



HIGHWAYS INFRASTRUCTURE TRUST

ACTIVITY AND PERFORMANCE REPORT FOR THE QUARTER ENDED December 31, 2024

This report for Highways Infrastructure Trust ("HIT/Trust") for the quarter ended Dec 31, 2024 has been prepared pursuant to regulations 10(18) and 10(24) of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014 and any amendment thereof ("SEBI InvIT Regulations").

FINANCIAL PERFORMANCE

Un-audited Financial Statements along with the Limited Review Report for the quarter ended Dec 31, 2024 will be presented before the Board of the Directors of Highway Concessions One Private Limited, the investment manager of HIT ("HC1" or "IM") within 45 days of end of the quarter.

ACQUISITIONS: HIT awarded TOT Bundle 16 by NHA

HIT has successfully emerged as the highest bidder for TOT Bundle 16 under the NHA's monetization program. HIT signed the Letter of Award on 20th September 2024.

The project covers ~251 km stretch on the Hyderabad-Nagpur corridor with five toll plazas, spanning from the MH/TS Border to Armur (Existing Km 175+000 to Existing Km 313+507) and from Adloor Yellareddy to Bowenpally (Existing Km 373+762 to Existing Km 486+838) on NH-44, located in Telangana. The project will be operated on toll-operate-transfer (TOT) basis.

North Telangana Expressway Private Limited, the special purpose vehicle incorporated by HIT, **has executed the Concession Agreement on 18th October 2024**, securing a 20-year concession period.



OPERATIONAL HIGHLIGHTS

INCOME - BOT (TOLL) PROJECTS

Sl. No.	Particulars	Q3 FY 2025 (INR Mn)
1	Godhra Expressways Private Limited ("GEPL")	461.0
2	Ulundurpet Expressways Private Limited ("UEPL")	440.3
3	Jodhpur Pali Expressway Private Limited ("JPEPL")	187.5
4	Dewas Bhopal Corridor Private Limited ("DBCPL")	653.1
5	Udupi Tollways Pvt. Ltd. ("UTPL")	373.7
6	Swarna Tollway Private Limited ("STPL")	893.9
7	Gujarat Road and Infrastructure Company Limited ("GRICL")	955.0
8	Bangalore Elevated Tollway Private Limited ("BETPL")	608.9

Notes:-

1. For Toll project, revenue collected through Toll has been considered and income arising out of change of scope activity has not been considered.
2. For GRICL please note full revenue has been reported while HIT owns around 56.8%.
3. Revenue numbers are as per limited review financials of the SPVs as on December 31, 2024 and may undergo a change upon completion of audit.





OPERATIONAL HIGHLIGHTS

INCOME -BOT (ANNUITY) - PROJECTS

Sl. No.	Particulars	Q3 FY 2025 (INR Mn)
1	Shillong Expressway Private Limited ("SEPL")	30.9
2	Nirmal BOT Private Limited ("NBL") (Formerly known as Nirmal BOT Limited) ("NBPL")	50.9

Notes:-

1. Revenue for BOT Annuity projects considered are as per Ind-AS 115 and the actual annuity receipt figures may differ.
2. Revenue numbers are as per the limited review financial of SPV as on Dec 31, 2024 and may undergo a change upon completion of audit.

INCOME - HYBRID ANNUITY MODEL PROJECT (HAM PROJECTS)

Sl. No.	Particulars	Q3 FY 2025 (INR Mn)
1.	Gurgaon Sohna Highway Private Limited ("GSHPL")	103.1
2.	Rewari Ateli Highway Private Limited ("RAHPL") (Formerly known as H.G. Rewari Ateli Highway Private Limited)	78.8
3.	Ateli Narnaul Highway Private Limited ("ANHPL") (Formerly known as H.G. Ateli Narnaul Highway Private Limited)	72.8

Notes:-

1. Revenue for HAM projects considered are as per Ind-AS 115 and the actual annuity receipt figures may differ.
2. Revenue numbers are as per the limited review financial of SPV as on Dec 31, 2024 and may undergo a change upon completion of audit.





MAINTENANCE WORK



ROUTINE MAINTENANCE

All routine maintenance activities have been carried out as per the requirements set out under the respective concession agreements.

MAJOR MAINTENANCE

A synopsis of status of ongoing major maintenance ("MM") is set out below:

Entity Name	Status as on December 31, 2024	Expected Completion date
BETPL	Major maintenance commenced in the month of September 2024. BC overlay of 31.90/ 48.73 running kilometres on the main carriageway was completed by December 31, 2024. The major maintenance for the entire stretch is expected to be completed by March 31, 2025.	March, 2025
GRICL	Major maintenance commenced in May 2024 and the stretches identified prior to monsoon (23.83 two lane km) have been completed. Additional sections (22.99 two lane km) have been taken up based on post monsoon investigations and same will be completed by March 31, 2025.	March, 2025
UTPL	Major maintenance commenced in the month of December 2023. SMA overlay of 79.60/148 running kilometers on main carriage way has completed by December 31, 2024. The major maintenance for the entire stretch is expected to be completed by March 31, 2025.	March, 2025



HEALTH, SAFETY, ENVIRONMENTAL AND SOCIAL (HSES)

- Extensive HSES Training:** A total of 8,450 man-hours were dedicated to HSES training across all SPVs during quarter ended Dec 31, 2024, including the rollout of structured and local-language TBT modules.
- Fatality Corrective Actions:** Corrective measures from 2 occupational fatalities in Q2FY25 have been implemented across all SPVs.
- "Step-Up for Safety" Campaign:** A new safety initiative was launched, featuring Joint CEO interactions, cross-functional audits, site inspections, near-miss drives, and targeted safety training to enhance workplace safety.

Compliance Confirmation

The status of the compliance with the SEBI InvIT Regulations is set out below:

Borrowings:

HIT has availed the following third-party borrowings and such borrowings are in compliance with Regulation 20 under SEBI InvIT Regulations.

Particulars	Facility (INR Mn)	Outstanding as on Dec 31, 2024 (INR Mn)
Rupee term Loan I & II	26,969	20,486
Listed Non-convertible	11,500	11,354
Commercial Papers	2,750	2,750
Loans at SPVs ²	NA	1,134

1. The amounts outstanding provided above are actual amounts outstanding as on Dec 31, 2024 and may be different from those appearing in the financial statements due to Ind-AS adjustments.

2. Loan at SPVs include loan from erstwhile promoters in UEPL and NCD in GRICL (HIT's proportionate economic interest of 56.80%) as at Dec 31, 2024.

3. As on Dec 31, 2024, the aggregate consolidated net borrowing (net of cash and cash equivalents) and deferred payment of HIT is at 30.87% of the value of HIT assets as determined by the latest available valuation (as of Sep 30, 2024) undertaken by the valuers in accordance with the SEBI InvIT Regulations. The enterprise value for North Telangana Expressway Private Limited has not been considered above since the appointed date is yet to be received.

4. Please note that cash and cash equivalents consider all cash, bank balances, fixed deposits and mutual fund investments as per financial statements and includes all interest accrued / reserves / amounts earmarked for distribution. (Cash and cash equivalents for GRICL are considered proportionate to economic interest of HIT of 56.80%)

5. During the quarter ended Dec 31, 2024, CPs of face value of Rs. 2,750 Mn were issued ("New CPs"). The disbursement proceeds of the same of Rs. 2,549 Mn were entirely utilized towards repayment of existing CPs due on Dec 19, 2024. Amount outstanding of New CPs along with accumulated interest as per IndAS as on Dec 31, 2024 is Rs. 2,557 Mn. Such amount has been considered for the purpose of calculation as per Regulation 20 under SEBI InvIT Regulations. However, maturity value of Rs. 2,750 Mn of New CPs is considered in the borrowings mentioned above.



RELATED PARTY TRANSACTIONS:

All related party transactions by HIT during the quarter have been entered into in accordance with the provisions set out in Regulation 19 of the SEBI InvIT Regulations and will be set out in the Un-audited Financial Statement for the quarter ended December 31, 2024 which will be presented to the Board of Directors ("Board") of the IM within 45 days of end of the quarter.

INVESTMENT CONFIRMATION:

All investments by HIT during the quarter have been made in 'eligible infrastructure projects', and no investments in under construction assets has been made by HIT.

DISTRIBUTIONS:

HIT distributed INR 3.12/- per unit in the quarter ended Dec 31, 2024 for the previous quarter. The distribution for the quarter ended Dec 31, 2024 will be considered by the Board of the Investment Manager in upcoming Board Meeting.

OTHER UPDATES (1/2):

Please find below other important updates for the quarter and until the date of this report: -

Change in Board of Directors/ Key Managerial Personnel:

- a) **Appointment of Company Secretary of the Investment Manager:** Based on recommendation of the Nomination & Remuneration Committee, the Board, has appointed Mr. Gajendra Mewara, qualified Company Secretary from the Institute of Company Secretaries of India, having membership number ACS 22941 as the Company Secretary of the Investment Manager w.e.f. Nov 8, 2024.
- b) **Change in Compliance Officer of HIT:** Ms. Meghana Singh has tendered her resignation from the position of Compliance Officer of HIT w.e.f. Nov 8, 2024, and in her place, based on recommendation of the Nomination & Remuneration Committee, the Board has appointed Mr. Gajendra Mewara, as the Compliance Officer of HIT w.e.f. Nov 8, 2024, in accordance with Regulation 10 of SEBI InvIT Regulations, and Regulation 6 (1) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015.
- c) Mr. Stefano Ghezzi, unitholder nominee director has tendered his resignation from the Board of the Investment Manager w.e.f. close of business hours on Nov 14, 2024, on account of cessation of his engagement with 2452991 Ontario Limited ("Nominating Unitholder").
- d) The Board of the Investment Manager has appointed Mr. Bruce Ross Crane as the unitholder nominee director w.e.f. Dec 13, 2024, consequent to the nomination received from the Nominating Unitholder.
- e) The Board of the Investment Manager has inducted Mr. Bruce Ross Crane in place of Mr. Stefano Ghezzi in the investment committee w.e.f. Dec 26, 2024. The revised composition of the investment committee is set out below :

Incorporation of SPV:

HIT had emerged as the Selected Bidder and has received a Letter of Award from National Highways Authority of India for TOT-16 on September 20, 2024. Further a Special Purpose Vehicle in the name of North Telangana Expressway Private Limited ("Project SPV"), was specifically incorporated for on October 14, 2024 for undertaking operation and maintenance of TOT 16 and the said Project SPV has executed the Concession Agreement with NHA for the said Project.

Unitholders Approval:

A postal ballot notice was circulated to the unitholders seeking their approval for the following:

- (i) provision of financial assistance to North Telangana Expressway Private Limited ("NTEPL"), a special purpose vehicle ("SPV") of HIT, by way of subscription to the securities or providing secured or unsecured fund based and/or non-fund-based support up to an amount of ₹ 67,610 million in one or more tranches.
- (ii) Issuance of up to 70,43,95,456 units of HIT at an issue price of ₹ 78.10 per unit for an aggregate amount of up to approximately ₹ 55,013 million, on a preferential basis, subject to approval of unitholders of HIT.

The resolutions were approved by the unitholders with requisite majority on January 18, 2025.

Committee Name	Composition w.e.f. Dec 26, 2024
Investment Committee	(i) Mr. Hardik Shah
	(ii) Mr. Bruce Ross Crane
	(iii) Mr. Manish Agarwal
	(iv) Mrs. Sudha Krishnan

OTHER UPDATES (2/2):**Availing of credit facilities by HIT:**

Board of directors of the IM at its meeting held on December 26, 2024, approved availing of the following facilities by the Trust:

- (i) Fund-based credit facilities up to ₹ 36,000 million by way of long-term rupee term loan by HIT and onward lending to NTEPL; and
- (ii) Fund-based credit facilities up to ₹ 49,500 million by way of long-term rupee term loan by HIT for the purpose of acquiring proposed PNC assets.

Alteration in security structure and terms and condition of Non - Convertible Debentures issued by HIT:

Pursuant to ongoing discussions with the debenture holders and consequent receipt of Board approval on December 26, 2024, HIT shall undertake alteration in security structure and other terms and conditions of Non-Convertible Debentures ("NCDs") issued in September 2022 by HIT (Series I & Series II) to align with the terms of other existing lending facilities, including the clause(s) related to Corporate Guarantee, Cash Sweep, Pass Through Claims and Earnouts, Conditions for New Acquisition, Financial Covenant and Mandatory Payment, Repayment Schedule and other relevant clauses. The execution of the amendment deed to the Debenture Trust Deed will be done to implement these amendments upon receipt of in-principle approval from the designated stock exchange.

General Information:

- a) The list of material litigations of the assets of the Trust are attached as annexure to this Report
- b) Capital reduction process at the RAHPL (SPV of the Trust) is ongoing
- c) Scheme of Arrangement has been filled in BETPL (SPV of the Trust)
- d) UEPL capital reduction has been approved by NCLAT on January 06, 2025



ANNEXURE: MATERIAL LITIGATION OF SPVs

Legal Proceedings and Material Litigations

1.1 There are no material litigations against the Trust. The details of the material litigations against the special purpose vehicles owned by the Trust are listed below. For the purposes of claims involving amounts exceeding Rs.212.54 million, i.e., 1.5% of the total revenue from operations of the special purpose vehicles as of the period ended March 31, 2024, being the last audited financials available or which are otherwise considered material by the management, have been considered.

1.2 Proceedings against the SPVs:

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

Proceedings against DBCPL

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

Proceedings by DBCPL

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

(ii) DBCPL had filed a writ petition ("Stamp Act WP") before the High Court of Madhya Pradesh ("MP High Court"), against the Department of Commercial Taxes and Madhya Pradesh Road Development Corporation Limited ("MPRDC") challenging the constitutionality of proviso (c) to Entry No. 33 of Schedule 1-A of the Indian Stamp Act, 1899 as amended by the Indian Stamp Act (M.P Amendment) Act, 2002 (Act No. 12 of 20220) which provides for levy of a stamp duty at 2% on the amount likely to be spent under a B.O.T agreement by a lessee. The alleged deficit stamp duty payable by DBCPL is ₹85.30 Mn. The MP High Court by its order dated February 11, 2010, dismissed the Stamp Act WP. Subsequently, DBCPL filed Special Leave Petition ("SLP") before the Supreme Court of India challenging the MP High Court's order. The Supreme Court, vide, its judgment dated 19th July 2024 ("SC Order"), has directed the Collector (Stamps)/Revenue Officer to calculate and communicate the stamp duty to DBCPL within a period of 2 months. The order further states that DBCPL will have to discharge the demand amount within a period of 2 months of the fresh demand. DBCPL has not yet received any fresh demand notice from the Collector (Stamps)/Revenue Officer pursuant to the SC Order. Further, the order is subject to review which is filed by affected parties and date of hearing is awaited.

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



ANNEXURE: MATERIAL LITIGATION OF SPVs

1.2 Proceedings against the SPVs:

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

Proceedings by NBPL

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

(c) Swarna Tollway Private Limited ("STPL")

Proceedings against STPL

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

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

(iii) There are 7 matters pending before High Court of Andhra Pradesh for AY 2005-06 to AY 2011-12 in connection with disallowance by Income Tax authority of depreciation on toll road as deduction. The aggregate amounts of disallowance in these appeals are ₹ 2,908.53 Mn.

(iv) There is a matter pending before Commissioner of Income Tax (Appeals) for AY 2018-19 against the decision of by income tax authorities of disallowing MM provision, service fee paid to group entity etc. The aggregate amounts of demand as per demand notice is ₹ 121.60 Mn.

(v) There is a matter pending before Commissioner of Income Tax (Appeals) for AY 2020-21 against the Income Tax authority's decision of disallowance of (i) service fees paid to group entity; and (ii) disallowing deduction under section 80-IA. The aggregate amounts involved in these appeals are ₹ 250.37 Mn.

Proceedings by STPL

STPL has filed a complaint under the Consumer Protection Act, 2019, before District Consumer Dispute Redressal Commission, Hyderabad against United India Insurance Company Limited claiming deficiency of services by them and underpayment of claim amount lodged by the STPL. STPL prayed for payment of ₹ 337.7 Mn. The District Commission passed an order directing payment of INR 224.2 Mn. to STPL. UIICL has filed an appeal before the State Consumer Dispute Redressal Commission challenging the order of the District Commission. The matter is currently pending.



ANNEXURE: MATERIAL LITIGATION OF SPVs

1.2 Proceedings against the SPVs:

(d) Gujarat Road and Infrastructure Company Limited ("GRICL")

Proceedings against GRICL

(i) A writ petition has been filed against GRICL by Akhil Gujarat Truck Transport Association before the High Court of Gujarat claiming the toll collection under the concession agreements for the projects operated by the GRICL should be suspended. As an alternate prayer, the petitioner has sought relief for the stoppage of toll on per axle basis. The petitioners have claimed the issue at hand to be similar to the issues present in Noida Tollway Bridge Company Limited ("NTBCL"), which has been objected to by GRICL. The Supreme Court in December 2024 upheld the findings of the Allahabad High Court in the NTBCL matter which has ended toll collection on Delhi-Noida Direct flyway. Further, GRICL has presented before the High Court, the legal and factual position to differentiate the concession and issues from those at NTBCL. On the last date of hearing, the Gujarat High Court has assigned the matter to a new bench. The matter continues to be pending.

(ii) There are currently 22 matters pending before the High Court of Gujarat covering the following areas for AY 2002-03 to AY 2016-17: (i) disallowance by Income Tax authority of depreciation on toll road as deduction; (ii) disallowance by Income Tax authority of interest on Deep Discount Bonds as deduction; (iii) disallowance by Income Tax authority of MAT credit entitlement while computing book profit u/s115JB; and (iv) disallowance of carry forward of losses. The aggregate amounts of disallowance involved in these appeals are INR 5,005.53 Mn.

(iii) There are 3 matters pending before Commissioner of Income Tax (Appeals) for AY 2018-19, 2020-21 & AY 2022-23 for the disallowance by Income Tax authority of depreciation on toll road as deduction. The aggregate amounts of disallowance involved in these appeals are INR 1,029.64 Mn.

(e) Bangalore Elevated Tollway Private Limited (BETPL)

Proceedings against BETPL

Arbitral Tribunal (AT) on 12 February 2021 was awarded claim of INR 54.60 Cr. in favour of BETPL in relation to BETPL's claim for revenue loss on account of breach of state support agreement by Government of Karnataka ("GOK"). GOK has filed an application under Section 34 of the Arbitration and Conciliations Act, 1996 (A&C Act) for setting aside aforesaid award. The matter is currently pending.

