



# HIGHWAYS INFRASTRUCTURE TRUST

Activity and Performance Report  
(For the quarter ended June 30, 2024)

## ACTIVITY AND PERFORMANCE REPORT FOR THE QUARTER ENDED June 30, 2024

This report for Highways Infrastructure Trust ("HIT/Trust") for the quarter ended June 30, 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 June 30, 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.

## NEW ACQUISITIONS: HIT acquired 100% equity interest in BETPL on June 12, 2024.

Bangalore Elevated Tollway Private Limited (BETPL) project road is a 24.365 km section of NH-7 located between Bengaluru Urban in Karnataka and Krishnagiri in Tamil Nadu, starting from km 8.765 near Silk Board Junction in Bengaluru and ending near Hosur at km 33.130. It is part of the North-South Corridor from Kanyakumari to Srinagar, serving key areas such as Electronic City, Bommasandra, Chandapur, and Attibele. This road is a major link between Bengaluru and Chennai, as well as other districts in Tamil Nadu. Important settlements along this route include HSR Layout, BTM Layout, Silk Board Colony, Bommanahalli, and Electronic City. The toll plaza has been operational since April 2010.

The Trust has acquired BETPL from Galaxy Investments II Pte. Ltd., the sponsor of the Trust, and as consideration for the transfer has issued 4,66,86,295 units of the Trust at a price of INR 85.30 per unit on a private placement basis to the sponsor.



## OPERATIONAL HIGHLIGHTS

### INCOME - BOT (TOLL) PROJECTS

Sl. No.	Particulars	Q1 FY 2025 (INR Mn)
1	Godhra Expressways Private Limited ("GEPL")	430.7
2	Ulundurpet Expressways Private Limited ("UEPL")	471.6
3	Jodhpur Pali Expressway Private Limited ("JPEPL")	171.6
4	Dewas Bhopal Corridor Private Limited ("DBCPL")	626.5
5	Udupi Tollways Pvt. Ltd. ("UTPL")	344.5
6	Swarna Tollway Private Limited ("STPL")	867.0
7	Gujarat Road and Infrastructure Company Limited ("GRICL")	894.9
8	Bangalore Elevated Tollway Private Limited ("BETPL")	113.6

#### 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 - BETPL is considered from takeover date by HIT.
3. For GRICL please note full revenue has been reported while HIT owns around 56.8%.
4. Revenue numbers are as per provisional financials of the SPVs as on June 30, 2024 and may undergo a change upon completion of audit.
5. Revenue numbers do not represent Ind-As adjustments and final numbers under the audited financials may differ.





## OPERATIONAL HIGHLIGHTS

### INCOME - BOT (ANNUITY) - PROJECTS

Sl. No.	Particulars	Q1 FY 2025 (INR Mn)
1	Shillong Expressway Private Limited ("SEPL")	35.4
2	Nirmal BOT Private Limited ("NBL")	232.3

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 provisional financial of SPV as on June 30, 2024 and may undergo a change upon completion of audit.

### INCOME - HYBRID ANNUITY MODEL PROJECTS (HAM PROJECTS)

Sl. No.	Particulars	Q1 FY 2025 (INR Mn)
1.	Gurgaon Sohna Highway Private Limited ("GSHPL")	95.6
2.	Rewari Ateli Highway Private Limited ("RAHPL")	93.4
3.	Ateli Narnaul Highway Private Limited ("ANHPL")	137.2

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 provisional financial of SPV as on June 30, 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. During the quarter ended June 30, 2024, no new non-compliance has been notified.

## MAJOR MAINTENANCE

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

Entity Name	Status as on June 30, 2024	Expected Completion date
STPL - TN	Major maintenance commenced in the month of August 2023. BC overlay of 106.3/106.3 kms on Main Carriage Way and 17.6/17.6 kms on Service Road completed.	Completed in April, 2024
STPL - NIV	Major maintenance commenced in the month of January 2024. BC overlay of 35.7/35.7 kms on Main Carriage Way and 0.23/0.23 kms on Service Road completed.	Completed in June, 2024
NBPL	Major maintenance commenced in the month of November 2023. BC overlay of 123.6/123.6 running kms on Main Carriage Way and 13.5/13.5 Running kms on Service Road completed. Minor rectification works pending.	July, 2024
UEPL	Major maintenance commenced in the month of October 2023. BC overlay of 215.9/243.3 running kms on Main Carriage Way and 19.9/26.3 running kms on Service Road completed.	July, 2024
GRICL - AM	Major maintenance commenced in the month of May 2024. BC overlay of 13.6/19.3 kms on Main Carriage Way and 1.5/3.0 kms on Service Road completed.	November, 2024
GRICL - VH	Major maintenance commenced in the month of June 2024. BC overlay of 5.9/10.8 kms on Main Carriage Way and 1.0/2.6 kms on Service Road completed.	November, 2024
UTPL	Major maintenance commenced in the month of December 2023. Stone mastic asphalt "SMA" overlay of 41.0/148.0 running kms on Main Carriage Way completed.	March, 2025



## HEALTH, SAFETY, ENVIRONMENTAL AND SOCIAL (HSES)

During the quarter ended June 30 2024, around 6,150 man-hours were spent on HSES trainings across all SPVs and no fatalities were reported in any of the SPVs.

World Environment Day was celebrated on June 5, 2024 across all sites.

## Compliance Confirmation

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

### 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 June 30, 2024 (INR Mn)
<b>Rupee term Loan I &amp; II</b>	26,969	21,709
<b>Listed Non-convertible</b>	11,500	11,386
<b>Commercial Papers</b>	2,750	2,750
<b>Loans at SPVs</b>	NA	1,205

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 adjustments.

2. All amounts as on June 30, 2024 are provisional, unaudited and subject to changes.

3. Loan at SPVs include loan from erstwhile promoters in UEPL and NCDs in GRICL (HIT's proportionate economic interest of 56.80%) as at June 30, 2024.

4a. As on June 30, 2024, the aggregate consolidated net borrowing (net of cash and cash equivalents) and deferred payment of HIT is at 29.6% of the value of HIT assets including BETPL as determined by the latest available valuation (as of March 31, 2024) undertaken by the valuers in accordance with the SEBI InvIT Regulations.

4b. 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. Further, maturity value of Rs. 2,750 Mn of CPs is considered in the borrowings mentioned above. The disbursement amount for CPs is Rs. 2,559 Mn. Amount outstanding along with accumulated interest as per IndAS as on June 30, 2024 is Rs. 2,648 Mn. Such amount has been considered for the purpose of calculation as per Regulation 20 under SEBI InvIT Regulations.

6. Ulundurpet Expressways Private Ltd ("UEPL") has INR 580.3 Mn as unsecured loan from erstwhile promoters which is payable at the end of concession period subject to availability of cash at UEPL along with INR 165 Mn as interest totalling INR 745.3 Mn.





## 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 Un-audited Financial Statement for the quarter ended June 30, 2024 which will be presented to the Board of Directors 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 9.38/- per unit to the unitholders during the quarter ended June 30, 2024 for the previous quarter. The distribution (if any) for the quarter ended June 30, 2024 will be considered at the ensuing board meeting of the IM.

## OTHER UPDATES:

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

### General Information

- Mr. Neeraj Sanghi retired from the position of Chief Executive Officer and Whole-time Director of the IM, effective March 31, 2024 (end of business hours). To fill the vacancy, Mr. Gaurav Chandna and Dr. Zafar Khan were appointed as Joint CEOs, effective April 1, 2024. Additionally, on March 22, 2024, Mr. Gaurav Chandna was appointed to the Board of Directors of the IM as an Additional Executive Director.
- The Board of Directors of the IM at their meeting held on May 16, 2024 has appointed Mr. Rajesh Kumar Pandey, as an Additional Independent Director and Mr. Stefano Ghezzi, as an Unitholder Nominee Director.
- On June 12, 2024, 5,87,02,708 units of the HIT at a price of INR 85.30 per Unit for an aggregate amount of up to INR 500,73,40,992.4/- were allotted on a preferential basis. The same was listed on June 13, 2024.
- The list of material litigations of the assets of the Trust are attached as Annexure to this Report.
- Capital reduction process at the following SPVs of the Trust is ongoing: UEPL, ANHPL, RAHPL, GSHPL and STPL.

The Board of the Directors of the IM have inducted Mr. Gaurav Chandna in certain committees with effect from April 1, 2024. The reconstituted composition of such committees is presented below in a table:

Name of the Committee	Revised Composition with effect from April 1, 2024	
<b>Risk Management Committee</b>	(i)	Mr. Manish Agarwal
	(ii)	Mr. Gaurav Chandna
	(iii)	Mr. Abhishek Chhajer
<b>Stakeholders Relationship Committee</b>	(i)	Mr. Janakiraman Subramanian
	(ii)	Mr. Gaurav Chandna
	(iii)	Ms. Ami Momaya
<b>InvIT Committee</b>	(i)	Mr. Ami Momaya
	(ii)	Mr. Gaurav Chandna
<b>Investment Committee</b>	(i)	Mr. Hardik Shah
	(ii)	Mr. Gaurav Chandna
	(iii)	Mr. Manish Agarwal
	(iv)	Mrs. Sudha Krishnan
<b>CSR and ESG Committee</b>	(i)	Ms. Ami Momaya
	(ii)	Mr. Manish Agarwal
	(iii)	Mr. Gaurav Chandna



## 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 disclosure claims involving amounts exceeding INR 211.9 Mn, i.e., 1.5% of the total revenue from operations of the special purpose vehicles ("SPV") 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 involving 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.

(ii) DBCPL received an assessment order under section 143(3) of the Income Tax Act 1965 in December 2019, together with a notice of demand of INR 103.08 Mn for the financial year 2016-17. The key grounds of the demand order are (A) Major Maintenance Expenses of INR 359.4 Mn claimed as deduction disallowed; and (B) Disallowance of INR 0.82 Mn under section 14A of the Income Tax Act 1965 (Expenses incurred to earn exempt income). The company has filed an appeal with CIT(A) against the demand order, and the hearing of the same is awaited.

###### 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 INR 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 ("Act") 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 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 High Court's order. The Supreme Court, vide, its judgment dated 19th July 2024, has directed the Collector (Stamps)/Revenue Officer to calculate the stamp duty in each of the cases individually. The order further states that the Company will have to discharge the demand amount within a period of 2 months of the fresh demand. The demand as and when received from the Collector (Stamps) will be covered as per the terms under the indemnification provisions of the definitive agreements executed.

(iii) DBCPL filed a writ petition before the High Court of Madhya Pradesh ("BOCW WP") 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 matter is currently pending.



## ANNEXURE: MATERIAL LITIGATION OF SPVs

### 1.2 Proceedings involving the SPVs:

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

##### Proceedings by NBPL

NBPL has filed a writ petition ("NBPL Stamp Duty WP") 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 INR 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 and is expected to come up for final hearing shortly.

#### (c) Shillong Expressway Private Limited ("SEPL")

##### Proceedings against SEPL

SEPL received an assessment order under section 143(3) of the Income Tax Act 1965 in October 2022, together with a notice of demand of INR 36.32 Mn for the financial year 2019-20. The ground of the demand order is disallowance of exemption under section 80(IA) INR 156.06 Mn. The company has filed an appeal with CIT(A) against the demand order, and the hearing of the same is awaited.

##### Proceedings by SEPL

(i) SEPL is involved in certain claims against the National Highway Authority of India ("NHAI") whereby it was awarded INR 274.20 Mn ("Award"). SEPL filed an execution petition dated October 26, 2018 under Section 36 of the Arbitration & Conciliation Act 1996 before the High Court of Delhi. Simultaneously, NHAI filed an application before the High Court for setting aside the Award, which was dismissed by the Court by its order dated November 2, 2018. Thereafter, NHAI filed an appeal dated January 7, 2019 challenging the Court Order. The appellate bench by way of an interim order dated January 22, 2019 upheld the partial Award and directed NHAI to deposit the amount to additional bonus annuity i.e. INR 106.30 Mn with an additional interest amount of INR 37.20 Mn. The matter is currently pending.

(ii) Further, on October 03, 2023, SEPL has submitted its application for settlement under Vivad se Vishwas II Scheme announced by the Ministry of Finance by OM no. F.1/7/2022-PPD dated May 29, 2023 and NHAI Policy guidelines dated July 04, 2023. The proceeding is completed, and a settlement agreement was executed on July 08, 2024 between NHAI and SEPL for an amount of INR 182.7 Mn. Under the terms of the Settlement Agreement, NHAI has agreed to pay the aforesaid amount to SEPL within 1 month of the execution date of the settlement agreement. Upon receipt of the aforesaid amount, it shall be passed on to the shareholders of SEPL.

#### (d) Ulundurpet Expressways Private Limited ("UEPL")

##### Proceedings by UEPL

UEPL has filed a petition dated December 2, 2022 before the National Company Law Tribunal ("NCLT"), Mumbai for reduction in its paid-up equity share capital to INR 968.5 Mn divided into 96,855,983 equity shares of INR 10 each. This matter was rejected by the Hon'ble NCLT and the UEPL has filed an appeal against it before the National Company Law Appellate Tribunal. The matter is currently pending.

#### (e) 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, and deposit of the toll collected with the court. 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 kms. 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 kms. 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.





## ANNEXURE: MATERIAL LITIGATION OF SPVs

### 1.2 Proceedings involving the SPVs:

(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. INR 60.0 Mn 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 involved in these appeals are INR 2,908.53 Mn.

(iv) There is a matter pending before Commissioner of Income Tax (Appeals) for AY 2017-18 against the decision of income tax authorities of disallowing deduction under section 80-IA. The aggregate amounts involved in these appeals are INR 121.42 Mn.

(v) There is a matter pending before Commissioner of Income Tax (Appeals) for AY 2018-19 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 INR 250.37 Mn.

#### Proceedings by STPL

STPL has filed a complaint under the Consumer Protection Act, 2019, before District Consumer Dispute Redressal Commission, Hyderabad ("District Commission") against United India Insurance Company Limited ("UIICL") claiming deficiency of services and underpayment of claim amount. STPL prayed for a payment of INR 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.

#### **(f) 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 since the GRICL has recovered the total cost of the project and reasonable return. 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. Further, GRICL has presented before the court, the legal and factual position to differentiate the concession and issued from those at NTBCL. GRICL has pursuant to the order of the High Court presented the status of actual returns, which are substantially lower than those committed under the concession agreement. The matter is currently pending before the High Court for filing of counter affidavits by other respondents.

(ii) There are currently 20 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/s 115JB; and (iv) disallowance of carry forward of losses. The aggregate amounts involved in these appeals are INR 5,008.45 Mn.

(iii) There are 4 matters pending before Income Tax Appellate Tribunal and 1 matter before Commissioner of Income Tax (Appeals) for AY 2012-13 to AY 2022-23 for the following areas: (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/s 115JB; and (iv) disallowance of carry forward of losses. The aggregate amounts involved in these appeals are INR 1,136.85 Mn.



## ANNEXURE: MATERIAL LITIGATION OF SPVs

### 1.2 Proceedings involving the SPVs:

#### (g) Rewari Ateli Highway Private Limited ("RAHPL")

##### Proceedings by RAHPL

RAHPL has filed an application under Section 66 of Companies Act, 2013 for reduction of share capital. The matter is currently pending before the NCLT, Mumbai.

##### Proceedings against RAHPL

RAHPL has received an assessment order on March 20, 2024, passed under section 143 (3) of the Income Tax Act 1965, together with a notice of demand passed under section 156 of the Income Tax Act 1965 of INR 54.92 Mn for the financial year 2021-22. The major grounds of the demand order are disallowance reduction of finance income of INR 206.05 Mn from its income. The company has recognised the said income in accordance with IND AS 109 whereas income for income tax computation is offered based on actual receipts. The company has filed an appeal with CIT(A) against the demand order, and the hearing of the same is awaited.

#### (h) Gurgaon Sohna Highway Private Limited ("GSHPL")

##### Proceedings by GSHPL

GSHPL has filed an application under Section 66 of Companies Act, 2013 for reduction of share capital. The matter is currently pending before the NCLT, Mumbai.

#### (i) Ateli Narnaul Highway Private Limited ("ANHPL")

##### Proceedings by ANHPL

ANHPL has filed an application under Section 66 of Companies Act, 2013 for reduction of share capital. The matter is currently pending before National Company Law Tribunal, Mumbai.

#### (j) Bangalore Elevated Tollway Private Limited ("BETPL")

##### Proceedings against BETPL

BETPL filed a claim before the arbitral tribunal under State Support Agreement for loss of toll revenue due to refusal of payment of toll Fee by locals at Attibelle toll plaza. The arbitral tribunal awarded a claim amount of INR 546.0 Mn. in favour of BETPL for revenue loss. Subsequently, Government of Karnataka 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.



