

HIGHWAYS INFRASTRUCTURE TRUST

Activity and Performance Report
(For the quarter ended December 31, 2023)



ACTIVITY AND PERFORMANCE REPORT FOR THE QUARTER ENDED DECEMBER 31, 2023

This report for Highways Infrastructure Trust (“**HIT/Trust**”) for the quarter ended December 31, 2023 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 December 31, 2023 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.



NEW ACQUISITIONS

During the quarter, HIT has completed the acquisition in the following special purpose vehicles: -

1. **Udupi Tollways Pvt. Ltd. (Formerly known as Navayuga Udupi Tollway Private Limited) (“UTPL”)**

UTPL was acquired on November 02, 2023. Currently, 100% of equity shares of UTPL are held by HIT.

By way of background, UTPL was incorporated on December, 2009 and it operates the section highway section commencing from Kundapur-Surathkal 283.300 KM to 358.080 KM (design length of 74.8 km, Section 1) and Mangalore Kerala Border 3.700 KM to 17.200 KM (design length 15.3 km, Section 2) under a concession granted by National Highway Authority of India (“NHAI”) on design, built, finance, operate and transfer (DBFOT) basis. UTPL achieved its provisions completion (PCOD I) on January 30, 2017 for 81.955 Km and in March 29 2023 for the balance 8.33 km.

Post acquisition, the name of the entity has been changed to Udupi Tollway Private Limited w.e.f. December 28, 2023.



2. Following special purpose vehicles operating assets under Hybrid Annuity Model ("HAM") were acquired from H.G. Infra Engineering Limited: -

(i) Gurgaon Sohna Highway Private Limited ("**GSHPL**"): GSHPL was acquired on November 21, 2023. GSHPL was incorporated on April 6, 2018. GSHPL has constructed and operates the six-lane section commencing from 11.7 KM to 24.4 Km on NH 248A for a stretch of 12.8 Kms on HAM basis under a concession from NHAI. The project achieved its final completion on September 26, 2022.

(ii) Rewari Ateli Highway Private Limited (formerly, H.G. Rewari Ateli Highway Private Limited) ("**RAHPL**"). RAHPL was acquired on November 21, 2023. RAHPL was incorporated on April 8, 2019. RAHPL has constructed and operates four / six lane section of Rewari Ateli Mandi section commencing from 11.8 KM to 43.5 Km on NH 11 for a stretch of 30. 5 Km on HAM basis under a concession from NHAI. The project achieved its provisional completion on November 15, 2021.

(iii) Ateli Narnaul Highway Private Limited (formerly known as H.G. Ateli Narnaul Highway Private Limited) ("**ANHPL**"). ANHPL was incorporated on April 4, 2019. ANHPL has constructed and operates the Narnaul Bypass and four / six lane section commencing from Ateli Mandi to Narnaul from 43.445 Km to 56.90 Km on NH 11 on HAM basis under a concession from NHAI. The project achieved its final completion on September 9, 2022.



Post acquisition the following corporate activities have been undertaken:

(i) The name of H.G. Rewari Ateli Highway Private Limited has been changed to Rewari Ateli Highway Private Limited w.e.f. December 20, 2023.

(ii) The name of H.G. Ateli Narnaul Highway Private Limited has been changed to Ateli Narnaul Highway Private Limited w.e.f. December 20, 2023.



Operational Highlights

INCOME - BOT (TOLL) PROJECTS

Sl. No.	Particulars	Q3 FY 2024 (Amt. in INR Million)
1	Godhra Expressways Private Limited ("GEPL")	409.88
2	Ulundurpet Expressways Private Limited ("UEPL")	443.74
3	Jodhpur Pali Expressway Private Limited ("JPEPL")	176.30
4	Dewas Bhopal Corridor Private Limited ("DBCPL")	573.80
5	Udupi Tollways Pvt. Ltd. ("UTPL")	230.14

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. Revenue for New Projects – UTPL are considered from SPV takeover date by HIT i.e. November 2, 2023
3. Revenue numbers are as per provisional financial of SPV as on December 31, 2023 and may undergo a change upon completion of audit

INCOME –BOT (ANNUITY) - PROJECTS

Sl. No.	Particulars	Q3 FY 2024 (Amt. in INR Million)
1	Shillong Expressway Private Limited ("SEPL")	168.05
2	Nirmal BOT Private Limited ("NBL") (Formerly known as Nirmal BOT Limited) ("NBPL")	49.70

Notes:-

1. Revenue for annuity projects considered as per Ind-AS 115. Actual annuity receipt figures will not match with revenue as per Ind-AS 115.
2. Revenue numbers are as per the provisional financial of SPV as on December 31, 2023 and may undergo a change upon completion of audit.

INCOME – HYBRID ANNUITY MODEL PROJECT (HAM PROJECTS)

Sl. No.	Particulars	Q3 FY 2024 (Amt. in INR Million)
1.	Gurgaon Sohna Highway Private Limited (“ GSHPL ”)	50.30
2.	Rewari Ateli Highway Private Limited (“ RAHPL ”)	48.11
3.	Ateli Narnaul Highway Private Limited (“ ANHPL ”)	71.01

Notes:-

1. Revenue for HAM projects considered as per Ind As 115. Actual annuity receipt figures will not match with revenue as per Ind-AS 115.
2. Revenue for - ANHPL, RAHPL and GSHPL are considered from SPV takeover date by HIT i.e. November 22, 2023
3. Revenue numbers are as per provisional financial of the SPVs as on December 31, 2023 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. During the quarter ended December 31, 2023, no new non-compliance has been notified.

As per the provisions of the Concession Agreement, SEPL has awarded a contract to carry out periodic maintenance on the entire length of the project highway from November 2023 to March 2024. Currently the works are in progress and has completed 35% bituminous concrete ("BC") works and it is expected to be completed by March 2024.

In NBPL, pre - major maintenance activities such as mobilization of materials, manpower & machinery, erection of Hot Mix Plant, execution of Trial patch was completed during the quarter ended December 31, 2023. However, the actual overlay to be started in the month of January 2024.

In UEPL, major maintenance activity commenced in the month of October 2023. BC overlay of 8.365/36.500 Running Kilometers on Service Road & 1.608/291.6 Running Kilometers on Main Carriage Way was completed by December 31, 2023.

HEALTH, SAFETY, ENVIRONMENTAL AND SOCIAL (HSES)

During the quarter ended December 31, 2023, around 2,550 man-hours spent on HSES Trainings across all project SPVs.

Compliance Confirmation

HIT has been in compliance with all regulations specified under SEBI InvIT Regulations.



BORROWING

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

(Amt. in INR Million)

Particulars	Facility	Outstanding as on December 31, 2023
Rupee term Loan I	7,969	7,769
Listed Non-convertible	6,500	6,419
Commercial Papers	2,750	2,750
Rupee Term Loan II	19,000	8,753
Loans at SPVs	NA	8,153

Note:

1. The amounts outstanding provided above are actual amounts outstanding and may be different from those appearing in the financial statements due to Ind-AS adjustment.
2. All amounts as on December 31, 2023 are provisional and unaudited and subject to changes.
3. Loan at SPVs include loan from erstwhile promoters in UEPL and UTPL, and external borrowings at RAHPL, ANHPL and GSHPL pending refinance as at December 31, 2023. Refinancing for RAHPL, GSHPL has been completed on 4th Jan 2024.
4. As on December 31, 2023, the aggregate consolidated net borrowing (net of cash and cash equivalents) and deferred payment of HIT is at 35.8% of the value of HIT assets as determined by the latest available valuation (as of November 21, 2023) undertaken by the valuers in accordance with the SEBI InvIT Regulations.



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 limited audited Financial Statement for the quarter ended December 31, 2023 which will be presented to the Board of Directors of the IM within 45 days of end of the quarter. The unaudited related party transactions have been reported to the Axis Trustee in accordance with the SEBI InvIT Regulations.

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 0.87/- per unit in the quarter ended December 31, 2023 for the previous quarter.

OTHER UPDATES

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

General Information

1. Mr. Narayanan Doraiswamy ceased to be the Chief Financial Officer (and a part of Key Managerial Personnel (KMP) and Senior Management) of the Investment Manager from December 31, 2023 and Mr. Abhishek Chhajer commence his position as the Chief Financial Officer of the IM from January 1, 2024.

2. Change in committee composition:

(i) Risk Management Committee: Mr. Narayanan Doraiswamy has ceased to be a member of the Risk Management Committee w.e.f.

November 9, 2023 and Mr. Abhishek Chhajer has taken this position from the same day.

(ii) Ethics and Compliance Committee: Mr. Narayanan Doraiswamy has ceased to be a member of the Ethics and Compliance Committee w.e.f. November 9, 2023 and Mr. Abhishek Chhajer has taken this position from the same day.

3. On Nirmal BOT Limited, which was originally incorporated as a public limited company has been converted into a private limited Company w.e.f. December 12, 2023.

4. On January 10, 2023, the unitholders of the Trust have approved the following items via postal ballot:

- (i) the proposed acquisition of the (a) Up to 83.61% of equity share capital in M/s. Gujarat Road and Infrastructure Company Limited ("GRICL") owned by M/s. MAIF Investments India Pte. Ltd ("MAIF 1") and other shareholders of GRICL (as applicable) and (b) 100% of equity share capital in M/s. Swarna Tollway Private Limited ("STPL"), owned by M/s. MAIF Investments India 3 Pte. Ltd ("MAIF 2"). The said transaction with respect to shares owned by MAIF 1 and MAIF 2 has been completed as on the date of this report. A more detailed reporting about the asset will be undertaken with the report for quarter ending March 31, 2024;
- (ii) the issuance of units of the HIT for an aggregate amount not exceeding approximately ₹ 21,900 million on a preferential basis; and
- (iii) the amendment and/or restatement in the Investment Management Agreement and Trust Deed.

Since then in line with approval from the unitholders, on January 24, 2024, HIT has completed the acquisition of (i) 56.8% of equity share capital in M/s. Gujarat Road and Infrastructure Company Limited; and (ii) 99.99% of equity share capital in M/s. Swarna Tollway Private Limited. The operational details of the assets will be reported in the following quarter.

- 5.** On October 13, 2023, 6,59,31,294 units of the HIT at a price of ₹ 77.96 per unit aggregating to approximately ₹ 5,140.00 million were allotted on a rights basis to the eligible unitholders of Highways Trust who have submitted bids under the rights issue. The same

was listed on October 17, 2023.

- 6.** On October 31, 2023, 5,500 commercial papers having maturity of INR 5,00,000/- each and aggregate maturity value of INR 275,00,00,000/- at issue price of INR 465,295.50/- only each aggregating to INR 2559.13/- Million were allotted. The CPs were listed on BSE on the same day.
- 7.** On January 18, 2024, 50,000 Senior, Secured, Listed, Rated, Taxable, Redeemable, Non-convertible Debt Securities of face value of Rs. 1,00,000/- (Rupees One Lac Only) each ("NCD") were allotted on private placement basis. The NCD were listed with BSE on January 19, 2024.
- 8.** On January 18, 2024, 26,54,54,540 units of the Trust at an issue price of ₹ 82.50 per Unit for an aggregate amount of up to ₹ 21,89,99,99,550/- were allotted on a preferential basis. The same were listed on January 19, 2024.
- 9.** HIT has signed a Share Purchase Agreement on January 15, 2024 for acquisition of 100% (one hundred percent) shareholding in one or more tranches and management control in 11 hybrid annuity road projects and 1 toll road asset owned by PNC Infratech Limited and PNC Infra Holdings Limited. Completion of the above acquisition would be upon receipt of relevant approvals and completion of contractual obligations.

THANK YOU

