

January 15, 2024

To

National Stock Exchange of India Limited Exchange Plaza, C-1, Block-G Bandra Kurla Complex, Bandra (E), Mumbai-400051 Symbol- HIGHWAYS	BSE Limited Corporate Relationship Department Phiroze Jeejeebhoy Towers Dalal Street, Fort, Mumbai- 400001 Scrip Code: 974227 & 974228
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Subject: Execution of definitive documents for acquisition of 11 hybrid annuity road projects and 1 toll road asset owned by PNC Infratech Limited and PNC Infra Holdings Limited (“Sellers”)

Dear Sir/ Madam,

Pursuant to Regulation 23(6)(a) and /or any other applicable provisions of SEBI (Infrastructure Investment Trusts) Regulations, 2014 and the circulars and guidelines issued thereunder (“**InvIT Regulations**”) and other applicable laws and regulations, this is to inform you that the Highways Infrastructure Trust (“**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 twelve special purpose vehicles owned by Sellers. The completion of acquisition would depend upon receipt of relevant approvals and completion of contractual obligations.

Details of the asset proposed to be acquired are enclosed as **Annexure A**.

Our press release on the transaction is set out in **Annexure B**.

You are requested to take the same on record.

Thanking you,

For **Highway Concessions One Private Limited**
(acting in its capacity as the Investment Manager of Highways Infrastructure Trust)

Kunjai Shah
Company Secretary and Compliance Officer

CC:-

Axis Trustee Services Limited (“Trustee of the InvIT”) Axis House, Bombay Dyeing Mills Compound, Pandurang Budhkar Marg, Worli, Mumbai - 400 025, Maharashtra, India	Catalyst Trusteeship Limited (“Debenture Trustee”) 901,9th Floor, Tower B, Peninsula Business Park, Senapati Bapat Marg, Lower Parel, Mumbai – 400013, Maharashtra, India
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Annexure-A

Details of Asset proposed to be acquired

Sr. No.	Particulars	Details
1.	Name of the target entities	<ol style="list-style-type: none"> 1. PNC Rajasthan Highways Private Limited (“PRHPL”), 2. PNC Chitradurga Highways Private Limited (“PCHPL”), 3. PNC Aligarh Highways Private Limited (“PAHPL”), 4. PNC Bundelkhand Highways Private Limited (“PBHPL”), 5. PNC Khajuraho Highways Private Limited (“PKHPL”), 6. PNC Triveni Sangam Highways Private Limited (“PTSHPL”), 7. PNC Challakere (Karnataka) Highways Private Limited (“PCKHPL”), 8. PNC Meerut Haridwar Highways Private Limited (“PMHHPL”), 9. PNC Bithur Kanpur Highways Private Limited (“PBKHPL”), 10. PNC Unnao Highways Private Limited (“PUHPL”), 11. PNC Gomti Highways Private Limited (“PGHPL”) 12. PNC Bareilly Nainital Highways Private Limited (“PBNHPL” or the “Toll Asset”) <p>Above entities collectively referred to as “Target SPVs”.</p>
2.	Whether the acquisition would fall within related party transaction(s) and whether the promoter/ promoter group/ group companies have any interest in the entity being acquired? If yes, nature of interest and details thereof and whether the same is done at “arm’s length”	The transaction would not fall under Related Party Transaction.
3.	Industry to which the entity being acquired belongs	Road Infrastructure
4.	Objects and effects of acquisition (including but not limited to, disclosure of reasons for acquisition of target entity, if its business is outside the main line of business of the listed entity).	The acquisition of the aforesaid road assets is in line with HIT’s investment strategy as provided in the Trust Deed with a focus to ensure stable distribution to unitholders by owning assets with adequate residual concession period.

Sr. No.	Particulars	Details										
5.	Brief details of any governmental or regulatory approvals required for the acquisition.	The completion of the transaction will require approval from (i) National Highway Authority of India (“NHA”) in connection with all Target SPV other than the Toll Asset; and (ii) approval from Uttar Pradesh State Highways Authority (“UPSHA”) for the Toll Asset together with approval from Target SPVs’ lender and other corporate authorizations. All the necessary approvals (including unit holder and Competition Commission of India approval, if required) are conditions to consummate the transaction.										
6.	Indicative time period for completion of the acquisition	The completion of acquisition would depend upon receipt of relevant approvals and the completion of contractual obligations.										
7.	Nature of consideration – whether cash consideration or share swap and details of the same	The transaction is proposed to be undertaken against cash consideration										
8.	Cost of acquisition or the price at which the shares are acquired;	Approximate aggregate enterprise value of all Target SPVs of approx. INR 9,005.7 crores together with earnouts and subject to any adjustments as agreed with the seller and specified in the Share Purchase Agreement dated January 15, 2024 (“SPA”).										
9.	Percentage of shareholding / control acquired and / or number of shares acquired;	HIT will acquire 100% shareholding and management control in the Target SPVs in one or more tranches in line with the terms of the SPA.										
10.	Brief background about the entities acquired in terms of products/ line of business acquired, date of incorporation, turnover, country in which the acquired entity has presence and any other significant information (in brief);	<table border="1"> <thead> <tr> <th colspan="2">(i) PNC Rajasthan Highways Private Limited</th> </tr> </thead> <tbody> <tr> <td>Date of Incorporation</td> <td>August 22, 2016</td> </tr> <tr> <td>Concession Agreement Details</td> <td>Agreement dated November 07, 2016 executed with NHA for 4/2 laning with paved shoulder from km 0.000 to km 83.453 of Dausa – Lalsot – Kauthun section of NH-11A extension in the State of Rajasthan under NHDP Phase IV on Hybrid Annuity Mode.</td> </tr> <tr> <td>State</td> <td>Rajasthan</td> </tr> <tr> <td>Commercial operation (“COD”) status</td> <td>achieved provisional COD on February 14, 2020</td> </tr> </tbody> </table>	(i) PNC Rajasthan Highways Private Limited		Date of Incorporation	August 22, 2016	Concession Agreement Details	Agreement dated November 07, 2016 executed with NHA for 4/2 laning with paved shoulder from km 0.000 to km 83.453 of Dausa – Lalsot – Kauthun section of NH-11A extension in the State of Rajasthan under NHDP Phase IV on Hybrid Annuity Mode.	State	Rajasthan	Commercial operation (“COD”) status	achieved provisional COD on February 14, 2020
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State	Rajasthan											
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Sr. No.	Particulars	Details	
		(ii) PNC Chitradurga Highways Private Limited	
		Date of Incorporation	April 20, 2017
		Concession Agreement Details	Agreement dated June 14, 2017 executed with NHAI for 6 laning of Chitradurga - Davanagere including Chitradurga bypass (km 189+000 to km 260+000) (design chainage km 0+000 to km 20+700 & km 208+000 to km 260+000) of NH-48 (Old NH-4) in the state of Karnataka under NHDP Phase V.
		State	Karnataka
		COD Status	achieved provisional COD on June 24, 2021
		(iii) PNC Aligarh Highways Private Limited	
		Date of Incorporation	April 12, 2018
		Concession Agreement Details	Agreement dated June 08, 2018 executed with NHAI for 4 laning of Aligarh Kanpur section from km 186.000 (Design chainage 195.733) to km 229.000 (Design chainage 240.897) (Package II from Bhadwas Kalyanpur) of NH-91 in the State of Uttar Pradesh under Bharatmala Pariyojana.
		State	Uttar Pradesh
		COD Status	achieved provisional COD on June 12, 2021.
		(iv) PNC Bundelkhand Highways Private Limited	
		Date of Incorporation	Date of Incorporation: April 21, 2017

Sr. No.	Particulars	Details	
		Concession Agreement Details	Agreement dated June 07, 2017 executed with NHAI for 4 laning of Jhansi-Khajuraho Section (Package-I) from km 0.00 to km 76.30 of NH 75/76 in the State of Uttar Pradesh and Madhya Pradesh.
		State	Uttar Pradesh and Madhya Pradesh
		COD Status	achieved provisional COD on January 28, 2022
		(v) PNC Khajuraho Highways Private Limited	
		Date of Incorporation	April 20, 2017
		Concession Agreement Details	Agreement dated June 07, 2017 executed with NHAI for 4 laning of Jhansi – Khajuraho Section (Package – II) from km 76.3 to km 161.7 of NH 75/76 in the State of Uttar Pradesh and Madhya Pradesh.
		State	Uttar Pradesh and Madhya Pradesh.
		COD Status	achieved provisional COD on June 21, 2021
		(vi) PNC Triveni Sangam Highways Private Limited	
		Date of Incorporation	December 27, 2017
		Concession Agreement Details	Agreement dated April 25, 2018 executed with NHAI for 6 laning of Chakeri Allahabad section of NH-2 (from km 483.687 to km 628.753) in the state of Uttar Pradesh under NHDP Phase V on Hybrid Annuity Project.
		State	Uttar Pradesh
		COD Status	achieved provisional COD on March 01, 2023

Sr. No.	Particulars	Details	
		(vii) PNC Bareilly Nainital Highways Private Limited	
		Date of Incorporation:	July 07, 2011
		Concession Agreement Details	Concession Agreement: dated August 11, 2011 executed with UPSHA for 4 laning (with paved shoulders) of Bareilly-Almora section of SH-37 in the state of Uttar Pradesh on design, build, finance, operate and transfer (DBFOT) basis .
		State	Uttar Pradesh
		COD Status	achieved provisional COD on October 19, 2015
		(viii) PNC Challakere (Karnataka) Highways Private Limited	
		Date of Incorporation	July 06, 2018
		Concession Agreement Details	Agreement dated July 16, 2018 executed with NHA for 4 laning from km 358.500 to km 414.205 Challakere to Hariyur section of NH-150A, on Hybrid Annuity Mode under Bharat Pariyojna in the State of Karnataka.
		State	Karnataka
		COD Status	Yet to be achieved. <i>Note: this Target SPV will acquired only upon receipt of provisions COD</i>
		(ix) PNC Meerut Haridwar Highways Private Limited	
		Date of Incorporation	July 12, 2020

Sr. No.	Particulars	Details	
		Concession Agreement Details	Agreement dated August 31, 2020 executed with NHA1 for 4 laning of Meerut-Nazibabad section from km 11+500 to km 39+240 and from km 86+590 to km 112+545 of National Highway – 119 in the State of Uttar Pradesh.
		State	Uttar Pradesh
		COD Status	Yet to be achieved. <i>Note: this Target SPV will acquired only upon receipt of provisions COD</i>
		(x) PNC Bithur Kanpur Highways Private Limited	
		Date of Incorporation	June 15, 2020
		Concession Agreement Details	Agreement dated August 05, 2020 executed with NHA1 for 4 laning of Aligarh Kanpur Section (Package V) from km 356 to km 414 of National Highway – 91 in the State of Uttar Pradesh.
		State	Uttar Pradesh
		COD Status	achieved provisional COD on August 04, 2023
		(xi) PNC Unnao Highways Private Limited	
		Date of Incorporation	March 20, 2020
		Concession Agreement Details	Agreement dated August 05, 2020 executed with NHA1 for Rehabilitation and upgradation from 2 lane to 4 lane of NH stretch under Bharatmala Pariyojana for Unnao-Lalganj section of new NH-31 (old NH-232A) on Hybrid Annuity Mode in the state of Uttar Pradesh and design chainage km 0.000 to 70.000.
		State	Uttar Pradesh

Sr. No.	Particulars	Details																			
		COD Status	achieved provisional COD on October 12, 2023																		
		(xii) PNC Gomti Highways Private Limited																			
		Date of Incorporation	March 20, 2020																		
		Concession Agreement Details	Agreement dated August 05, 2020 executed with NHAI for 4 laning of Jagdishpur- Faizabad Section from km 47.930 (design chainage km 47.800) to km 107.680 (design chainage km 108.020) of NH-330A in the State of Uttar Pradesh.																		
		State	Uttar Pradesh																		
		COD Status	achieved provisional COD on November 18, 2023																		
	<p>The aforesaid projects represents approx. 3,800 lane kms in the states of Rajasthan, Uttar Pradesh, Madhya Pradesh and Karnataka.</p>																				
	<p>The total reported revenues for the financial year ended March 31, 2023 were as follows:</p>																				
	<table border="1"> <thead> <tr> <th data-bbox="770 1258 1201 1337">Asset Name</th> <th data-bbox="1201 1258 1415 1337">Revenue in INR Crore</th> </tr> </thead> <tbody> <tr> <td data-bbox="770 1337 1201 1415">PNC Rajasthan Highways Private Limited</td> <td data-bbox="1201 1337 1415 1415">34.3</td> </tr> <tr> <td data-bbox="770 1415 1201 1494">PNC Chitradurga Highways Private Limited</td> <td data-bbox="1201 1415 1415 1494">62.9</td> </tr> <tr> <td data-bbox="770 1494 1201 1572">PNC Aligarh Highways Private Limited</td> <td data-bbox="1201 1494 1415 1572">64.3</td> </tr> <tr> <td data-bbox="770 1572 1201 1650">PNC Bundelkhand Highways Private Limited</td> <td data-bbox="1201 1572 1415 1650">87.2</td> </tr> <tr> <td data-bbox="770 1650 1201 1729">PNC Khajuraho Highways Private Limited</td> <td data-bbox="1201 1650 1415 1729">72.9</td> </tr> <tr> <td data-bbox="770 1729 1201 1807">PNC Triveni Sangam Highways Private Limited</td> <td data-bbox="1201 1729 1415 1807">333.9</td> </tr> <tr> <td data-bbox="770 1807 1201 1886">PNC Bareilly Nainital Highways Private Limited</td> <td data-bbox="1201 1807 1415 1886">57.8</td> </tr> <tr> <td data-bbox="770 1886 1201 1960">PNC Challakere (Karnataka) Highways Private Limited</td> <td data-bbox="1201 1886 1415 1960">289.9</td> </tr> </tbody> </table>			Asset Name	Revenue in INR Crore	PNC Rajasthan Highways Private Limited	34.3	PNC Chitradurga Highways Private Limited	62.9	PNC Aligarh Highways Private Limited	64.3	PNC Bundelkhand Highways Private Limited	87.2	PNC Khajuraho Highways Private Limited	72.9	PNC Triveni Sangam Highways Private Limited	333.9	PNC Bareilly Nainital Highways Private Limited	57.8	PNC Challakere (Karnataka) Highways Private Limited	289.9
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Sr. No.	Particulars	Details	
		PNC Meerut Haridwar Highways Private Limited	546.5
		PNC Bithur Kanpur Highways Private Limited	620.5
		PNC Unnao Highways Private Limited	515.0
		PNC Gomti Highways Private Limited	663.8
		<p><i>Note: The revenues numbers mentioned above are as recorded in the audited financial statements as per IND AS.</i></p>	

Annexure B

Press Release

New Delhi, January 15, 2024

Highway Infrastructure Trust has entered into definitive agreements with PNC Infratech Limited and PNC Infra Holdings Limited for acquisition of 12 road projects.

Highway Infrastructure Trust (“**HIT**”) has executed definitive agreements for acquisition of 100% equity interest in twelve road projects (“**Target Portfolio**”) from PNC Infratech Limited and PNC Infra Holdings Limited (together “**PNC**”) in one or more tranches. The transaction is proposed to be undertaken at an enterprise value of INR 9,005.7 Crore (together with earnouts and subject to any adjustments as specified in the definitive agreements).

The transaction is subject to certain regulatory and customary conditions, including approval from relevant regulatory authorities, lenders, and other corporate authorizations.

The Target Portfolio comprise 11 Hybrid Annuity (HAM) concessions from NHAI and 1 Toll road concession from Uttar Pradesh State Highways Authority (UPSHA) and represents approx. 3,800 lane kms in the states of Rajasthan, Uttar Pradesh, Madhya Pradesh and Karnataka. Out of the 12 projects, 10 projects are currently operational and balance 2 projects are under-construction, which will be acquired post commencement of operations.

“This is a defining transaction in the roads sector, and acquisition of this portfolio demonstrates our commitment to growth and delivering value to our unit holders. We look forward to integrating these assets into our portfolio and to continue our journey of high-quality asset management backed by world class ESG standards.” said Neeraj Sanghi, Chief Executive Officer, Highway Concessions One (Investment Manager to HIT).

“The transaction is one of the largest acquisitions in the highways sector. Annuity nature of cashflows from the Target Portfolio would provide further stability to our existing portfolio. This investment is in line with our thesis of acquiring assets with long balance concession life generating predictable distributions for our unitholders. We are happy to share that with this transaction and other signed (and announced) transactions, HIT’s asset under management is estimated to cross INR 20,000 crores (i.e. ~4x since the initial listing).” added Gaurav Chandna, Head – Strategic Finance, Highway Concessions One (Investment Manager to HIT).

Ernst and Young LLP acted as the exclusive financial advisor and Trilegal acted as the legal advisor to Highways Infrastructure Trust in this transaction.

ABOUT Highways Infrastructure Trust: HIT is a SEBI registered InvIT, its investment manager is Highway Concessions One Private Limited and its sponsor is Galaxy Investments II Pte. Ltd. (“Sponsor”), an entity affiliated with funds, vehicles and/or accounts managed and/or advised by affiliates of KKR & Co. Inc. HIT’s units have been listed on the National Stock Exchange since August 2022. HIT’s current portfolio comprises of 10 assets with total length of ~628 km across six states of India, including recent acquisition of a toll asset from Navayuga Engineering Company Limited and 3 HAM assets from HG Infrastructure. Since its listing, HIT has maintained AAA/Stable rating by CRISIL and India Ratings.

For more details visit www.highwaystrust.com

Contacts: Compliance.highwaysinvit@highwayconcessions.com