	Discounted Cash Flow
DBCPL	Dewas Bhopal Corridor Private Limited
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization
ERP	Equity Risk Premium
ETC	Electronic Toll Collection
EV	Enterprise Value
FCFF	Free Cash Flow to the Firm
FDI	Foreign Direct Investment
FPM	Final Placement Memorandum
FY	Financial Year Ended 31 <sup>st</sup> March
GEPL	Godhra Expressways Private Limited
GQ	Golden Quadrilateral
HAM	Hybrid Annuity Model
Ind AS	Indian Accounting Standards
INR	Indian Rupees
Investment Manager/HC One	Highway Concessions One Private Limited
IVS	ICAI Valuation Standards 2018
JPEPL	Jodhpur Pali Expressway Private Limited
Kms	Kilometres
MoRTH	Ministry of Road Transport and Highways
MMR	Major Maintenance and Repairs
MPRDC	Madhya Pradesh Road Development Corporation Limited
Mn	Million
NAV	Net Asset Value Method
NBL	Nirmal BOT Limited
NCA	Net Current Assets Excluding Cash and Bank Balances
NH	National Highway
NHAI	National Highways Authority of India
NHDP	National Highways Development Project
NS-EW	North- South and East-West Corridors
O&M	Operation & Maintenance
PM	Placement Memorandum
PPP	Public Private Partnership

RFID	Radio Frequency Identification
RV	Registered Valuer
SEBI	Securities and Exchange Board of India
SEBI InvIT Regulations	SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended
SEPL	Shillong Expressway Private Limited
SH	State Highway
Sponsor/ Galaxy	Galaxy Investments II Pte. Limited
SPV	Special Purpose Vehicle
the Trustee	Axis Trustee Services Limited
UEPL	Ulundurpet Expressways Private Limited

## 1. Executive Summary

### 1.1. Background

- 1.1.1. Galaxy Investments II Pte. Limited ("**the Sponsor**" or "**Galaxy**") has sponsored an infrastructure investment trust under the SEBI InvIT Regulations called "**Highways Infrastructure Trust**" ("**Highways InvIT**" or "**the Trust**"). Galaxy was incorporated on 11<sup>th</sup> June 2021 in Singapore. Galaxy is involved in investment activities primarily with an objective of earning long term capital appreciation. Galaxy seeks to invest in companies incorporated in India that operate in the "infrastructure" sector.
- 1.1.2. Galaxy is a 100% subsidiary of Galaxy Investments Pte. Ltd., which is invested in by funds, vehicles and/or entities managed and/or advised by Kohlberg Kravis Roberts & Co. LP and/ or its affiliates (collectively "**KKR**").
- 1.1.3. Founded in 1976, KKR is a leading global investment firm that offers alternative asset management and capital markets and insurance solutions with approximately US\$ 504 billion of assets under management as of 31<sup>st</sup> December 2022.
- 1.1.4. Axis Trustee Services Limited ("**the Trustee**") has been appointed as the Trustee of the Highways InvIT. Highway Concessions One Private Limited ("**HC One**" or "**the Investment Manager**") has been appointed as the Investment Manager to the Trust by the Trustee and will be responsible to carry out the duties of such person as mentioned under the SEBI InvIT Regulations.
- 1.1.5. Shareholding of the Investment Manager as on the Valuation Date is as under :

Sr. No.	Particulars	No. of shares	%
1	Galaxy Investments II Pte. Ltd.	3,76,47,288	100.0 %
2	Vidyadhar S. Dabholkar*	1	0.0 %
	<b>Total</b>	<b>3,76,47,289</b>	<b>100.0 %</b>

Source: Investment Manager

\* as a nominee of Galaxy Investments II Pte. Ltd.

- 1.1.6. I understand that the management of the Trust is desirous of undertaking financial valuation of 6 SPVs. In this regards, I have been mandated to determine the fair enterprise value of 6 SPVs as defined in the Letter in accordance with the SEBI InvIT Regulations and in this context would like me to carry out valuation of SPVs as on 31<sup>st</sup> March 2023.
- 1.1.7. **Financial Assets to be Valued**

The financial assets under consideration are valued at Enterprise Value and Adjusted Enterprise Value of the following:

Sr. No.	Name of the SPV
<b>Annuity Model Assets ("Annuity SPVs")</b>	
1	Nirmal BOT Limited ("NBL")
2	Shillong Expressway Private Limited ("SEPL")
<b>Toll Model Assets ("Toll SPVs")</b>	
3	Dewas Bhopal Corridor Private Limited ("DBCPL")
4	Godhra Expressways Private Limited ("GEPL")
5	Jodhpur Pali Expressway Private Limited ("JPEPL")
6	Ulundurpet Expressways Private Limited ("UEPL")

(Together referred to as "**the SPVs**")



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- 1.1.8. In this regard, the Investment Manager has appointed me, S. Sundararaman (“**Registered Valuer**” or “**RV**” or “**I**” or “**My**” or “**Me**”) bearing IBBI registration number IBBI/RV/06/2018/10238 to undertake fair valuation of the SPVs at the enterprise level as per the extant provisions of the SEBI InvIT Regulations issued by SEBI. Enterprise Value (“**EV**”) is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash or cash equivalents to meet those liabilities.
- 1.1.9. Further, on the request of the Investment Manager, I have calculated Adjusted Enterprise Value of the SPVs which is derived as the EV as defined above plus cash or cash equivalents of the SPVs as at the Valuation Date.
- 1.1.10. I declare that:
- i. I am competent to undertake the financial valuation in terms of the SEBI InvIT Regulations;
  - ii. I am not an associate of the sponsor(s) or investment manager or trustee and I have not less than five years of experience in valuation of infrastructure assets;
  - iii. I am independent and have prepared the Report on a fair and unbiased basis;
  - iv. I have valued the SPVs based on the valuation standards as specified / applicable as per SEBI InvIT Regulations.
- 1.1.11. This Report covers all the disclosures required as per the SEBI InvIT Regulations and the Valuation of the SPVs is impartial, true and fair and in compliance with the SEBI InvIT Regulations.

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## 1.2. Scope of Valuation

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### 1.2.1. Valuation Base

Valuation Base means the indication of the type of value being used in an engagement. In the present case, I have determined the fair value of the SPVs at the enterprise level. Fair Value Bases defined as under:

#### **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.

### 1.2.2. Valuation Date

Valuation Date is the specific date at which the value of the assets to be valued gets estimated or measured. Valuation is time specific and can change with the passage of time due to changes in the condition of the asset to be valued. Accordingly, valuation of an asset as at a particular date can be different from other date(s).

The Valuation Date considered for the fair enterprise valuation of the SPVs is 31<sup>st</sup> March 2023 ("**Valuation Date**"). The attached Report is drawn up by reference to accounting and financial information as on 31<sup>st</sup> March 2023. The RV is not aware of any other events having occurred since 31<sup>st</sup> March 2023 till date of this Report which he deems to be significant for his valuation analysis.

### 1.2.3. Premise of Value

Premise of Value refers to the conditions and circumstances how an asset is deployed. In the present case, RV has determined the fair enterprise value of the SPVs on a Going Concern Value defined as under:

#### **Going Concern Value**

Going Concern value is the value of a business enterprise that is expected to continue to operate in the future. The intangible elements of going concern value result from factors such as having a trained work force, an operational plant, necessary licenses, systems, and procedures in place etc.

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## 1.3. Summary of Valuation

I have assessed the fair enterprise value of each of the SPVs on a stand-alone basis by using the Discounted Cash Flow (“**DCF**”) method under the income approach. Following table summarizes my explanation on the usage or non usage of different valuation methods:

Valuation Approach	Valuation Methodology	Used	Explanation
Cost Approach	Net Asset Value	No	NAV does not capture the future earning potential of the business. Hence NAV method is considered only for background reference.
Income Approach	Discounted Cash Flow	Yes	<p><b>For Annuity SPVs:</b> The revenue of NHAI Annuity SPVs is mainly derived from the annuity fees that are typically pre-determined with NHAI (as specified in the respective concession agreement) and cannot be modified to reflect prevailing circumstances like inflation &amp; interest rates.</p> <p><b>For Toll SPVs:</b> The Toll SPVs derive almost all of their revenue from their toll-road operations. The Toll SPVs are substantially dependent on the accuracy of the traffic volume forecasts for their respective projects.</p> <p>Accordingly, since all the SPVs are generating income based on pre-determined agreements / mechanism and since the Investment Manager has provided me the financial projections for the balance tenor of the concessions agreements, DCF Method under the income approach has been considered as the appropriate method for the present valuation exercise.</p>
Market Approach	Market Price	No	The equity shares of the SPVs are not listed on any recognized stock exchange in India. Hence, I was unable to apply the market price method.
	Comparable Companies	No	In the absence of any exactly comparable listed companies with characteristics and parameters similar to that of the SPVs, I am unable to consider this method for the current valuation.
	Comparable Transactions	No	In the absence of adequate details about the Comparable Transactions, I was unable to apply the CTM method.

Under the DCF Method, the Free Cash Flow to Firm (“**FCFF**”) has been used for the purpose of valuation of each of the SPVs. In order to arrive at the fair EV of the individual SPVs under the DCF Method, I have relied on Provisional Unaudited Financial Statements as at 31<sup>st</sup> March 2023 prepared in accordance with the Indian Accounting Standards (Ind AS) and the financial projections of the respective SPVs prepared by the Investment Manager as at the Valuation Date based on their best judgement.

The discount rate considered for the respective SPVs for the purpose of this valuation exercise is based on the Weighted Average Cost of Capital (“**WACC**”) for each of the SPVs. As all the SPVs under considerations 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 tolls 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.

Based on the methodology and assumptions discussed further, RV has arrived at the fair enterprise value of the SPVs as on the Valuation Date:

Sr. No.	SPVs	Approximate Projection Period (Balance Project Period#)	WACC	Fair Value of EV* (INR Mn)	Fair Value of Adjusted EV** (INR Mn)
1	NBL	~4 years 7 months	8.3%	1,104	1,168
2	SEPL	~2 years 10 months	8.4%	220	531
3	DBCPL	~10 years 8 months	10.6%	15,709	15,863
4	GEPL	~20 years 5 months	10.5%	22,866	22,937
5	JPEPL	~20 years 8 months	10.5%	8,018	8,123
6	UEPL	~4 years 0 months	10.1%	4,484	4,944
<b>Total</b>				<b>52,402</b>	<b>53,566</b>

# including likely extension(s) as detailed in this report

\* Enterprise Value ("EV") is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash or cash equivalents to meet those liabilities.

\*\* Further, on the request of the Investment Manager, I have calculated Adjusted Enterprise Value of the SPVs which is derived as the EV as defined above plus cash or cash equivalents of the SPVs as at the Valuation Date.

(Refer Appendix 1 & 2 for the detailed workings)

Further to above, considering that present valuation exercise is based on the future financial performance and based on opinions on the future credit risk, cost of debt assumptions, etc., which represent reasonable expectations at a particular point of time, but such information, estimates or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, a particular event will occur or that a particular level of income or profit will be achieved, a particular event will occur or that a particular price will be offered or accepted. Actual results achieved during the period covered by the prospective financial analysis will vary from these estimates and variations may be material. Accordingly, a quantitative sensitivity analysis is considered on the following unobservable inputs:

1. WACC by increasing / decreasing it by 0.5%
2. WACC by increasing / decreasing it by 1.0%
3. Revenue of Toll SPVs by increasing / decreasing it by 10%
4. Operation and Maintenance Expenses by increasing / decreasing it by 20%

#### 1. Fair Enterprise Valuation Range based on WACC parameter (0.5%)

INR Mn							
Sr. No.	SPVs	WACC + 0.5%	EV	Base WACC	EV	WACC - 0.5%	EV
1	NBL	8.8%	1,090	8.3%	1,104	7.8%	1,119
2	SEPL	8.9%	219	8.4%	220	7.9%	221
3	DBCPL	11.1%	15,333	10.6%	15,709	10.1%	16,100
4	GEPL	11.0%	21,847	10.5%	22,866	10.0%	23,954
5	JPEPL	11.0%	7,658	10.5%	8,018	10.0%	8,403
6	UEPL	10.6%	4,440	10.1%	4,484	9.6%	4,528
<b>Total of all SPVs</b>			<b>50,587</b>		<b>52,402</b>		<b>54,325</b>

2. Fair Enterprise Valuation Range based on WACC parameter (1.0%)

INR Mn							
Sr. No.	SPVs	WACC + 1.0%	EV	Base WACC	EV	WACC - 1.0%	EV
1	NBL	9.3%	1,076	8.3%	1,104	7.3%	1,133
2	SEPL	9.4%	217	8.4%	220	7.4%	223
3	DBCPL	11.6%	14,970	10.6%	15,709	9.6%	16,505
4	GEPL	11.5%	20,892	10.5%	22,866	9.5%	25,116
5	JPEPL	11.5%	7,321	10.5%	8,018	9.5%	8,814
6	UEPL	11.1%	4,396	10.1%	4,484	9.1%	4,574
Total of all SPVs			48,872		52,402		56,365

3. Fair Enterprise Valuation Range based on Revenue parameter of Toll SPVs (10%)

INR Mn				
Sr. No.	SPVs	EV at Revenue - 10%	EV at Base Revenue	EV at Revenue + 10%
1	NBL	NA	NA	NA
2	SEPL	NA	NA	NA
3	DBCPL	13,870	15,709	17,548
4	GEPL	20,229	22,866	25,503
5	JPEPL	6,925	8,018	9,112
6	UEPL	3,945	4,484	5,023
Total of all SPVs		44,968	51,078	57,186

4. Fair Enterprise Valuation Range based on Major Maintenance Expenses and Operation & Maintenance Expenses parameter (20%)

INR Mn				
Sr. No.	SPVs	EV at Expenses + 20%	EV at Base Expenses	EV at Expenses - 20%
1	NBL	978	1,104	1,232
2	SEPL	108	220	329
3	DBCPL	15,043	15,709	16,375
4	GEPL	22,391	22,866	23,341
5	JPEPL	7,439	8,018	8,598
6	UEPL	4,195	4,484	4,772
Total of all SPVs		50,153	52,402	54,647

The above represents reasonable range of fair enterprise valuation of the SPVs.

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**2. Procedures adopted for current valuation exercise**

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- 2.1. I have performed the valuation analysis, to the extent applicable, in accordance with ICAI Valuation Standards 2018 (“**IVS**”) issued by the Institute of Chartered Accountants of India.
- 2.2. In connection with this analysis, I have adopted the following procedures to carry out the valuation analysis:
- 2.2.1. Requested and received financial and qualitative information relating to the SPVs;
  - 2.2.2. Obtained and analyzed data available in public domain, as considered relevant by me;
  - 2.2.3. Discussions with the Investment Manager on:
    - Understanding of the business of the SPVs – business and fundamental factors that affect its earning-generating capacity including strengths, weaknesses, opportunities and threats analysis and historical and expected financial performance;
  - 2.2.4. Undertook industry analysis:
    - Research publicly available market data including economic factors and industry trends that may impact the valuation;
    - Analysis of key trends and valuation multiples of comparable companies/comparable transactions, if any, using proprietary databases subscribed by me;
  - 2.2.5. Analysis of other publicly available information;
  - 2.2.6. Selection of valuation approach and valuation methodology/(ies), in accordance with IVS, as considered appropriate and relevant by me;
  - 2.2.7. Conducted physical site visit of the road stretch of the SPVs;
  - 2.2.8. Determination of fair value of the EV of the SPVs on a going concern basis till the end of the concession period as at the Valuation Date and determination of fair value of the Adjusted EV of the SPVs on a going concern basis till the end of the concession period as at the Valuation Date on request of the Investment Manager.

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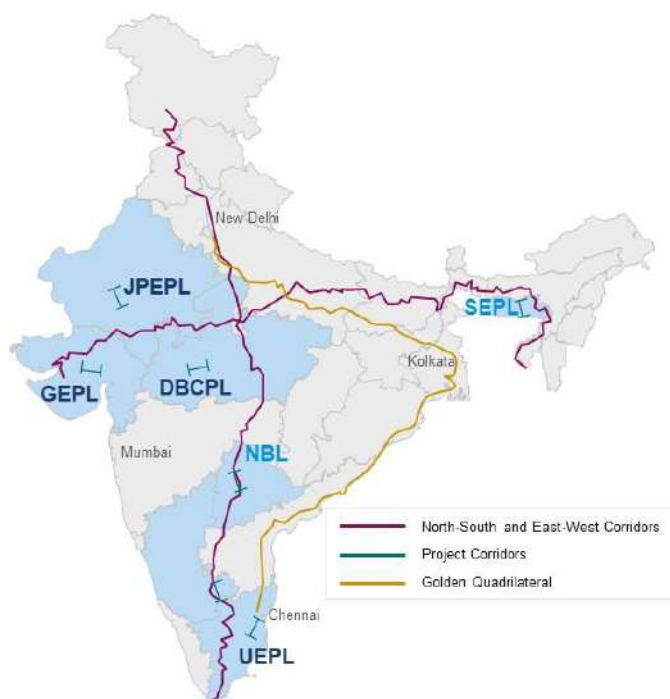
### 3. Overview of Sponsor, InvIT and SPVs

#### 3.1. The Trust

- 3.1.1. Galaxy Investments II Pte. Ltd. is the Sponsor of the Highways Trust. The Sponsor was incorporated on 11<sup>th</sup> June 2021 in Singapore. Galaxy is involved in investment activities primarily with an objective of earning long term capital appreciation. Galaxy seeks to invest in companies incorporated in India that operate in the “infrastructure” sector.
- 3.1.2. Galaxy is a 100% subsidiary of Galaxy Investments Pte. Ltd., which is invested in by funds, vehicles and/or entities managed and/or advised by Kohlberg Kravis Roberts & Co. LP and/ or its affiliates (collectively “KKR”).
- 3.1.3. Founded in 1976, KKR is a leading global investment firm that offers alternative asset management and capital markets and insurance solutions with approximately US\$ 504 billion of assets under management as of 31<sup>st</sup> December 2022.
- 3.1.4. I understand that the Highways InvIT, acting through the Investment Manager, has acquired the equity held by the Sponsor in the SPVs following which units have been issued to the Sponsor and other investors by the Trust, which are listed on NSE.
- 3.1.5. Following is the summary of SPVs, Including the date of acquisition and cost of acquisition of the SPVs:

Sr. No.	SPVs	Acquisition Date	Acquisition Cost (INR Mn)
1	NBL	22-Aug-2022	354
2	SEPL	22-Aug-2022	356
3	DBCPL	22-Aug-2022	12,969
4	GEPL	22-Aug-2022	11,167
5	JPEPL	22-Aug-2022	3,863
6	UEPL	22-Aug-2022	3,005

- 3.1.6. Following is a map of India showing the area covered by the SPVs of the Trust:

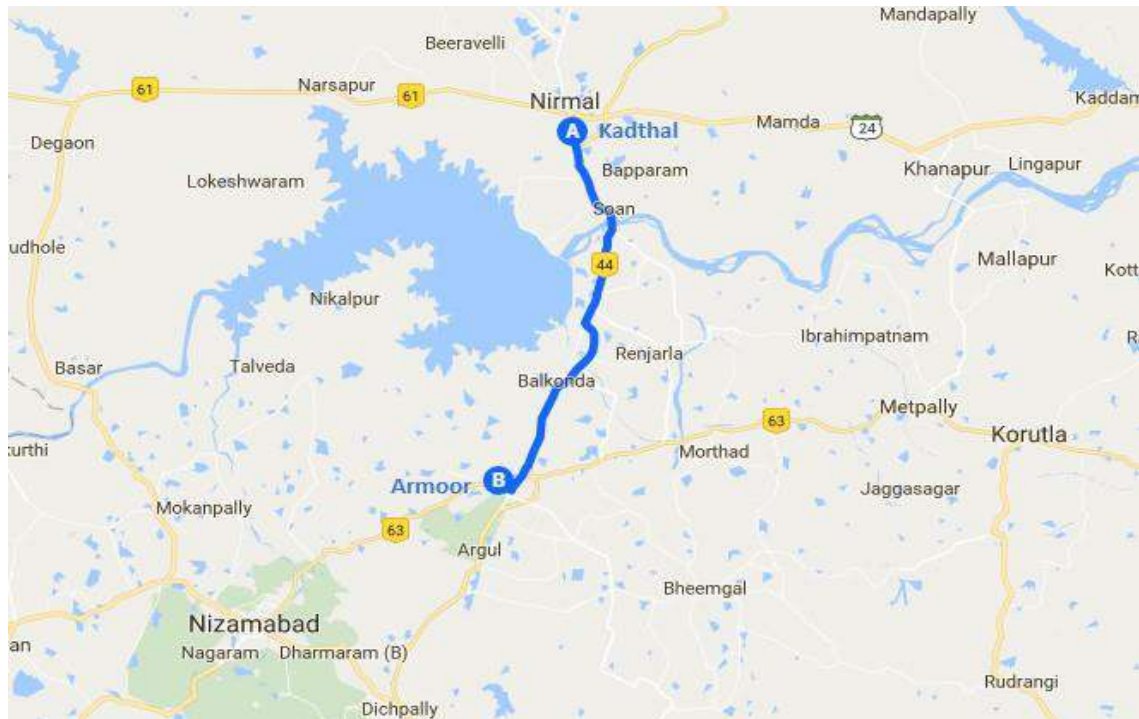


## Background of the SPVs

### 3.4. Nirmal BOT Limited (“NBL”)

- 3.4.1. The Project Road is a Section of NH-7 which starts from Kadthal in Adilabad District (New Ch. 282+617) and ends at Armur in Nizamabad District (New Ch. 313+507). The Project Road crosses the Godavari River at the major bridge Ch. 289 + 834 (36x20.9m) and has a length of 30.89 km. This Project for up-gradation of the existing road to four lane carriageway with paved shoulders was awarded by the National Highways Authority of India to M/s. Nirmal BOT Limited for a Concession Period of 20 years on BOT (Annuity) basis.

The map below illustrates the location of the Project and the corridor it covers:



Source: Investment Manager

- 3.4.2. Summary of project details of NBL are as follows:

Parameters	Details
Total Length	123.56 Lane Kms
Nos. of Lanes	4
NH / SH	NH 7
State Covered	Telangana
Area (Start and End)	Kadthal-Armur
Project Cost	INR 3,150 Mn
PPP Model	BOT
Project Type	Annuity
Concession Granted by	NHAI
COD Date	22 July 2009
Nos. of Annuities	36 (Semi-annual)
Total Annuity Amount	INR 8,568 Mn
Concession Period (CP)	20 years from Appointed Date

Source: Investment Manager

*Note: The State/ National Highway numbers and chainages mentioned in this Report are old Highway numbers and chainages as per the concession agreements. The actual SH/ NH numbers and chainage at site may differ based on subsequent changes.*

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- 3.4.3. The corridor forms a part of existing road from Km 278 to 308 (Approx. 30.9 Kms) between Kadthal and Armur of NH-7.

Sr. No.	Salient Features	Units
1	Total Length of Main Carriageway 4 Lane with Rigid Pavement	0
2	Total length of Service Roads	14.48 Kms
3	No of Toll Plazas	1
4	No of Bus Bays with Bus Shelters	30
5	Number of Truck Lay Bays	5
6	No of Rest Areas	0
7	No of Major Junctions	3
8	No of Minor Junctions	8
9	No of Vehicular underpasses	4
10	No of Pedestrian underpasses	12
11	No of Major Bridges	2
12	No of Minor Bridges	6
13	No of Hume Pipe Culverts	55
14	No of Box / Slab Culverts	28

Source: Investment Manager

- 3.4.4. The shareholding of NBL as on Valuation Date is as follows:

Sr. No.	Particulars	No. of Shares	%
1	Highways Infrastructure Trust*	3,15,00,000	100.00%
Total			100.00%

\*Includes Shares held by nominees of HIT

Source: Investment Manager

I have been represented by the Investment Manager that there is no change in shareholding pattern from the Valuation Date till the date of this Report.

- 3.4.5. My team had conducted physical site visit of the road stretch of NBL on 15<sup>th</sup> April 2023. Refer below for the pictures of the road stretch:

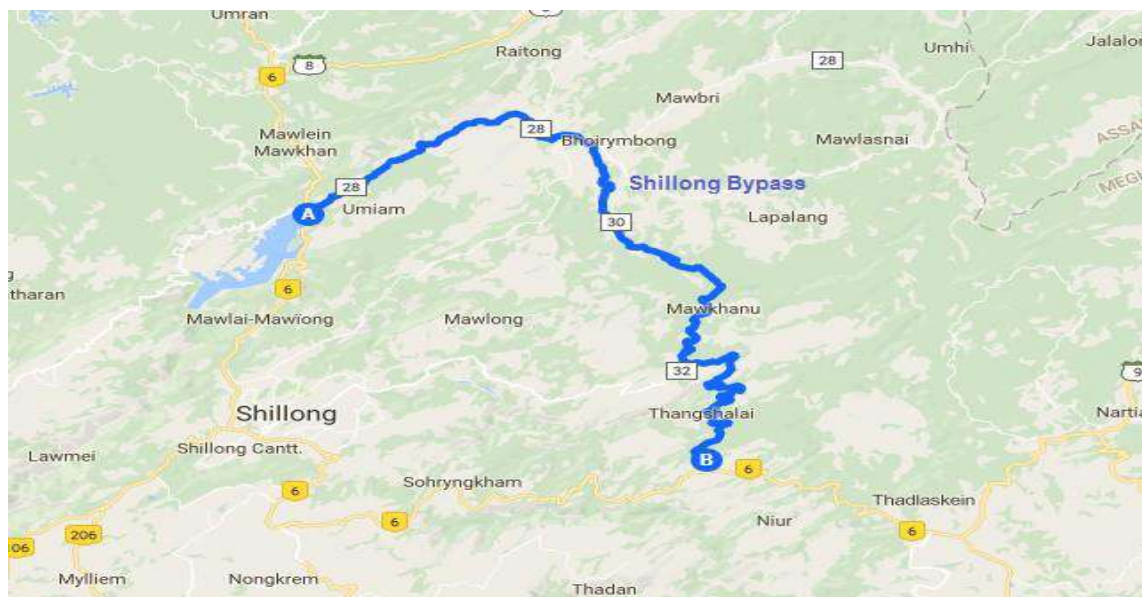


### 3.5. Shillong Expressway Private Limited (“SEPL”)

- 3.5.1. SEPL has constructed a 2 lane Shillong Bypass Connecting NH-40 and NH-44 from KM 61.80 on NH-40 near Barapani to KM 34.85 on NH-44 on the Shillong bypass section of NH-40 and NH-44 in the state of Meghalaya on Design, Build, Finance, Operate and Transfer (“DBFOT Annuity”) Basis. The entire project road passes through rural & Forest area with very thin inhabitations. Bhoilymbong, the only town in the area which is bypassed.

The project corridor generally runs in rolling/hilly terrain for most of length except in few locations where it is slightly plain. The land use along the project road is mostly forest. It passes through small village settlements like Umroi, Nongtrah, Diengpasoh, Thangshalai, Mawryngkneng etc.

The map below illustrates the location of the Project and the corridor it covers:



Source: Investment Manager

- 3.5.2. Summary of project details of SEPL are as follows:

Parameters	Details
Total Length	97.53 Lane Kms
Nos. of Lanes	2
NH / SH	NH-40/44
State Covered	Meghalaya
Area (Start and End)	Umiam to Mawryngkneng
Project Cost	INR 2,480 Mn
PPP Model	DBFOT
Project Type	Annuity
Concession Granted by	NHAI
COD Date	28 February 2013
Nos. of Annuities	24 (semi-annual)
Total Annuity Amount	INR 5,969 Mn
Concession Period (CP)	15 years from Appointed Date

Source: Investment Manager

- 3.5.3. The corridor forms a part of existing road from KM 61.80 of NH-40 and 34.85 of NH-44.

Sr. No.	Salient Features	Units
1	Total Length of Main Carriageway 2 Lane with Rigid Pavement	0
2	Total Length of Main Carriageway 2 Lane with Flexible Pavement	48.77 Kms



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3	Total length of Service Roads	NA
4	No of Toll Plazas	1
5	No of Bus Bays with Bus Shelters	13
6	Number of Truck Lay Bays	0
7	No of Rest Areas	0
8	No of Major Junctions	2
9	No of Minor Junctions	64
10	No of Vehicular underpasses	1
11	No of Pedestrian underpasses	0
12	No of Major Bridges	3
13	No of Minor Bridges	8
14	No of Hume Pipe Culverts	218
15	No of Box / Slab Culverts	22

Source: Investment Manager

3.5.4. The shareholding of SEPL as on Valuation Date is as follows:

Sr. No.	Particulars	No. of Shares	%
1	Highways Infrastructure Trust*	5,00,000	100.00%
	<b>Total</b>	<b>5,00,000</b>	<b>100.00%</b>

\*Includes Shares held by nominees of HIT

Source: Investment Manager

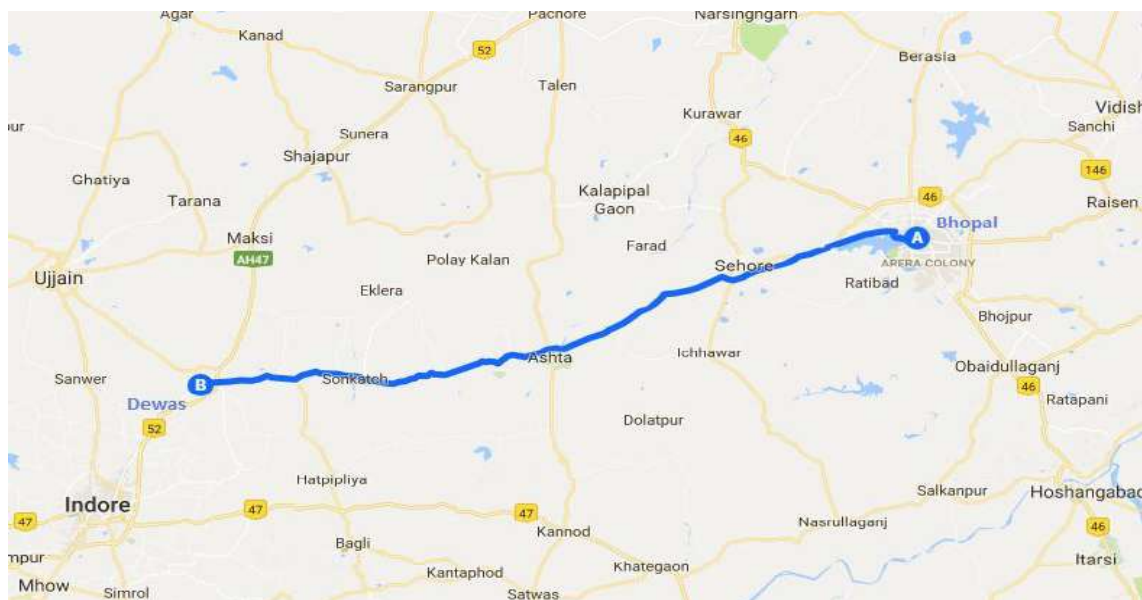
3.5.5. My team had conducted physical site visit of the road stretch of SEPL on 15<sup>th</sup> April 2023. Refer below for the pictures of the road stretch:



### 3.6. Dewas Bhopal Corridor Private Limited (“DBCPL”)

- 3.6.1. The MPRDC and DBCPL entered into the concession agreement dated June 30, 2007 (the “Concession Agreement”). DBCPL was awarded a project on BOT basis under the Concession Agreement for reconstruction, strengthening, widening and rehabilitation of the Bhopal-Dewas section including (including all bypasses) from KM 6.8 to KM 151.6 on SH-18 to 4-lane section in the State of Madhya Pradesh.

The map below illustrates the location of the Project and the corridor it covers:



Source: Investment Manager

- 3.6.2. Summary of project details of DBCPL are as follows:

Parameters	Details
Total Length	563.2 Lane Kms
Nos. of Lanes	4
NH / SH	SH-18
State Covered	Madhya Pradesh
Area (Start and End)	Bhopal to Dewas
Project Cost	INR 6,020 Mn
PPP Model	BOT
Project Type	Toll
Concession Granted by	MPRDC
COD Date	10 February 2009
Original Concession Period (CP)	25 years from Appointed Date
Extension (If any)	258 days
Likely End of CP (including extension)	2 <sup>nd</sup> December 2033

Source: Investment Manager

- 3.6.3. The corridor forms a part of existing road from KM 6.8 to KM 151.6 (Approx. 140.8 Kms) from Bhopal to Dewas in SH-18

Sr. No.	Salient Features	Units
1	Total Length of Main Carriageway 4 Lane with Rigid Pavement	0
2	Total Length of Main Carriageway 4 Lane with Flexible Pavement	140.79 Kms
3	Total length of Service Roads	9.09 Kms

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4	No of Toll Plazas	3
5	No of Bus Bays with Bus Shelters	3
6	Number of Truck Lay Bays	1
7	No of Rest Areas	0
8	No of Major Junctions	19
9	No of Minor Junctions	70
10	No of Vehicular underpasses	1
11	No of Pedestrian underpasses	1
12	No of Major Bridges	4
13	No of Minor Bridges	17
14	No of Hume Pipe Culverts	109
15	No of Box / Slab Culverts	53

Source: Investment Manager

3.6.4. The shareholding of DBCPL as on Valuation Date is as follows:

Sr. No.	Particulars	No. of Shares	%
1	Highways Infrastructure Trust*	1,00,000	100.00%
	<b>Total</b>	<b>1,00,000</b>	<b>100.00%</b>

\*Includes Shares held by nominees of HIT

Source: Investment Manager

3.6.5. Projections provided by the Investment Manager consider an extension of ~258 days from original concession end date, owing to:

- ~23 days were extended by MPRDC on account of demonetisation vide order no.02/MPRDC/BOT/D-B/2017/4947 dated 19<sup>th</sup> June 2017.
- 195 days were extended by MPRDC on account of change in scope vide order no. 11617/Maint/Bhopal-Dewas/MPRDC/2018 dated 25<sup>th</sup> October 2013.
- 40 days were extended on account of force majeure event due to COVID-19.

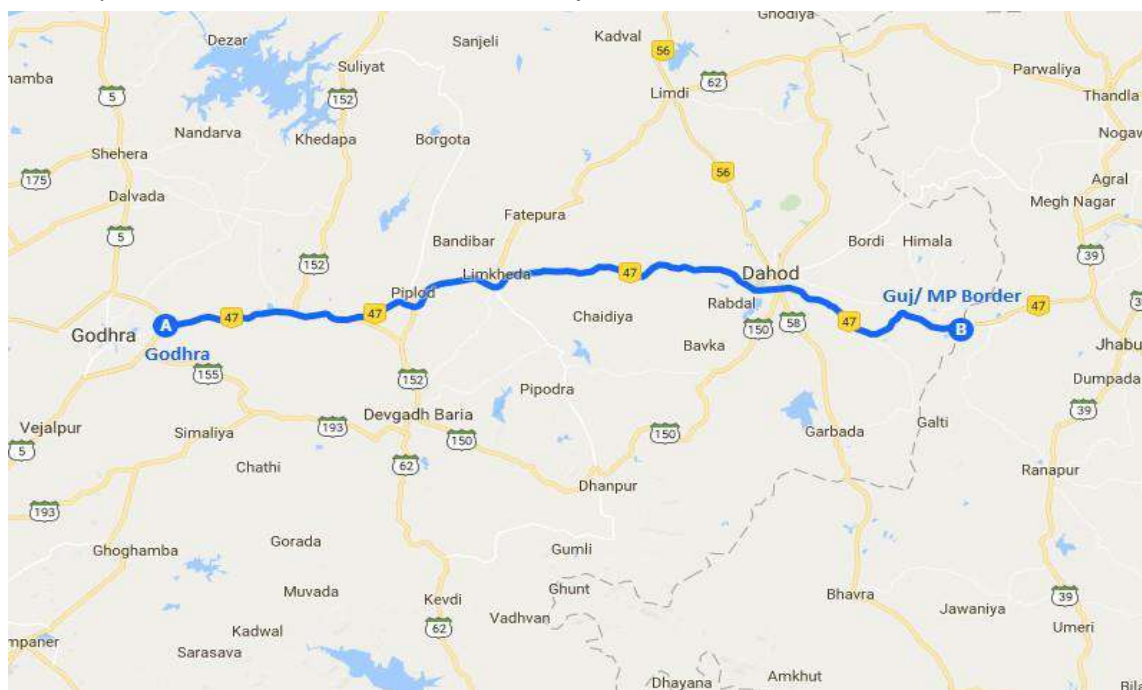
3.6.6. My team had conducted physical site visit of the road stretch of DBCPL on 15<sup>th</sup> April 2023. Refer below for the pictures of the road stretch:



### 3.7. Godhra Expressways Private Limited (“GEPL”)

- 3.7.1. The NHA and GEPL entered into the concession agreement dated February 25, 2010 (the “GEPL Concession Agreement”). GEPL operates, on a four-lane highway from Godhra to Gujarat/ Madhya Pradesh Border Section of NH-59 (now NH-47) from KM 129.30 to KM 215.90, in the State of Gujarat, under NHDP Phase III on Design, Build, Finance, Operate and Transfer (“DBFOT”) basis.

The map below illustrates the location of the Project and the corridor it covers:



Source: Investment Manager

- 3.7.2. Summary of project details of GEPL are as follow

Parameters	Details
Total Length	348.41 Lane Kms
Nos. of Lanes	4
NH / SH	NH-59
State Covered	Gujarat
Area (Start and End)	Godhra to Gujarat/ MP Border
Project Cost	INR 7,956 Mn
PPP Model	BOT
Project Type	Toll
Concession Granted by	NHAI
COD Date	31 October 2013
Original Concession Period (CP)	27 years from Appointed Date
Extension (If any)	2,013 days
Likely End of CP (including extension)	3 <sup>rd</sup> September 2043

Source: Investment Manager

- 3.7.3. The corridor forms a part of existing road from KM 129.3 to 215.9 (Approx. 87.10 Kms) from Godhra to Gujarat-Madhya Pradesh border in NH-59

Sr. No.	Salient Features	Units
1	Total Length of Main Carriageway 4 Lane with Rigid Pavement	83.1 Kms
2	Total Length of Main Carriageway 4 Lane with Flexible Pavement	4 kms



3	Total length of Service Roads	19.76 Kms
4	No of Toll Plazas	1
5	No of Bus Bays with Bus Shelters	24
6	Number of Truck Lay Bays	6
7	No of Rest Areas	0
8	No of Major Junctions	4
9	No of Minor Junctions	81
10	No of Vehicular underpasses	4
11	No of Pedestrian underpasses	13
12	No of Major Bridges	6
13	No of Minor Bridges	16
14	No of Hume Pipe Culverts	98
15	No of Box / Slab Culverts	32

Source: Investment Manager

3.7.4. The shareholding of GEPL as on Valuation Date is as follows:

Sr. No.	Particulars	No. of Shares	%
1	Highways Infrastructure Trust*	2,33,80,840	100.00%
	<b>Total</b>	<b>2,33,80,840</b>	<b>100.00%</b>

\*Includes Shares held by nominees of HIT

Source: Investment Manager

- Projections provided by the Investment Manager consider an extension of 2,013 days from original concession end date, owing to the target traffic clause as per Concession Agreement, the same has been approved by IE and 40 days were extended on account of force majeure event due to COVID-19.

3.7.5. Modification in the Concession Period due to target traffic clause as per Concession Agreement

Particulars	Unit	Details
Target date as per CA	Date	1 <sup>st</sup> October 2019
Target traffic as per CA	PCUs	26,839
Actual Average Traffic	PCUs	18,811
Comparison of average traffic at test date with target	%	-30%
Original concession period	years	27.0
Increase in concession period (Max. upto 20%)	%	20%
Change in concession period due to target traffic clause	days	1,973
Change in concession period due to COVID-19	days	40
Revised concession period	years	32.4
Appointed date	Date	1 <sup>st</sup> March 2011
Original concession end date	Date	28 <sup>th</sup> February 2038
Revised concession end date	Date	3 <sup>rd</sup> September 2043

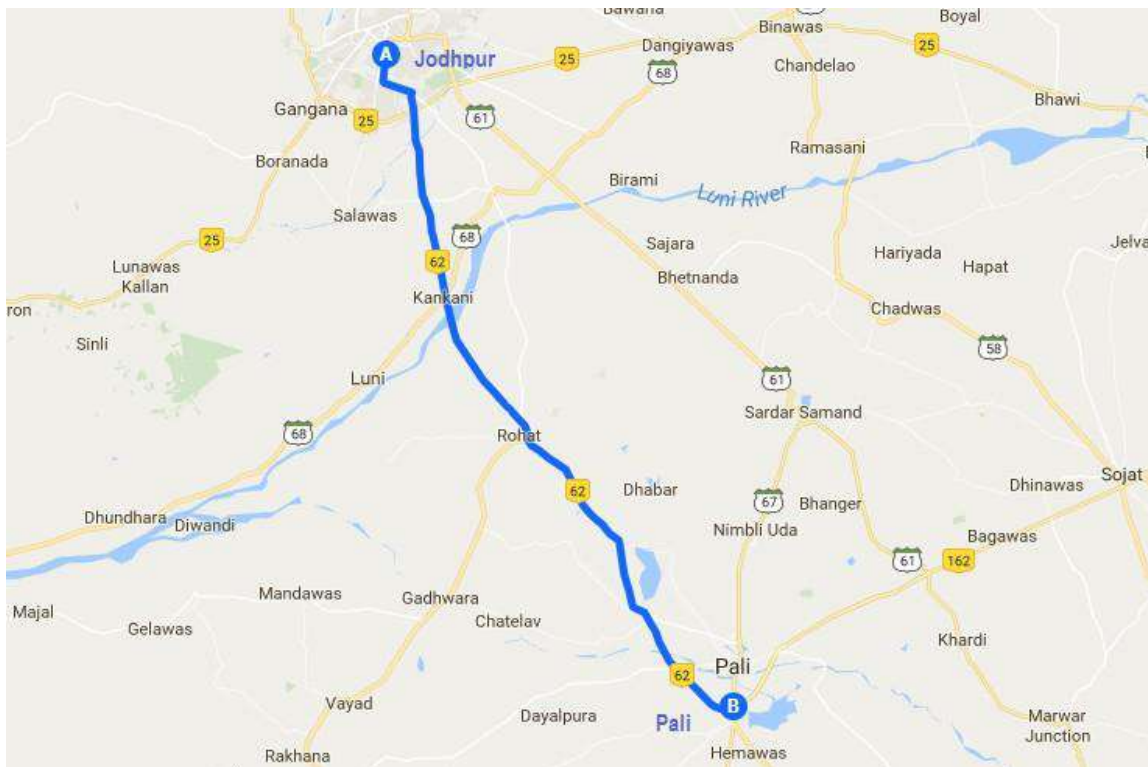
- 3.7.6. My team had conducted physical site visit of the road stretch of GEPL on 15<sup>th</sup> April 2023. Refer below for the pictures of the road stretch:



### **3.8. Jodhpur Pali Expressway Private Limited (“JPEPL”)**

- 3.8.1. The PWD(R) and JPEPL entered into the concession agreement dated February 28, 2013 (the “Concession Agreement”). JPEPL was engaged, on a design, build, finance, operate and transfer basis, under the Concession Agreement for the development and operation of Jodhpur-Pali section of NH 65 from KM 308.00 to KM 366.00 and including bypass to Pali starting from KM 366.00 of National Highway 65, connecting National Highway 14 at KM 114 in State of Rajasthan.

The map below illustrates the location of the Project and the corridor it covers:



*Source: Investment Manager*

3.8.2. Summary of project details of JPEPL are as follows:

Parameters	Details
Total Length	286.14 Lane Kms
Nos. of Lanes	4
NH / SH	NH-65
State Covered	Rajasthan
Area (Start and End)	Jodhpur to Pali
Project Cost	INR 4,140 Mn
PPP Model	DBFOT
Project Type	Toll
Concession Granted by	Public Works Department, Government of Rajasthan
COD Date	31 October 2014
Original Concession Period (CP)	25 years from Appointed Date
Extension (If any)	1,884 days
Likely End of CP (including extension)	13 <sup>th</sup> November 2043

Source: Investment Manager

3.8.3. The corridor forms a part of existing road from KM 308 to 366 & includes bypass to Pali starting from KM 366 of NH-65, connecting NH-14 at KM 114 in the state of Rajasthan.

Sr. No.	Salient Features	Units
1	Total Length of Main Carriageway 4 Lane with Rigid Pavement	0
2	Total Length of Main Carriageway 4 Lane with Flexible Pavement	71.54 Kms
3	Total length of Service Roads	11.57 Kms
4	No of Toll Plazas	2
5	No of Bus Bays with Bus Shelters	12
6	Number of Truck Lay Bays	1
7	No of Rest Areas	0
8	No of Major Junctions	12
9	No of Minor Junctions	33
10	No of Vehicular underpasses	1
11	No of Pedestrian underpasses	2
12	No of Major Bridges	6
13	No of Minor Bridges	6
14	No of Hume Pipe Culverts	50
15	No of Box / Slab Culverts	14

Source: Investment Manager

3.8.4. The shareholding of JPEPL as on Valuation Date is as follows:

Sr. No.	Particulars	No. of Shares	%
1	Highways Infrastructure Trust*	61,640	100.00%
	<b>Total</b>	<b>61,640</b>	<b>100.00%</b>

\*Includes Shares held by nominees of HIT

Source: Investment Manager

3.8.5. Projections provided by the Investment Manager consider an extension of ~1,884 days from original concession end date, owing to:

- ~1,825 days were extended due to the target traffic clause as per Concession Agreement; the traffic count is due in FY29, FY30 and FY31.

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- ~59 days were extended on account of force majeure event due to COVID-19.

### 3.8.6. Modification in the Concession Period due to target traffic clause as per Concession Agreement

As per the Clause 29 of the concession agreement between NHAI and JPEPL provided to us by the Investment Manager, if the actual traffic falls short or exceeds target traffic on a defined date, the concession period shall be revised subject to calculation specified therein. The target date and target traffic as provided in the concession agreement along with the projected traffic as on the target date are given below:

Particulars	Unit	Details
Target date as per CA	Date	1 <sup>st</sup> January 2030
Target traffic as per CA	PCUs	35,938
Estimated Average Traffic on Target Date	PCUs	27,612
Comparison of average traffic at test date with target	%	-23%
Original concession period	years	25.0
Increase in concession period (Max. upto 20%)	%	20%
Change in concession period due to target traffic clause	days	1,825
Change in concession period due to COVID-19	days	59
Revised concession period	years	30.0
Appointed date	Date	16 <sup>th</sup> September 2013
Original concession end date	Date	15 <sup>th</sup> September 2038
Revised concession end date	Date	13 <sup>th</sup> November 2043

- 3.8.7. My team had conducted physical site visit of the road stretch of JPEPL on 15<sup>th</sup> April 2023. Refer below for the pictures of the road stretch:



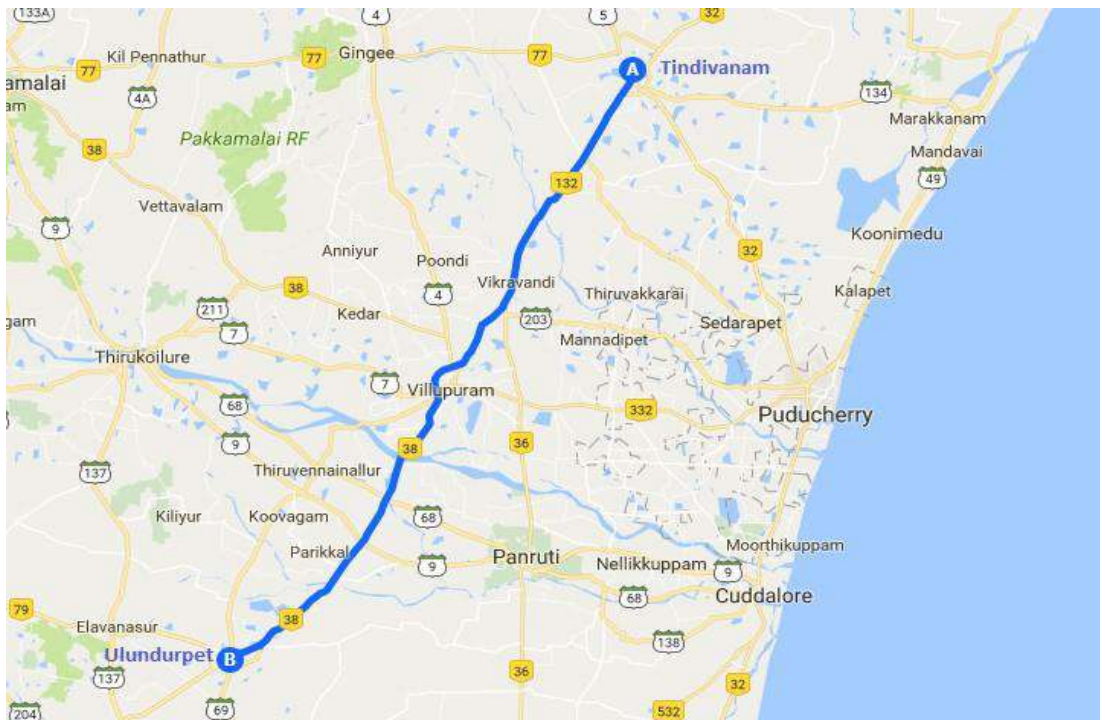


### 3.9. Ulunderpet Expressways Private Limited (“UEPL”)

- 3.9.1. The project road Tindivanam-Ulunderpet, is part of 472 km long National Highway No.45 (NH-45) or Great Southern Trunk Road (GST Road) which starts from Kathipara junction in Guindy area (Chennai City) and extends up to Theni (headquarters of Theni District).

It acts as one of the primary life-line corridor in the state of Tamil Nadu connecting the State Capital (Chennai city) with various industrial towns and tourist places in the southern, eastern and western parts of Tamil Nadu. The important towns which en-route the NH45 are Tambaram, Tindivanam, Viluppuram, Perambalur, Tiruchirapalli, Dindigul and Theni.

The map below illustrates the location of the Project and the corridor it covers:



Source: Investment Manager

- 3.9.2. Summary of project details of UEPL are as follows:

Parameters	Details
Total Length	291.6 Lane Kms
Nos. of Lanes	4
NH / SH	NH-45
State Covered	Tamil Nadu
Area (Start and End)	Tindivanam to Ulunderpet
Project Cost	INR 10,151 Mn
PPP Model	BOT
Project Type	Toll
Concession Granted by	NHAI
COD Date	23 July 2009
Original Concession Period (CP)	20 years from Appointed Date
Extension (If any)	160 days
Likely End of CP (including extension)	25 <sup>th</sup> March 2027

Source: Investment Manager

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- 3.9.3. The corridor forms a part of existing road from Tindivanam (km 121.00) and ends at just north of Sengurchi (km 193.90) in NH-45.

Sr. No.	Salient Features	Units
1	Total Length of Main Carriageway 4 Lane with Rigid Pavement	0
2	Total Length of Main Carriageway 4 Lane with Flexible Pavement	72.9 Kms
3	Total length of Service Roads	36.4 Kms
4	No of Toll Plazas	1
5	No of Bus Bays with Bus Shelters	34
6	Number of Truck Lay Bays	3
7	No of Rest Areas	0
8	No of Major Junctions	4
9	No of Minor Junctions	97
10	No of Vehicular underpasses	3
11	No of Pedestrian underpasses	6
12	No of Major Bridges	6
13	No of Minor Bridges	14
14	No of Hume Pipe Culverts	56
15	No of Box / Slab Culverts	66

Source: Investment Manager

- 3.9.4. The shareholding of UEPL as on Valuation Date is as follows:

Sr. No.	Particulars	No. of Shares	%
1	Highways Infrastructure Trust*	26,45,52,365	100%
	<b>Total</b>	<b>26,45,52,365</b>	<b>100.00%</b>

\*Includes Shares held by nominees of HIT

Source: Investment Manager

- 3.9.5. Projections provided by the Investment Manager consider an extension of 160 days from original concession end date, owing to:

- 98 days were extended by NHAI on account of delay in toll notification vide order no. NHAI/11015//71/RO Chennai/2009/3811 dated 27<sup>th</sup> September 2013.
- 23 days were extended on account of demonetisation.
- 15 days on account of flood.
- 24 days were extended on account of force majeure event due to COVID-19.

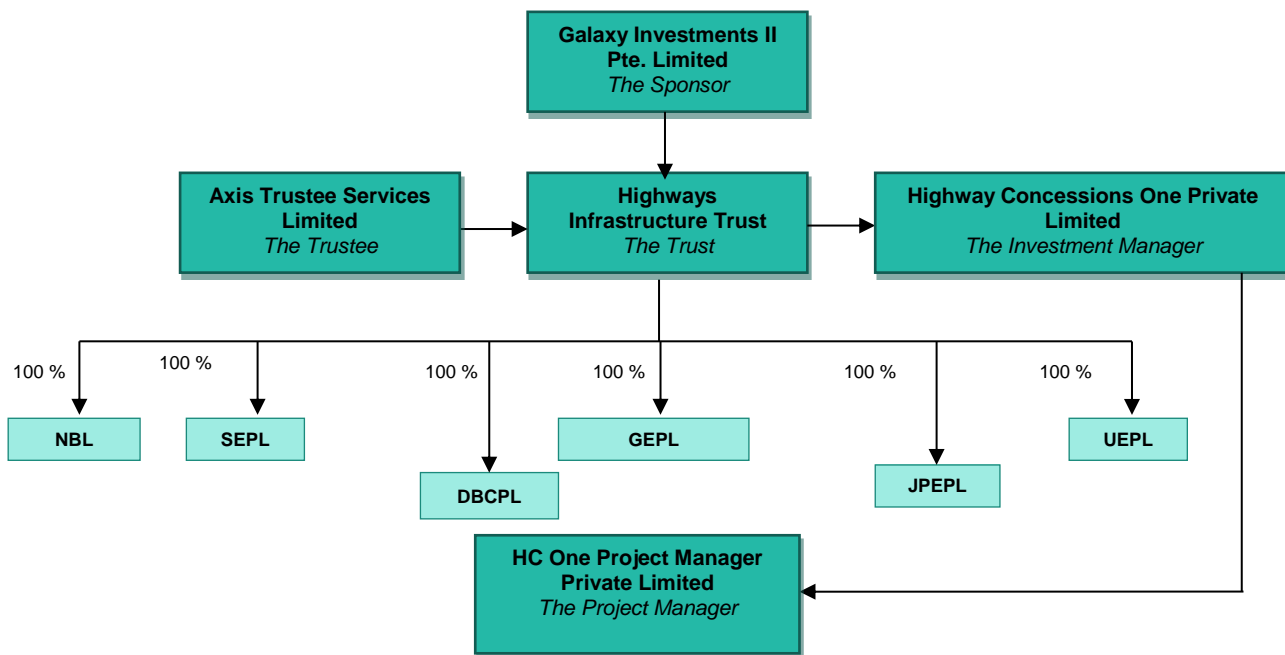
- 3.9.6. My team had conducted physical site visit of the road stretch of UEPL on 15<sup>th</sup> April 2023. Refer below for the pictures of the road stretch:



#### 4. Structure of the Trust as at 31st March 2023

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4.1. Following is the Structure of the Trust as at 31<sup>st</sup> March 2023.



Source: Investment Manager

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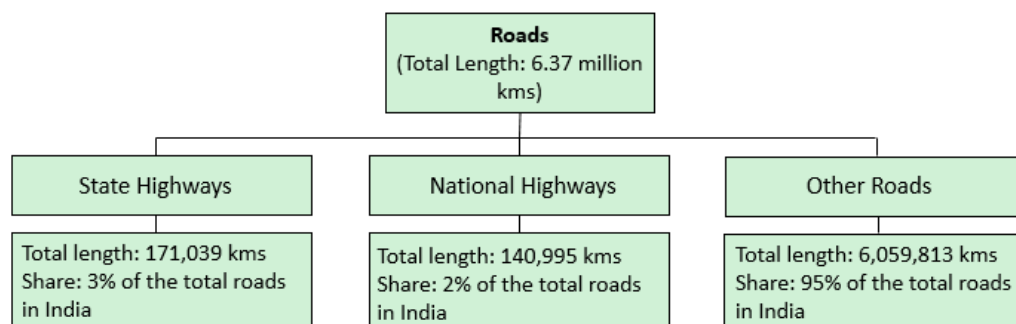
## 5. Overview of the Industry

### 5.1 Road Network in India

- 5.1.1 The road infrastructure is an important determinant of economic growth in India and it plays a significant role in the economy's overall development process.
- 5.1.2 Creation and operation of quality road infrastructure continue to be major requirements for enabling overall growth and development of India in a sustained manner.
- 5.1.3 Bridging of existing infrastructure gaps and creating additional facilities to cater to the increasing population are equally important. Apart from providing connectivity in terms of enabling movement of passengers and freight, roads act as force multipliers in the economy.
- 5.1.4 Further, roads play a significant role in times of natural calamities, wars and other such events in terms of timely evacuation of the impacted population, carriage of relief material and other associated movements. Government takes cognisance of this requirement and road infrastructure remains to be a focus area.

### 5.2 Road Network in India

- 5.2.1 India has the second largest road network in the world, spanning over 6.37 million kms. Over 64.5% of all goods in the country are transported through roads, while 90% of the total passenger traffic uses road network to commute.



Source: IBEF Roads Report, November 2022

- 5.2.2 Out of this around 1.41 lakh km are National Highways ("NHs"). Significantly, NHs constitute around 2 per cent of the total road network in the country but carry about 40% of the road traffic. The density of India's highway network at 1.89 km of roads per square kilometer of land – is similar to that of the France (1.98) and much greater than China's (0.49) or USA's (0.68).

### 5.3 Government Agencies for Road Development

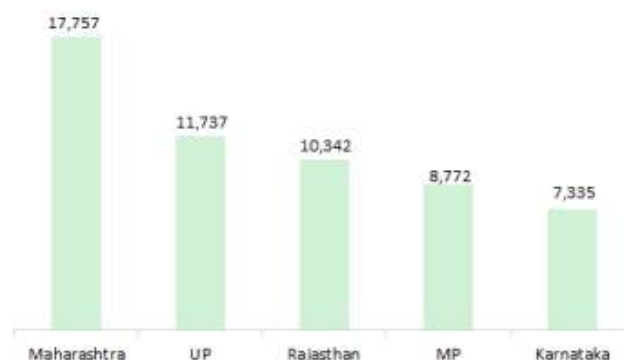
- 5.3.1 The Ministry of Road Transport & Highway ("MoRTH") is responsible for development of Road Transport and Highways in general and construction & maintenance of National Highways.
- 5.3.2 The National Highways Authority of India ("NHAI") is an autonomous agency of the Government of India, set up in 1988 and is responsible for implementation of National Highways Development Project ("NHDP").
- 5.3.3 The NHDP in the context of NHs is nearing completion- in seven phases. Later, the other highway development programmes like Special Accelerated Road Development Programme for Development of Road Network in North Eastern States (SARDP- NE) and National Highways Interconnectivity Improvement Project (NHIIP) were also taken up by MoRTH. Further, Bharatmala Pariyojana is ongoing. For majority of the projects under NHDP and Bharatmala Pariyojana, NHAI is the implementation agency. Other NH related programmes/works are being implemented



through agencies like National Highways Infrastructure Development Corporation Limited (NHIDCL), State Public Works Departments (PWDs), State Road Development Corporations and the Border Road Organization.

- 5.3.4 Roads in the jurisdiction of state governments are under different categories like State Highways (“SHs”) and Major District Roads. They are being developed/ upgraded through State PWDs and State Road Development Corporations. Pradhan Mantri Gramm Sadak Yojana is being implemented for rural roads through the Ministry of Rural Affairs with active participation by state governments. Further, roads within urban areas are maintained/ developed mostly with PWDs and Urban Local Bodies.
- 5.3.5 State Governments have a significant role to play in developing the SHs, Major District Roads, Other District Roads to ensure the last mile connectivity. States have varying levels of maturity in terms of road infrastructure development due to issues such as inadequate identification and prioritization of projects, funding shortfall, limited institutional capacity to implement projects, etc.

**Top 5 states by length of NHs in India (in Km)**



Source: MoRTH, Government of India.

#### **5.4 Trend of Road and Highways Construction**

- 5.4.1 The length of National Highways awarded has almost doubled in the years FY15 to FY18 compared to FY11 to FY14. Length of NHs constructed has increased by 70% during the same period. This pace is expected to gain further ground, with the ambitious targets set by the ministry and the implementation of the Bharatmala Pariyojana as MORTH is planning to construct around 83,677 km of national highways at an estimated cost of Rs 10.63 trillion (US\$ 130 billion) after factoring in cost escalations up to December 2021.
- 5.4.2 India has become the fastest highway developer in the world with 28.64 kms of highways built each day in 2021-22 and plans to construct 18,000 kilometres of national highways in 2022-23 at a record speed of 50 kms per day.
- 5.4.3 Under the Union Budget 2022-23, the Government of India has allocated Rs. 199,107 crore (US\$ 26.04 billion) to the Ministry of Road Transport and Highways.
- 5.4.4 The GST on construction equipment has been reduced to 18% from 28%, which is expected to give a boost to infrastructure development in the country.
- 5.4.5 The NHDP is a program to upgrade, rehabilitate and widen major highways in India to a higher standard. The project was started in 1998 to be implemented in 7 phases.
- 5.4.6 With the launch of Bharatmala project, 10,000 km of highway construction left under NHDP was merged with Phase I of the Bharatmala project.

- 5.4.7 The Indian government launched Gati Shakti-National Master Plan, which has consolidated a list of 81 high impact projects, out of which road infrastructure projects were the top priority. The major highway projects include the Delhi-Mumbai expressway (1,350 kilometres), Amritsar-Jamnagar expressway (1,257 kilometres) and Saharanpur-Dehradun expressway (210 kilometres).
- 5.4.8 The main aim of this program is a faster approval process by digitizing the process through a dedicated Gati shakti portal.
- 5.4.9 In December 2021, the government set a highway monetization target of Rs. 2 trillion (US\$ 26.20 billion) for the next 3 years.
- 5.4.10 The Ministry of Road Transport and Highways awarded road projects with a total length of 12,731 kms in FY22 as against 10,964 km in FY 21.
- 5.4.11 In FY 22, 10,457 kms of highways have been constructed against 13,298 kms of highway constructed in FY 21 across India.
- 5.4.12 The Government of India has allocated Rs. 111 lakh crore (US\$ 13.14 billion) under the National Infrastructure Pipeline for FY 2019-25. The Roads sector is expected to account for 18% capital expenditure over FY 2019-25.
- 5.4.13 NHAI is planning to raise Rs. 40,000 crore (US\$ 5.72 billion) to monetise its highway assets through Infrastructure Investment Trust (InvIT). Launched in November 2021, NHAI InvIT had raised Rs 8,011 crore for NHAI in its maiden round, with initial portfolio of five operating toll roads of aggregate length of 390 km.
- 5.4.14 The development of market for roads and highways is projected to exhibit a CAGR of 36.16% during 2016-2025, on account of growing government initiatives to improve transportation infrastructure in the country.

**Details of national highways awarded (by NHAI) and constructed in India (KMs):**



**5.5 Implementation of important projects and expressways:**

**5.5.1 Bharatmala Pariyojna**

Bharatmala Pariyojana is a new 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 effective interventions like 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 expressway.

The Bharatmala Pariyojana envisages development of about 26,000 km length of Economic Corridors, which along with Golden Quadrilateral (GQ) and North-South and East-West (NS-EW) Corridors are expected to carry majority of the Freight Traffic on roads.

A total length of 34,800 km in road projects have been proposed to be constructed with an estimated outlay of Rs 5.35 trillion (US\$ 74.15 billion) under Bharatmala Pariyojana Phase-I over a five year period (2017-18 to 2021-22). In Bharatmala Pariyojana, 60% projects on Hybrid Annuity Mode, 10% projects on BOT (Toll) Mode and 30% projects on EPC mode have been envisaged respectively.

Components under Bharatmala Pariyojana Phase-I are as given below:

Component	Length (Km)	Cost (INR Crore)
Economic corridors development	9,000	1,20,000
Inter-corridor & feeder roads	6,000	80,000
National Corridors Efficiency	5,000	1,00,000
Border & International connectivity	2,000	25,000
Coastal & port connectivity roads	2,000	20,000
Expressways	800	40,000
<b>Sub Total</b>	<b>24,800</b>	<b>3,85,000</b>
Other works - under NHDP	10,000	1,50,000
<b>Total</b>	<b>34,800</b>	<b>5,35,000</b>

Source: Ministry of Road Transport and Highways, Government of India

The completion cost of Phase-I is now estimated 10.63 trillion (US\$ 130 billion) after factoring in cost escalations up to December 2021 and is 99% higher than the initial estimates owing to substantial rise in land acquisition cost, and steep increase in input costs. It is expected to be completed in FY2028, a delay of six years from the initial envisaged completion date of FY2022. During the last seven years, around 60% (20,632 km vs 34,800 km) of highway length has been awarded as of December 2021, and ~23% of the total length completed till March 2022

#### 5.5.2 Char Dham Vikas Mahamarg Pariyojna:

This project envisages development of easy access to the four dhams in India – Gangotri, Yamunotri, Kedarnath and Badrinath. Development of this route of 889 km route is expected at an estimated cost of INR 12,000 Crores.

#### 5.5.3 Eastern peripheral and western peripheral expressway

These two projects will connect NH-1 and NH-2 from western and eastern side of Delhi.

#### 5.5.4 Setu Bharatam:

This project aims to replace crossings on NHs with Road Over Bridges and Road Under Bridges. It is projected to construct 174 such structures.

#### 5.5.5 To further augment road infrastructure, more economic corridors are also being planned by Government of India as revealed in Budget 2021-22.

- 3,500 km of National Highway works in the state of Tamil Nadu at an investment of INR 1.03 lakh Crores. These include Madurai-Kollam corridor, Chittoor-Thatchur corridor. Construction will start next year.
- 1,100 km of National Highway works in the State of Kerala at an investment of INR 65,000 Crores including 600 km section of Mumbai Kanyakumari corridor in Kerala.
- 675 km of highway works in the state of West Bengal at a cost of INR 25,000 Crores including upgradation of existing road-Kolkata –Siliguri.

- d. National Highway works of around INR 19,000 Crores are currently in progress in the State of Assam. Further works of more than INR 34,000 Crores covering more than 1300 kms of National Highways will be undertaken in the State in the coming three years.
- e. In the Union Budget of 2022-23, the increase in Budget was a whopping 68% compared to the last year and the government plans to complete 25,000 kilometres of National highways.

## 5.6 Opportunities in road development & maintenance in India

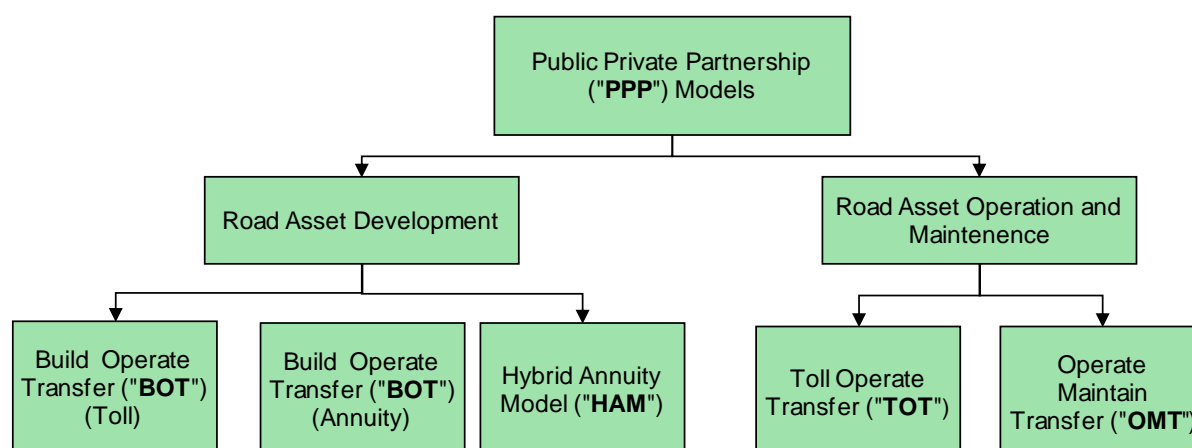
- a. India has joined the league of 15 of global alliance which will work towards the ethical use of smart city technologies
- b. The Government aims to construct 65,000 kms of national highways at a cost of Rs. 5.35 lakh crore (US\$ 741.51 billion).
- c. The government also aims to construct 23 new national highways by 2025.
- d. Road building in India is second least expensive in Asia.
- e. Andhra Pradesh will spend US\$ 296.05 million to build 8,970 kms of roads.
- f. In February 2022, NHAI rolled out a plan to construct 5,795 kilometres of highways that will connect 117 districts. The plan was worth Rs. 1 trillion (US\$ 13.09 billion).

## 5.7 Public Private Partnership (“PPP”) Models of road development and maintenance in India

5.7.1 India has a well-developed framework for Public-Private-Partnerships (PPP) in the highway sector. PPP has been a major contributor to the success story of the roads and highway sector in India. With the emergence of private players over the last decade, the road construction market has become fragmented and competitive. Players bidding for projects also vary in terms of size. PPP modes have been used in India for both development and operation & maintenance of road assets.

NHAI is planning to award 500 km of the 6,500 km target for FY23 through BOT mode. It may give minimum toll revenue guarantee to make it easier for contractors to bid for BOT projects.

5.7.2 In August 2020, the Government of India revised the Model Concession Agreement for BOT projects to plug delays by imposing a deadline on the NHAI and incentivising timely work by concessionaires. According to revised norms, the NHAI will have to hand over 90% of the project land (vacant and ready to build) to private developers, thus creating a more market-friendly sector and attracting more private players.





### **5.7.3 Road Asset Development Models**

- **BOT Toll**

- In a BOT toll project, the concessionaire is responsible for designing, building, financing, operating, maintaining, tolling and transferring the project to the relevant authority at the end of the concession period. The concession period is project specific but is usually for 20-25 years. In BOT Toll model, the concessionaire earns revenue primarily in the form of toll revenue which in turns depends on the traffic on the road stretch. Toll rates are regulated by the government through rules.

- **BOT Annuity**

- Similar to a BOT Toll projects, in BOT Annuity project, the concessionaire is responsible for designing, building, financing, operating, maintaining, tolling and transferring the project to the relevant authority at the end of the concession period. However, in these projects, the right to collect toll on road stretch lies with the government. The concessionaire earns revenue in the form of pre-determined semi-annual annuity payments.

- **HAM**

- Similar to a BOT projects, in HAM project, the concessionaire is responsible for designing, building, financing, operating, maintaining, tolling and transferring the project to the relevant authority at the end of the concession period. However, in these projects, the right to collect toll on road stretch lies with the government. The construction period for HAM projects is project specific and a fixed operation period of 15 years.

## **5.8 Government Investment in the Sector**

5.8.1 Under Union Budget 2022-23, the Government of India has allocated Rs. 2.7 Lakh crore to the Ministry of Road Transport and Highways.

5.8.2 During 2019-23, NHAI is expected to generate Rs. 1 trillion (US\$ 14.30 billion) annually from toll and other sources.

5.8.3 NHAI is planning to raise Rs. 40,000 crore (US\$ 5.72 billion) to monetize its highway assets through Infrastructure Investment Trust (InvIT). Five operational roads with an estimated enterprise value of INR 5,000 crores have been transferred to the NHAI InvIT.

## **5.9 Growth Drivers**

### **5.9.1 Robust Demand :**

Growing domestic trade flows have led to rise in commercial vehicles and freight movement; supported by rise in production of commercial vehicles to 752,022 in FY20 which commands stronger road network in India. Higher individual discretionary spending has led to increased spending on two and four wheelers. Domestic sales of passenger vehicles, three-wheelers and two-wheelers, reached 3,069,499, 260,995, and 13,466,412 units, respectively, in FY22. Road's traffic share of the total traffic in India has grown from 13.8% to 65% in freight traffic and from 32% to 90% in passenger traffic over 1951–2019.

### **5.9.2 Increasing Investment :**

Huge investment have been made in the sector with total investment increasing more than three times from Rs. 51,914 crore (US\$ 7.43 billion) in 2014-15 to Rs. 158,839 crore (US\$ 22.73 billion) in 2018- 19. Between FY16 and FY21, budget outlay for road transport and highways increased at a robust CAGR of 13.10%. In 2019-20. Under the Union Budget 2022-23, the Government of India has allocated Rs. 199,107.71 crore (US\$ 26.04 billion) to the Ministry of Road Transport and Highways.

**5.9.3 Policy Support :**

100% FDI is allowed under automatic route subject to applicable laws and regulations, standardized process for bidding and tolling. Under Union Budget 2022-23, allocation to the rural roads construction scheme PMGSY raised by 36 per cent to Rs 19,000 crore for the fiscal year 2022-23. Government of India has set up India Infrastructure Finance Company (IIFCL) to provide long-term funding for infrastructure projects.

**5.10 Challenges & Issues in the Sector**

**5.10.1 Land Acquisition Delays & Cost :**

- Land acquisition cost has increased more than 30% since 2017, primarily due to enhanced compensation payment requirements as per 'The Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013'.
- Delay in pre-construction activities (such as land acquisition, relocation) affects project timelines. Land acquisition for road projects involves various stages. Each stage involves a number of stakeholders and regulatory bodies. Thus processes consume considerable time.

**5.10.2 Regulatory Approvals & Disputes :**

- Road development process requires a number of approvals such as environmental clearance, forest clearance, railways clearance, etc. Each of these activities takes considerable time and non-adherence to timelines result in cost overruns due to delays.
- Claims arising out of disputes between the concessionaire/ contractor and the government authorities are also a significant cost which can lead to large liabilities.

**5.10.3 Operational Issues :**

- Uncertainty of toll revenue collection and variation of collected toll revenue compared to projected levels as Actual traffic is much less than the anticipated traffic.
- Often unforeseen weather conditions require unplanned O&M, over and above the routine and periodic maintenance activities. This results in enhanced O&M expenses. The increase in O&M costs is also affecting the project returns.

**5.10.4 Financing road construction projects :**

- In the case of toll motorways, the challenge of financing construction projects is different but still remains. Traditionally, the construction of toll motorways is a profitable investment but in the times of recession, funding may be rare or nonexistent.
- Powerful national economies may be able to efficiently tackle the problem but weaker economies can hardly find the financing sources for road construction projects.

**5.10.5 Climate Change**

- The road sector is vulnerable to climate change impacts. Climate change and extreme weather events pose a significant challenge to the safety, reliability, effectiveness and sustainability of road transportation systems. Tsunami waves, wildfires, floods and hurricanes constitute a big risk for passengers, vehicles and goods, as well as for the integrity of the transport infrastructure.
- Since reliable road transport is an essential driver of economic growth and social wellbeing worldwide, national road authorities and motorway operators must adapt the infrastructure to climate change and increase the resilience of road transport to extreme weather

**5.11.1 Economy and cost effectiveness :**

- Among all transport modes, road transport occupies a significant place in short- and medium distance travel operations. However, the unit cost of transportation (per ton × km), compared with other modes of transport, remains high and is getting higher and cost-ineffective as the travel distance increases.
- Road transport cost comprises direct costs (fuel, capital depreciation, maintenance, motorway tolls, ferry fares and wages) and external costs (noise, congestion, infrastructure damages, health and environmental issues).

**5.11 Recent Initiatives by Government**

**5.11.1 Bhoomi Rashi – Land Acquisition Portal**

The ministry has corroborated with the National Informatics Centre, to create Bhoomirashi, a web portal which digitises the cumbersome land acquisition process, and also helps in processing notifications relating to land acquisition online. Processing time, which was earlier two to three months has come down to one to two weeks now.

**5.11.2 FASTag – Electronic Toll Collection**

National Electronic Toll Collection (NETC) system, has been implemented on pan India basis in order to remove bottlenecks and ensure seamless movement of traffic and collection of user fee as per the notified rates, using passive Radio Frequency Identification (RFID) technology. India saw a 46 per cent growth in electronic toll collection through FASTags on highways in FY 22 from INR 34,778 Crores in FY 21 to INR 50,855 Crores in FY22. In 2021, the total amount collected through electronic toll was Rs 34,778 crore. Similarly, the number of FASTag transactions also witnessed a growth of around 48 per cent in 2022 as compared to that in 2021. The number of FASTag transactions in 2021 and 2022 was 219 crore and 324 crore, respectively.

**5.11.3 Revival of languishing projects**

Projects which were languishing for a number of years have been attempted to be revived, with the help of a number of policy measures taken by the government. Some of the policy measures like Premium deferment in stressed projects, extension of concession period for languishing projects to the extent of delay not attributable to concessionaires, One Time Capital Support for physical completion of languishing projects that have achieved at least 50 per cent physical progress, through one time fund infusion by NHAI, subject to adequate due diligence on a case to case basis.

**5.11.4 Rural development**

Under the Union Budget 2022-23, the Government of India allocated Rs. 19,000 (US\$ 2.37 billion) for Pradhan Mantri Gram Sadak Yojana (PMGSY), a 36% rise over the earlier estimate of INR 15,000 in Union Budget 2021-22. Under the Union Budget 2020-21, the Government of India has allocated Rs. 19,500 crore (US\$ 2.79 billion) for Pradhan Mantri Gram Sadak Yojana (PMGSY).

**5.11.5 Improve safety standards**

In October 2021, the government announced rules to improve road safety, such as fixed driving hours for commercial truck drivers and a mandate to install sleep detection sensors in commercial vehicles. In October 2020, a memorandum of understanding (MoU) has been signed with the National Highways Authority of India (NHAI) by Guru Nanak Dev University (GNDU) to conduct advanced research on various aspects, including highway architecture, protection and revitalisation. The GNDU will undertake studies on ~137 km length of the National Highways passing through Pathankot, Gurdaspur and Amritsar districts.

**5.11.6 Portfolios in roads & highways sector**

In October 2020, the National Investment and Infrastructure Fund (NIIF) is making progress towards integrating its road and highway portfolio. The NIIF has acquired Essel Devanahalli Tollway and Essel Dichpally Tollway through the NIIF master fund. These road infra-projects will be supported by Athaang Infrastructure, NIIF's proprietary road network, assisted by a team of established professionals with diverse domain expertise in the transport field.

**5.11.7 International Tie-ups**

In December 2020, the Ministry of Road Transport and Highways signed an MoU with the Federal Ministry of Climate Action, Environment, Energy, Mobility, Innovation and Technology of the Republic of Austria on technology cooperation in the road infrastructure sector.

**5.11.8 Encourage private funding to reduce finance constraints**

- From April 2000 to September 2022, the construction sector in India attracted 26 billion U.S. dollars in foreign direct investments (FDI) for construction development. Another 28 billion U.S. dollars went into construction activities. Maif 2 Investments India Pvt. Ltd. became the first-largest foreign investment in Indian roads sector under toll-operate-transfer (TOT) mode worth Rs. 9,681.5 crore (US\$ 1.50 billion).
- In October 2020, the Asian Development Bank (ADB) and the Government of India signed a US\$ 177 million loan to upgrade 450 kms of state highways and major district roads in Maharashtra.
- In January 2021, the Government of India and New Development Bank (NDB) signed two loan agreements for US\$ 646 million for upgrading the state highway and district road networks in Andhra Pradesh.
- In August 2020, the Government of India revised the Model Concession Agreement for BOT projects to plug delays by imposing a deadline on the NHAI and incentivising timely work by concessionaires.
- According to revised norms, the NHAI will have to hand over 90% of the project land (vacant and ready to build) to private developers, thus creating a more market-friendly sector and attracting more private players.

*Sources: IBEF Roads Report, November 2022; KPMG Report - Roads and Highway Sector; website of Ministry of Road Transport and Highways, Government of India.*

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## 6. Valuation Methodology and Approach

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- 6.1. The present valuation exercise is being undertaken in order to derive the fair EV of the SPVs.
- 6.2. The valuation exercise involves selecting a method suitable for the purpose of valuation, by exercise of judgment by the valuers, based on the facts and circumstances as applicable to the business of the company to be valued.
- 6.3. There are three generally accepted approaches to valuation:
  - (a) "Cost" approach
  - (b) "Market" approach
  - (c) "Income" approach

### 6.4. **Cost Approach**

The cost approach values the underlying assets of the business to determine the business value. This valuation method carries more weight with respect to holding companies than operating companies. Also, cost value approaches are more relevant to the extent that a significant portion of the assets are of a nature that could be liquidated readily if so desired.

#### Net Asset Value ("NAV") Method

The NAV Method under Cost Approach considers the assets and liabilities, including intangible assets and contingent liabilities. The Net Assets, after reducing the dues to the preference shareholders, if any, represent the value of a company.

The NAV Method is appropriate in a case where the main strength of the business is its asset backing rather than its capacity or potential to earn profits. This valuation approach is also used in cases where the firm is to be liquidated, i.e. it does not meet the "Going Concern" criteria.

As an indicator of the total value of the entity, the NAV method has the disadvantage of only considering the status of the business at one point in time.

Additionally, NAV does not properly take into account the earning capacity of the business or any intangible assets that have no historical cost. In many aspects, NAV represents the minimum benchmark value of an operating business.

### 6.5. **Market Approach**

Under the Market approach, the valuation is based on the market value of the company in case of listed companies, and comparable companies' trading or transaction multiples for unlisted companies. The Market approach generally reflects the investors' perception about the true worth of the company.

#### Comparable Companies Multiples ("CCM") Method

The value is determined on the basis of multiples derived from valuations of comparable companies, as manifest in the stock market valuations of listed companies. This valuation is based on the principle that market valuations, taking place between informed buyers and informed sellers, incorporate all factors relevant to valuation. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances.

#### Comparable Transactions Multiples ("CTM") Method

Under the CTM Method, the value is determined on the basis of multiples derived from valuations of similar transactions in the industry. Relevant multiples need to be chosen carefully and adjusted for differences between the circumstances. Few of such multiples are EV/Earnings before Interest, Taxes, Depreciation & Amortization ("**EBITDA**") multiple and EV/Revenue multiple.

#### Market Price Method

Under this method, the market price of an equity share of the company as quoted on a recognized stock exchange is normally considered as the fair value of the equity shares of that company where such quotations are arising from the shares being regularly and freely traded. The market value generally reflects the investors' perception about the true worth of the company.

**6.6. Income Approach**

The income approach is widely used for valuation under "Going Concern" basis. It focuses on the income generated by the company in the past as well as its future earning capability. The Discounted Cash Flow Method under the income approach seeks to arrive at a valuation based on the strength of future cash flows.

**DCF Method**

Under DCF Method value of a company can be assessed using the FCFF or Free Cash Flow to Equity Method ("FCFE"). Under the DCF method, the business is valued by discounting its free cash flows for the explicit forecast period and the perpetuity value thereafter. The free cash flows represent the cash available for distribution to both, the owners and creditors of the business. The free cash flows in the explicit period and those in perpetuity are discounted by the WACC. The WACC, based on an optimal vis-à-vis actual capital structure, is an appropriate rate of discount to calculate the present value of future cash flows as it considers equity-debt risk by incorporating debt-equity ratio of the firm.

The perpetuity (terminal) value is calculated based on the business' potential for further growth beyond the explicit forecast period. The "Constant Growth Model" is applied, which implies an expected constant level of growth for perpetuity in the cash flows over the last year of the forecast period.

The discounting factor (rate of discounting the future cash flows) reflects not only the time value of money, but also the risk associated with the business' future operations. The EV (aggregate of the present value of explicit period and terminal period cash flows) so derived, is further reduced by the value of debt, if any, (net of cash and cash equivalents) to arrive at value to the owners of the business.

**Conclusion on Valuation Approach**

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- 6.7. It is pertinent to note that the valuation of any company or its assets is inherently imprecise and is subject to certain uncertainties and contingencies, all of which are difficult to predict and are beyond my control. In performing my analysis, I have made numerous assumptions with respect to industry performance and general business and economic conditions, many of which are beyond the control of the SPVs. In addition, this valuation will fluctuate with changes in prevailing market conditions, and prospects, financial and otherwise, of the SPVs, and other factors which generally influence the valuation of companies and their assets.
- 6.8. The goal in selection of valuation approaches and methods for any business is to find out the most appropriate method under particular circumstances on the basis of available information. No one method is suitable in every possible situation. Before selecting the appropriate valuation approach and method, I have considered various factors, inter-alia, the basis and premise of current valuation exercise, purpose of valuation exercise, respective strengths and weaknesses of the possible valuation approach and methods, availability of adequate inputs or information and its reliability and valuation approach and methods considered by the market participants.

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### **Cost Approach**

The existing book value of EV of the SPVs comprising of the value of its Net fixed assets, Net intangible assets and working capital based on the provisional unaudited financial statements as at 31<sup>st</sup> March 2023 prepared as per Indian Accounting Standards (Ind AS) are as under :

SPVs	Book EV (INR Mn)	Adjusted EV (INR Mn)
	31 <sup>st</sup> Mar 2023	31 <sup>st</sup> Mar 2023
NBL	999	1,063
SEPL	116	426
DBCPL	3,823	3,976
GEPL	5,222	5,293
JPEPL	3,318	3,423
UEPL	3,304	3,765
<b>Total of all SPVs</b>	<b>16,782</b>	<b>17,946</b>

In the present case, the SPVs operate and maintain the project facilities in accordance with the terms and conditions under the relevant concession agreement(s). During the concession period, the SPVs operate and maintain the road asset and earn revenues either through:

- (a) Annuity payments that are predetermined; or
- (b) Charges, fees or tolls generated from the Toll SPVs.

The amount of annuity payments are pre-determined and the charges, fees or tolls that they may collect are notified by the relevant government authority, which are usually revised annually as specified in the relevant concessions and toll notifications. In such scenario, the true worth of the business is reflected in its future earning capacity rather than the cost of the project. Accordingly, I have not considered the cost approach for the current valuation exercise.

### **Market Approach**

The present valuation exercise is to undertake fair EV of the SPVs engaged in the road infrastructure projects for a predetermined tenure. Further, the tariff revenue and expenses are very specific to the SPVs depending on the nature of their geographical location, stage of project, terms of profitability. In the absence of any exactly comparable listed companies with characteristics and parameters similar to that of the SPVs, I have not considered CCM method in the present case. In the absence of adequate details about the Comparable Transactions, I was unable to apply the CTM method. Currently, the equity shares of the SPVs are not listed on any recognized stock exchange of India. Hence, I was unable to apply market price method.

### **Income Approach**

Each of the SPVs operates under a BOT or DBFOT based concession agreement with the relevant regulatory authorities. Government authorities in India typically award highway infrastructure development projects under BOT concessions, which are characterized by three distinct phases:

1. Build: upon successfully securing a project concession through a competitive bid, a concessionaire secures financing for, and completes construction, of a road;
2. Operate: during the agreed concession period, the concessionaire operates, manages and maintains the road at its own expense and earns revenues by collecting tolls from vehicles using the road or annuity payments from the Concessioneing Authority; and
3. Transfer: at the end of the agreed concession period, the ownership of the road (rights over the road under the concession), the obligation to maintain the road and the right to collect tolls from the vehicles using the road revert to the government entity that granted the concession.

A DBFOT project involves, in addition to the activities required under a BOT project, the provision of engineering and design for such project.

Currently, each of the SPVs are completed and are revenue generating. The revenue of the Toll SPVs is based on tenure, annuity payments, traffic volumes, operations, macro-economic factors like GDP growth, WPI, and other factors that are unique to each of the Toll SPVs. The revenue of the Annuity SPVs is mainly derived from the annuity payments (annuity fees). The annuity payments are typically pre-determined with the relevant government authority and cannot be modified to reflect prevailing circumstances. The Toll SPVs derive almost all of their revenue from their toll-road operations (toll collections) over the operation period. Traffic plying through the toll roads is primarily dependent on sustained economic development in the regions that they operate in and government policies relating to infrastructure development. The Toll SPVs are substantially dependent on the accuracy of their respective traffic volume forecasts. The rights in relation to the underlying assets of all the SPVs shall be transferred after the expiry of the Concession Period. Accordingly, since all the SPVs are generating income based on pre-determined agreements / mechanism and since the Investment Manager has provided me with the financial projections of the SPVs for the balance tenor of the concession agreements, DCF Method under the income approach has been considered as the appropriate method for the present valuation exercise.

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## 7. Valuation of the SPVs

- 7.1. I have estimated the fair EV and Adjusted Enterprise Value of the SPVs using the DCF Method. While carrying out this engagement, I have relied extensively on the information made available to me by the Investment Manager. I have considered projected financial statement of the SPVs as provided by the Investment Manager.

### Valuation

- 7.2. The key assumptions of the projections provided to us by the Investment Manager are:

#### Key Assumptions:

##### 7.2.1. Revenue cash flows for Annuity Model SPVs (Annuity SPVs)

Under this model, concessionaire is responsible for designing, building, financing, operating, maintaining and transferring the project to the authority at the end of the concession period. Under this model, post completion of the road project, the right and responsibility of tolling is with the government. Accordingly, only one mode of revenue is earned by these SPVs that is explained below:

**Annuity Payments:** The concessionaire earns revenue primarily in the form of pre - determined biannual annuity payments which are made by NHAI to the concessionaire based on the respective concession agreements.

##### 7.2.2. Revenue cash flows for the Toll SPVs:

Under this mode, the Toll SPVs are responsible for designing, building, financing, operating, maintaining and transferring the project to the authority at the end of the concession period. The right and responsibility for tolling is with the Toll SPVs. The concessionaire earns revenue primarily in the form of toll revenue.

**Toll Revenue:** As per the concession agreements for the respective Toll SPVs, the Concessionaire is allowed to levy, demand, collect and appropriate the fees (called as toll fees) from vehicles and persons liable to payment of fees for using their road stretch or any part thereof and refuse entry of any vehicle to the road asset if the due fee is not paid. Toll revenues depend on toll receipts, which in turn depend on traffic volumes and toll fees on the toll roads.

#### Concession Period

The Concession Period refers to the period where the Concessionaire has the responsibility to construct the road asset and post-construction is granted with the exclusive rights, license and authority to demand, collect and appropriate fee, operate, manage and maintain the project highway subject to the terms and conditions mention in their respective concession agreement. The cash flow projections are prepared by the Investment Manager for the balance concession period remaining from the Valuation Date as summarized below:

SPV	Concession Period End Date		Extension Period	
	Original	Revised	For Traffic Variance	For Other Reasons
DBCPL	19-Mar-33	02-Dec-33	Nil	258
GEPL	28-Feb-38	03-Sep-43	1,973*	40**
JPEPL	16-Sep-38	13-Nov-43	1,825***	59**
UEPL	16-Oct-26	25-Mar-27	Nil	25**

\*Subject to NHAI approval

\*\* COVID-19 Extension

\*\*\*Subject to Public Works Department, Government of Rajasthan approval

I understand, as per the extant provisions of the Concession Agreements for the respective Toll SPVs in relation to the traffic variation, the concession period could be modified to take into the account shortfall or excess in actual average traffic vis-à-vis the target traffic ranging beyond 2.5%

and such concession extension or truncation shall be subject to a cap of 20% extension for shortfall and 10% for truncation for excess.

Accordingly, the Investment Manager has considered an extension period based on its calculation which is subject to the approval from the respective Authorities in case of GEPL and JPEPL. I have relied on the information provided by the Investment Manager.

**Extension for Other Reasons:** Respective authorities vide their various orders have extended the concession period of the BOT Toll Projects for reasons including natural calamities, lockdowns on account of COVID-19, etc.

I have considered the projection period for the current valuation exercise based on the balance concession period as represented by the Investment Manager, wherein expected COVID-19 related extensions are considered for the Toll SPVs, as final approval from authorities has not been received.

### **Traffic Volumes**

Traffic volumes are directly or indirectly affected by a number of factors, many of which are outside of the control of the Toll SPVs, including: toll fees; fuel prices in India; the frequency of traveler use; the quality, convenience and travel efficiency of alternative routes outside the Toll SPV's network of toll roads; the convenience and extent of a toll road's connections with other parts of the local, state and national highway networks; the availability and cost of alternative means of transportation, including rail networks and air transport; the level of commercial, industrial and residential development in areas served by the Toll SPVs' projects; adverse weather conditions; and seasonal holidays.

### **Toll Rates**

During the concession period, the Toll SPVs operate and maintain the road asset and earn revenues through charges, fees or tolls generated from the asset. The amount of charges, fees or tolls that they may collect are notified by the relevant government authorities, which are usually revised annually as specified in the relevant concessions and toll notifications.

The toll rates for the projected period have been derived in the manner stipulated in the individual concession agreements of the Toll SPVs.

In the present case, the Investment Manager has appointed M/s Ramboll India Private Limited an independent third-party research agency to forecast the traffic volumes and toll revenues for the Toll SPVs. As confirmed by the Investment Manager, the traffic volumes and toll revenues for Toll SPVs have been estimated by the traffic consultant after considering overall structure and condition of the projects including analysis of demand and supply and strategic geographical locations of the individual road projects. This was one of the most important input in projecting the toll revenues.

### **7.2.3. Operating and Maintenance Expenses:**

Since all the SPVs are operational on the Valuation Date, following are the major costs incurred by the SPV:

#### **Operation and Maintenance Costs (Routine) ("O&M Costs")**

These are routine costs incurred every year. These costs are related to the normal wear and tear of the road and hence involve repairing the patches damaged mainly due to heavy traffic movement. O&M Costs also includes staff salaries, consumables, security expenses, electricity, etc. The primary purpose of these expenses is to maintain the road as per the specifications mentioned in the respective concession agreement. SPV is generally responsible for carrying out operation and maintenance activities at its toll road during its concession period. Within the scope of such operation and maintenance obligations, the SPV may be required to undertake routine maintenance of project roads, maintain and comply with safety standards to ensure smooth and safe traffic movement, deploy adequate human resources for incident management, maintain proper medical and sanitary arrangements for personnel deployed at the site, prevent any unauthorized entry to and exit from the project as may be required.

## **Major Maintenance and Repairs Costs (“MMR Costs”)**

### **Estimating the MMR Costs**

Period maintenance expenses will be incurred on periodic basis say every 5 years or more. These are the costs incurred to bring the road assets back to its earlier condition or keep the road assets in its present condition. These expenses are primarily related to the construction or re-laying of the top layer of the road. Accordingly such costs include considerable amounts of materials and labour.

We have relied on projections as provided to us by the Investment Manager for estimating major maintenance expenses and O&M Costs for the projected period.

### **Provisions for MMR Costs and Cash Flow Adjustments**

As per the financial requirements, provision is required for appropriate major maintenance expense over a period until the actual expenditure is incurred. These are non-cash expenses. Hence, for my DCF analysis, such provisions are added back in their respective years and the actual expenditure expected to be incurred during the particular interval (of 5 years or more) is deducted in those respective years in order to arrive at net cash flows.

The Investment Manager has provided me the estimated Major Maintenance Expenses.

- 7.2.4. **Depreciation and Amortization:** The toll collection rights or the financial rights (intangible assets) of the SPVs are being amortized over the period of concession using the revenue based amortization method prescribed under Schedule II to the Companies Act, 2013.
- 7.2.5. **Revenue Share/ Premium payment:** The revenues collected from the toll would be shared with NHAI (in case of GEPL) and Public Works Department, Government of Rajasthan (in case of JPEPL) in the form of a concession fee. The percentage of revenue that the SPV has to share with their respective appointing authority is defined in the Concession Agreement. This is applicable in case of GEPL and JPEPL only. Such Premium payment is reduced from the revenue of the respective SPV to arrive at FCFF for calculation of Enterprise Value.
- 7.2.6. **Capital Expenditure (“Capex”):** As represented by the Investment Manager, the maintenance Capex has already been factored in the Operations & Maintenance expenditure and Major maintenance expenditure for the projected period except for JPEPL. Capital Expenditure of ~ **INR 24 Mn** for JPEPL is estimated to be incurred in FY 2024.
- 7.2.7. **Taxes and Tax Incentive:** There have been changes in tax regime pursuant to introduction of Taxation Laws (Amendment) Ordinance 2019 made on 20<sup>th</sup> September 2019 which was enacted to make certain amendments in the Income Tax Act, 1961 and the Finance (No. 2) Act, 2019. As per the discussions with the Investment Manager, the old provisions of Income Tax Act have been considered for the projected period of all SPVs for the current valuation exercise, which inter alia provide benefits of additional depreciation, section 115JB and section 80-IA. New provision of Income Tax Act (with base corporate tax rate of 22%) have been considered for all SPVs (except for NBL, SEPL & UEPL) after utilization/ lapse of such 80-IA/ MAT benefits for the current valuation exercise.
- 7.2.8. **Working Capital:**  
The Investment Manager has provided projected Working Capital information for all the SPVs. We have relied on the same.
- 7.3. **Impact of Ongoing Material Litigation on Valuation**  
As on 31<sup>st</sup> March 2023, there are ongoing litigations as shown in Appendix 4. Further, Investment Manager has informed us that majority of the cases are low to medium risk and accordingly no material outflow is expected against the litigations, hence no impact has been factored on the valuation of the SPVs.

#### 7.4. Calculation of Weighted Average Cost of Capital for the SPVs

##### 7.4.1. **Cost of Equity:**

Cost of Equity (CoE) is a discounting factor to calculate the returns expected by the equity holders depending on the perceived level of risk associated with the business and the industry in which the business operates.

For this purpose, I have used the Capital Asset Pricing Model (CAPM), which is a commonly used model to determine the appropriate cost of equity for the SPVs.

$$K(e) = R_f + [ERP * Beta] + CSR_P$$

Wherein:

K(e) = cost of equity

R<sub>f</sub> = risk free rate

ERP = Equity Risk Premium

Beta = a measure of the sensitivity of assets to returns of the overall market

CSR<sub>P</sub> = Company Specific Risk Premium (In general, an additional company-specific risk premium will be added to the cost of equity calculated pursuant to CAPM).

For valuation exercise, I have arrived at adjusted cost of equity of the SPVs based on the above calculation (Refer Appendix 2).

##### 7.4.2. **Risk Free Rate:**

I have applied a risk free rate of return of 7.17% on the basis of the zero coupon yield curve as on 31<sup>st</sup> March 2023 for government securities having a maturity period of 10 years, as quoted on the website of Clearing Corporation of India Limited.

##### 7.4.3. **Equity Risk Premium ("ERP"):**

Equity Risk Premium is a measure of premium that investors require for investing in equity markets rather than bond or debt markets. The equity risk premium is estimated based on consideration of historical realised returns on equity investments over a risk-free rate as represented by 10 year government bonds. Based on the aforementioned, a 7% equity risk premium for India is considered appropriate.

##### 7.4.4. **Beta:**

Beta is a measure of the sensitivity of a company's stock price to the movements of the overall market index. In the present case, I find it appropriate to consider the beta of companies in similar business/ industry to that of the SPVs for an appropriate period.

**For the valuation of the Annuity SPVs**, I find it appropriate to consider the beta of MEP Infrastructure Developers Ltd., Bharat Road Network Ltd and IRB InvIT Fund for an appropriate period. The beta so arrived, is further adjusted based on the factors of mentioned SPVs like completion of projects, revenue certainty, past collection trend, lack of execution uncertainty, etc. to arrive at the adjusted unlevered beta appropriate to the SPV.

I have further unlevered the beta of such companies based on market debt-equity of the respective company using the following formula:

$$\text{Unlevered Beta} = \text{Levered Beta} / [1 + (\text{Debt} / \text{Equity}) * (1-T)]$$

Further I have re-levered it based on debt-equity at 70:30 based on the industry Debt: Equity ratio of annuity based road DBFOT/BOT projects using the following formula:

$$\text{Re-levered Beta} = \text{Unlevered Beta} * [1 + (\text{Debt} / \text{Equity}) * (1-T)]$$

Accordingly, as per above, I have arrived at re-levered betas of Annuity SPVs. (Refer Appendix 2)

**For the valuation of the Toll SPVs**, I find it appropriate to consider the beta of Ashoka Buildcon Limited and IRB Infrastructure Developers Limited for an appropriate period. The beta so arrived, is further adjusted based on the factors of mentioned SPVs like completion of projects, revenue certainty, past collection trend, lack of execution uncertainty etc. to arrive at the adjusted unlevered beta appropriate to the SPV.



I have further unlevered the beta of such companies based on market debt-equity of the respective company using the following formula:

$$\text{Unlevered Beta} = \text{Levered Beta} / [1 + (\text{Debt} / \text{Equity}) * (1-T)]$$

Further I have re-levered it based on debt-equity at 50:50 based on the industry Debt: Equity ratio of a road toll based BOT/DBFOT projects using the following formula:

$$\text{Re-levered Beta} = \text{Unlevered Beta} * [1 + (\text{Debt} / \text{Equity}) * (1-T)]$$

Accordingly, as per above, I have arrived at re-levered betas of the Toll SPVs. (Refer Appendix 2)

**7.4.5. Company Specific Risk Premium (“CSRP”):**

Discount Rate is the return expected by a market participant from a particular investment and shall reflect not only the time value of money but also the risk inherent in the asset being valued as well as the risk inherent in achieving the future cash flows. In the present case, considering the counter-party risk for certain SPVs, considering the length of the explicit period for the Toll SPVs, and basis my discussion with Investment Manager, I found it appropriate to consider the following CSRPs:

Sr. No.	SPVs	CSRP
1	NBL	0%
2	SEPL	0%
3	DBCPL	2%
4	GEPL	2%
5	JPEPL	2%
6	UEPL	1%

**7.4.6. Cost of Debt:**

The calculation of Cost of Debt post-tax can be defined as follows:

$$K(d) = K(d) \text{ pre-tax} * (1 - T)$$

Wherein:

K(d) = Cost of debt

T = tax rate as applicable

For valuation exercise, pre-tax cost of debt has been considered on the basis of details and representation provided by the Investment Manager.

**7.4.7. Weighted Average Cost of Capital (WACC):**

The discount rate, or the WACC, is the weighted average of the expected return on equity and the cost of debt. The weight of each factor is determined based on the company's optimal capital structure.

Formula for calculation of WACC:

$$\text{WACC} = [K(d) * \text{Debt} / (\text{Debt} + \text{Equity})] + [K(e) * (1 - \text{Debt} / (\text{Debt} + \text{Equity}))]$$

Accordingly, as per above, I have arrived the WACC for the explicit period of the SPVs.

(Refer Appendix 2 for detailed workings).

- 7.5.** At the end of the agreed concession period, the rights in relation to the underlying assets, its operations, the obligation to maintain the road and the right to collect tolls from the vehicles using the road revert to the government authority that granted the concession. Hence, SPVs are not expected to generate cash flow after the expiry of their respective concession agreements. Accordingly, I found it appropriate not to consider terminal period value, which represents the present value at the end of explicit forecast period of all subsequent cash flows to the end of the life of the asset or into perpetuity if the asset has an indefinite life, in this valuation exercise.

## 8. Valuation Conclusion

- 8.1. The current valuation has been carried out based on the discussed valuation methodology explained herein earlier. Further, various qualitative factors, the business dynamics and growth potential of the business, having regard to information base, management perceptions, key underlying assumptions and limitations were given due consideration.
- 8.2. I have been represented by the Investment Manager that there is no potential devolvement on account of the contingent liability as of valuation date; hence no impact has been factored in to arrive at fair EV of the SPVs.
- 8.3. Based on the above analysis, the fair EV and Adjusted Enterprise Value as on the Valuation Date of the SPVs is as mentioned below:

					INR Mn
Sr. No.	SPVs	End of Projected Period	Approximate Balance Period	Enterprise Value	Adjusted Enterprise Value
1	NBL	29-Oct-27	~4 Years 7 Months	1,104	1,168
2	SEPL	06-Feb-26	~2 Years 10 Months	220	531
3	DBCPL	02-Dec-33	~10 Years 8 Months	15,709	15,863
4	GEPL	03-Sept-43	~20 Years 5 Months	22,866	22,937
5	JPEPL	13-Nov-43	~20 Years 8 Months	8,018	8,123
6	UEPL	25-Mar-27	~4 Years 0 Months	4,484	4,944
<b>Total of all SPVs</b>				<b>52,402</b>	<b>53,566</b>

(Refer Appendix 1 for detailed workings)

- 8.4. EV is described as the total value of the equity in a business plus the value of its debt and debt related liabilities, minus any cash or cash equivalents to meet those liabilities.
- 8.5. Adjusted Enterprise Value is derived as EV as defined above plus cash or cash equivalents of the SPVs as at 31<sup>st</sup> March 2023.
- 8.6. The fair EV of the SPVs is estimated using DCF method. The valuation requires Investment Manager to make certain assumptions about the model inputs including forecast cash flows, discount rate, and credit risk.
- 8.7. Valuation is based on estimates of future financial performance or opinions, which represent reasonable expectations at a particular point of time, but such information, estimates or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, a particular event will occur or that a particular price will be offered or accepted. Actual results achieved during the period covered by the prospective financial analysis will vary from these estimates and the variations may be material.
- 8.8. Accordingly, I have conducted sensitivity analysis on certain model inputs, the results of which are as indicated below:
1. WACC by increasing / decreasing it by 0.5%
  2. WACC by increasing / decreasing it by 1.0%
  3. Revenue of Toll SPVs by increasing / decreasing it by 10%
  4. Operation and Maintenance Expenses by increasing / decreasing it by 20%

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1. Fair Enterprise Valuation Range based on WACC parameter (0.5%)

INR Mn

Sr. No.	SPVs	WACC + 0.5%	EV	Base WACC	EV	WACC - 0.5%	EV
1	NBL	8.8%	1,090	8.3%	1,104	7.8%	1,119
2	SEPL	8.9%	219	8.4%	220	7.9%	221
3	DBCPL	11.1%	15,333	10.6%	15,709	10.1%	16,100
4	GEPL	11.0%	21,847	10.5%	22,866	10.0%	23,954
5	JPEPL	11.0%	7,658	10.5%	8,018	10.0%	8,403
6	UEPL	10.6%	4,440	10.1%	4,484	9.6%	4,528
Total of all SPVs			50,587		52,402		54,325

2. Fair Enterprise Valuation Range based on WACC parameter (1.0%)

INR Mn

Sr. No.	SPVs	WACC + 1.0%	EV	Base WACC	EV	WACC - 1.0%	EV
1	NBL	9.3%	1,076	8.3%	1,104	7.3%	1,133
2	SEPL	9.4%	217	8.4%	220	7.4%	223
3	DBCPL	11.6%	14,970	10.6%	15,709	9.6%	16,505
4	GEPL	11.5%	20,892	10.5%	22,866	9.5%	25,116
5	JPEPL	11.5%	7,321	10.5%	8,018	9.5%	8,814
6	UEPL	11.1%	4,396	10.1%	4,484	9.1%	4,574
Total of all SPVs			48,872		52,402		56,365

3. Fair Enterprise Valuation Range based on Revenue parameter of Toll SPVs (10%)

INR Mn

Sr. No.	SPVs	EV at Revenue - 10%	EV at Base Revenue	EV at Revenue + 10%
1	NBL	NA	NA	NA
2	SEPL	NA	NA	NA
3	DBCPL	13,870	15,709	17,548
4	GEPL	20,229	22,866	25,503
5	JPEPL	6,925	8,018	9,112
6	UEPL	3,945	4,484	5,023
Total of all SPVs		44,968	51,078	57,186

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4. Fair Enterprise Valuation Range based on Major Maintenance Expenses and Operation & Maintenance Expenses parameter (20%)

		INR Mn		
Sr. No.	SPVs	EV at Expenses + 20%	EV at Base Expenses	EV at Expenses - 20%
1	NBL	978	1,104	1,232
2	SEPL	108	220	329
3	DBCPL	15,043	15,709	16,375
4	GEPL	22,391	22,866	23,341
5	JPEPL	7,439	8,018	8,598
6	UEPL	4,195	4,484	4,772
<b>Total of all SPVs</b>		<b>50,153</b>	<b>52,402</b>	<b>54,647</b>

The above represents reasonable range of fair enterprise valuation of the SPVs.

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## 9. Additional Procedures to be complied with in accordance with InvIT regulations

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### Scope of Work

- 9.1 The Schedule V of the SEBI InvIT Regulations prescribes the minimum set of mandatory disclosures to be made in the valuation report. In this reference, the minimum disclosures in valuation report may include following information as well, so as to provide the investors with the adequate information about the valuation and other aspects of the underlying assets of the InvIT.

The additional set of disclosures, as prescribed under Schedule V of InvIT Regulations, to be made in the valuation report of the SPVs are as follows:

- List of one-time sanctions/approvals which are obtained or pending;
- List of up to date/overdue periodic clearances;
- Statement of assets;
- Estimates of already carried as well as proposed major repairs and improvements along with estimated time of completion;
- Revenue pendencies including local authority taxes associated with InvIT asset and compounding charges, if any;
- On-going material litigations including tax disputes in relation to the assets, if any;
- Vulnerability to natural or induced hazards that may not have been covered in town planning/ building control.

### Limitations

- 9.2 This Report is based on the information provided by the representatives of the Investment Manager. The exercise has been restricted and kept limited to and based entirely on the documents, records, files, registers and information provided to me. I have not verified the information independently with any other external source.
- 9.3 I have assumed the genuineness of all signatures, the authenticity of all documents submitted to me as original, and the conformity of the copies or extracts submitted to me with that of the original documents.
- 9.4 I have assumed that the documents submitted to me by the representatives of Investment Manager in connection with any particular issue are the only documents related to such issue.
- 9.5 I have reviewed the documents and records from the limited perspective of examining issues noted in the scope of work and I do not express any opinion as to the legal or technical implications of the same.

### Analysis of Additional Set of Disclosures for the SPVs

A. List of one-time sanctions/approvals which are obtained or pending:

The list of sanctions/ approvals obtained by the SPVs till the date of this Report is provided in Appendix 3.1 to Appendix 3.6. As informed by the Investment Manager, there are no applications for government sanctions/ licenses by the SPVs for which approval is pending as on 31<sup>st</sup> March 2023, except for:

1. No-objection certificate from the Tamil Nadu Pollution Control Board by UEPL.
2. SWB stamping certificate is applied for renewal before Govt. of Gujarat Legal Metrology Dept. by GEPL. (Certificate issued on 15<sup>th</sup> June 2022)

B. List of up to date/ overdue periodic clearances:

The Investment Manager has confirmed that the SPVs are not required to take any periodic clearances and hence there are no up to date/ overdue periodic clearances as on 31<sup>st</sup> March 2023.

C. Statement of assets included:

The details of assets of the SPVs as at 31<sup>st</sup> March 2023 are as mentioned below:

INR Mn					
Sr. No.	SPVs	Net Fixed Assets	Net Intangible Asset	Non-Current Assets	Current Assets
1	NBL	8	-	553	546
2	SEPL	4	0	146	315
3	DBCPL	22	3,464	351	306
4	GEPL	17	8,111	3	99
5	JPEPL	39	3,878	4	119
6	UEPL	11	3,900	16	479
<b>Total of all SPVs</b>		<b>100</b>	<b>19,354</b>	<b>1,072</b>	<b>1,864</b>

\* Non-Current Assets for Annuity SPVs includes Non Current Financial Assets in the form of Annuity Receivable from respective counterparties.

D. Estimates of already carried as well as proposed major repairs and improvements along with estimated time of completion:

I have been informed that maintenance is regularly carried out by SPVs in order to maintain the working condition of the assets.

**Historical major repairs**

INR Mn						
SPVs	FY 18	FY 19	FY 20	FY 21	FY 22	FY 23
NBL	-	6	284	-	-	-
SEPL	6	-	10	23	-	-
DBCPL	123	-	217	180	504	67
GEPL	-	-	-	7	233	-
JPEPL	-	-	-	-	185	292
UEPL	-	287	333	-	-	-

Source: Investment Manager

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**Forecasted major repairs**

											INR Mn
SPVs	FY 24	FY 25	FY 26	FY 27	FY 28	FY 29	FY 30	FY 31	FY 32	FY 33	FY 34
NBL	206	212	-	-	13	-	-	-	-	-	-
SEPL	413	-	13	-	-	-	-	-	-	-	-
DBCPL	-	-	-	-	1,113	-	-	-	-	-	1,306
GEPL	-	-	-	-	-	411	-	-	-	-	-
JPEPL	5	-	-	-	-	1,386	-	-	-	-	-
UEPL	665	306	-	13	-	-	-	-	-	-	-

SPVs	FY 35	FY 36	FY 37	FY 38	FY 39	FY 40	FY 41	FY 42	FY 43	FY 44
NBL	-	-	-	-	-	-	-	-	-	-
SEPL	-	-	-	-	-	-	-	-	-	-
DBCPL	-	-	-	-	-	-	-	-	-	-
GEPL	-	447	-	-	-	-	-	-	516	-
JPEPL	-	782	-	-	-	-	-	-	1,043	-
UEPL	-	-	-	-	-	-	-	-	-	-

Source: Investment Manager

- E. Revenue pendencies including local authority taxes associated with InvIT asset and compounding charges, if any:

Investment Manager has informed me that there are no material dues including local authority taxes (such as Municipal Tax, Property Tax, etc.) pending to be payable to the government authorities with respect to the SPVs (InvIT assets).

- F. On-going material litigations including tax disputes in relation to the assets, if any:

As informed by the Investment Manager, the status of arbitration matters and status of tax assessments are updated in Appendix 4.

Investment Manager has informed us that majority of the cases are having low to medium risk and accordingly no material outflow is expected against the litigations.

Hence, I have relied on the Investment Manager with respect to the current status of the abovementioned cases.

- G. Vulnerability to natural or induced hazards that may not have been covered in town planning/ building control:

Investment Manager has confirmed to me that there are no such natural or induced hazards which have not been considered in town planning/ building control.

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## **10. Sources of Information**

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For the purpose of undertaking this valuation exercise, I have relied on the following sources of information provided by the Investment Manager:

- 10.1. Audited Financial Statements of the SPVs for Financial Year ("FY") ended 31<sup>st</sup> March 2018, 31<sup>st</sup> March 2019, 31<sup>st</sup> March 2020, 31<sup>st</sup> March 2021 and 31<sup>st</sup> March 2022.
- 10.2. Provisional Unaudited Financial Statements of the SPVs for Financial Year ("FY") ended 31<sup>st</sup> March 2023;
- 10.3. Special Purpose Provisional Unaudited Financial Statements of the GEPL for Financial Year ("FY") ended 31<sup>st</sup> March 2023;
- 10.4. Projected financial information for the remaining project life for each of the SPVs;
- 10.5. Details of projected Major Maintenance & Repairs (MMR) Expenditure and Capital Expenditure (Capex);
- 10.6. Traffic Study Projection Report dated 11<sup>th</sup> April 2023 prepared by M/s Ramboll India Private Limited for the Toll SPVs;
- 10.7. Details of brought forward losses and MAT credit (as per Income Tax Act) of the SPVs as at 31<sup>st</sup> March 2023;
- 10.8. Details of Written Down Value (WDV) (as per Income Tax Act) of assets as at 31<sup>st</sup> March 2023;
- 10.9. Concession Agreement of each of the SPVs with the respective authority;
- 10.10. List of licenses / approvals, details of tax litigations, civil proceeding and arbitrations of the SPVs;
- 10.11. Shareholding pattern as on 31<sup>st</sup> March 2023 of the SPVs and other entities mentioned in this Report;
- 10.12. Management Representation Letter by the Investment Manager dated 10<sup>th</sup> May 2023;
- 10.13. Relevant data and information about the SPVs provided to us by the Investment Manager either in written or oral form or in the form of soft copy;
- 10.14. Information provided by leading database sources, market research reports and other published data.

The information provided to me by the Investment Manager in relation to the SPVs included but not limited to historical financial statements, forecasts/projections, other statements and assumptions about future matters like forward-looking financial information prepared by the Investment Manager. The forecasts and projections as supplied to me are based upon assumptions about events and circumstances which are yet to occur.

I have not tested individual assumptions or attempted to substantiate the veracity or integrity of such assumptions in relation to the forward-looking financial information, however, I have made sufficient enquiries to satisfy myself that such information has been prepared on a reasonable basis.

Notwithstanding anything above, I cannot provide any assurance that the forward looking financial information will be representative of the results which will actually be achieved during the cash flow forecast period.

Further, considering the current crisis in relation to COVID-19 in India and across the globe, I have been informed by the Investment Manager, that the forecasts / projections provided for the valuation exercises are prepared after reasonably evaluating and incorporating the impact of outbreak of COVID-19 pandemic as per prevalent conditions as on date, if any.



## **11. Exclusions and Limitations**

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- 11.1. My Report is subject to the limitations detailed hereinafter. This Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein.
- 11.2. Valuation analysis and results are specific to the purpose of valuation and is not intended to represent value at any time other than the valuation date of 31<sup>st</sup> March 2023 ("Valuation Date") mentioned in the Report and as per agreed terms of my engagement. It may not be valid for any other purpose or as at any other date. Also, it may not be valid if done on behalf of any other entity.
- 11.3. This Report, its contents and the results are specific to (i) the purpose of valuation agreed as per the terms of my engagements; (ii) the Valuation Date and (iii) are based on the financial information of the SPVs till 31<sup>st</sup> March 2023. The Investment Manager has represented that the business activities of the SPVs have been carried out in normal and ordinary course between 31<sup>st</sup> March 2023 and the Report Date and that no material changes have occurred in the operations and financial position between 31<sup>st</sup> March 2023 and the Report date.
- 11.4. The scope of my assignment did not involve me performing audit tests for the purpose of expressing an opinion on the fairness or accuracy of any financial or analytical information that was provided and used by me during the course of my work. The assignment did not involve me to conduct the financial or technical feasibility study. I have not done any independent technical valuation or appraisal or due diligence of the assets or liabilities of the SPVs or any of other entity mentioned in this Report and have considered them at the value as disclosed by the SPVs in their regulatory filings or in submissions, oral or written, made to me.
- 11.5. In addition, I do not take any responsibility for any changes in the information used by me to arrive at my conclusion as set out here in which may occur subsequent to the date of my Report or by virtue of fact that the details provided to me are incorrect or inaccurate.
- 11.6. I have assumed and relied upon the truth, accuracy and completeness of the information, data and financial terms provided to me or used by me; I have assumed that the same are not misleading and do not assume or accept any liability or responsibility for any independent verification of such information or any independent technical valuation or appraisal of any of the assets, operations or liabilities of the SPVs or any other entity mentioned in the Report. Nothing has come to my knowledge to indicate that the material provided to me was misstated or incorrect or would not afford reasonable grounds upon which to base my Report.
- 11.7. This Report is intended for the sole use in connection with the purpose as set out above. It can however be relied upon and disclosed in connection with any statutory and regulatory filing in connection with the provision of SEBI InvIT Regulations. However, I will not accept any responsibility to any other party to whom this Report may be shown or who may acquire a copy of the Report, without my written consent.
- 11.8. It is clarified that this Report is not a fairness opinion under any of the stock exchange/ listing regulations. In case of any third party having access to this Report, please note this Report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose.
- 11.9. Further, this Report is necessarily based on financial, economic, monetary, market and other conditions as in effect on, and the information made available to me or used by me up to, the date hereof. Subsequent developments in the aforementioned conditions may affect this Report and the assumptions made in preparing this Report and I shall not be obliged to update, revise or reaffirm this Report if information provided to me changes.

## Strictly Private and Confidential

- 11.10. This Report is based on the information received from the sources as mentioned in Section 9 of this Report and discussions with the Investment Manager. I have assumed that no information has been withheld that could have influenced the purpose of my Report.
- 11.11. Valuation is not a precise science and the conclusions arrived at in many cases may be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value. I have arrived at an indicative EV based on my analysis. While I have provided an assessment of the value based on an analysis of information available to me and within the scope of my engagement, others may place a different value on this business.
- 11.12. Any discrepancies in any table / appendix between the total and the sums of the amounts listed are due to rounding-off.
- 11.13. Valuation is based on estimates of future financial performance or opinions, which represent reasonable expectations at a particular point of time, but such information, estimates or opinions are not offered as predictions or as assurances that a particular level of income or profit will be achieved, a particular event will occur or that a particular price will be offered or accepted. Actual results achieved during the period covered by the prospective financial analysis will vary from these estimates and the variations may be material.
- 11.14. I do not carry out any validation procedures or due diligence with respect to the information provided/extracted or carry out any verification of the assets or comment on the achievability and reasonableness of the assumptions underlying the financial forecasts, save for satisfying ourselves to the extent possible that they are consistent with other information provided to me in the course of this engagement.
- 11.15. My conclusion assumes that the assets and liabilities of the SPVs, reflected in their respective latest balance sheets remain intact as of the Report date.
- 11.16. Whilst all reasonable care has been taken to ensure that the factual statements in the Report are accurate, neither myself, nor any of my associates, officers or employees shall in any way be liable or responsible either directly or indirectly for the contents stated herein. Accordingly, I make no representation or warranty, express or implied, in respect of the completeness, authenticity or accuracy of such factual statements. I expressly disclaim any and all liabilities, which may arise based upon the information used in this Report. I am not liable to any third party in relation to the issue of this Report.
- 11.17. The scope of my work has been limited both in terms of the areas of the business & operations which I have reviewed and the extent to which I have reviewed them. There may be matters, other than those noted in this Report, which might be relevant in the context of the transaction and which a wider scope might uncover.
- 11.18. For the present valuation exercise, I have also relied on information available in public domain; however the accuracy and timelines of the same has not been independently verified by me.
- 11.19. In the particular circumstances of this case, my liability (in contract or under any statute or otherwise) for any economic loss or damage arising out of or in connection with this engagement, however the loss or damage caused, shall be limited to the amount of fees actually received by me from the Investment Manager, as laid out in the engagement letter for such valuation work.
- 11.20. In rendering this Report, I have not provided any legal, regulatory, tax, accounting or actuarial advice and accordingly I do not assume any responsibility or liability in respect thereof.
- 11.21. This Report does not address the relative merits of investing in InvIT as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

## **Strictly Private and Confidential**

- 11.22. I am not an advisor with respect to legal, tax and regulatory matters for the proposed transaction. No investigation of the SPVs' claim to title of assets has been made for the purpose of this Report and the SPVs' claim to such rights have been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans disclosed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.
- 11.23. I have no present or planned future interest in the Trustee, Investment Manager or the SPVs and the fee for this Report is not contingent upon the values reported herein. My valuation analysis should not be construed as investment advice; specifically, I do not express any opinion on the suitability or otherwise of entering into any financial or other transaction with the Investment Manager or SPVs.
- 11.24. I have submitted the draft valuation report to the Trust and Investment Manager for confirmation of accuracy of the factual data used in my analysis and to prevent any error or inaccuracy in this Report.
- 11.25. **Limitation of Liabilities**
- i. It is agreed that, having regard to the RV's interest in limiting the personal liability and exposure to litigation of its personnel, the Sponsor, the Investment Manager and the Trust will not bring any claim in respect of any damage against any of RV personally.
  - ii. In no circumstances RV shall be responsible for any consequential, special, direct, indirect, punitive or incidental loss, damages or expenses (including loss of profits, data, business, opportunity cost, goodwill or indemnification) in connection with the performance of the services whether such damages are based on breach of contract, tort, strict liability, breach of warranty, negligence, or otherwise, even if the Investment Manager had contemplated and communicated to RV the likelihood of such damages. Any decision to act upon the deliverables (including this Report) is to be made by the Investment Manager and no communication by RV should be treated as an invitation or inducement to engage the Investment Manager to act upon the deliverable(s).
  - iii. It is clarified that the Investment Manager will be solely responsible for any delays, additional costs, or other liabilities caused by or associated with any deficiencies in their responsibilities, misrepresentations, incorrect and incomplete information including information provided to determine the assumptions.
  - iv. RV will not be liable if any loss arises due to the provision of false, misleading or incomplete information or documentation by the Investment Manager.

**Strictly Private and Confidential**

- 11.26. Further, this Report is necessarily based on financial, economic, monetary, market and other conditions as in effect on, and the information made available to me or used by me up to, the date hereof. Subsequent developments in the aforementioned conditions may affect this Report and the assumptions made in preparing this Report and I shall not be obliged to update, revise or reaffirm this Report if information provided to me changes.

Yours faithfully,

---

**S. Sundararaman**

Registered Valuer

IBBI Registration No.: IBBI/RV/06/2018/10238

Asset Class: Securities or Financial Assets

Place: Chennai

UDIN: 23028423BGYWGT8936

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Appendix 1 – Valuation of SPVs as on 31<sup>st</sup> March 2023

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Abbreviations	Meaning
EBITDA	Operating Earnings Before Interest, Taxes, Depreciation and Amortization
MMR	Major Maintenance and Repair Expenses
Capex	Capital Expenditure
Wcap	Incremental Working Capital
FCFF	Free Cash Flow to the Firm
CAF	Cash Accrual Factor
DF	Discounting Factor
PVFCFF	Present value of Free Cash Flow to the Firm

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Appendix 1.1 – Valuation of NBL as on 31<sup>st</sup> March 2023 under the DCF Method

WACC		8.3%														INR Mn
Year	Revenue	EBITDA	Financial income	O&M and MMR Income	Annuity Receipt from NHAI	Non-Cash Expense	Cash EBITDA	MMR	Capex	Wcap	Tax	FCFF	CAF	DF	PVFCFF	
		A	B	C	D	E	F=A+B+C+D+E	G	H	I	J	K=F-G-H-I-J		L	M=K*L	
FY24	448	348	(91)	(357)	476	-	376	206	-	8	25	137	0.50	0.96	132	
FY25	436	345	(100)	(335)	476	-	386	212	-	-	23	150	1.50	0.89	133	
FY26	200	104	(80)	(120)	476	-	380	-	-	-	18	362	2.50	0.82	296	
FY27	176	73	(47)	(128)	476	-	374	-	-	-	12	362	3.50	0.76	273	
FY28*	108	43	(13)	(95)	476	-	411	13	-	-	5	393	4.29	0.71	279	
Total of PVFCFF															1,113	
(+) Present Value of Working Capital Release															(9)	
Enterprise Value															1,104	
(+) Closing cash or cash equivalents as at the Valuation Date															64	
Adjusted Enterprise Value															1,168	

\*Upto 29 October 2027

Appendix 1.2 – Valuation of SEPL as on 31<sup>st</sup> March 2023 under the DCF Method

WACC		8.4%														INR Mn
Year	Revenue	EBITDA	Financial income	O&M and MMR Income	Annuity Receipt from NHAI	Non-Cash Expense	Cash EBITDA	MMR	Capex	Wcap	Tax	FCFF	CAF	DF	PVFCFF	
		A	B	C	D	E	F=A+B+C+D+E	G	H	I	J	K=F-G-H-I-J		L	M=K*L	
FY24	622	515	(18)	(603)	497	-	391	413	-	12	16	(50)	0.50	0.96	(48)	
FY25	136	42	(17)	(120)	497	-	402	-	-	-	6	396	1.50	0.89	351	
FY26*	113	27	10	(123)	-	-	(86)	13	-	-	2	(100)	2.43	0.82	(82)	
Total of PVFCFF															220	
(+) Present Value of Working Capital Release															(0)	
Enterprise Value															220	
(+) Closing cash or cash equivalents as at the Valuation Date															310	
Adjusted Enterprise Value															531	

\*Upto 6 February 2026

Appendix 1.3 – Valuation of DBCPL as on 31<sup>st</sup> March 2023 under the DCF Method

WACC 10.6%											INR Mn
Year	Book Revenue	EBITDA	MMR Provision	MMR Expense	Capex	Wcap	Tax	FCFF	CAF	DF	PVFCFF
		A	B	C	D	E	F	G=A-B-C-D-E-F		H	I=G*H
FY24	2,119	1,830	-	-	-	65	288	1,477	0.50	0.95	1,405
FY25	2,366	2,067	-	-	-	8	326	1,733	1.50	0.86	1,491
FY26	2,653	2,320	-	-	-	9	366	1,945	2.50	0.78	1,514
FY27	2,965	2,589	-	-	-	10	409	2,171	3.50	0.70	1,528
FY28	3,320	2,664	(278)	1,113	-	10	416	1,403	4.50	0.64	893
FY29	3,693	3,068	(218)	-	-	11	481	2,793	5.50	0.58	1,608
FY30	4,125	3,471	(218)	-	-	12	545	3,131	6.50	0.52	1,631
FY31	4,599	3,912	(218)	-	-	13	615	3,501	7.50	0.47	1,650
FY32	5,140	4,411	(218)	-	-	14	695	3,920	8.50	0.43	1,671
FY33	5,704	4,933	(218)	-	-	15	1,002	4,134	9.50	0.39	1,594
FY34*	4,271	3,435	(218)	1,306	-	-	552	1,794	10.34	0.35	636
<b>Enterprise Value</b>											<b>15,620</b>
(+ ) Present Value of Working Capital Release											89
<b>Enterprise Value</b>											<b>15,709</b>
(+ ) Closing cash or cash equivalents as at the Valuation Date											153
<b>Adjusted Enterprise Value</b>											<b>15,863</b>

\*Upto 2 December 2033



Appendix 1.4 – Valuation of GEPL as on 31<sup>st</sup> March 2023 under the DCF Method

WACC		10.5%										INR Mn	
Year	Book Revenue	EBITDA	MMR Provision	MMR Expense	Premium Payment to NHAI	Capex	Wcap	Tax	FCFF	CAF	DF	PVFCFF	
		A	B	C	D	E	F	G	H=A-B-C-D-E-F-G		I	J=H*I	
FY24	1,614	1,401	(43)	-	128	-	14	223	1,079	0.50	0.95	1,027	
FY25	1,802	1,589	(47)	-	134	-	-	254	1,249	1.50	0.86	1,076	
FY26	2,011	1,784	(52)	-	141	-	-	285	1,410	2.50	0.78	1,100	
FY27	2,250	2,005	(57)	-	148	-	-	320	1,593	3.50	0.71	1,125	
FY28	2,514	2,247	(62)	-	155	-	-	359	1,795	4.50	0.64	1,147	
FY29	2,797	2,507	(68)	411	163	-	-	401	1,601	5.50	0.58	926	
FY30	3,137	2,859	(36)	-	171	-	-	458	2,267	6.50	0.52	1,187	
FY31	3,473	3,171	(40)	-	179	-	-	508	2,524	7.50	0.47	1,197	
FY32	3,873	3,544	(44)	-	188	-	-	568	2,832	8.50	0.43	1,216	
FY33	4,281	3,924	(48)	-	198	-	-	629	3,145	9.50	0.39	1,222	
FY34	4,742	4,356	(53)	-	208	-	-	698	3,503	10.50	0.35	1,232	
FY35	5,244	4,829	(58)	-	218	-	-	774	3,895	11.50	0.32	1,240	
FY36	5,786	5,339	(64)	447	229	-	-	856	3,871	12.50	0.29	1,116	
FY37	6,340	5,887	(42)	-	241	-	-	944	4,744	13.50	0.26	1,238	
FY38	6,918	6,432	(46)	-	253	-	-	1,566	4,659	14.50	0.24	1,101	
FY39	7,559	7,036	(51)	-	265	-	-	1,716	5,105	15.50	0.21	1,092	
FY40	8,260	7,700	(56)	-	278	-	-	1,881	5,596	16.50	0.19	1,084	
FY41	8,967	8,366	(61)	-	292	-	-	2,047	6,088	17.50	0.18	1,067	
FY42	9,771	9,127	(67)	-	307	-	-	2,237	6,651	18.50	0.16	1,056	
FY43	10,591	9,901	(74)	516	322	-	-	2,299	6,837	19.50	0.14	982	
FY44*	4,908	4,532	-	-	141	-	-	1,105	3,286	20.21	0.13	440	
<b>Total of PVFCFF</b>												<b>22,870</b>	
(+ ) Present Value of Working Capital Release												(4)	
<b>Enterprise Value</b>												<b>22,866</b>	
(+ ) Closing cash or cash equivalents as at the Valuation Date												71	
<b>Adjusted Enterprise Value</b>												<b>22,937</b>	

\*Upto 3 September 2043

Appendix 1.5 – Valuation of JPEPL as on 31<sup>st</sup> March 2023 under the DCF Method

WACC 10.5%		INR Mn										
Year	Book Revenue	EBITDA	MMR Provision	MMR Expense	PWD Premium Payable	Capex	Wcap	Tax	FCFF	CAF	DF	PVFCFF
		A	B	C	D	E	F	G	H=A-B-C-D-E-F-G		I	J=H*I
FY24	745	573	(1)	5	17	24	102	85	341	0.50	0.95	324
FY25	799	439	(193)	-	18	-	-	61	553	1.50	0.86	476
FY26	878	489	(211)	-	18	-	-	68	613	2.50	0.78	478
FY27	975	553	(231)	-	19	-	-	78	687	3.50	0.71	485
FY28	1,077	620	(253)	-	20	-	-	88	765	4.50	0.64	488
FY29	1,188	696	(277)	1,386	21	-	-	99	-533	5.50	0.58	-308
FY30	1,306	1,014	(65)	-	22	-	-	153	904	6.50	0.52	473
FY31	1,433	1,122	(71)	-	24	-	-	169	1,001	7.50	0.47	473
FY32	1,585	1,253	(78)	-	25	-	-	190	1,117	8.50	0.43	478
FY33	1,735	1,382	(85)	-	26	-	-	210	1,232	9.50	0.39	477
FY34	1,899	1,522	(93)	-	27	-	-	231	1,357	10.50	0.35	476
FY35	2,076	1,671	(102)	-	29	-	-	254	1,490	11.50	0.32	473
FY36	2,273	1,838	(112)	782	30	-	-	280	858	12.50	0.29	246
FY37	2,466	2,033	(87)	-	32	-	-	311	1,778	13.50	0.26	462
FY38	2,674	2,209	(95)	-	33	-	-	338	1,933	14.50	0.24	454
FY39	2,900	2,399	(104)	-	35	-	-	440	2,028	15.50	0.21	432
FY40	3,145	2,607	(114)	-	37	-	-	641	2,042	16.50	0.19	393
FY41	3,387	2,807	(124)	-	38	-	-	694	2,199	17.50	0.17	383
FY42	3,655	3,033	(136)	-	40	-	-	754	2,375	18.50	0.16	375
FY43	3,966	3,300	(149)	1,043	42	-	-	561	1,802	19.50	0.14	257
FY44*	2,672	2,312	-	-	30	-	-	553	1,729	20.31	0.13	228
<b>Total of PVFCFF</b>												<b>8,022</b>
(+ Present Value of Working Capital Release												(4)
<b>Enterprise Value</b>												<b>8,018</b>
(+ Closing cash or cash equivalents as at the Valuation Date												104
<b>Adjusted Enterprise Value</b>												<b>8,123</b>

\*Upto 13 November 2043

Appendix 1.6 – Valuation of UEPL as on 31<sup>st</sup> March 2023 under the DCF Method

WACC 10.1%		INR Mn									
Year	Book Revenue	EBITDA	MMR Provision	MMR Expense	Capex	Wcap	Tax	FCFF	CAF	DF	PVFCFF
		A	B	C	D	E	F	G=A-B-C-D-E-F		H	I=G*H
FY24	1,801	1,426	(163)	665	-	24	94	806	0.50	0.95	768
FY25	1,919	1,399	(306)	306	-	-	80	1,320	1.50	0.87	1,142
FY26	2,050	1,815	(6)	-	-	-	141	1,681	2.50	0.79	1,321
FY27*	2,159	1,911	(6)	13	-	-	148	1,756	3.49	0.71	1,255
<b>Total of PVFCFF</b>											<b>4,486</b>
(+ ) Present Value of Working Capital Release											(3)
<b>Enterprise Value</b>											<b>4,484</b>
(+ ) Closing cash or cash equivalents as at the Valuation Date											461
<b>Adjusted Enterprise Value</b>											<b>4,944</b>

\*Upto 25 March 2027

Appendix 2.1 – Weighted Average Cost of Capital of the NHAI Annuity SPVs as on 31<sup>st</sup> March 2023

Particulars	NBL	SEPL	Remarks
Risk free return (Rf)	7.2%	7.2%	Risk Free Rate has been considered based on zero coupon yield curve as at 31st March 2023 of Government Securities having maturity period of 10 years, as quoted on CCIL's website
Market Risk Premium (ERP)	7.0%	7.0%	Based on historical realized returns on equity investments over a risk free rate represented by 10 years government bonds, a 7% equity risk premium is considered appropriate for India
Beta (Relevered)	0.56	0.56	Beta has been considered based on the beta of companies operating in the similar kind of business in India
<b>Cost of Equity (Ke)</b>	<b>11.1%</b>	<b>11.1%</b>	<b>Base Ke = Rf + (<math>\beta</math> x ERP)</b>
Company Specific Risk Premium (CSRP)	0.0%	0.0%	Based on SPV specific risk(s)
<b>Revised Cost of Equity (Ke)</b>	<b>11.1%</b>	<b>11.1%</b>	<b>Adjusted Ke = Rf + (<math>\beta</math> x ERP) + CSRP</b>
Pre-tax Cost of Debt (Kd)	8.65%	8.65%	As per the Existing Cost of Debt of the SPVs, as represented by the Investment Manager
Tax rate of SPV	17.2%	16.7%	Tax Rate Applicable to SPVs is considered
<b>Post-tax Cost of Debt (Kd)</b>	<b>7.2%</b>	<b>7.2%</b>	<b>Effective cost of debt. Kd = Pre tax Kd * (1-Effective Tax Rate)</b>
Debt/(Debt+Equity)	70.0%	70.0%	Debt : Equity ratio computed as [D/(D+E)]
<b>WACC</b>	<b>8.3%</b>	<b>8.4%</b>	<b>WACC = [Ke * (1 - D/(D+E))] + [Kd * (1-t) * D/(D+E)]</b>



Appendix 2.2 – Weighted Average Cost of Capital of the Toll SPVs as on 31<sup>st</sup> March 2023

Particulars	DBCPL	GEPL	JPEPL	UEPL	Remarks
Risk free return (Rf)	7.2%	7.2%	7.2%	7.2%	Risk Free Rate has been considered based on zero coupon yield curve as at 31st March 2023 of Government Securities having maturity period of 10 years, as quoted on CCIL's website
Market Risk Premium (ERP)	7.0%	7.0%	7.0%	7.0%	Based on historical realized returns on equity investments over a risk free rate represented by 10 years government bonds, a 7% equity risk premium is considered appropriate for India
Beta (Relevered)	0.70	0.69	0.69	0.70	Beta has been considered based on the beta of companies operating in the similar kind of business in India
<b>Cost of Equity (Ke)</b>	<b>12.0%</b>	<b>12.0%</b>	<b>12.0%</b>	<b>12.1%</b>	<b>Base Ke = Rf + (β x ERP)</b>
Company Specific Risk Premium (CSRP)	2.0%	2.0%	2.0%	1.0%	Based on SPV specific risk(s)
<b>Revised Cost of Equity (Ke)</b>	<b>14.0%</b>	<b>14.0%</b>	<b>14.0%</b>	<b>13.1%</b>	<b>Adjusted Ke = Rf + (β x ERP) + CSRP</b>
Pre-tax Cost of Debt (Kd)	8.65%	8.65%	8.65%	8.65%	As represented by the Investment Manager
Tax rate of SPV	18.4%	20.0%	19.4%	17.5%	Tax Rate Applicable to SPVs is considered
<b>Post-tax Cost of Debt (Kd)</b>	<b>7.1%</b>	<b>6.9%</b>	<b>7.0%</b>	<b>7.1%</b>	<b>Effective cost of debt. Kd = Pre tax Kd * (1-Effective Tax Rate)</b>
Debt/(Debt+Equity)	50.0%	50.0%	50.0%	50.0%	Debt : Equity ratio computed as [D/(D+E)]
<b>WACC</b>	<b>10.6%</b>	<b>10.5%</b>	<b>10.5%</b>	<b>10.1%</b>	<b>WACC = [Ke * (1 - D/(D+E))] + [Kd * (1-t) * D/(D+E)]</b>

### Appendix 3.1 – NBL: Summary of approval and licences

Sr. No.	Description of the permits	Issuing Authority	Validity/ Current status	In PPM Or Not	Document
1	Environmental Clearance No. 5-22/2007-IA-III (MH/AP to Armur, Andhra Pradesh) dated June 11, 2007	Ministry of Environment & Forest (IA-III Division), NHA		yes	yes
2	Approval of Installation of DG set dated 08.09.2009	Government of Andhra Pradesh, Electrical Inspectorate	Lifetime	yes	yes
3	<b>Bore well permit</b>			no	yes
i	Lr No:107/T/2019	Govt of Telengana Ground Water Dept.	Lifetime	no	yes
ii	Lr No:107/T/2019	Govt of Telengana Ground Water Dept.	Lifetime	no	yes
iii	316/T4/Drinking/2019-20	Govt of Telengana Ground Water Dept.	Lifetime	no	yes
4	Provisional completion certificate dated July 22, 2009	Aarvee Associates		yes	yes
5	Completion certificate dated October 8, 2018	MSV International Inc.		yes	yes
6	Registration certificate of establishment dated December 1, 2020	Labour Department, Government of Telangana	December 31, 2021	yes	yes

Source: Investment Manager

### Appendix 3.2 – SEPL: Summary of approval and licences

Sr. No.	Description of the permits	Issuing Authority	Validity/ Current status
1	Labour License No. GH.46 (120)/2010-L dated 10.08.2010	GOI Office of the Deputy Chief Labour Commissioner(Central)	09.08.2023
2	Approval for installation of a DG set	Government of Meghalaya, Inspectorate of Electricity	05.07.2023
3	Provisional completion certificate dated July 12, 2013	URS Scott Wilson India Pvt. Ltd	
4	Completion certificate dated March 30, 2017	Feedback Infra Private Limited	

Source: Investment Manager

**Appendix 3.3 – DBCPL: Summary of approval and licences**

Sr. No.	Description of the permits	Issuing Authority	Validity/ Current status
1	Environmental Clearance No. 5-43/2006-IA-III (Sehore bypass to Dewas bypass, Madhya Pradesh)	Ministry of Environment & Forest (IA-III Division), NHAI	
2	Labour License No. 45056 dated 15.12.2021 (For Amlhala Toll Plaza)	Govt of MP Office of Licensing officer SEHORE	31.12.2023
3	Labour License No. 45061 dated 21.12.2021 (For Fanda Toll Plaza)	Govt of MP Office of Licensing officer SEHORE	31.12.2023
4	Labour License No. 42972 dated 03.12.2020 (For Bhourasa Toll Plaza)	Govt of MP Office of Licensing officer SEHORE	31.12.2023
<b>5</b>	<b>Air (Prevention &amp; Control of Pollution) Act, 1981</b>		
i	Fanda Toll Plaza CTE-68241	Government of Madhya Pradesh	24.06.2024
ii	Amlaha Toll Plaza CTE-68239	Government of Madhya Pradesh	24.06.2024
<b>6</b>	<b>Applications for Issue of NOC to Abstract Ground Water (NOCAP)</b>		
i	21-4/915/MP/INF/2020	Government of India (Ministry of Jal Shakti)	06.06.2027
ii	21-4/911/MP/INF/2020	Government of India (Ministry of Jal Shakti)	03.07.2027
iii	21-4/914/MP/INF/2020	Government of India (Ministry of Jal Shakti)	06.06.2024
7	Provisional completion certificate dated February 10, 2009	MPRDC	
8	Completion certificate dated August 7, 2009	MPRDC	
9	Provisional completion certificate dated September 17, 2009	MPRDC	
10	Completion certificate dated February 3, 2010	MPRDC	
11	Provisional completion certificate dated April 30, 2009	MPRDC	

Source: Investment Manager

**Additional Approvals:** Approval to install a DG set dated June 7, 2012 issued by Office of Executive Engineer, Electrical Safety and Divisional Electrical Inspector, Madhya Pradesh, Government, under the provisions of the Electricity Act, 2003, Indian Electricity Rules, 1956 and Madhya Pradesh Electricity Charges Act, 1949

Appendix 3.4 – GEPL: Summary of approval and licences

Sr. No.	Description of the permits	Issuing Authority	Validity
1	Environmental Clearance No. 5-27/2008-IA.III (Ahemdabad, Gujarat to Madhya Pradesh/Gujarat border.	Ministry of Environment & Forest (IA Division), NHAI	Lifetime
2	Labour License No. ALC/ADI/46(56)/2017 dated 28.02.2017	Office Asst Labour Commissioner(C) Ahmedabad	27.02.2024
3	DG installation certificate No/EI/Nad/Certi/2716/2018	Office of the Electrical Inspector	Lifetime
4	<b>Groundwater extraction NOC</b>		
i	GWA/NOC/INF/ORIG/2020/9605	Central Ground Water Board West Central Region	24.12.2025
ii	CGWA/NOC/INF/ORIG/2020/9551	Central Ground Water Board West Central Region	21.12.2025
iii	CGWA/NOC/INF/ORIG/2021/10553	Central Ground Water Board West Central Region	28.01.2026
iv	CGWA/NOC/INF/ORIG/2021/9755	Central Ground Water Board West Central Region	02.01.2026
5	Provisional certificates dated (i) October 31, 2013 and (ii) September 25, 2015	Intercontinental Consultants and Technocrats Pvt. Ltd.	Lifetime
6	Completion certificate dated June 29, 2016	MSV International Inc.	Lifetime

Source: Investment Manager



Appendix 3.5 – JPEPL: Summary of approval and licences

Sr. No.	Description of the permits	Issuing Authority	Validity/ Current status
1	Sanction of CRS for Launching Scheme of composite girder in Railway Portion in connection with the work of widening of existing Road over Bridge at Railway km 689/8-9 on Luni-Marwar junction section of Jhodpur division. CRS Ref no. JU/05/2015-16 dated 22.04.2015	Dy Chief Engineer/Const. North-Western Rly, Jhodpur	
2	Labour License No. AJ(L)412/2014/-ALC dated 25.11.2014	Licensing officer and Asst Labour Commissioner(C) Ajmer	24.11.2022
3	Certificate for registration of DG set (2 Set of 415kv Ref no: JPEPL/OTH/2021-22/004 dated 29.06.2021)	Government of Raj, Electrical Inspector, Jhodpur	
4	BOCW BOCW/ ALCAjmer/ 2019/R-24	Assistant Labour commissioner	Lifetime
5	WIM & SWB stamping 018632, 018633, 018634 & 018690, 018691, 018692	Weights and Measures Department	Regarding WIM calibration, SPV has informed to the weights and measure dept. that calibration is not required for the non-operational WIM as per the circular no. WM/19/134/2018 dated 14.01.2019
6	For Energization of DG Installation EI/JDR/PP/2021-22/310	Electrical Inspectorate , Rajasthan	Lifetime
7	Registration certificate dated December 20, 2019		

Source: Investment Manager

Appendix 3.6 –UEPL: Summary of approval and licences

Sr. No.	Description of the permits	Issuing Authority	Validity/ Current status
1	Environmental Clearance No. 18-18/2004-IA-III (Tindivandam to Trichy bypass, Tamilnadu)	Ministry of Environment & Forest (IA Division), NHAI	
2	Certificate for registration of captive generating unit ( Reg ID: CUD 59/2016-17/HT dated 22.09.2020	Government of Tamil Nadu, Electrical Inspector, Cuddalore	22.06.2025
3	Fire Service License ( K.Dis.No : 6655/A2/2021 dated 27.09.2021)	Tamil Nadu Fire and Rescue Service Department	26.09.2023
4	Certificate of registration dated December 10, 2019	Ministry of Labour and Employment	31.12.2027
5	Consent to establish for Air dated October 30, 2018	Tamil Nadu Pollution Control Board	Payment done till the end of Concession period i.e.2027, It's in process.
6	Consent to establish for Water dated October 30, 2018	Tamil Nadu Pollution Control Board	
7	Certificate of verification (WIM Stamping)	Legal Metrology Officer	31.12.2023
<b>8</b>	<b><u>NOC for Ground water</u></b>		
i	201/2020	Chief Engineer, (SG & SWRDC) PWD, Tharamani, Chennai-114 (State Ground & Surface Water Resources Data Centre)	23.07.2023
ii	202/2020	Chief Engineer, (SG & SWRDC) PWD, Tharamani, Chennai-114 (State Ground & Surface Water Resources Data Centre)	23.07.2023
iii	203/2020	Chief Engineer, (SG & SWRDC) PWD, Tharamani, Chennai-114 (State Ground & Surface Water Resources Data Centre)	23.07.2023
iv	204/2020	Chief Engineer, (SG & SWRDC) PWD, Tharamani, Chennai-114 (State Ground & Surface Water Resources Data Centre)	23.07.2023
v	205/2020	Chief Engineer, (SG & SWRDC) PWD, Tharamani, Chennai-114 (State Ground & Surface Water Resources Data Centre)	23.07.2023
9	Provisional completion certificate dated July 22, 2009	Intercontinental Consultants and Technocrats Pvt. Ltd.	
10	Completion certificate dated August 4, 2016	CDM Smith India Private Limited	

Source: Investment Manager

## Appendix 4.1 – NBL: Summary of Ongoing Litigations

Sr. No	Matter	No. of Suits	Pending Before	Particulars	Amount Involved (INR Million)
1	Civil Suit	1	High Court of Judicature, Andhra Pradesh	<p><b>Background of the case:</b> NBL has filed a writ petition before the High Court of Judicature, Andhra Pradesh at Hyderabad ("Court"), against The District Registrar and the Inspector General of Stamps and Registration in relation to payment of certain stamp duty on the NBL Concession Agreement. The District Registrar had called upon the Petitioner to pay an alleged deficit stamp duty amount of approximately ₹ 135.80 million in relation to the NBL Concession Agreement. The Petitioner prayed that the demand for such stamp duty be set aside by the Court as the same is not required to be paid on concession agreements. The Respondents have filed their response to the Petition. Simultaneously, the Petitioner has also filed an interim application praying for a stay in respect of all further proceedings in relation to recovery of the alleged deficit stamp duty and other amounts until the disposal of the Petition. Subsequently, the Court by way of its order dated June 9, 2011 granted a stay in respect of all further proceedings and in relation to recovery of a token amount of ₹ 0.5 million from the Petitioner. The matter is currently pending.</p> <p><b>Current Status:</b> The matter is currently pending before the Telangana High Court.</p>	135.8
2	Taxation Proceedings	1	Service Tax Demand	<p><b>Background of the case:</b> Based on ITR filed and service tax return filed, Tax Authorities observed that the Company declared turnover of Rs. 47,60,00,000 in ITR for FY 2015-16, however turnover declared in Service tax return was 'Zero'. The Company availed Mega Exemption Notification (No. 25/2012-ST dated 20th June, 2012, however, Tax Authorities have not extended the said notification benefit. and issued demand order is for following demands :-</p> <ol style="list-style-type: none"> <li>1. Service tax demand of Rs.6,90,20,000/- including cess on taxable services and applicable interest</li> <li>2. Penalty @100% of service tax liability for non payment of service tax liability</li> <li>3. Penalty of Rs. 10,000 for non-payment of taxes electronically</li> <li>4. Penalty of 10,000 for non-disclosure of exempt income in ST-3 returns for the period</li> </ol> <p><b>Current Status:</b> The company applied for an expedited hearing and matter was heard on March 14, 2023. The CESTAT has remanded the case back to Adjudicating Authority.</p>	138.1

Source: Investment Manager

## Appendix 4.2 – SEPL: Summary of Ongoing Litigations

Sr. No	Matter	No. of Suits	Pending Before	Particulars	Amount Involved (INR Million)
1	Civil Suit	1	Delhi High Court	<p><b>Background of the case:</b> SEPL raised certain claims before the Arbitral Tribunal ("Tribunal"), against NHAI in relation to certain delays and defaults on part of NHAI, which resulted in breach of various provisions of the SEPL Concession Agreement. Such defaults by NHAI included, amongst others, (i) change in scope, (ii) faulty and factually incorrect drawings, and (iii) additional requirement of land ("Defaults"). Due to such Defaults, SEPL was not able to complete the relevant project highway as per the proposed timeline and in relation to which SEL also put forth eight claims before the Tribunal. The Tribunal by way of its award dated June 27, 2018, awarded a claim of ₹ 274.20 million in favour of SEL along with advancing the annuity dates as prayed by SEPL ("Award"). Subsequently, SEPL filed an execution petition dated October 26, 2018 ("Execution Petition") before the High Court of Delhi ("Court") for seeking the execution of the decree and direction to NHAI to pay the amount as sought by the Award. Thereafter, NHAI filed an application before the Court for setting aside the Award, which was dismissed by the Court by its order dated November 2, 2018 ("Court Order"). Thereafter, NHAI filed an appeal dated January 7, 2019 ("NHA Appeal") challenging the Court Order before the Commercial Appellate Divisional bench of the Court ("Appellate Bench"). <b>The Appellate Bench by way of an interim order dated January 22, 2019 directed NHAI to deposit the amount towards additional bonus annuity i.e. ₹ 106.30 million with an additional interest amount of ₹ 37.20 million with the Court within a period of four weeks. Further the Court upheld the rest of the Award. The direction was complied with by NHAI.</b></p> <p><b>Current Status:</b> The matter is currently pending before the Delhi High Court in respect to the Execution Petition and the NHA Appeal.</p>	143.5
2	Taxation Proceedings	1	CIT(Appeal)	<p><b>Background of the case:</b> Refund as per ITR filed was Rs. 122,90,600 against which Company received refund of Rs.20,58,450/- on July 5, 2020 Demand for Financial Year 2016-17 of Rs. 158,779/- adjusted against refund for Financial Year 2017-18. Scrutiny assessment proceeding have been completed by the AO after disallowance as per the 143(1)(a) adjustment proposed by CPC</p> <ul style="list-style-type: none"> <li>- for finance charges on preference shares</li> <li>- cash payment u/s40A(3)</li> <li>- double addition of transition amount in MAT computation</li> <li>- tax calculated @ 30% instead of 25% under normal provisions of the Act.</li> </ul> <p>The Company has filed as appeal with CIT (Appeal) for all above disallowances on March 16, 2021 vide acknowledgement number 292147381160321</p> <p><b>Current Status:</b> The matter is currently pending.</p>	10.1

Source: Investment Manager



### Appendix 4.3 – DBCPL: Summary of Ongoing Litigations

Sr. No	Matter	No. of Suits	Pending Before	Particulars	Amount Involved (INR Million)
1	Civil	1	MP High Court	<b>Background of the case:</b> DBCPL has filed writ petition (no. 10812 of 2011) in MP High Court against imposition of labor cess amounting INR 4.68 Cr. under Building and other construction workers Welfare Cess Act, 1996. <b>Current Status:</b> The matter is currently pending before the MP High Court.	46.8
2	Civil	1	Supreme Court	<b>Background of the case:</b> DBCPL has filed special leave petition (civil) (no. 14693 of 2010 - converted into Civil Appeal No. 8987 of 2013) in Supreme Court against final order passed by MP High Court on 11 Feb. 2010 in regards to applicability of 2% stamp duty (on TPC) on execution of Concession Agreement. <b>Current Status:</b> The matter is currently pending before the Supreme Court.	89
3	Civil	0	MP Arbitral Tribunal	<b>Background of the case:</b> Claim under Change in Law provisions of the Concession Agreement for actual toll revenue loss due to suspension of toll collection by MPRDC from 09 Nov. 2016 to 02 Dec. 2016 due to demonetization of specified bank notes by Govt. of India. <b>Current Status:</b> The matter has been disposed of by AT. Matter has been closed	60.9
4	Civil Suit	1	Labour Court Bhopal	<b>Background of the case:</b> Mukesh Chandravanshi and Manohar Singh Rajput ("Complainants"), erstwhile employees of DBCPL have filed two separate complaints before the Labour Court, Bhopal, in relation to wrongful termination of their employment by DBCPL. DBCPL claimed that the termination of Complainants was due to (i) the Complainants stopping toll collection at DBCPL's toll plazas and allowing vehicles to cross without payment of toll on December 30, 2015, and (ii) misbehaviour of Complainants with other senior employees of DBCPL. <b>Current Status:</b> The matter is currently pending. Current status is same	Not quantifiable
5	Criminal Suit	1	L.D. Judicial Magistrate, First Class, Sonkutch (Dist. Dewas)	<b>Background of the case:</b> DBCPL has filed a criminal complaint before the court of L.D. Judicial Magistrate, First Class, Sonkutch (Dist. Dewas) against its erstwhile accountant, Sameer Kumar Jha under section s 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 million. <b>Current status:</b> The matter is currently pending. Current status is same	0.1
6	Taxation Proceedings	1	CIT (Appeal)	<b>Background of the case:</b> 1. Major Maintenance Expenses of INR 359.4 mn claimed as deduction was treated as capital expenditure and disallowed; it was allowed to be amortized over a period of 25 years, i.e. INR 14.38 mn was allowed for FY17. Hence, net disallowance of INR 345 mn. 2. Disallowance under section 14A of the ITA (Expenses incurred to earned exempt income) of INR 0.82 mn. 3. Demand of Rs. 10,30,84,559 as per Demand Order dated December 23, 2019. <b>Current status:</b> Appeal filledwith CIT(A)	345.8

Source: Investment Manager

#### Appendix 4.4 – GEPL: Summary of Ongoing Litigations

Sr. No	Matter	No. of Suits	Pending Before	Particulars	Amount Involved (INR Million)
1	Taxation Proceedings	2	CIT(Appeal)	<p><b>Background of the case:</b> 1. Completed Assessment under section 143(3) ; the AO added INR 666.11 Mn being excess depreciation claim at the rate of 25% on intangible asset over amortization of the same over the life of the project. Subsequently, an appeal has been filled with CIT(A)</p> <p>2. Completed Assessment under section 143(3) ; the AO added INR 417.55 Mn being excess depreciation claim at the rate of 25% on intangible asset over amortization of the same over the life of the project. Subsequently, an appeal has been filled with CIT(A)</p> <p><b>Current Status:</b> The matter is currently pending.</p>	1083.7
2	Taxation Proceedings	1		<p><b>Background of the case:</b> The AO made following additions aggregating to INR 10.48mn and raising demand of INR 3.63mn:</p> <ul style="list-style-type: none"> <li>- Adding interest on investment of idle funds as IFOS instead of allowing adjustment against C-WIP– INR 8.78mn; and</li> <li>- Disallowing income-tax expense and interest on delayed payment of TDS – INR 1.70 mn, and charging the same as income, even though the said amounts were debited to C-WIP and not charged to profit and loss account.</li> </ul> <p>Application to stay of demand was filed with AO and an amount of Rs 0.54mn was deposited under protest , however, the balance demand amount was adjusted by tax department from the refund dues for subsequent years.</p> <p>On appeal before the CIT(A), the order of AO was upheld; Subsequently, an appeal has been preferred with the Hyderabad ITAT against the CIT(A) order; ITAT Order was received on 07.09.2021. No further appeal was initiated by the company</p> <p>Notice under sub-section (1) of Section 142 of the Income Tax Act, 1961 Received on 24 Feb 2023 for submitting additional documents in support to reasons recorded by AO :- Reply made on 15 March 2023 for submitting additional Documents</p> <p><b>Current Status:</b> Notice of demand under section 156 of the Income-Tax Act, 1961 on 29 March 23 Amounting to Rs 40,31,620. Appeal is been filled against demand notice.</p>	4.0

Source: Investment Manager

#### Appendix 4.5 – JPEPL: Summary of Ongoing Litigations

No Material Ongoing Litigations

## Appendix 4.6 – UEPL: Summary of Ongoing Litigations

Sr. No	Matter	No. of Suits	Pending Before	Particulars	Amount Involved (INR Million)
1	Civil Suit	0	High Court of Judicature at Madras	<p><b>Background of the case:</b> 1. UEPL ("Petitioner") has filed a writ petition before the High Court of Judicature at Madras ("High Court"), against The Secretary (Transport), Government of Tamil Nadu ("Respondent") in relation to certain pending toll fees from the Respondent. UEPL alleged that the Respondent was involved in plying buses enrolled under the monthly passes issued by the Petitioner more frequently than permitted and also plying different busses other than those enrolled with the monthly passes. The amount involved in this matter is approximately ₹ 128 million, along with an interest amount of 18% p.a. for the period between July 2009 until December 2011, which allegedly remains unpaid in relation to three depots of the Petitioner. The last hearing in this matter was scheduled on November 23, 2022, wherein Court has appointed a mediator as per agreement between both the parties. Both the petitioner and the respondents are required to produce their accounts and arrive at a settlement and the Mediator is requested to conclude mediation proceedings within a period of four months. Accordingly, this Writ Petition is disposed off.</p> <p><b>Current Status:</b> The Writ Petition is disposed off.</p>	128.0
2	Civil Suit	0	Arbitral Tribunal	<p>Background of the case: 1. Claim under Concession Agreement provisions for Material Default by NHAI for actual toll revenue loss due to suspension of toll collection by NHAI from 03 December 2015 to 18 December 2015 due to flood situation in State of Tamil Nadu.</p> <p>2. Claim under Change in Law provisions of the CA for actual toll revenue loss due to suspension of toll collection by NHAI from 09 November 2016 to 02 December 2016 due to demonetization of specified bank notes by Govt. of India.</p> <p><b>Current Status:</b> The matter has been settled.</p>	123.9
3	Taxation Proceedings	1	CIT (Appeal)	<p><b>Background of the case:</b> The following items have been disallowed:</p> <p>(a) Rs. 17,869,492 under Section 14A of the IT Act</p> <p>(b) Mark to market gain on mutual fund of Rs. 709,554</p> <p>(c) Interest expense of Rs. 172,20,000 under Section 36(1)(iii) of the IT Act</p> <p><b>Current Status:</b> The matter is currently pending</p>	35.8

Source: Investment Manager

<< End of Report >>

# Walker Chandiook & Co LLP

Walker Chandiook & Co LLP  
21<sup>st</sup> Floor, DLF Square  
Jacaranda Marg, DLF Phase II  
Gurgaon – 122 002  
India  
T +91 124 4628099  
F +91 124 4628001

**Independent Auditor's Certificate pursuant to Regulation 56(1)(d) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and Regulation 15(1)(t)(ii)(a) of SEBI (Debt Securities) Regulations, 1993 (as amended) (collectively referred to as 'the Regulations') read with Chapter V of SEBI Operational Circular for Debt Securities/HO/DDHS/P/CIR/2023/50 dated 31 March 2023**

To,  
The Board of Directors  
Highway Concessions One Private Limited  
(As the Investment Manager of Highways Infrastructure Trust)  
C-17, 316-317, 3rd Floor, Kanakia Zillion  
LBS Marg, BKC Annexe, Kurla West  
Mumbai-400070

1. This certificate is issued in accordance with the terms of our engagement letter dated 01 April 2023 with Highways Infrastructure Trust ("the Trust").
2. The accompanying statement containing details of listed secured non-convertible debt securities ('NCDs') of the Trust outstanding as at 31 March 2023 along with security cover maintained against such NCDs (Section I), and the details of compliance with the financial covenants and covenants other than financial covenants as per the terms of debt security trust deed ("DSTD") dated 20 September 2022, and rupee loan agreement (RLA) dated 03 September 2022 as included in (Sections II, III, and IV) of the aforesaid statement (collectively referred to as 'the Statement') has been prepared by the Investment Manager of the Trust for the purpose of submission of the Statement along with this certificate to the Catalyst Trusteeship Limited ("Trustee" and "Rupee Lender's Agent") of the listed secured NCDs, ICICI Bank Limited, State Bank of India and Axis Bank Limited (together referred to as "lenders") pursuant to the requirements of Regulation 56(1)(d) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ("SEBI LODR") and pursuant to the requirements of Regulation 15(1)(t)(ii)(a) of SEBI (Debt Securities) Regulations, 1993 (as amended) ("Debt Securities Regulations") (collectively referred to as 'the Regulations') read with Chapter V of SEBI Operational Circular for Debt Securities/HO/DDHS/P/CIR/2023/50 dated 31 March 2023 and for the purpose of submission to National Stock Exchange of India Limited ("NSE") and BSE Limited ("BSE"). We have initialed the Statement for identification purposes only.

Chartered Accountants

Offices in Bengaluru, Chandigarh, Chennai, Gurgaon, Hyderabad, Kolkata, Mumbai, New Delhi, Noida and Pune



Walker Chandiook & Co LLP is registered with limited liability with identification number AAC-2085 and its registered office at L-41 Connaught Circus, New Delhi, 110001, India



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## Responsibilities of Investment Manager of the Trust for the Statement

3. The preparation of the Statement, including the preparation and maintenance of all accounting and other relevant supporting records and documents, is solely the responsibility of the Investment Manager of the Trust. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation and making estimates that are reasonable in the circumstances.
4. The Investment Manager of the Trust is also responsible for ensuring the compliance with the requirements of the Regulations, RLA and DSTD for the purpose of furnishing this Statement and for providing all relevant information to the Trustee, lenders, NSE and BSE.

## Auditor's Responsibility

5. Pursuant to requirements of the Regulations as referred to in paragraph 2 above, it is our responsibility to provide reasonable assurance in the form of a opinion as to whether the details included in:
  - a) Section 1 of the accompanying statement regarding maintenance of hundred percent security cover with respect to book value of assets as at 31 March 2023 is in all material respects in agreement with the audited standalone financial statement of the Trust, underlying books of account and other relevant records and documents maintained by the Trust for the year ended 31 March 2023, and that the calculation thereof is arithmetically accurate.
  - b) Section II of the accompanying statement regarding compliance with financial covenants relating to consolidated net debt to enterprise value as stated in Paragraph (ix) of Clause (d) of schedule III of the DSTD of listed NCDs of the Trust outstanding as at 31 March 2023, is in compliance with the terms of aforesaid DSTD and is in all material respects in agreement with the audited consolidated financial statement of the Trust, underlying books of account and other relevant records and documents maintained by the Trust for the year ended 31 March 2023, and that the calculation thereof is arithmetically accurate.

Further, it is our responsibility to provide limited assurance in the form of a conclusion as to whether anything has come to our attention that cause us to believe that:

- a) the details included in Section III of the accompanying Statement with respect to financial covenant on 'Historical Debt Service Coverage Ratio' as stated in Paragraph (ix) of clause (d) of schedule III of DSTD of the listed secured NCDs for the period from 23 August 2022 to 31 March 2023 is not in compliance with the terms of DSTD and is in all material respects not in agreement with the audited standalone and consolidated financial statement of the Trust, underlying books of account and other relevant records and documents maintained by the Trust for the period from 23 August 2022 to 31 March 2023 or that the calculations thereof is not arithmetically incorrect
- b) the details included in Section IV of the accompanying Statement with respect to compliance of all the covenants other than those covenants mentioned in Section I, Section II and Section III of the accompanying Statement of the listed NCDs of the Trust outstanding as at 31 March 2023, is in all material respects, not fairly stated.



# Walker ChandioK & Co LLP

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6. The columns with respect to market value of assets (columns K to O) of the Section I of accompanying Statement are not covered by this certificate and no procedures have been performed by us on such information as per our terms of engagement.
7. The audited standalone and consolidated financial statements, referred to in paragraph 5 above, have been audited by us, on which we have expressed an unmodified audit opinion vide our report dated 19 May 2023. Our audit of these standalone and consolidated financial statements was conducted in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act, 2013 and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India ('the ICAI'). Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. Such audit was not planned and performed in connection with any transactions to identify matters that may be of potential interest to third parties.
8. We conducted our examination of the Statement in accordance with the Guidance Note on Reports or Certificates for Special Purposes (Revised 2016) ('the Guidance Note') issued by the ICAI. The Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.
9. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements, issued by the ICAI.
10. A reasonable assurance engagement involves performing procedures to obtain sufficient appropriate evidence on the subject matter. The procedures selected depend on the auditor's judgment, including the assessment of the risks associated with the matters mentioned in paragraph 5 (a) and (b) above pertaining to Section I and Section II of the Statement. We have performed the following procedures in relation to such matters:

## **Section I of the accompanying Statement - Statement on security cover ratio:**

- a) Verified the details of security cover ratio criteria from the DSTD in respect of listed NCDs of the Trust outstanding as at 31 March 2023;
- b) Obtained the list and value of assets offered as security against listed secured NCDs of the Trust outstanding as at 31 March 2023;
- c) Traced the book values of assets mentioned in columns A to J from the Statement to the audited standalone financial statements, underlying books of account and other relevant records and documents maintained by the Trust for the year ended 31 March 2023;
- d) Traced the principal amount of the listed secured NCDs and other debt outstanding as at 31 March 2023 to the audited standalone financial statements, underlying books of account and other relevant records and documents maintained by the Trust for the year ended 31 March 2023;
- e) Verified that the computation of security cover is in accordance with the basis of computation given in the Statement and the amounts used in such computation (from columns A to J) have been accurately extracted from audited standalone financial statements, underlying books of account and other relevant records and documents maintained by the Trust;
- f) Obtained necessary representations from the Investment Manager of the Trust; and
- g) Verified the arithmetical accuracy of the Statement.





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## **Section II of the accompanying Statement - Statement on financial covenant on 'Consolidated net debt to enterprise value'**

- h) Verified the computation of financial covenants in relation to 'consolidated Net Debt to Enterprise value' as mentioned in the Section II of the Statement as on 31 March 2023 and ensured that it is in accordance with the basis of computation given in the DSTD, and the amounts used in such computation for 'consolidated net debt' have been accurately extracted from audited consolidated financial statement, underlying books of account and other relevant records and documents maintained by the Trust for the year ended 31 March 2023 and also traced the enterprise value as at 31 March 2023 from the valuation report dated 12 May 2023 of the independent registered valuer appointed by the Trust in accordance with SEBI (Infrastructure Investments Trusts) Regulations, 2014, as amended, used for calculation of enterprise value in consolidated net debt to enterprise value ratio;
  - i) Obtained necessary representations from the Investment Manager of the Trust; and
  - j) Verified the arithmetical accuracy of the Statement.
11. The procedures performed in a limited assurance engagement vary in nature and timing from, and are less in extent than for a reasonable assurance engagement and consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the assurance that would have been obtained had a reasonable assurance engagement been performed. The procedures selected depend on the auditor's judgment, including the assessment of the areas where a material misstatement of the subject matter information is likely to arise. We have performed the following procedures in relation to Section III and Section IV of the Statement:

## **Section III of the accompanying Statement - Statement on financial covenant on Historical Debt Service Coverage Ratio ("DSCR")**

- a) Obtained the audited standalone and consolidated financial statements of the Trust for the year ended 31 March 2023;
- b) Obtained the standalone financial statements of Ulundurpet Expressways Private Limited ("UEPL"), Shillong Expressway Private Limited ("SEPL") and Dewas Bhopal Corridor Private Limited ("DBCPL") for the period 01 April 2022 to 31 March 2023, which have been audited by Gianender & Associates on which they have expressed unmodified opinion vide report dated 21 April 2023;
- c) Obtained the standalone financial statements of Jodhpur Pali Expressway Private Limited ("JPEPL") for the period 01 April 2022 to 31 March 2023, which have been audited by Mahesh C. Solanki & Co on which they have expressed unmodified opinion vide report dated 21 April 2023;
- d) Obtained the standalone financial statements of Nirmal BOT Limited ("NBL") and Godhra Expressways Private Limited ("GEPL") for the period 01 April 2022 to 31 March 2023, which have been audited by Luthra & Luthra LLP on which they have expressed unmodified opinion vide report dated 21 April 2023;
- e) Obtained the special purpose standalone interim financial statement of the Trust for the period 01 April 2022 to 22 August 2022, which have been certified by the Investment Manager of the Trust;
- f) Obtained the special purpose interim financial statements of UEPL, SEPL and DBCPL the for the period 01 April 2022 to 22 August 2022, which have been audited by Gianender & Associates on which they have



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expressed unmodified opinion vide reports dated 18 October 2022, 18 October 2022 and 19 October 2022 respectively;

- g) Obtained the special purpose interim financial statements of JPEPL for the period 01 April 2022 to 22 August 2022, which have been audited by Mahesh C. Solanki & Co on which they have expressed unmodified opinion vide report dated 19 October 2022;
- h) Obtained the special purpose interim financial statements of NBL and GEPL for the period 01 April 2022 to 22 August 2022, which have been reviewed by Luthra & Luthra LLP on which they have expressed unmodified conclusion vide report dated 18 October 2022;
- i) Recomputed the figures in the statement for the period from 23 August 2022 to 31 March 2023 as balancing figures between the figures for the year ended 31 March 2023 (as mentioned in "a", "b", "c" and "d" above) and figures for the period ended 22 August 2022 (as mentioned in "e", "f", "g" and "h" above);
- j) Obtained the independent certificate by respective auditors of the subsidiaries (Refer Annexure 1 for list of subsidiaries) of the Trust to trace the amount used in computation of historical debt service coverage ratio of the Trust;
- k) Verified the computation in respect of compliance of covenant on the historical debt service coverage ratio as mentioned in the Statement;
- l) Obtained necessary representations from the Investment Manager of the Trust; and
- m) Verified the arithmetical accuracy of the Statement.

## **Section IV of the accompanying Statement - Statement on compliance with the covenants other than those mentioned in Section I, Section II and Section III of the accompanying Statement:**

- n) Obtained a detailed listing of all the covenants other than financial covenant stated in the DSTD in respect of the listed NCD's of the Trust outstanding as at 31 March 2023;
- o) Enquired and understood Investment Manager's assessment of compliance with all the covenants other than financial covenants and corroborated the responses from supporting documents (on test check basis) as deemed necessary;
- p) Obtained necessary representations from the Investment Manager of the Trust;
- q) Based on the procedure performed in (n), (o) and (p) above, evaluated the appropriateness of the declaration made by the Investment Manager of the Trust in Section IV of the Statement; and
- r) Verified the arithmetical accuracy of the Statement.





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## Opinion on Section I and Section II of the Statement

12. Based on our examination and the procedures performed as per paragraph 10 above, evidences obtained, and the information and explanations given to us, along with the representations provided by the Investment Manager of the Trust, in our opinion the
- the details mentioned in Section I of the accompanying statement regarding maintenance of hundred percent security cover with respect to book value of assets as at 31 March 2023, is in all material respects, in agreement with the audited standalone financial statement of the Trust, underlying books of account and other relevant records and documents maintained by the Trust for the year ended 31 March 2023, and that the calculation thereof is arithmetically accurate.
  - the details included in Section II of the accompanying statement regarding compliance with financial covenants relating to consolidated net debt to enterprise value as stated in Paragraph (ix) of Clause (d) of schedule III of the DSTD and outstanding as at 31 March 2023, is in compliance with the terms of aforesaid DSTD and in all material respects in agreement with the audited consolidated financial statement of the Trust, underlying books of account and other relevant records and documents maintained by the Trust for the year ended 31 March 2023, and that the calculation thereof is arithmetically accurate.

## Conclusion on Section III and Section IV of the Statement

13. Based on our examination and the procedures performed in section 11 above, evidence obtained, and the information and explanations given to us, along with the representations provided by the Investment Manager of the Trust, nothing has come to our attention that cause us to believe that the:
- details regarding financial covenant on 'Historical Debt Service Coverage Ratio' as stated in Paragraph (ix) of clause (d) of schedule III of DSTD of the listed secured NCDs for the period from 23 August 2022 to 31 March 2023, as mentioned in Section III of the accompanying statement is not in compliance with the terms of DSTD and is in all material respects, not in agreement with the audited standalone and consolidated financial statement of the Trust, underlying books of account and other relevant records and documents maintained by the Trust for the period from 23 August 2022 to 31 March 2023 and that the calculations thereof is not arithmetically incorrect; and
  - details included in Section IV of the accompanying statement with respect to compliance of all the covenants other than those covenants mentioned in Section I, Section II and Section III of the accompanying Statement of the listed NCDs of the Trust outstanding as at 31 March 2023, is in all material respects, not fairly stated.

## Other matter

14. The certificates referred to in paragraph 11(j) above, have been certified by Gianender & Associates for UEPL, SEPL and DBCPL, Luthra & Luthra LLP for NBL and GEPL and Mahesh C. Solanki & Co for JPEPL, who vide their certificates dated 04 May 2023, 18 May 2023 and 11 May 2023 respectively have expressed an unmodified conclusion, and whose certificate has been furnished to us by the Investment Manager of the Trust and which has been relied upon by us for the purpose of our examination. Our conclusion is not modified in respect of this matter.





# Walker Chandiok & Co LLP

Independent Auditor's Certificate pursuant to Regulation 56(1)(d) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and Regulation 15(1)(t)(ii)(a) of SEBI (Debenture Trustees) Regulations, 1993 (as amended) (collectively referred to as 'the Regulations') read with Chapter V of SEBI Operational Circular for Debenture Trustees/HO/DDHS/P/CIR/2023/50 dated 31 March 2023 (Cont'd)

## Restriction on distribution or use

15. Our work was performed solely to assist you in meeting your responsibilities in relation to your compliance with the Regulations. Our obligations in respect of this certificate are entirely separate from, and our responsibility and liability is in no way changed by, any other role we may have as the statutory auditors of the Trust or otherwise. Nothing in this certificate, nor anything said or done in the course of or in connection with the services that are the subject of this certificate, will extend any duty of care we may have in our capacity as statutory auditors of the Trust.
16. The certificate is addressed to and provided to the Board of Directors of Investment Manager of the Trust solely for the purpose of enabling it to comply with the requirements of the Regulation as mentioned in paragraph 2 above, which inter alia, require it to submit this certificate along with the accompanying Statement to the Trustee, lenders and for the purpose of submission to NSE and BSE and therefore, this certificate should not be used, referred to or distributed for any other purpose or to any other party without our prior written consent. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

## For Walker Chandiok & Co LLP

Chartered Accountants

Firm's Registration No.: 001076N/N500013



**Manish Agrawal**

Partner

Membership No: 507000

UDIN: 23507000BGYERW2468



**Place:** Mumbai

**Date:** 19 May 2023

# Walker ChandioK & Co LLP

Independent Auditor's Certificate pursuant to Regulation 56(1)(d) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) and Regulation 15(1)(i)(ii)(a) of SEBI (Debenture Trustees) Regulations, 1993 (as amended) (collectively referred to as 'the Regulations') read with Chapter V of SEBI Operational Circular for Debenture Trustees/HO/DDHS/P/CIR/2023/50 dated 31 March 2023 (Cont'd)

## Annexure 1

### List of subsidiaries:

- a) Ulundurpet Expressways Private Limited ('UEPL')
- b) Nirmal Bot Limited ('NBL')
- c) Jodhpur Pali Expressway Private Limited ('JEPL')
- d) Shillong Expressway Private Limited ('SEPL')
- e) Godhra Expressways Private Limited ('GEPL')
- f) Dewas Bhopal Corridor Private Limited ('DBCPL')



Statement of Security Cover Ratio														
Column A Particulars	Column B Description of asset for which this certificate relate	Column C Exclusive Charge	Column D Other Secured Debt	Column E Debt for which this certificate being issued	Column F Pari-Passu Charge	Column G Assets not offered as Security (refer note 7)	Column H Elimination (amounting negative)	Column J TOTAL (C TO H)	Column K Market Value for Assets charged on Exclusive basis	Column L Carrying/book value for exclusive charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSHA market value is not applicable)	Column M Market Value for Pari passu charge Assets via (refer note 8)	Column N Carrying value/book value for pari passu charge assets where market value is not ascertainable or applicable (For Eg. Bank Balance, DSHA market value is not applicable)	Column O Total Value (K+L+M+N)	
		Debt for which this certificate being issued	Other Secured Debt	Debt for which this certificate being issued	Assets shared by pari passu debt holder (includes debt for which this certificate is issued & other debt with pari passu charge)	Other assets on which there is pari-Passu charge (excluding items covered in column F)	debt amount considered more than once (due to exclusive plus pari passu charge)							
		Bank Value	Book Value	Yes/No	Book Value	Book Value								
Assets														
Investments	Investment in Equity shares of subsidiaries of Trust, Investment in 4% Preference share of Shillong Expressway Co Private Limited, Investment in GCD of subsidiaries of Trust and Interest accrued on unpaid convertible debentures (GCD)		-	Yes	36,451.98	-	-	36,451.98			32,820.00		32,820.00	
Loans	Current and Non-current portion of loans given to SPVs and Interest accrued thereon			Yes	12,456.86			12,456.86						
Cash & cash equivalents	Cash and cash equivalents			Yes	263.34			263.34				263.34	263.34	
Bank balance other than Cash and Cash equivalents	Bank balance other than cash and cash equivalents			Yes	976.43			976.43				976.43	976.43	
Other current and non-current assets	Prepaid expenses and Non-current int. assets (net)		-	Yes	4.18			4.18				4.18	4.18	
Total assets (G)		-	-		50,184.99	-	-	50,184.99	-	-	32,802.00	1,246.15	33,610.15	
Liabilities														
Debt securities to which this certificate pertains (refer note 2)	Borrowings (including current and non-current)			Yes	6,416.05			6,416.05					6,416.05	
Other debt sharing pari passu charge with above debt (refer note 3)	Borrowings (including current and non-current)			No	7,833.13			7,833.13					7,833.13	
Interest earned but not due on NCD	Other financial liabilities			Yes	1.30			1.30					1.30	
Interest earned but not due on RTL	Other financial liabilities			No	1.19			1.19					1.19	
Other payables	Other financial liabilities			No	-		0.60	0.60						
Trade payables	Trade payables			No	-		52.03	52.03						
Other payables	Other financial liabilities			No	-		16.41	16.41						
Total liabilities (H)					14,250.67	-	69.14	14,320.11					14,320.11	
Cover on Book Value [(G)/(H)] (refer note 4)					3.52								3.76	
Cover on Market value [(G)/(M)] (refer note 5)														

## Notes:

- The amount disclosed in column A to J is accurately extracted from standalone audited financial statement of Highways Infrastructure Trust ("Trust"), underlying books of account and other relevant records and documents maintained by the Trust for the year ended 31 March 2023 prepared in accordance with Indian Accounting Standards and/or any addendum thereto as defined in the Rule 2(f)(x) 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").
- Debt securities to which this certificate pertains is outstanding amount of 6500 senior, secured, taxable, rated, listed, redeemable, non-convertible debt (NCD) securities having a face value of ₹1,000,000/- (Rupees Ten Lakhs only) each.
- Other debt sharing pari-passu charge with above debt includes current and non-current portion of Rupee Term Loan (RTL) taken from ICICI Bank Limited, State Bank of India and Axis Bank Limited.
- Cover on book value has been calculated in the following manner:  

$$\text{Pari-passu security cover} = \frac{\text{Value of assets (Column G) having pari-passu charge / Outstanding value of corresponding debt (refer note 6) + interest accrued (both NCD and RTL)}}{\text{Pari-passu security cover (on book value)}} = 3.52$$
- Cover on market value has been calculated in the following manner:  

$$\text{Pari-passu security cover} = \frac{\text{Total value of assets (Column G) / Outstanding value of corresponding debt (refer note 6) + interest accrued (both NCD and RTL)}}{\text{Pari-passu security cover (on market value)}} = 3.76$$
- Value of corresponding debt includes debt securities to which certificates pertains and all other debt sharing pari-passu charge with that debt.
- Assets not offered as security includes Trade and other payables which are not offered as security in Debt security trust deed.
- The amounts disclosed in column M are based on the enterprise valuation as at 31 March 2023 of the subsidiaries of the Trust as at 31 March 2023 namely (i) DBCPL - Dewas Bhopal Corridor Private Limited, (ii) GEPL - Gadhwa Expressways Private Limited, (iii) NREL - Nirmal BOT Limited, (iv) JPEPL - Jodhpur Pal Expressways Private Limited, (v) SGPL - Shillong Expressways Private Limited, and (vi) UJPL - Udhampur Expressways Private Limited, conducted by SEBI registered valuer in accordance with the SEBI (Infrastructure Investment Trusts) Regulations, 2014 (as amended).

## For and on behalf of

Highway Concessions One Private Limited  
(as Investment Manager of Highways Infrastructure Trust)

  
Neeraj Sanghi  
Whole time Director and CEO  
DIN: 05101000

Place: Mumbai  
Date: 19 May 2023

  
Kunjal Shah  
Compliance Officer  
ACS No. A27382

Place: Mumbai  
Date: 19 May 2023

  
Narayanan Doraiswamy  
Chief Financial Officer

Place: Mumbai  
Date: 19 May 2023

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**Section II- Statement on Consolidated Net Debt to Enterprise value of Highways Infrastructure Trust as at 31 March 2023:**

- i) The Trust has issued secured, taxable, rated, listed, redeemable, non-convertible debt securities having a face value of ₹1,000,000/- (Rupees Ten Lakhs only) each, aggregating up to ₹6,500.00 millions in two series of:
- (a) Series I Debt Securities up to ₹4,000.00 millions; and
- (b) Series II Debt Securities up to ₹2,500.00 millions, pursuant to the Debt Security Trust deed dated 20 September 2022 read with the common terms schedule executed inter alia amongst the Trust, acting through Catalyst Trusteeship Limited ("Trustee"). The Trust has prepared this statement of Consolidated Net Debt to Enterprise value of the Trust as at 31 March 2023 pursuant to the financial covenants stated in the Debt Security Trust Deed ("DSTD"). The Trust shall be required to ensure that the aggregate Consolidated Net Debt to Enterprise value of the Trust and the Project SPVs, shall be less than 49%.

**ii) Below are the calculations of the Consolidated Net Debt to Enterprises Value: (₹ in millions)**

Particulars	As at 31 March 2023	Remarks
<b>Consolidated Net Debt:</b>		
Long term borrowings	14,711.83	Refer note 2
Short term borrowings	225.00	Refer note 2
	<b>14,936.83</b>	Refer note 3
Less: Cash and Cash equivalents	(962.83)	Refer note 4
<b>TOTAL (A)</b>	<b>13,974.01</b>	
<b>Enterprise Value:</b>		
Enterprise Value	52,402.00	Refer note 5
<b>TOTAL (B)</b>	<b>52,402.00</b>	
<b>Consolidated Net debt to Enterprise Value (A)/(B)</b>	<b>26.67%</b>	Refer note 6

**Notes:**

- The Statement has been prepared based on the basis of consolidated financial statement of Highways Infrastructure Trust ("Trust"), underlying books of account and other relevant records and documents maintained by the Trust for the year ended 31 March 2023 in accordance with 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");
- Represents amounts outstanding against rupee term loans from banks and non convertible debentures holders (NCD) as at 31 March 2023, gross off unamortized processing fees of ₹ 169.97 millions. Borrowing amount does not includes interest accrued on rupee term loan and NCD amounting to ₹ 2.49 millions;
- It does not includes provisions, deferred tax liabilities, trade payables, other current and non-current financial liabilities, other current liabilities;
- For the purpose of above calculations of ratios, it includes amounts classified as 'cash and cash equivalents', investments', and 'bank balances other than cash and cash equivalents' as per consolidated financial statement of Trust, underlying books of account and other relevant records and documents of the Trust as at 31 March 2023, amounting to ₹ 349.11 millions, ₹ 648.60 millions, ₹ 1,546.58 millions, respectively. The amounts of cash and cash equivalents of ₹ 962.83 millions as disclosed in the ratio above, excludes cash balance earmarked for distribution of ₹ 700.12 millions, any surplus cash available with Trust as at 31 March 2023 for meeting issue expenses amounting to ₹ 26.88 millions and cash balance earmarked for Major maintenance reserve / for Madhya Pradesh Road Development Corporation Limited ("MPRDC") amounting to ₹ 854.46 millions;
- For the purpose of above calculations, enterprise value as at 31 March 2023 has been considered of the subsidiaries of the Trust namely (i) DBCPL - Dewas Bhopal Corridor Private Limited; (ii) GEPL - Godhra Expressways Private Limited; (iii) NBL - Nirmal BOT Limited; (iv) JPEPL - Jodhpur Pali Expressways Private Limited; (v) SEPL - Shillong Expressways Private Limited; and (vi) UIEPL - Ulundurpet Expressways Private Limited, conducted by SEBI registered valuer in accordance with the SEBI (Infrastructure Investment Trust) Regulations, 2014 (as amended);
- The consolidated net debt to enterprise value as calculated above is in compliance with the Paragraph (ix) of Clause (d) of schedule III of the DSTD.

**For and on behalf of**


Highway Concessions One Private Limited  
(as Investment Manager of Highways Infrastructure Trust)

  
Neeraj Sanghi  
Whole Time Director and CEO  
DIN: 05110400

Place: Mumbai  
Date: 19 May 2023

  
Kunjal Shah  
Compliance officer  
ACS No. A27382

Place: Mumbai  
Date: 19 May 2023

  
Mr. Narayanan Doraiswamy  
Chief Financial Officer

Place: Mumbai  
Date: 19 May 2023

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### Section III - Statement on Historical Debt Service Coverage Ratio of Highways Infrastructure Trust :-

- i) The Trust availed rupee term-loan facilities from Axis Bank Limited, ICICI Bank Limited and State Bank of India for an aggregate amount of ₹ 7,969,034,669 pursuant to the rupee loan agreement ("RLA") dated 02 September 2022. Further, the Trust has also issued 6500 senior, secured, taxable, rated, listed, redeemable, non-convertible debt securities pursuant to the Debt Security Trust Deed (DSTD) dated 20 September 2022 having a face value of ₹ 1,000,000/- (Rupees Ten Lakhs only) each, aggregating up to ₹ 6,500,000,000 (Rupees Six Hundred Fifty Crore only) in two series of:
- (a) Series I Debt Securities up to ₹ 4,000,000,000; and
- (b) Series II Debt Securities up to ₹ 2,500,000,000.

Out of which Non Convertible Debentures ("NCD") of ₹ 2,500,000,000 have been allotted to India Infrastructure Finance Company Limited, ₹ 1,750,000,000 have been allotted to Nippon India Mutual Fund, ₹ 500,000,000 have been allotted to ICICI Bank Limited and ₹ 1,750,000,000 have been allotted to State Bank of India Corporate Bond Fund. The Investment Manager of the Trust has prepared the accompanying statement of the historical debt service coverage ratio pursuant to requirements of the RLA and DSTD. Refer calculation of Historical Debt Coverage ratio for the period from 23 August 2022 to 31 March 2023 below:

ii) Below are the calculations of the Historical Debt Coverage Service Ratio :

(₹ in millions)

For the period from 23 August 2022 to 31 March 2023									
Particulars	DBCPL (Refer Note 13)	NBL (Refer Note 13)	GEPL (Refer Note 13)	JPEPL (Refer Note 13)	UEPL (Refer Note 13)	SEPL (Refer Note 13)	Trust	Total	Remarks
Total Cash Available ( A )									
Add: Cash Revenue	1,175.39	287.80	888.42	423.16	1,048.80	297.06	-	4,120.64	Refer Note 5
Add: Other Cash Income	49.65	13.41	41.45	18.90	50.52	7.09	42.75	223.77	Refer Note 6
Add: Funds from Investors and Non - Convertible debenture holder's in HIT for General Corporate Purpose utilised for Debt Service	-	-	-	-	-	-	382.85	382.85	Refer Note 7
Less : Premium paid (including current and deferred) to the Authority, if any, which was due during the trailing 12 months in accordance with the provisions of the Concession Agreement	-	-	(73.80)	(9.70)	-	-	-	(83.50)	Refer Note 8
Less: Cash operating expenditure	(155.26)	(76.91)	(113.40)	(141.05)	(132.43)	(83.03)	(178.64)	(880.72)	Refer Note 9
Less: Major maintenance expenses incurred during the period, which have not been met from the major maintenance reserve (MMR)	-	-	-	-	-	-	-	-	Refer Note 11
Less : Cash taxes	(114.94)	-	-	-	6.41	(1.83)	(18.27)	(128.63)	Refer Note 10
Less :MMR created or to be created during the testing period as per Base Case Business Plan	-	-	-	-	-	-	-	-	Refer Note 11
Total ( A )	954.84	224.31	742.68	291.32	973.30	219.28	228.68	3,634.41	
External debt obligation (B)- (for the trailing 12 months, excluding any bullet payments, which have been refinanced during the period)									
Add : Interest/ coupon payments on external debt	23.37	9.23	34.64	55.17	15.02	-	572.58	710.00	Refer Note 12
Add: any fees paid on external debt	-	-	-	-	-	-	118.89	118.89	
Add: principal paid on external debt	-	-	-	27.91	-	-	112.50	140.41	
Total ( B )	23.37	9.23	34.64	83.08	15.02	-	803.97	969.30	
DSCR : Total Cash Available ( A ) / External debt obligation (B)								3.75	

#### Notes:

- The Statement has been prepared on the basis of special purpose audited standalone and consolidated financial information of the Highways Infrastructure Trust ("Trust") and standalone financial information of the subsidiaries, underlying books of accounts and other records maintained by the Trust for the period from 23 August 2022 to 31 March 2023. The figures for the year ended 31 March 2023 of audited standalone and consolidated financial statement of the Trust are audited by the statutory auditor's of the Trust and for the subsidiaries, the same are audited by their respective auditors. The figures for the period 01 April 2022 to 22 August 2022 of the subsidiaries are reviewed/audited by their respective auditor's of the subsidiaries and for Trust the same is certified by the management. The above figures for the period from 23 August 2022 to 31 March 2023 computed as balancing figures between the figures for the year ended 31 March 2023 of audited standalone and consolidated financial statement of the Trust and standalone financial statement of the subsidiaries and figures for the period 01 April 2022 to 22 August 2022 of the subsidiaries and the Trust.
- As per the terms of Debt Security Trust Deed and Rupee Loan Agreement , DSCR calculation is based on the cash available for debt servicing and debt servicing obligations for the trailing 12 months period. However, considering the Trust physically acquired the Project SPVs on 23 August 2022, therefore, the numbers reported above are considered from 23 August 2022 till 31 March 2023.
- There are no transactions in standalone Trust from 01 April 2022 till 22 August 2022.
- The figures reported above are after considering the impacts of all eliminations of inter SPV / Trust transactions.
- Cash Revenue represents revenue from operations from the statement of Profit and Loss of the Trust and subsidiaries, proportionate amount of actually annuity received in cash in SEPL and NBL and excluding Interest income on annuity receivable from Concession authority and Revenue from operations and maintenance of road for the period 23 August 2022 to 31 March 2023 being notional in nature. Further, revenue from operations of standalone trust doesn't includes income generated from inter SPV transactions, considering the numbers reported above are after eliminations.



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Other cash income represents other income from the statement of Profit and Loss of the Trust and subsidiaries excluding fair value gain of mutual fund NAV gain for the period from 23 August 2022 to 31 March 2023.


### Section III - Statement on Historical Debt Service Coverage Ratio of Highways Infrastructure Trust (cont'd) :-

- 7 It includes the amount raised from Unit holders and Non - Convertible debenture holder's of the Trust as General Corporate purpose that are utilized for the purpose of Cash Taxes, Cash Operating Expense and repayment of Interest/ coupon payments, principal and fees paid on external debt.
- 8 Premium paid (including current and deferred) to the Authority represents Concession Premium paid to National Highway Authority of India ("NHAI") / Public Works Department ("PWD") for the period 23 August 2022 to 31 March 2023.
- 9 Cash operating expenses represents Employee Benefit expenses, Subcontracting Expenses and Operating Expenses from the statement of Profit and Loss of the Trust and subsidiaries excluding Loss on investments carried at fair value through profit or loss (MTM loss), provision against major maintenance obligation, being notional in nature and loss on reduction of investment in equity for the period from 23 August 2022 to 31 March 2023. Further, finance cost has not been considered in order to calculate total cash available for debt servicing.
- 10 Cash Taxes represent current tax expense as per statement of Profit and Loss of the Trust and subsidiaries for the period from 23 August 2022 to 31 March 2023.
- 11 MMFR is currently maintained at UEPL and HIT level out of the fund raised from NCD for the MM expenses expected to be incurred in the next six months, in line with the existing financing documents submitted to ICICI bank vide letter dated 06 September 2022. Further, major maintenance expenses for year ended 31 March 2023 were incurred from opening earmarked funds as at 01 April 2022 in case of DBCPL and RTL given by the Trust from NCD debt fund in case of JPEPL. Hence not considered in the calculation of DSCR.
- 12 Interest/ coupon payments on external debt and principal paid on external debt represents interest and principal paid on debt obtained from external parties for the period from 23 August 2022 to 31 March 2023. Further any fees paid on external debt represents processing fees paid by the Trust on availment on rupee term loans and non-convertible debentures post acquisition of subsidiaries. Further any interest payment, principal payment or write - off of processing fees at the time of refinancing of borrowings have not been considered considering there is no impact on cash flows pursuant to the refinancing arrangement entered between the Trust and SPVs.
- 13 DBCPL - Dewas Bhopal Corridor Private Limited; GEPL - Godhra Expressways Private Limited; NBL - Nirmal BOT Limited; JPEPL - Jodhpur Pali Expressways Private Limited; SEP - Shillong Expressways Private Limited; UEPL - Ulundupet Expressways Private Limited; (herein referred to as "project SPVs" or "SPVs" or "subsidiaries").

For and on behalf of Board of Directors of  
Highway Concessions One Private Limited  
(As the Investment Manager of Highways Infrastructure Trust)

  
Neeraj Sanghi  
Whole time director and CEO  
DIN: 05110400  
Place: Mumbai  
Date: 19 May 2023

  
Kunjal Shah  
Compliance officer  
ACS No. A27382  
Place: Mumbai  
Date: 19 May 2023

  
Narayanan Doraiswamy  
Chief Financial Officer  
Place: Mumbai  
Date: 19 May 2023



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**Section IV- Compliance with all covenants other than those covenants mentioned in Section I, Section II and Section III**

**Management Declaration**

We confirm that the Trust has complied with all the following covenants as included in Schedule III of the Debt Security trust deed dated 20 September 2022:

- Part 1: Affirmative Covenants
- Part 2: Information Covenants
- Part 3: Negative Covenants
- Part 4: General Covenants

**For and on behalf of Board of Directors of**

Highway Concessions One Private Limited

(as Investment Manager of Highways Infrastructure Trust)



Neeraj Sanghi  
Whole time director and CEO  
DIN: 05110400

Place: Mumbai

Date: 19 May 2023



Kunjal Shah  
Compliance officer  
ACS No. A27382

Place: Mumbai

Date: 19 May 2023



Narayanan Doraiswamy  
Chief Financial Officer

Place: Mumbai

Date: 19 May 2023



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**Annexure 6****a. Debenture Redemption Reserve/Debenture Redemption/ maintenance of funds as per Companies (Share Capital and Debentures) Rules, 2014**

Sr. No.	Name of the Listed entity	Issue Type (public/ Privately placed listed)	Type of entity (NBFC/ HFC/FI/ other)	Issue Size (in ₹ crores)	ISIN (that is maturing in the current FY 2022-23)	Amount Outstanding	Status of maintenance of DRR (15%/ 10% of the amount maturing in the year, applicable as per companies (share Capital and Debentures) Rules, 2014)	Details of action taken, if any
NA								

**b. Details of Debenture Reserve Fund (DRF) for debentures maturing during 2022-23: (If applicable)**

(Rs. In Crs)

Series / Tranche	ISIN	Date Of Maturity during 2022-23	Amount of maturity during 2022-23	DRF required to be invested	DRF created and invested	Method of DRF invested or deposited	Remarks on Deficiency in DRF if any.
NA							

**c. Details of Recovery expense fund**

Sr. No.	Name of the Listed Entity (including ISINs)	Issue Type (public/ Privately placed)	Issue Size (in ₹ crores)	Size/Value of recovery fund maintained	Any addition in the recovery Expense fund during the quarter	Details of usage of the funds, if any, during the quarter	Additional remarks
1	Highways Infrastructure Trust INEOKXY07018 & INEOKXY07026	Private Placement	650	6,50,000	Nil	Nil	Nil



May 19, 2023

To

<b>National Stock Exchange of India Limited</b> Exchange Plaza, C-1, Block-G, Bandra Kurla Complex, Bandra (E), Mumbai-400051 <b>Symbol- HIGHWAYS</b>	<b>BSE Limited</b> Corporate Relationship Department Phiroze Jeejeebhoy Towers Dalal Street, Fort Mumbai- 400001 <b>Scrip Code: 974227 &amp; 974228</b>
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**Sub: Regulation 52 (7) of SEBI Listing Regulations, 2015 (LODR) for the Quarter ended 31<sup>st</sup> March, 2023**

Pursuant to Regulation 52(7) of SEBI (LODR) and SEBI Operational circular SEBI/HO/DDHS/DDHS\_Div1/P/CIR/2022/0000000103 dated July, 29, 2022, We wish to inform you that the proceed raised from the issue of Non-convertible Debenture (NCDs) have been utilised for the purpose as mentioned in the placement memorandum and there are no material deviations in the utilization of such proceeds.

**Dear Sir/Madam,**

You are requested to kindly take the same on record.

Thanking you,

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

**Kunjai Shah**  
**Company Secretary and Compliance Officer**

**Place: Mumbai**  
**Encl: as above**

CC:

<b>Axis Trustee Services Limited</b> ("Trustee of the InvIT") Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400 025, Maharashtra, India	<b>Catalyst Trusteeship Limited</b> ("Debenture Trustee") Windsor, 6th floor, Office No.604, C.S.T Road, Kalina, Santacruz (East), Mumbai – 400098 Maharashtra, India
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# HIGHWAYS INFRASTRUCTURE TRUST

Statement indicating statement of utilization of issue proceeds and Statement of deviation/ variation in use of issue proceeds of listed non-convertible debt securities for the quarter ended March 31, 2023. Statement of utilization of issue proceeds

Name of the Issuer	ISIN	Mode of Fund Raising (Public issues/ Private placement)	Type of instrument	Date of raising funds	Amount Raised	Funds utilized	Any deviation (Yes/ No)	If 8 is Yes, then specify the purpose of for which the funds were utilized	Remarks, if any
1	2	3	4	5	6	7	8	9	10
Highways Infrastructure Trust	INE0KXY07018	Private Placement	Non-Convertible Debenture	23-09-2022	Rs. 400,00,00,000	Rs. 400,00,00,000	No	NA	-
Highways Infrastructure Trust	INE0KXY07026	Private Placement	Non-Convertible Debenture	23-09-2022	Rs. 250,00,00,000	Rs. 250,00,00,000	No	NA	-

## A. Statement of deviation/ variation in use of Issue proceeds:

Particulars	Remarks
Name of listed entity	Highways Infrastructure Trust
Mode of fund raising	Private Placement
Type of instrument	Non-Convertible Debentures
Date of raising funds	As per above Annexure
Amount raised	As per above Annexure
Report filed for quarter ended	March 31, 2023
Is there a deviation/ variation in use of funds raised?	No Deviation
Whether any approval is required to vary the objects of the issue stated in the prospectus/ offer document?	No
If yes, details of the approval so required?	Not Applicable
Date of approval	Not Applicable
Explanation for the deviation/ variation	Not Applicable
Comments of the audit committee after review	Not Applicable
Comments of the auditors, if any	Not Applicable

## HIGHWAYS INFRASTRUCTURE TRUST

Objects for which funds have been raised and where there has been a deviation/ variation, in the following table:

Original object	Modified object, if any	Original allocation	Modified allocation, if any	Funds utilised	Amount of deviation/ variation for the quarter according to applicable object (in Rs. crore and in %)	Remarks, if any
Not Applicable						

Deviation could mean:

- Deviation in the objects or purposes for which the funds have been raised.
- Deviation in the amount of funds actually utilized as against what was originally disclosed.

**Name of signatory: Kunjal Shah**

**Designation: Compliance Officer**

**Annexure 8**

**Company hereby declares the following:-**

- i) Interest and Principal due on debentures are paid on due dates; ***Interest and Principal payment becomes due from 31.03.2023.***
- ii) The details of change in credit rating of the issues is mentioned as under: -

Sr No.	ISIN	Immediate previous credit rating			Revised Credit rating			
		Credit Rating	Date of rating	Credit rating agency	Credit Rating	Credit rating agency	Date of Review	Hyperlink of Press Releases by the CRA
1	INE0KXY07018	IND AAA/Stable	May 02, 2023	India Ratings and Research	CRISIL AAA/Stable (Reaffirmed)	CRISIL Ratings Limited	May 12, 2023	Refer link below
2	INE0KXY07026							

[https://www.crisilratings.com/mnt/winshare/Ratings/RatingList/RatingDocs/HighwaysInfrastructureTrust\\_May%2012,%202023\\_RR\\_319327.html](https://www.crisilratings.com/mnt/winshare/Ratings/RatingList/RatingDocs/HighwaysInfrastructureTrust_May%2012,%202023_RR_319327.html)

- iii) There is no material deviation in the use of proceeds as compared to the objects of the issue.
- iv) There is no significant change in composition of Board of Directors.
- v) The properties secured for the Debentures are adequately insured; ***The addition of the name of trustees in the policies shall be done in due course.***
- vi) All requisite information / documents indicated as per conditions precedent/subsequent in debenture document(s) in respect of NCD are submitted from time to time;
- vii) There are no events or information or happenings which may have a bearing on the performance/operation of the Company, or there is no price sensitive information or any action as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 that may affect the payment of interest or redemption of the Debentures.
- viii) Company has submitted the pre-authorisation as per SEBI Operational circular dated 10.08.2021 bearing reference no SEBI/HO/DDHS/P/CIR/2021/613 and if there is any change in the provided bank details same will be shared within 1 working day as specified in the said circular (If same is not provided please share at earliest).

**The Company has submitted pre-authorisation letter to the Debenture Trustee on 16<sup>th</sup> September, 2022 and there were no further change in the bank details provided to trustee.**

- ix) Company has complied with the provisions of Companies Act, Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, the listing agreement with stock exchange, trust deed and all other regulations issued by SEBI pertaining to debt issue from time to time.
- x) Compliance of all covenants of the issue (including side letters, accelerated payment clause, etc.) and status thereof;



- xi) There are no Fraud/defaults by promoter or key managerial personnel or by Issuer Company or arrest of key managerial personnel or promoter;
- xii) Company has complied with para 2.2 of the SEBI circular dated 12.11.2020, for all existing debt securities, listed entities and trustees are required to enter into supplemental/amended debenture trust deed incorporating the changes in the debenture trust deed. **Not Applicable**
- xiii) The 'High Value Debt Listed Entities' which has listed its non-convertible debt securities and has an outstanding value of listed non-convertible debt securities of Rupees Five Hundred Crore and above (provided that in case an entity that has listed its non-convertible debt securities triggers the specified threshold of Rupees Five Hundred Crore during the course of the year), shall ensure compliance with the provisions outlined under Regulations 16 to 27;

**Yes complied.**

- xiv) We confirm that a functional website containing, amongst others, Email address for grievance redressal and other relevant details and Name of the debenture trustees with full contact details is maintained by the Company.

**For Highway Concessions One Private Limited**

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

**Kunjal Shah**

**Company Secretary & Compliance officer**

**Date: May 23, 2023**

**Place: Mumbai**

## Arbitration Matters:

Sr. No.	Case/ Claim Details	Disputed Amount (Excl. Interest) (INR Cr.)	Current Status
<b>A.</b>	<b>Highways Infrastructure Trust (HIT)</b>		
	No ongoing arbitration matters		
<b>B.</b>	<b>Ulundurpet Expressways Pvt. Ltd. (UEPL)</b>		
	No ongoing arbitration matters		
<b>C.</b>	<b>Dewas Bhopal Corridor Pvt. Ltd. (DBCPL)</b>		
	No ongoing arbitration matters		
<b>D.</b>	<b>Nirmal BOT Ltd. (NBL)</b>		
	No ongoing arbitration matters		
<b>E.</b>	<b>Godhra Expressways Pvt. Ltd. (GEPL)</b>		
	No ongoing arbitration matters		
<b>F.</b>	<b>Shillong Expressways Pvt. Ltd. (SEPL)</b>		
	No ongoing arbitration matters		
<b>G.</b>	<b>Jodhpur Pali Expressway Pvt. Ltd. (JPEPL)</b>		
	No ongoing arbitration matters		

B.	Ulundurpet Expressways Pvt. Ltd. (UEPL)		
1.	<b>Pending Toll Fee Dues (Pass through):</b> UEPL Vs. TNSTC  UEPL in April 2017 has filed writ petition in Madras High Court against pending toll fee dues from Tamil Nadu State Transport Corporation. (W.P.No.9562 of 2017)	INR 12.81 Cr.	<ul style="list-style-type: none"> <li>• Last hearing in this matter was scheduled on 23 November 2022, wherein Court has appointed mediator as per agreement between both the parties.</li> <li>• Both the petitioner and the respondents are required to produce their accounts and arrive at a settlement and the Mediator is requested to conclude mediation proceedings within a period of four months.</li> <li>• Accordingly, this Writ Petition is disposed off.</li> </ul>

C.	Dewas Bhopal Corridor Pvt. Ltd. (DBCPL)		
1.	<b>Labour Cess (Indemnity):</b> DBCPL Vs. MP Labor Commission DBCPL has filed writ petition (no. 10812 of 2011) in MP High Court against imposition of labor cess amounting INR 4.68 Cr. under Building and other construction workers Welfare Cess Act, 1996.	INR 4.68 Cr.	<ul style="list-style-type: none"><li>MP High Court on 09 Sept. 2015 (corrected vide order dated 30 Sept. 2015) ordered that, pending disposal of writ petition, no coercive steps for recovery of cess shall be taken against DBCPL.</li><li>At present, case is pending for final hearing.</li></ul>
2.	<b>Stamp Duty on execution of Concession Agreement (Indemnity):</b> DBCPL Vs. State of MP and others  DBCPL has filed special leave petition (civil) (no. 14693 of 2010 - converted into Civil Appeal No. 8987 of 2013) in Supreme Court against final order passed by MP High Court on 11 Feb. 2010 in regards to applicability of 2% stamp duty (on TPC) on execution of Concession Agreement.	INR 8.90 Cr.	<ul style="list-style-type: none"><li>Supreme Court on 13 September 2013 ordered that, interim stay granted earlier is extended until further orders.</li><li>At present, case is pending for final hearing.</li></ul>
D.	Nirmal BOT Ltd. (NBL)		
1.	<b>Stamp Duty on execution of Concession Agreement (Indemnity):</b> NBL Vs. State of AP  NBL has filed writ petition (WP 15464/2011) in AP High Court against District Registrar, Adilabad’s notice in regards to applicability of 5% stamp duty (on TPC) on execution of Concession Agreement.	INR 13.59 Cr.	<ul style="list-style-type: none"><li>AP High Court on 9 June 2011 has granted stay order in favor of NBL and restrained the Registrar from taking any action against NBL pending the decision.</li><li>At present, case is pending before High Court.</li></ul>
E.	Godhra Expressways Pvt. Ltd. (GEPL)		
	No ongoing court matters		



F. Shillong Expressways Pvt. Ltd. (SEPL)			
1.	Additional bonus Annuity/ COS (Pass through): SEPL Vs. NHAI	INR 14.35 Cr.	<ul style="list-style-type: none"><li>Application was filed by NHAI in Delhi High Court under section 34 of Arbitration Act for setting aside arbitral Award which was dismissed by the Court on 02 November 2018.</li><li>Further, NHAI on 7 January 2019 has further challenged aforesaid court order under Section 37 of Arbitration Act (Act).</li><li>NHAI as per Court order dated 22 January 2019 has paid award amount to SEPL except towards additional bonus annuity of Rs. 10.63 Cr. and interest of Rs. 3.72 Cr. which has been deposited with the court as per Court order.</li><li>Last hearing in Section 37 matter was scheduled on 23 January 2023, which has now been re-scheduled to 26 July 2023.</li><li>Last hearing in Section 36 matter was scheduled on 14 March 2023, which has now been re-scheduled to 29 August 2023.</li></ul>
	Claim for bonus annuity on account of delay from Authority and positive COS during construction.		
	On 27 June 2018, AT has awarded claim of INR 27.42 Cr. (INR 16.21 Cr. claim + INR 11.21 Cr. towards interest up to date of Award) in favor of SEPL. Further, AT has also preponed the Annuity dates to 28 February and 28 August of every year against 25 March and 25 Sept. earlier.		
	SEPL on 26 Oct. 2018 (no. O.M.P. (ENF.) (COMM.) 251 of 2018 & IA 14995 of 2018) had filed an execution petition in Delhi High Court under section 36 of A&C Act, 1996.		
	NHAI on 25 Sept. 2018 (no. O.M.P. (Comm) 456 of 2018) had filed an application in Delhi High Court under section 34 of A&C Act, 1996 for setting aside AT Award.		
	NHAI on 7 January 2019 (no. FAO(OS) (COMM) 14 of 2019) has filed an application in Delhi High Court under section 37 of A&C Act, 1996.		
G. Jodhpur Pali Expressway Pvt. Ltd. (JPEPL)			
	No ongoing cases		

### Other Matters (in advance stages):

Sr. No.	Case Details	Disputed Amount (Excl. Interest) (INR Cr.)	Current Status
A.	NIL		

**Pass through:** SPV needs to pass through the proceedings received if any to the erstwhile shareholders.

**Indemnity:** SPV is indemnified by the erstwhile shareholders in this matter.

Here erstwhile shareholder is pertaining to the period before acquisition of SPV by IIF/ IIF II.

April 14, 2023

To,

<b>National Stock Exchange of India Limited</b> <b>Exchange Plaza, C-1, Block-G Bandra Kurla</b> <b>Complex, Bandra (E), Mumbai-400051</b> <b>Symbol- HIGHWAYS</b>	<b>BSE Limited</b> <b>Phiroze Jeejeebhoy Towers</b> <b>Dalal Street, Mumbai — 400 001</b> <b>Security Code-974227, 974228</b>
---	--

**Subject: Intimation of Credit Rating of Highways Infrastructure Trust**

**Ref:**

1. Regulation 23 and any other applicable provisions of Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time;
2. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

Dear Sir/Madam,

We wish to inform you that India Ratings and Research (Ind-Ra) has considered the proposed acquisition of 100% shareholding in Navayuga Udupi Tollway Private Limited (“**NUTPL**”) by Highways Infrastructure Trust (“**HIT**”) to be credit neutral and has continued the credit rating for HIT at ‘**IND AAA**’/Stable.

Please find enclosed herewith India Ratings and Research (Ind-Ra) publication on this for your reference.

You are requested to kindly take the same on record.

Thanking you,

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

Kunjai Shah  
Company Secretary and Compliance Officer

Place: Mumbai



A Fitch Group Company

# Proposed Acquisition of Navayuga Udupi Tollway Likely to be Credit Neutral for Highways Infrastructure Trust

Apr 14, 2023 | Infrastructure

India Ratings and Research (Ind-Ra) believes the proposed acquisition of Navayuga Udupi Tollway Private Limited (NUTPL) would be credit neutral for Highways Infrastructure Trust (HIT). Ind-Ra takes note of the execution of the share purchase agreement between HIT and Navayuga Road Projects Private Limited (NRPL) and Navayuga Engineering Company Limited (NECL) for the acquisition of 100% shareholding in NUTPL. The completion of acquisition would depend upon the receipt of relevant approvals and completion of contractual obligations.

Ind-Ra rates HIT at 'IND AAA/Stable'.

HIT proposes to acquire the asset at an enterprise value of around INR9,240 million, which is likely to be largely funded by raising incremental debt at the infrastructure investment trust (InvIT) level and internal accruals. The management expects the entire transaction to be completed over the next six months. The increase in debt at the InvIT level due to the proposed acquisition is unlikely to have any material impact on HIT's financial profile, considering its comfortable coverages and the likelihood of net debt to EBITDA levels being within 5.75x post the acquisition. Any future acquisition that could impact HIT's cashflows due to adverse funding patterns would remain a key rating monitorable. The finer details of the proposed acquisition will be received closer to the completion of the transaction.

NUTPL was incorporated in December 2009 to undertake the development and operations of a road project awarded by National Highways Authority of India (IND AAA/Stable). The project entails the four-laning of the project stretch of 90.08km in the state of Karnataka, covering two sections on National Highway 17 i.e. Kundapur – Surathkal (section I) and Mangalore – Kerala border (section II) on design, build, finance, operate and transfer toll basis. NUTPL commenced toll collections on the stretch post the receipt of provisional completion certificate with effect from 30 January 2017. The toll collection stood at INR824 million in FY22.

## Solicitation Disclosures

Additional information is available at [www.indiaratings.co.in](http://www.indiaratings.co.in).

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer.

## Contact



Rishabh Jain

Senior Analyst

India Ratings and Research Pvt Ltd

Wockhardt Towers, 4th Floor, West Wing, Bandra Kurla Complex, Bandra East, Mumbai - 400051

+91 22 40356167

For queries, please contact: [infogrp@indiaratings.co.in](mailto:infogrp@indiaratings.co.in)

Suryanarayanan S

Analyst

044 43401707

Ankur Dahiya

Senior Manager – Corporate Communication

+91 22 40356121

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**HIGHWAYS INFRASTRUCTURE TRUST**

April 04, 2023

To,

<b>National Stock Exchange of India Limited</b> <b>Exchange Plaza, C-1, Block-G Bandra Kurla</b> <b>Complex, Bandra (E), Mumbai-400051</b> <b>Symbol- HIGHWAYS</b>	<b>BSE Limited</b> <b>Phiroze Jeejeebhoy Towers</b> <b>Dalal Street, Mumbai — 400 001</b> <b>Security Code-974227, 974228</b>
---	--

**Subject: Intimation of Credit Rating of Highways Infrastructure Trust**

**Ref:**

1. Regulation 23 and any other applicable provisions of Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time;
2. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

Dear Sir/Madam,

we wish to inform you that India Ratings and Research (Ind-Ra) has revalidated the following rating of Highways Infrastructure Trust's (HIT) debt instrument and term loan facilities:-

<b>Sl. No.</b>	<b>Instrument Type</b>	<b>Size of Issue (INR Million)</b>	<b>Rating/Outlook</b>
1	Term Loan	500	IND AAA/Stable
2	Term Loan	5000	IND AAA/Stable
3	Term Loan	2500	IND AAA/Stable
4	Non-convertible debentures (NCDs)	6500	IND AAA/Stable

Please find enclosed herewith India Ratings and Research (Ind-Ra) communication for your reference.

You are requested to kindly take the same on record.

Thanking you,

**For Highway Concessions One Private Limited**

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

Kunjal Shah  
Company Secretary and Compliance Officer

Place: Mumbai

Mr. Praveen Kumar  
Vice President – Corporate Finance  
Highways Infrastructure Trust  
316, 317, “C” Wing, Kanakia Zillion,  
L.B.S. Road, BKC Annex, Kurla (West),  
Mumbai 400 070

April 04, 2023

*Dear Sir/Madam,*

**Re: Rating Letter for NCD of Highways Infrastructure Trust**

**This is in reference to the rating action commentary released on 22nd September 2022.**

India Ratings and Research (Ind-Ra) is pleased to communicate the following rating of Highways Infrastructure Trust's (HIT) debt instrument:

Instrument Type	Size of Issue (million)	Rating/Outlook
Non-convertible debentures (NCDs)	INR6,500.0 (reduced from INR9,000.0)	IND AAA/Stable

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

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

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

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

Ratings are based on established criteria and methodologies that India Ratings is continuously evaluating and updating. Therefore, ratings are the collective work product of India Ratings and no individual, or group of individuals, is solely responsible for a rating. All India Ratings reports have shared authorship. Individuals identified in an India Ratings report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. India Ratings is not your advisor, nor is India Ratings providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services. Investors may find India Ratings ratings to be important information, and India Ratings notes that you are responsible for communicating the contents of this letter, and any changes with respect to the rating, to investors.

It will be important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

In this letter, "India Ratings" means India Ratings & Research Pvt. Ltd. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please email us at [infogrp@indiaratings.co.in](mailto:infogrp@indiaratings.co.in)

Sincerely,

India Ratings



**Dr Devendra Pant**  
**Senior Director**



Mr. Praveen Kumar  
Vice President – Corporate Finance  
Highways Infrastructure Trust  
316, 317, “C” Wing, Kanakia Zillion,  
L.B.S. Road, BKC Annex, Kurla (West),  
Mumbai 400 070

April 04, 2023

*Dear Sir/Madam,*

**Re: Rating Letter for Bank Loan Ratings of HIGHWAYS INFRASTRUCTURE TRUST**

**Please refer to the rating letter dated 22-09-2022.**

India Ratings and Research (Ind-Ra) is pleased to communicate the ratings of HIGHWAYS INFRASTRUCTURE TRUST's bank facilities.

The revised bank wise facilities are mentioned in the Annexure while the overall facilities remain unchanged.

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

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

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

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

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Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. India Ratings is not your advisor, nor is India Ratings providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services. Investors may find India Ratings ratings to be important information, and India Ratings notes that you are responsible for communicating the contents of this letter, and any changes with respect to the rating, to investors.

It will be important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

In this letter, "India Ratings" means India Ratings & Research Pvt. Ltd. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please email us at [infogrp@indiaratings.co.in](mailto:infogrp@indiaratings.co.in)

Sincerely,

India Ratings



**Dr Devendra Pant**  
**Senior Director**

**Annexure: Facilities Breakup**

Instrument Description	Banks Name	Ratings	Outstanding/Rated Amount(INR million)
Term Loan	Axis Bank Limited	IND AAA/Stable	500
Term Loan	ICICI Bank	IND AAA/Stable	5000
Term Loan	State Bank of India	IND AAA/Stable	2500



May 03, 2023

To,

<b>National Stock Exchange of India Limited</b> <b>Exchange Plaza, C-1, Block-G Bandra Kurla</b> <b>Complex, Bandra (E), Mumbai-400051</b> <b>Symbol- HIGHWAYS</b>	<b>BSE Limited</b> <b>Phiroze Jeejeebhoy Towers</b> <b>Dalal Street, Mumbai — 400 001</b> <b>Security Code-974227, 974228</b>
---	--

**Subject: Intimation of Credit Rating of Highways Infrastructure Trust**

**Ref:**

1. Regulation 23 and any other applicable provisions of Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time;
2. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

Dear Sir/Madam,

We wish to inform you that India Ratings and Research (Ind-Ra) has Assigned/Affirmed the following rating of Highways Infrastructure Trust's ("HIT") debt instruments: -

Instrument Type	Maturity Date	Size of Issue (INR million)	Rating/Outlook	Rating Action
Bank guarantee (BG)	-	INR750	IND AAA/Stable	Assigned
Non-convertible debentures ("NCDs")	-	INR6,468 (reduced from INR6,500)	IND AAA/Stable	Affirmed
Rupee term loan ("RTL")	31 March 2036	INR7,889 (reduced from INR8,000.0)	IND AAA/Stable	Affirmed

Please find enclosed herewith rating letter received from India Ratings and Research (Ind-Ra) for your reference.

You are requested to kindly take the same on record.

Thanking you,

**For Highway Concessions One Private Limited**

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

KUNJAL BHAVIK SHAH  
 Digitally signed by KUNJAL BHAVIK SHAH  
 Date: 2023.05.03 18:36:48 +05'30'

Kunjali Shah

Company Secretary and Compliance Officer

Place: Mumbai



Mr. Praveen Kumar  
Vice President – Corporate Finance  
Highways Infrastructure Trust  
316, 317, “C” Wing, Kanakia Zillion,  
L.B.S. Road, BKC Annex, Kurla (West),  
Mumbai 400 070

May 02, 2023

*Dear Sir/Madam,*

**Re: Rating Letter for BLR & NCDs of HIGHWAYS INFRASTRUCTURE TRUST**

India Ratings and Research (Ind-Ra) has taken the following rating actions on Highways Infrastructure Trust’s (HIT) debt instruments:

Instrument Type	Maturity Date	Size of Issue (million)	Rating/Outlook	Rating Action
Bank guarantee (BG)^	-	INR750	IND AAA/Stable	Assigned
Non-convertible debentures (NCDs)*	-	INR6,468 (reduced from INR6,500)	IND AAA/Stable	Affirmed
Rupee term loan (RTL)	31 March 2036	INR7,889 (reduced from INR8,000.0)	IND AAA/Stable	Affirmed

\*Detail in Annexure

^Bank guarantee can be provided for period exceeding 12 months with a maximum period of two years

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Sincerely,

India Ratings



**Abhishek Bhattacharya**  
**Senior Director**

**Annexure: Facilities Breakup**

Instrument Description	Banks Name	Ratings	Outstanding/Rated Amount(INR million)
Rupee Term Loan	Axis Bank Limited	IND AAA/Stable	489.00
Rupee Term Loan	ICICI Bank	IND AAA/Stable	4950.00
Rupee Term Loan	State Bank of India	IND AAA/Stable	2450.00
Bank Guarantee	ICICI Bank	IND AAA/Stable	750.00

**Annexure: ISIN**

Instrument	ISIN	Date of Issuance	Coupon Rate	Maturity Date	Ratings	Outstanding/Rated Amount(INR million)
NCDs	INE0KXY07018	23/09/2022	7.71	22/12/2025	IND AAA/Stable	3980
NCDs	INE0KXY07026	23/09/2022	8.25	22/09/2029	IND AAA/Stable	2488

May 13, 2023

To,

<b>National Stock Exchange of India Limited</b> <b>Exchange Plaza, C-1, Block-G Bandra Kurla</b> <b>Complex, Bandra (E), Mumbai-400051</b> <b>Symbol- HIGHWAYS</b>	<b>BSE Limited</b> <b>Phiroze Jeejeebhoy Towers</b> <b>Dalal Street, Mumbai — 400 001</b> <b>Security Code-974227, 974228</b>
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**Subject: Intimation of Credit Rating of Highways Infrastructure Trust**

**Ref:**

1. Regulation 23 and any other applicable provisions of Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time;
2. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

Dear Sir/Madam,

We wish to inform you that CRISIL Ratings Limited ('**CRISIL Ratings**') has reaffirmed the following rating of Highways Infrastructure Trust's ("**HIT**") debt instrument and term loan facilities: -

<b>Sl. No.</b>	<b>Instrument Type</b>	<b>Size of Issue (INR Crores)</b>	<b>Rating/Outlook</b>
1	Total Bank Loan Facilities Rated	800	CRISIL AAA/Stable (Reaffirmed)
2	Non-convertible debentures (NCDs)	650	CRISIL AAA/Stable (Reaffirmed)

Please find below the link to access the Rating Rationale:

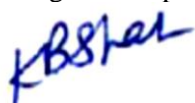
[https://www.crisilratings.com/mnt/winshare/Ratings/RatingList/RatingDocs/HighwaysInfrastructureTrust\\_May%202012,%202023\\_RR\\_319327.html](https://www.crisilratings.com/mnt/winshare/Ratings/RatingList/RatingDocs/HighwaysInfrastructureTrust_May%202012,%202023_RR_319327.html)

You are requested to kindly take the same on record.

Thanking you,

**For Highway Concessions One Private Limited**

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



Kunjal Shah  
Company Secretary and Compliance Officer

Place: Mumbai

April 12, 2023

To,

<b>National Stock Exchange of India Limited</b> <b>Exchange Plaza, C-1, Block-G Bandra Kurla</b> <b>Complex, Bandra (E), Mumbai-400051</b> <b>Symbol- HIGHWAYS</b>	<b>BSE Limited</b> <b>Phiroze Jeejeebhoy Towers</b> <b>Dalal Street, Mumbai — 400 001</b> <b>Security Code-974227, 974228</b>
---	--

**Subject: Intimation of Credit Rating of Highways Infrastructure Trust**

**Ref:**

1. Regulation 23 and any other applicable provisions of Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended from time to time;
2. SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time.

Dear Sir/Madam,

we wish to inform you that CRISIL Ratings has reaffirmed the following rating of Highways Infrastructure Trust's (HIT) debt instrument and term loan facilities:-

<b>Sl. No.</b>	<b>Instrument Type</b>	<b>Size of Issue (INR Crores)</b>	<b>Rating/Outlook</b>
1	Term Loan	800	CRISIL AAA/Stable (Reaffirmed)
2	Non-convertible debentures (NCDs)	650	CRISIL AAA/Stable (Reaffirmed)

Please find enclosed herewith CRISIL Ratings communication for your reference.

You are requested to kindly take the same on record.

Thanking you,

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

Kunjal Shah  
Company Secretary and Compliance Officer

Place: Mumbai



## Rating Rationale

April 11, 2023 | Mumbai

### Highways Infrastructure Trust

Rating reaffirmed at 'CRISIL AAA/Stable'

#### Rating Action

Total Bank Loan Facilities Rated	Rs.800 Crore
Long Term Rating	CRISIL AAA/Stable (Reaffirmed)

Rs.650 Crore Non Convertible Debentures	CRISIL AAA/Stable (Reaffirmed)
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*Note: None of the Directors on CRISIL Ratings Limited's Board are members of rating committee and thus do not participate in discussion or assignment of any ratings. The Board of Directors also does not discuss any ratings at its meetings.*

*1 crore = 10 million*

*Refer to Annexure for Details of Instruments & Bank Facilities*

#### Detailed Rationale

CRISIL Ratings has reaffirmed its rating at 'CRISIL AAA/Stable' for the long-term bank facilities and non-convertible debentures (NCDs) of Highways Infrastructure Trust (HIT).

HIT is an infrastructure investment trust (InvIT) of road sector assets sponsored by Galaxy Investments II Pte. Ltd, (Galaxy or sponsor, rated CRISIL AA/Stable), which is invested in by funds, vehicles and/or entities managed and/or advised by Kohlberg Kravis Roberts & Co. LP and/or its affiliates (collectively 'KKR'), with Highway Concessions One Pvt Ltd (HC1) as its investment manager, HC One Project Manager Pvt Ltd (HC1 PM), a 100% subsidiary of HC1, acting as project manager and Axis Trustee Services Ltd acting as trustee.

CRISIL Ratings' notes the recent announcement, on March 30, 2023, by Highways Infrastructure Trust (HIT) to acquire the special purpose vehicle, Navayuga Udupi Tollway Private Limited (NUTPL).

HIT has signed a share purchase agreement for acquisition of 100% shareholding in NUTPL at an enterprise value of around Rs 924 crore, subject to receipt of relevant approvals from regulators, lenders and unitholders, and completion of contractual obligations. The project, located in Karnataka with a total tollable length of 90.3 kilometre (km), connects Kundapur-Surathkal section of 74.8 km and Mangalore-Kerala border section of 14.5 km. It is a part of national highway (NH) 66, which connects Panvel to Kanyakumari through the states of Maharashtra, Goa, Karnataka, Kerala and Tamil Nadu. The project received provisional commercial operations date (COD) on January 30, 2017 and started toll collection on around 91% of the stretch. The company has recently received completion certificate for balance stretch as well by Independent Engineer and final approval is pending with National Highways Authority of India (NHAI, rated 'CRISIL AAA/Stable'). Toll collections for fiscal 2022 were Rs 82.4 crore.

The transaction is expected to be financed largely by raising incremental debt at the InvIT level and internal accruals and expected to be completed in six months. Even with the incremental debt, HIT's debt protection metrics are expected to remain comfortable; debt-to-toll revenue is expected to remain around 3.0 times, post the acquisition. While this acquisition will not have a material impact on HIT's financial risk profile, any further debt-funded acquisition or capital expenditure will remain monitorable. CRISIL Ratings will continue to engage with HIT's management to get further details of the proposed transaction.

The rating continues to reflect favourable location and geographic diversity of the stretches being acquired, and healthy revenue visibility given strong track record of toll collection and annuity receipt. The assets have strong operational track record of 8 to 14 years as well as strong counterparties with 4 out of 6 concessions from National Highways Authority of India (NHAI, rated 'CRISIL AAA/Stable'). These, coupled with adequate leverage, will result in strong debt protection metrics. As per the terms, the debt is expected to be capped at 49% of the trust's valuation. Additionally, debt terms require maintenance of a three-month debt service reserve account (DSRA), six-month major maintenance reserve account (MMRA), cash trap if DSCR falls below 1.40 times providing liquidity cushion. The rating also derives strength from the experience of KKR and services provided by, HC1 and HC1 PM to the assets.

These strengths are partially offset by susceptibility of toll revenue to volatility in traffic volume, development or improvement of alternative routes or modes of transportation that could impact revenue and in turn DSCR. The DSCR will also remain susceptible to volatility in operations and maintenance (O&M) costs and interest rates.

#### Analytical Approach

CRISIL Ratings has combined the business and financial risk profiles of HIT with its underlying SPVs. This is because the trust is expected to have direct control over these SPVs and will infuse funds in them (in the form of shareholder debt) to prepay outstanding debt. Furthermore, the SPVs will distribute their surplus cash to the InvIT, in the form of interest and

repayment (on debt provided by the InvIT/ debentures), dividend or return of capital through capital reduction, leading to highly fungible cash flows. Also, as per the financing terms, the cap on borrowings has been defined at a consolidated level; aggregate consolidated borrowing for the InvIT and its SPVs is restricted at 49% of the valuation.

*Please refer Annexure - List of Entities Consolidated, which captures the list of entities considered and their analytical treatment of consolidation.*

## **Key Rating Drivers & Detailed Description**

### **Strengths:**

#### **Healthy operational track record of assets with geographic diversification**

The portfolio comprising of six projects in different states benefits from asset and geographical diversification. Additionally, the projects have strong counter parties - NHAI for four projects and Ministry of Road Transport and Highways (MoRTH) and Madhya Pradesh Road Development Corporation Ltd (MPRDC) for one each. The toll road projects have long tolling track record between 8 to 14 years, while the annuity projects have track record of receiving 26 and 20 semi-annual annuities without any material deduction. Around 84% of revenue is contributed from 4 toll projects, while the remaining comes from 2 annuity projects.

The toll stretches are situated along major industrial and tourist hubs and connect important cities such as Godhra, Jodhpur, Indore, Bhopal and Chennai to major ports on the western (Kandla and Mundra) and eastern (Chennai and Pondicherry Port) seaboards. The revenue is moderately concentrated across 3 stretches, each contributing 20-25% of overall revenue. Nevertheless, the stretches are spread across six key states that contribute substantially to the total gross state domestic product (GSDP). The trust is, thus, expected to benefit from healthy traffic potential. Balance concession period of the projects ranges from 3 to 21 years. While the concession for three of the stretches is expected to be over in next 4-5 years, their contribution to the initial portfolio is expected to be 35-40%. Hence, long term revenue visibility is driven by other three assets having larger share of revenue. Furthermore, the trust is expected to continue to look for new opportunities of adding assets and hence, further diversifying the portfolio over the medium term.

2 of the 4 toll projects have an annual toll rate escalation with a fixed increase of 3% and a variable portion equal to only 40% change in wholesale price index (WPI), limiting dependence on WPI, thereby supporting revenue, while one project has a fixed toll rate hike of 7% and the remaining one is linked directly to the WPI. Toll revenue for all toll assets except UEPL grew at a compounded annual growth rate (CAGR) of 8.5-16% over fiscals 2017 to 2022 and was 3.5% for UEPL.

While the long-term traffic growth on the portfolio assets is adequate, the traffic experienced de-growth of ~3-5% in three out of four toll projects in fiscal 2022 on account of the pandemic-related lockdowns. The remaining one stretch witnessed growth of 16%.

#### **Strong debt protection metrics, with provision for cash sweep and creation of DSRA and MMRA**

Financial risk profile is expected to be healthy with initial debt of around Rs 1,450 crore. Further, CRISIL Ratings has also factored in additional debt of around Rs 400 crore for funding major maintenance. The resultant average debt service coverage ratio (DSCR) is expected to remain healthy through the tenure of the debt. The cash flows will remain sufficient to fund premium payments as well.

The debt terms also require adequate liquidity cushion in form of three months DSRA and six months MMRA. Cash trap will be triggered if DSCR falls below 1.40 times, while there will be a cash sweep in case of negative impact on tollable traffic on account of an alternate route to the project roads. The structure also stipulates that any transfer to the distribution account will be made only post meeting debt obligation, DSRA and MMRA requirement, and transfer to the cash sweep account, if required.

The NCDs have a tenor of 3 years 3 months and 7 years for tranche-1 and tranche-2, respectively, exposing the trust to refinancing risk. However, the risk is mitigated by a long tail at the end of tenure of NCDs, ability of sponsors in refinancing and healthy revenue potential of the stretches.

As per InvIT guidelines, the debt must not exceed 49% of asset value (till six consecutive dividend distributions) and the same is also built into the final documents. CRISIL Ratings believes that the DSCR for the rated debt instruments is strong and is expected to remain well above the covenants throughout the debt tenure, supported by healthy toll collection and moderate leverage.

### **Experienced management team**

HIT will benefit from the strong asset management ability of the Sponsor, which is invested in by KKR, which in turn has strong experience in the infrastructure space, including in India. While this is Galaxy's first investment in Indian roads, it benefits from KKR's experience in renewable energy and transmission sector in India. Additionally, the assets will be managed by experienced service providers HC1 and HC1 PM, who have a long track of managing these assets.

### **Weaknesses:**

#### **Susceptibility of toll revenue to volatility in traffic, or development or improvement of alternative routes**

Toll collection is a major source of revenue and is susceptible to volatility because of toll leakages, competing routes, lack of timely increase in toll rates, fluctuation in WPI-linked inflation, seasonal variations in vehicular traffic, and economic downturns. For instance, traffic and toll collection across stretches was affected due to government policies like demonetisation in fiscal 2017 and the nation-wide lockdown following the pandemic in fiscal 2021 and 2022.

While the stretches do not face any substantial threat from alternate routes as of now, improvement of these routes or development of new alternate routes may affect traffic and diversion, if any, on account of any of these will be a key rating sensitivity factor.

**Susceptibility to volatility in O&M and major maintenance costs and interest rates**

The trust is exposed to risks related to maintenance of the projects in the underlying SPVs as per the specifications and within the budgeted costs. While the SPVs are expected to maintain six months equivalent MMRA, any significant dip in toll collection or unplanned maintenance activity could result in cash flow shortfall during years of such maintenance and will remain a rating sensitive factor.

The interest rate for the rupee term debt shall be floating with an annual reset linked to benchmark. This exposes the trust to volatility in interest rates. Although part of debt raised through bonds has fixed rate the cushion in the cash flow, will partially help to absorb the impact of any fluctuations in rate of interest, but it will remain a rating sensitivity factor.

**Liquidity: Superior**

Toll collections and annuity receipts will be adequate to meet operational expenses and debt obligation. Furthermore, a DSRA equivalent to three months' interest and principal obligation will be maintained along with MMRA equivalent to six months of MM expenses. Liquidity will also be supported by the cash trap provision, if the DSCR falls below 1.40 times. The limited amortising structure of the NCDs with substantial bullet repayment in fiscal 2026 and fiscal 2030 exposes the trust to refinancing risk. However, the risk is mitigated by long tail at the end of tenure of NCDs, ability of sponsors in refinancing and healthy revenue potential of the stretch.

**Outlook: Stable**

CRISIL Ratings believes that HIT will continue to generate healthy toll revenue over the medium term, backed by good traffic potential on the project stretches.

**Rating Sensitivity factors****Downward factors:**

- Lower-than-expected toll revenue by more than 10% on sustained basis or higher-than-expected maintenance cost affecting DSCR
- Higher-than-expected incremental borrowings
- Non-adherence to the structural features of the transaction
- Non maintenance of adequate liquidity reserves in the form of DSRA and MMRA
- Acquisition of weak assets with high debt and low revenue potential impacting overall DSCR
- Minimum DSCR falling below 1.5 times leading to lower buffer in relation to financial covenants

**About the Company**

HIT is registered as an irrevocable trust under Indian Trust Act, 1882, and as an InvIT under SEBI's Infrastructure Investment Trust Regulations, 2014 since December 23, 2021. HIT is sponsored by Galaxy, which is invested in by KKR, and has acquired an initial portfolio of six operational projects with four toll and two annuity roads.

KKR is a leading global investment firm with approximately US\$ 504 billion of assets under management as of December 31, 2022.

The broad details of the assets held by HIT, are provided below:

**Jodhpur Pali Expressway Pvt. Ltd (JPEPL)**

The stretch is the shortest route connecting Jodhpur to Pali measuring 71.5 km. It achieved provisional commercial operation date (PCOD) in fiscal 2015 and COD in fiscal 2018 and has a track record of more than 8 years with balance concession life of around 21 years. Traffic registered a CAGR of 2.3% between fiscals 2016 and fiscal 2022. The stretch has four alternate routes, but these are either two lane or longer than JPEPL's stretch and do not impact the traffic movement on the project road.

**Godhra Expressways Pvt. Ltd (GEPL)**

The stretch, measuring 87.1 km, provides connectivity for traffic plying from the Kandla and Mundra ports and moving towards central and east India. It achieved PCOD in fiscal 2014 and COD in fiscal 2017 and has a track record of over 9 years with balance concession life of around 20 years. Traffic registered a CAGR of 8.9% between fiscals 2016 and fiscal 2022. The stretch has no alternate routes.

**Dewas Bhopal Corridor Pvt. Ltd (DBCPL)**

It is the shortest route between Indore (through Dewas) and Bhopal, two major cities of Madhya Pradesh and measures 140.8 km in length. Project achieved PCOD in fiscal 2009 and COD in fiscal 2011 and has a track record of over 13.5 years with balance concession life of around 10.5 years. Traffic registered a CAGR of 3.3% between fiscals 2016 and fiscal 2022. The stretch has no alternate routes.

**Ulundurpet Expressways Pvt. Ltd (UEPL)**

Connects Chennai to southern, eastern and western parts of Tamil Nadu and measuring around 72.9 km in length. Project achieved COD in fiscal 2010 and has track record of 13 years with balance concession life of around 4 years. Traffic registered degrowth in CAGR of ~0.44% between fiscals 2016 and fiscal 2022. There are no alternate routes to the project road.

**Nirmal BOT Ltd (NBL)**

Connects Kadthal to Armur in the state of Telangana and has balance concession life of around 5 years. The project has track record of timely receiving 26 semi-annual annuities without any material deduction.

**Shillong Expressway Pvt. Ltd (SEPL)**

Project is part of Shillong bypass in the state of Meghalaya and has balance concession life of around 3 years. The project has track record of timely receiving 20 semi-annual annuities without any material deduction.

**Key Financial Indicators**

Particulars	Unit	2022	2021
Revenue	Rs crore	NA	NA
Profit after tax (PAT)	Rs crore	NA	NA
PAT margin	%	NA	NA
Adjusted debt/adjusted net worth	Times	NA	NA
Adjusted interest coverage	Times	NA	NA

\*Financial indicators not meaningful as HIT was incorporated in December 2021 and assets have been acquired in August 2022

**Any other information:** Not applicable

**Note on complexity levels of the rated instrument:**

CRISIL Ratings' complexity levels are assigned to various types of financial instruments and are included (where applicable) in the 'Annexure - Details of Instrument' in this Rating Rationale.

CRISIL Ratings will disclose complexity level for all securities - including those that are yet to be placed - based on available information. The complexity level for instruments may be updated, where required, in the rating rationale published subsequent to the issuance of the instrument when details on such features are available.

For more details on the CRISIL Ratings' complexity levels please visit [www.crisilratings.com](http://www.crisilratings.com). Users may also call the Customer Service Helpdesk with queries on specific instruments.

**Annexure - Details of Instrument(s)**

ISIN	Name of instrument	Date of allotment	Coupon rate (%)	Maturity date	Issue size (Rs crore)	Complexity levels	Rating assigned with outlook
NA	Term loan	NA	NA	31-Mar-36	800	NA	CRISIL AAA/Stable
INE0KXY07018	Non-convertible debentures	23-Sep-22	7.71%	22-Dec-25	400	Simple	CRISIL AAA/Stable
INE0KXY07026	Non-convertible debentures	23-Sep-23	8.25%	22-Sep-29	250	Simple	CRISIL AAA/Stable

**Annexure – List of entities consolidated**

Name of company	Type of consolidation	Rationale for consolidation
Jodhpur Pali Expressway Pvt. Ltd	Full consolidation	100% subsidiaries
Godhra Expressways Pvt. Ltd	Full consolidation	
Dewas Bhopal Corridor Pvt. Ltd	Full consolidation	
Ulundurpet Expressways Pvt. Ltd	Full consolidation	
Nirmal BOT Ltd	Full consolidation	
Shillong Expressway Pvt. Ltd	Full consolidation	

**Annexure - Rating History for last 3 Years**

Instrument	Type	Current		2023 (History)		2022		2021		2020		Start of 2020
		Outstanding Amount	Rating	Date	Rating	Date	Rating	Date	Rating	Date	Rating	Rating
Fund Based Facilities	LT	800.0	CRISIL AAA/Stable		--	22-09-22	CRISIL AAA/Stable		--		--	--
						07-09-22	Provisional CRISIL AAA/Stable		--		--	--
						11-03-22	Provisional CRISIL AAA/Stable		--		--	--
Non Convertible Debentures	LT	650.0	CRISIL AAA/Stable		--	22-09-22	CRISIL AAA/Stable		--		--	--
						07-09-22	Provisional CRISIL AAA/Stable		--		--	--
						11-03-22	Provisional CRISIL AAA/Stable		--		--	--

All amounts are in Rs.Cr.

**Annexure - Details of Bank Lenders & Facilities**

Facility	Amount (Rs.Crore)	Name of Lender	Rating
Term Loan	250	State Bank of India	CRISIL AAA/Stable
Term Loan	50	Axis Bank Limited	CRISIL AAA/Stable
Term Loan	500	ICICI Bank Limited	CRISIL AAA/Stable

*This Annexure has been updated on 11-Apr-23 in line with the lender-wise facility details as on 11-Mar-22 received from the rated entity.*

## Criteria Details

<b>Links to related criteria</b>
<a href="#">CRISILs rating criteria for REITs and InVITs</a>
<a href="#">CRISILs criteria for rating annuity and HAM road projects</a>
<a href="#">Rating Criteria for Toll Road Projects</a>
<a href="#">Understanding CRISILs Ratings and Rating Scales</a>
<a href="#">CRISILs Criteria for Consolidation</a>

Media Relations	Analytical Contacts	Customer Service Helpdesk
<b>Aveek Datta</b> Media Relations <b>CRISIL Limited</b> M: +91 99204 93912 B: +91 22 3342 3000 <a href="mailto:AVEEK.DATTA@crisil.com">AVEEK.DATTA@crisil.com</a>	Mohit Makhija Senior Director <b>CRISIL Ratings Limited</b> B: +91 124 672 2000 <a href="mailto:mohit.makhija@crisil.com">mohit.makhija@crisil.com</a>	Timings: 10.00 am to 7.00 pm Toll free Number: 1800 267 1301  For a copy of Rationales / Rating Reports: <a href="mailto:CRISILratingdesk@crisil.com">CRISILratingdesk@crisil.com</a>
<b>Prakruti Jani</b> Media Relations <b>CRISIL Limited</b> M: +91 98678 68976 B: +91 22 3342 3000 <a href="mailto:PRAKRUTI.JANI@crisil.com">PRAKRUTI.JANI@crisil.com</a>	Anand Kulkarni Director <b>CRISIL Ratings Limited</b> B: +91 22 3342 3000 <a href="mailto:anand.kulkarni@crisil.com">anand.kulkarni@crisil.com</a>	For Analytical queries: <a href="mailto:ratingsinvestordesk@crisil.com">ratingsinvestordesk@crisil.com</a>
<b>Rutuja Gaikwad</b> Media Relations <b>CRISIL Limited</b> B: +91 22 3342 3000 <a href="mailto:Rutuja.Gaikwad@ext-crisil.com">Rutuja.Gaikwad@ext-crisil.com</a>	Shrikesh Narule Rating Analyst <b>CRISIL Ratings Limited</b> B: +91 22 3342 3000 <a href="mailto:Shrikesh.Narule@crisil.com">Shrikesh.Narule@crisil.com</a>	





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For more information, visit [www.crisilratings.com](http://www.crisilratings.com)

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**HIGHWAYS INFRASTRUCTURE TRUST**

April 18, 2023

<b>To,</b> <b>Listing Compliance Department,</b> <b>National Stock Exchange of India Limited</b> <b>Exchange Plaza, C-1, Block-G Bandra Kurla Complex,</b> <b>Bandra (E), Mumbai-400051</b> <b>Symbol- HIGHWAYS</b>	<b>To,</b> <b>Corporate Relations Department,</b> <b>BSE Limited</b> <b>Phiroze Jeejeebhoy Towers Dalal Street,</b> <b>Mumbai — 400 001</b> <b>Security Code- 974227 &amp; 974228</b>
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**Subject: Initial Disclosure under SEBI Circular No. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 updated as on April 13, 2022.**

We write with reference to the SEBI Operational Circular (Ref No. SEBI/HO/DDHS/P/CIR/2021/613 dated August 10, 2021 updated as on 26th November April 13, 202218, this circular superseded the SEBI Circular SEBI/HO/DDHS/CIR/P/2018/144 dated November 26, 2018) (“**SEBI Circular**”) w.r.t. fund raising by issuance of debt securities by large corporates and disclosures and, compliances thereof by such large corporates, whereby amongst others, the listed entities which are identified as “Large Corporate” within the meaning as specified in the said circular, are required to file an Initial Disclosure within 30 days from the beginning of the Financial Year giving certain information.

In this regard, please be informed that Highways Infrastructure Trust (“**Trust**”) had issued the following Secured, Rated, Listed, Redeemable Non-Convertible Debentures (“**NCDs**”).

<b>Sr. No.</b>	<b>Particulars</b>	<b>ISIN Number</b>	<b>Issuance Date</b>	<b>BSE listed on</b>
1	Series I	INEOKXY07018	23-Sep-22	26-Sep-22
2	Series II	INEOKXY07026	23-Sep-22	26-Sep-22

Accordingly, the Initial Disclosure regarding identification of the Trust as a large corporate entity for the Financial Year 2023-24 as per the applicability criteria provided in the aforesaid circular is enclosed as **Annexure A**.

You are requested to take the same on record.

Thanking you,  
**For Highway Concessions One Private Limited**  
*(acting in its capacity as Investment Manager of Highways Infrastructure Trust)*

Kunjal Shah  
Company Secretary and Compliance Officer

**Place: Mumbai**

## HIGHWAYS INFRASTRUCTURE TRUST

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CC:

<b>Axis Trustee Services Limited</b> ("Trustee of the InvIT") Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400 025, Maharashtra, India	<b>Catalyst Trusteeship Limited</b> ("Debenture Trustee") Windsor, 6th floor, Office No.604, C.S.T Road, Kalina, Santacruz (East), Mumbai – 400098 Maharashtra, India
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## HIGHWAYS INFRASTRUCTURE TRUST

### Annexure A

#### Format of the initial disclosure to be made by an entity identified as a Large Corporate

Sl. No.	Particulars	Details
1	Name of the Company	Highways Infrastructure Trust
2	CIN/SEBI Registration No.	IN/InvIT/21-22/0019
3	Outstanding borrowing of company as on 31 <sup>st</sup> March 2023, (in Rs. crore)	Outstanding borrowing of Trust as on March 31, 2023, is INR 1,435.65 Crores.
4	Highest credit rating during the previous FY along with name of the CRA	CRISIL Ratings: CRISIL AAA/Stable (Reaffirmed) India Ratings and Research (Ind-Ra): IND AAA/Stable
5	Name of stock exchange in which the fine shall be paid, in case of shortfall in the required borrowing under the framework	BSE Limited

We confirm that **we are a Large Corporate** as per the applicability criteria given under the Chapter XII of SEBI Circular.

#### For Highway Concessions One Private Limited

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

Kunjal Shah

Company Secretary and Compliance Officer  
Email: [Kunjal.shah@highwayconcessions.com](mailto:Kunjal.shah@highwayconcessions.com)  
Contact No. 7506333447

Narayanan Doraiswamy

Chief Financial Officer  
Email: [Narayanan.d@highwayconcessions.com](mailto:Narayanan.d@highwayconcessions.com)  
Contact No. 9769180011

Place: Mumbai