

# Walker Chandiook & Co LLP

**Walker Chandiook & Co LLP**  
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**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.



# 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)

### 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;



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- 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 Chandiook & 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	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>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. GIR/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	01 April 2022 to	01 April 2022 to	03 December 2021 to
		31 March 2023	30 September 2022	31 March 2023	31 March 2022
		(Refer note 8)	(Unaudited)	(Audited)	(Refer note 7)
<b>1</b>	<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	01 April 2022 to	01 April 2022 to	03 December 2021 to
	31 March 2023	30 September 2022	31 March 2023	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 (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)

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Highways Infrastructure Trust

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(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 Chitilapilly, 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 Janakitaman, 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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K. D.

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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	209.05	-	209.05	-
Investment in equity instruments of subsidiaries	-	3,004.95	3,004.95	-

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Highways Infrastructure Trust

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(All amounts in ₹ millions unless otherwise stated)

III. Transactions and outstanding balances with related party

Particulars	01 October 2022 to	01 April 2022 to	01 April 2022 to	03 December 2021 to
	31 March 2023	30 September 2022	31 March 2023	31 March 2022
	(Refer note 8)	(Unaudited)	(Audited)	(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	01 April 2022 to	01 April 2022 to	03 December 2021 to
		31 March 2023	30 September 2022	31 March 2023	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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*(Handwritten initials)*

## 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)

- 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.
- 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.
- 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.
- 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.
- The Trust acquired the following companies ("Project SPV's") on 23 August 2022 :
  - Dewas Bhopal Corridor Private Limited ("DBCPL")
  - Nimal BOT Limited ("NBL")
  - Jodhpur Pali Expressway Private Limited ("JPEPL")
  - Godhra Expressways Private Limited ("GEPL")
  - Ulundurpet Expressways Private Limited ("UEPL")
  - Shillong Expressway Private Limited ("SEPL")
- 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.
- The standalone financial information:
  - for the period from 03 December 2021 to 31 March 2022, and
  - 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.
- 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.
- 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.
- 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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