

# Walker Chandiook & Co LLP

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## Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results and Year to Date 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)

1. We have reviewed the accompanying statement of standalone unaudited financial results ("the Statement") of Highways Infrastructure Trust ("the Trust") for the quarter ended 31 December 2022 and the year to date results for the period 1 April 2022 to 31 December 2022, being submitted by 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"). Attention is drawn to the fact that the figures for the period from 03 December 2021 to 31 December 2021, 03 December 2021 to 31 March 2022 and as at 31 March 2022 have been approved by the Investment Manager's Board of Directors, but have not been subjected to audit or review.
2. The Statement, which is the responsibility of the Investment Manager and approved by the Investment Manager's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down the Indian Accounting Standards ("Ind AS") specified in the Companies (Indian Accounting Standards) Rules, 2015 including Indian Accounting Standard 34, Interim Financial Reporting ("Ind AS 34"), and other accounting principles generally accepted in India and is in compliance with the presentation and disclosure requirements of Regulation 52 of the Listing Regulations. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, Review of Interim Financial Information Performed by the Independent Auditor of the Entity, issued by the Institute of Chartered Accountants of India ("the ICAI"). A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with the Standards on Auditing issued by the ICAI, and consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.



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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## Independent Auditor's Review Report on Standalone Unaudited Quarterly Financial Results and Year to Date Financial Results of the Trust pursuant to the Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (cont'd)

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in Ind AS 34 and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in accordance with the requirements of Regulation 52 of the Listing Regulations, including the manner in which it is to be disclosed, or that it contains any material misstatement.

**For Walker Chandiook & Co LLP**

Chartered Accountants

Firm Registration No: 001076N/N500013



**Manish Agrawal**

Partner

Membership No: 507000

UDIN: 23507000BGYEPW3352

Place: Noida

Date: 08 February 2023



Highways Infrastructure Trust  
Statement of unaudited standalone financial results for the quarter and nine months ended 31 December 2022  
(All amounts in ₹ millions unless otherwise stated)

Particulars	01 October 2022 to 31 December 2022	01 July 2022 to 30 September 2022	03 December 2021 to 31 December 2021	01 April 2022 to 31 December 2022	03 December 2021 to 31 March 2022
	(Unaudited)	(Unaudited)	(Refer Note 7)	(Unaudited)	(Refer Note 7)
<b>Income</b>					
Revenue from operations					
Dividend income from subsidiaries	1,032.21	-	-	1,032.21	-
Interest income on loans to subsidiaries	708.43	157.80	-	866.23	-
Other income					
Interest on fixed deposits	21.03	3.25	-	24.28	-
<b>Total Income</b>	<b>1,761.67</b>	<b>161.05</b>	<b>-</b>	<b>1,922.72</b>	<b>-</b>
<b>Expenses</b>					
Finance costs					
Interest expense on term loans, non convertible debentures (NCD) and others	270.16	27.04	-	297.20	-
Finance and bank charges	-	0.56	-	0.56	-
Other expenses					
Valuation expenses	0.25	0.59	-	0.84	-
Audit fees	1.74	6.93	-	8.67	-
Investment management fees	8.06	11.80	-	19.86	-
Trustee Fee	0.33	1.18	-	1.51	-
Environmental, health and safety expenses	1.24	-	-	1.24	-
Legal and professional	36.09	12.73	-	48.82	-
Miscellaneous	0.27	1.52	-	1.79	-
<b>Total Expenses</b>	<b>318.14</b>	<b>62.35</b>	<b>-</b>	<b>380.49</b>	<b>-</b>
<b>Profit before exceptional items and tax for the period</b>	<b>1,443.53</b>	<b>98.70</b>	<b>-</b>	<b>1,542.23</b>	<b>-</b>
Exceptional items (refer note 6)	-	164.88	-	164.88	-
<b>Profit/(loss) before tax for the period</b>	<b>1,443.53</b>	<b>(66.18)</b>	<b>-</b>	<b>1,377.35</b>	<b>-</b>
Tax expense:					
Current tax	8.99	1.39	-	10.38	-
Deferred tax	-	-	-	-	-
<b>Total tax expense</b>	<b>8.99</b>	<b>1.39</b>	<b>-</b>	<b>10.38</b>	<b>-</b>
<b>Profit/(loss) after tax for the period</b>	<b>1,434.54</b>	<b>(67.57)</b>	<b>-</b>	<b>1,366.97</b>	<b>-</b>
Other comprehensive income	-	-	-	-	-
<b>Total comprehensive income/ (loss) for the period</b>	<b>1,434.54</b>	<b>(67.57)</b>	<b>-</b>	<b>1,366.97</b>	<b>-</b>
<b>Earning per unit (not annualised)</b>					
Basic (₹)	3.45	(0.16)	-	3.29	-
Diluted (₹)	3.45	(0.16)	-	3.29	-



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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 unaudited standalone financial results for the quarter and nine months ended 31 December 2022:

(all amounts in ₹ millions, except ratios)

Sl.No.	Particulars	01 October 2022 to 31 December 2022	01 July 2022 to 30 September 2022	03 December 2021 to 31 December 2021	01 April 2022 to 31 December 2022	03 December 2021 to 31 March 2022
		(Unaudited)	(Unaudited)	(Refer Note 7)	(Unaudited)	(Refer Note 7)
(a)	Debt equity ratio (in times) [(Non-current borrowings + Current borrowings / unit capital)]	0.34	0.28	-	0.34	-
(b)	Debt service coverage ratio (in times) [Profit/ (loss) before tax, finance costs, exceptional items / (Finance costs + Principal repayment for borrowings)]	5.12	2.85	-	5.08	-
(c)	Interest service coverage ratio (in times) [Profit/ (loss) before tax, finance costs, exceptional items / Finance costs]	6.34	4.58	-	6.18	-
(d)	Outstanding redeemable preference shares	-	-	-	-	-
(e)	Capital redemption reserve/debenture redemption reserve	-	-	-	-	-
(f)	Net worth [Unit Capital + Other equity]	40,795.27	41,371.38	-	40,795.27	-
(g)	Net Profit/ (loss) after tax	1,434.54	(67.57)	-	1,366.97	-
(h)	Earnings per share [Profit/ (loss) after tax/Total number of units]	3.45	(0.16)	-	3.29	-
(i)	Current ratio (in times) [Current assets / Current liabilities]	10.38	14.22	-	10.38	-
(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)]	4.60	3.02	-	4.60	-
(k)	Bad debts to account receivable ratio (in %) [Bad debts / Average trade receivables]	-	-	-	-	-
(l)	Current liability ratio (in %) [Current liabilities / Total liabilities]	2.35%	2.38%	-	2.35%	-
(m)	Total debts to total assets ratio (in %) [(Non-current borrowings + Current borrowings) / Total assets]	25.89%	22.15%	-	25.89%	-
(n)	Debtors turnover (in times) [Revenue from operations/ Average Trade Receivables]	-	-	-	-	-
(o)	Inventory turnover [Sale of products / Average inventory of finished goods and stock in trade]	-	-	-	-	-
(p)	Operating margin (in %) [(Profit before tax, finance cost, exceptional items and other income) / Revenue from operations]	98.45%	80.04%	-	96.92%	-
(q)	Net profit margin (in %) [Profit/(loss) after tax / Revenue from operations]	82.41%	(42.83%)	-	72.00%	-

Notes:

1) The Trust has outstanding secured non-convertible debentures (NCDs) amounting to ₹6,455.80 millions (30 September 2022 : ₹6,500.00 millions, 31 March 2022 : Nil, and 31 December 2021 : 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 December 2022.

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

i) 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: (a) all receivables of the Issuer from the HoldCos and SPVs; (b) loans and advances, and interest on such loans and advances advanced by the Issuer to the HoldCos and SPVs; (c) dividends and any other amounts to be paid / payable by the HoldCos and SPVs to the Issuer; (d) inventories, contractual rights, securities, patents, trademarks, other intellectual property, equipment and/or insurances (in each instance, if any) of the Issuer; and (e) 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;

ii) 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;

iii) 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;

iv) 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;

v) 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;

vi) 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");

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

viii) 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 Unaudited Standalone Financial results for the quarter and nine months ended 31 December 2022

(All amounts in ₹ millions unless otherwise stated)

- 1 The unaudited standalone financial results of Highways Infrastructure Trust ("Trust") for quarter and nine months ended 31 December 2022 have been reviewed by the Audit Committee of Highway Concessions One Private Limited ("Investment Manager") at their meeting held on 08 February 2023 and approved by the Board of Directors of the Investment Manager at their meeting held on 08 February 2023. The statutory auditors have issued an unmodified review report on these standalone financial results.
- 2 The unaudited standalone financial results comprises the standalone statement of profit and loss, and other explanatory notes pursuant to requirements of Regulation 52 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) (standalone unaudited 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 for both immediately preceding quarter and nine months ended is given from 03 December 2021 to 31 December 2022.
- 4 The Board of Directors of the Investment Manager have declared distribution of ₹ 4.84 (rounded off) per unit amounting to ₹ 2,010 millions in their meeting held on 11 November 2022 and the aforesaid distribution was paid to eligible unitholders on 23 November 2022. Subsequent to the quarter ended 31 December 2022, the Board of Directors of Investment Manager have declared distribution of ₹ 4.84 (rounded off) per unit amounting to ₹ 2,009.98 millions in their meeting held on 08 February 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 non current investments and provided for impairment loss for quarter ended 31 December 2022: Nil ( Quarter ended 30 September 2022: ₹ 164.88 millions , nine months period ended 31 December 2022 : ₹ 164.88 millions, for the period from 03 December 2021 to 31 March 2022 : Nil and for the period from 03 December 2021 to 31 December 2021 : Nil ) basis the fair valuation conducted as per the future projected cash flows of the assets (after performing sensitivity analysis).
- 7 The standalone financial information:
  - (i) for the period from 03 December 2021 to 31 December 2021
  - (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 During the current quarter ended 31 December 2022, 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 of the Trust"). 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.



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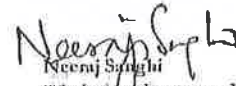
Highways Infrastructure Trust  
Notes to Unaudited Standalone Financial results for the quarter and nine months ended 31 December 2022 (cont'd)  
(All amounts in ₹ millions unless otherwise stated)

9 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)



  
Narayanan Doraiswamy  
Chief Financial Officer

  
Neeraj Singh  
Whole time director and CEO  
DIN: 05110400

Place: Mumbai  
Date: 08 February 2023



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