

Highway Operators' Association (HOAI), an association of Infrastructure investors and their associated asset management companies registered in 2019 with an idea to provide a platform for like-minded road operators to pursue issues of common interest.



Governance - Safety and ABC



Advocacy for Sound O&M Practices



Adaptation of the best of Technology

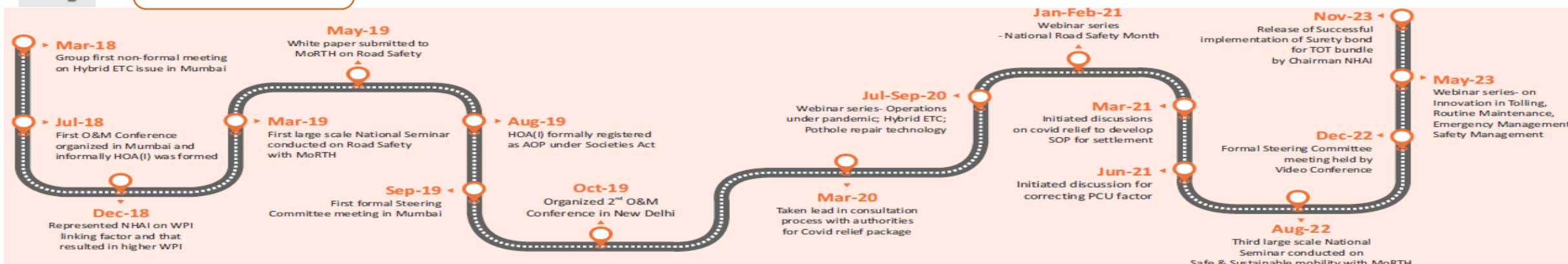
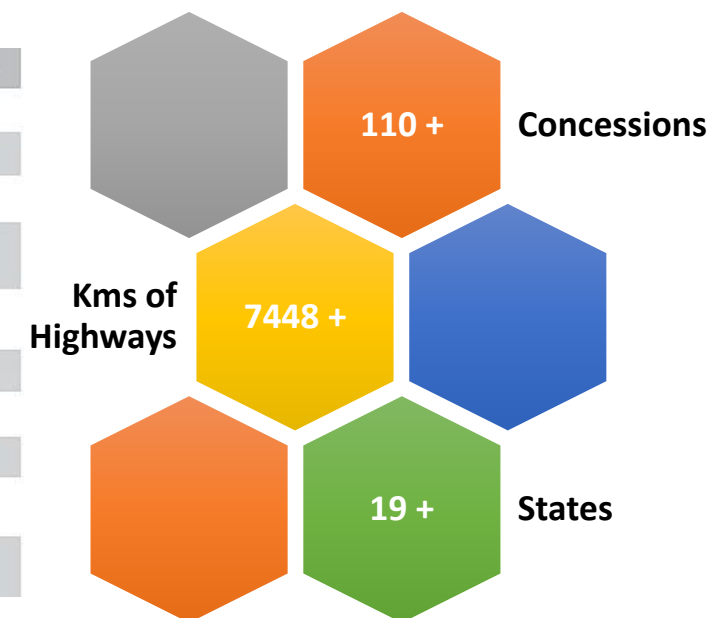


Knowledge Sharing and Stakeholder Consultation



Investment Promotion

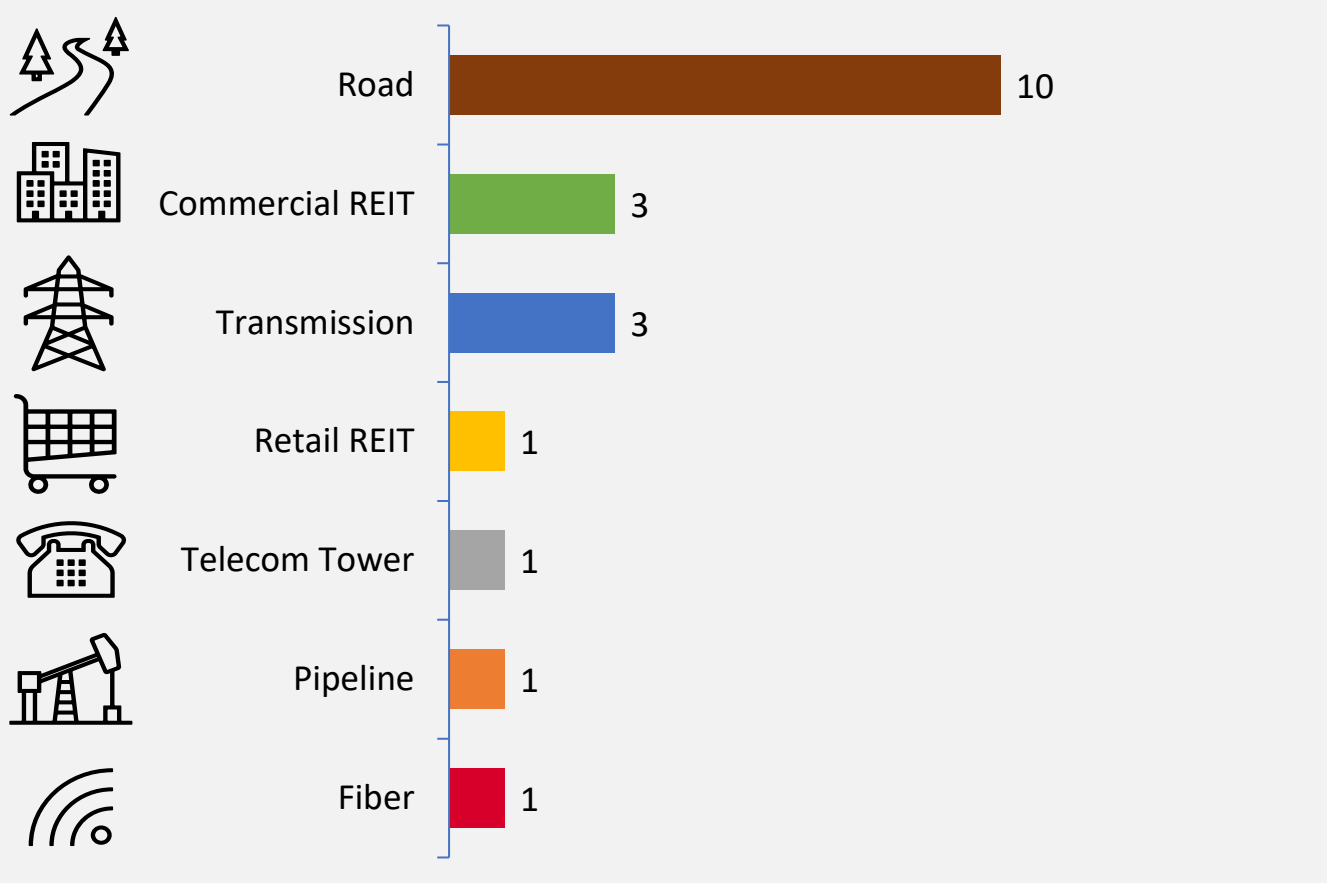
Investor	Asset Management Companies / Platforms
Abertis Group	Isadak
Actis Highway Infra Ltd (AHIL)	Walter Infra Project Manager Pvt. Ltd.
CDPQ	Maple Highways
CPPIB, OMERS and Allianz Group	Interise Investment Managers Limited (Investment Manager for IndInfraVIT Trust)
Cube Highways and Infrastructure Pte. Ltd.	Cube Highways and Transportation Asset Advisors Pvt. Ltd.
Edelweiss Alternative Asset Advisors ("EAAA")	Sekura India Management Limited
Highways Infrastructure Trust	Highway Concessions One India Pvt. Ltd.
L&T, CPPIB	L&T IDPL
Macquarie Asset Management (MAM) - Managed Assets	1. Safeway Concessions 2. MIRA India Management Services Pvt. Ltd.
ROADIS (100% Subsidiary of Public Sector Pension Investment Board)	ROADIS Concession India Pvt. Ltd. INDUS Concessions India Pvt. Ltd.



Roads is the most popular asset class in a diversified InvIT-REIT space

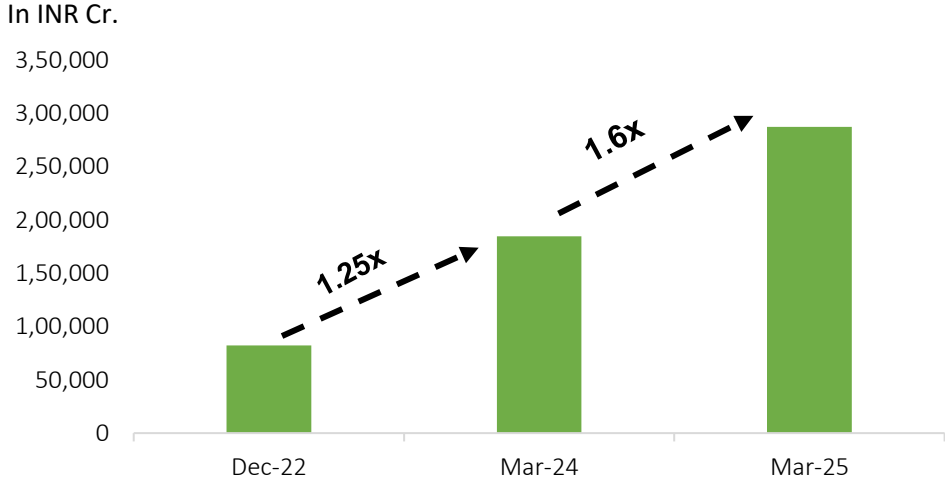
Roads accounts for highest number of InvITs by count

Listed vehicles as on September 30, 2023



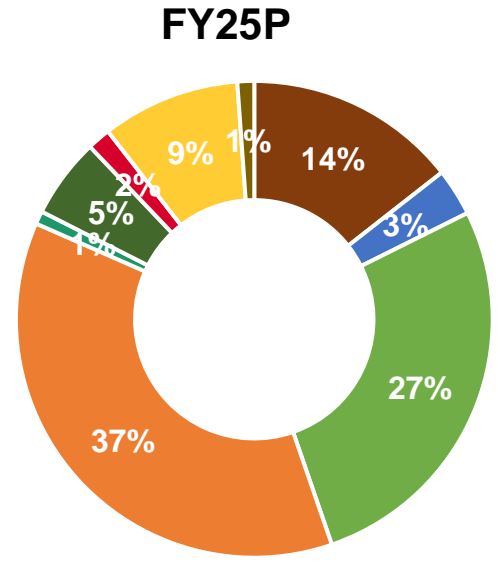
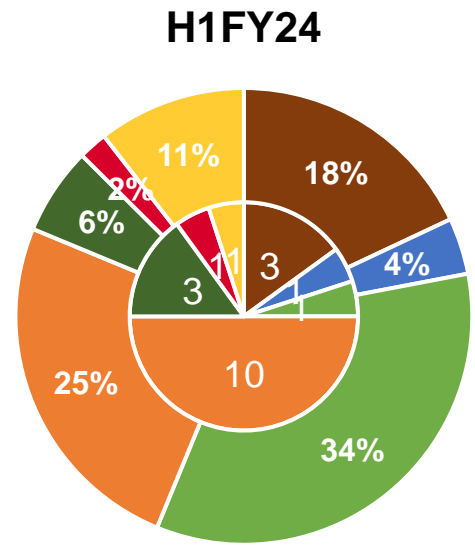
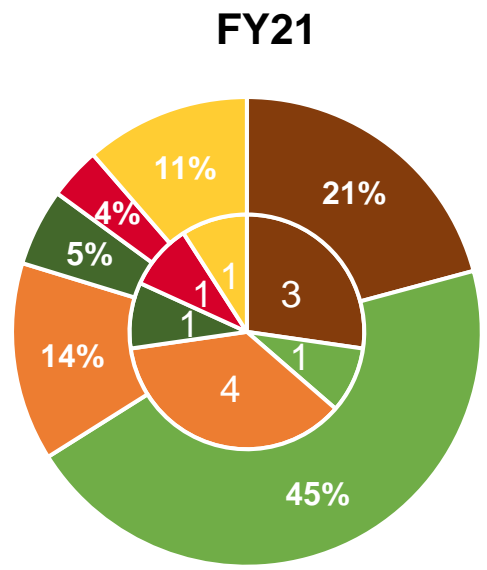
- The number of InvITs has gone up to 25 in FY24 from 4 in FY19
- AUMs of InvITs and REITs are expected to grow 15-20% on year in the next financial year to Rs. 7.5-8 trillion with the roads sector
- The roads sector will continue to dominate, accounting for almost 3/4th of the INR 1-1.5 trillion additional AUM expected in FY25
- AUM for InvITs in India's road sector will nearly double by Mar 2025 from the current ₹1.4 trillion

...and trend to continue with AUM increase of 160% by Mar 2025

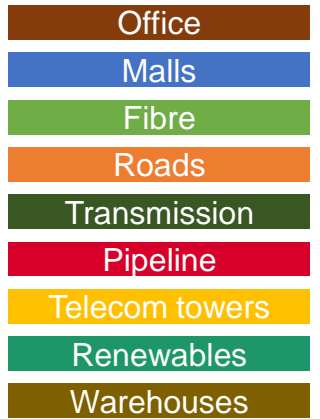


Share of roads in the InvIT-REIT bandwagon is seen increasing

AUM in INR lac. Cr. 3.9 6.1 7.5-8.0



Inner circle: Number of trusts
Outer circle: Share of AUM



- Increase in AUM to be primarily driven by:**
- ✓ Significant addition in road assets
 - ✓ New InvITs in sectors like warehouses and renewables
 - ✓ M&A in existing vehicles to maintain pace of growth

- Roads as an asset class supported by:**
- ✓ Strong counterparty in NHAI
 - ✓ Long operational track record of assets
 - ✓ Ready availability of assets with healthy pace of infra creation
 - ✓ Preferred by investors for healthy returns and inflation hedging

InVit Credit Credentials

Highways Infrastructure Trust: Rated CRISIL AAA / Stable / CRISIL A1+

Quality of asset portfolio

Operational track record of **over 8 years**

Presence across **9 states**

Almost equal mix of commercial and passenger vehicles

Financial profile

Superior debt service coverage ratio (DSCR)*

Healthy debt-to-enterprise value of **~42%**

Experienced management team

Sponsored by KKR having extensive experience in infrastructure, including in India's renewable energy and transmission sector.

Highway Concessions One (manager and service provider) has a long track of managing portfolio assets.

Diversification benefit

14 assets

8 toll + 2 annuities + 4 HAMs

Structural features

Debt-to-enterprise value **capped at 49%**

DSRA of 3 months and **MMRA** of 6 months

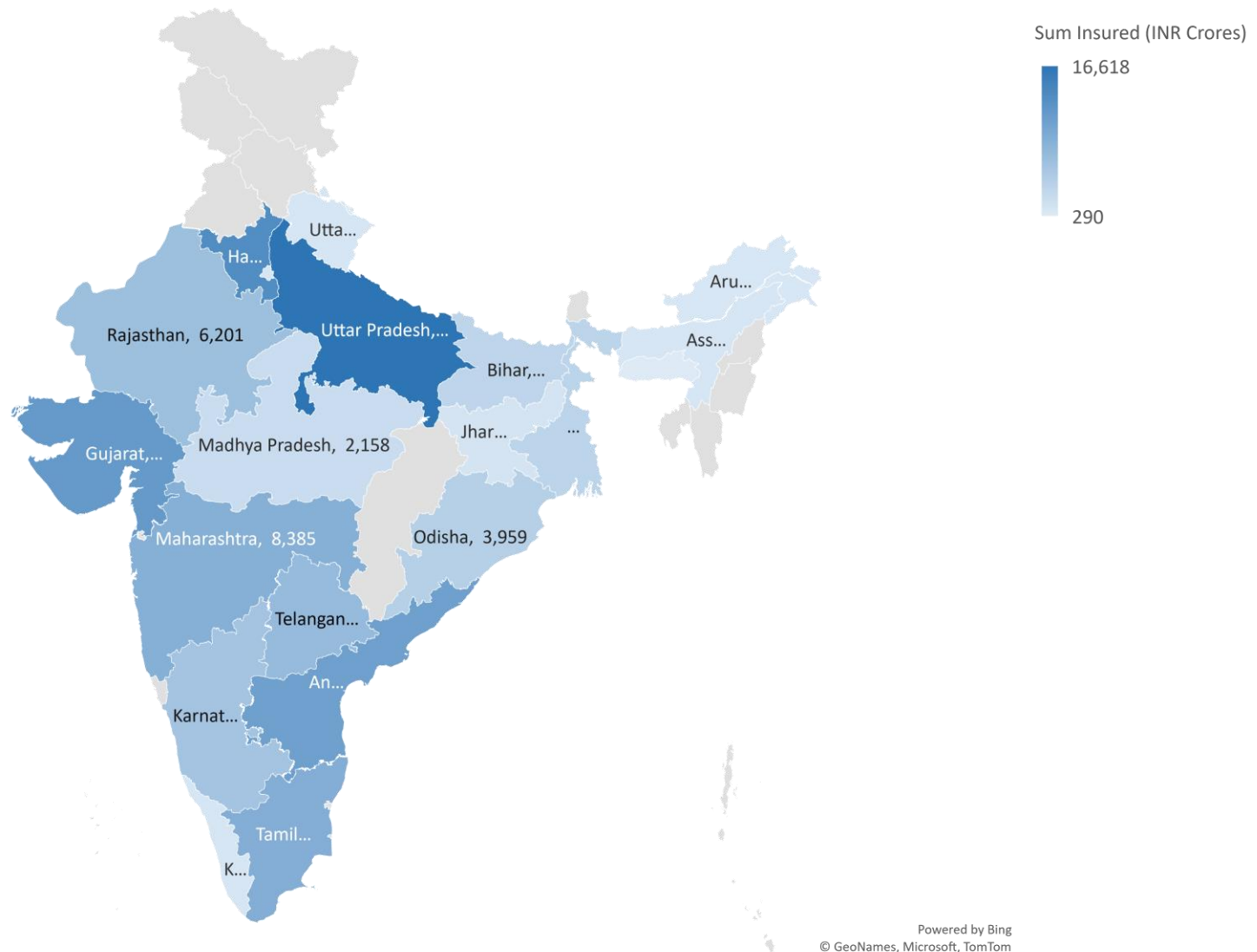
Cash trap at 1.4x of DSCR and provision for cash sweep

Counterparty risk

11 out of 14 assets have **NHAI** as counterparty

Sum Insured – State wise

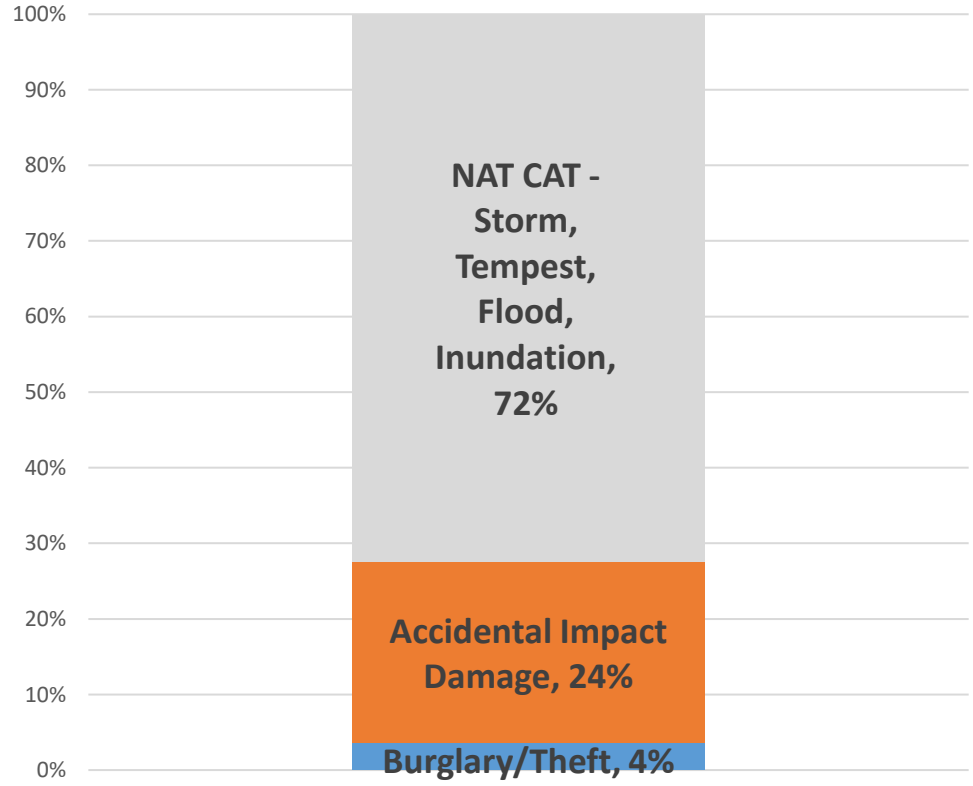
Sr No	State	Sum Insured (INR Cr.)
1	Uttar Pradesh	16,618
2	Haryana	13,301
3	Gujarat	11,554
4	Andhra Pradesh	10,470
5	Tamil Nadu	8,672
6	Maharashtra	8,385
7	Telangana	6,868
8	Rajasthan	6,201
9	Karnataka	5,662
10	Odisha	3,959
11	West Bengal	3,357
12	Bihar	3,277
13	Madhya Pradesh	2,158
14	Jharkhand	1,244
15	Kerala	996
16	Delhi	990
17	Assam	964
18	Uttarakhand	933
19	Arunachal Pradesh	882
20	Meghalaya	290
	Total	106,781



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Insurance Claim Loss Ratio History – 3 Years

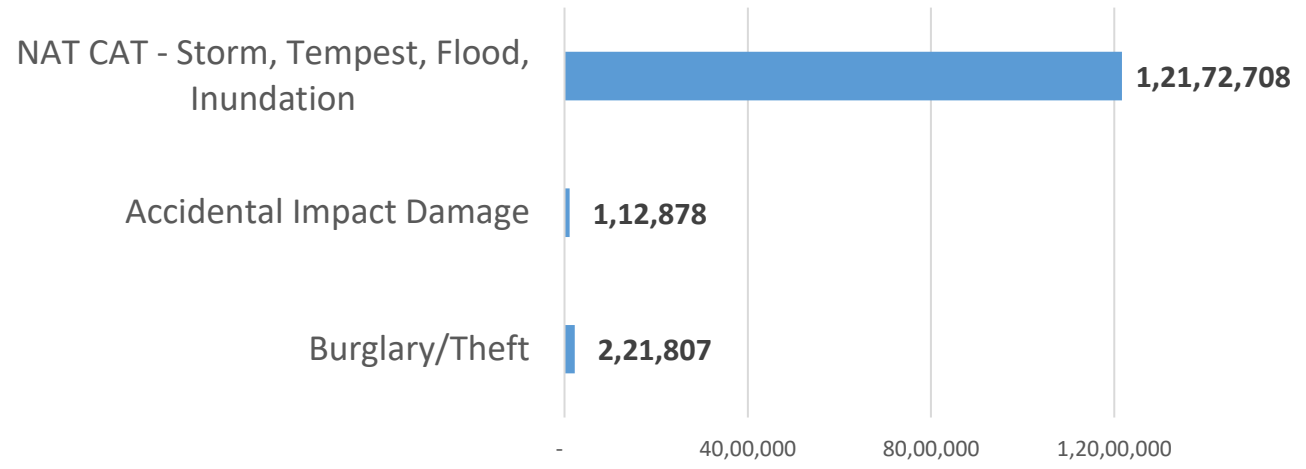
Loss ratio 41% of 3 Years



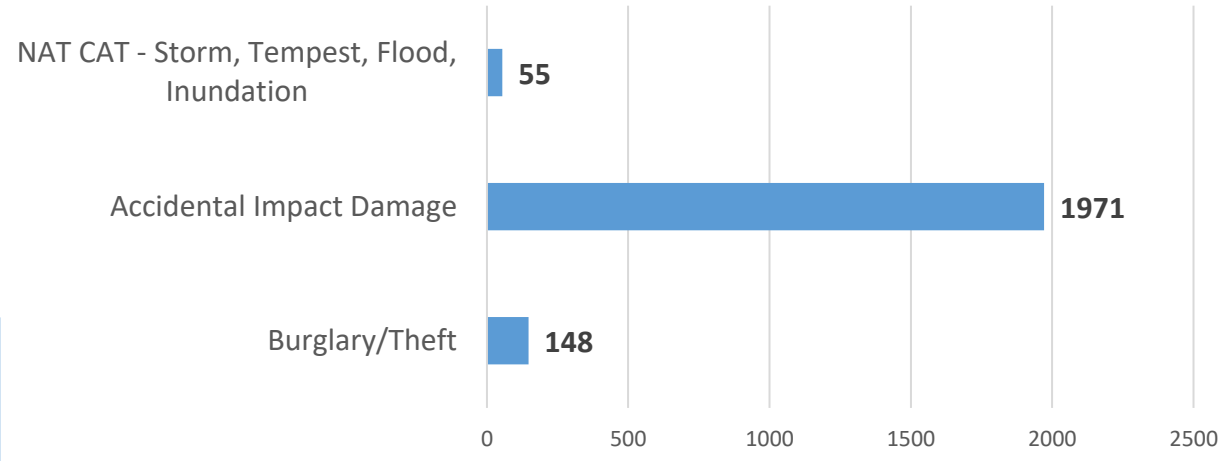
Peril wise breakup of total losses

- **Top 4 Claims: All 4 Natural catastrophic perils in 2023-24 comprise of 51% of Total Loss of last 3 years .**
- **Average Loss Ratio excluding Natcat is 20%**

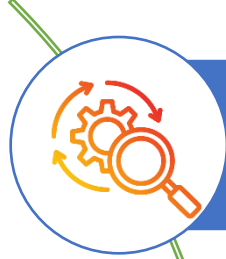
Average Claim Amount INR of 3 Years



Total No of Claims 3 Years



Risk Mitigation Factors



Due Diligence Process – Structural Detailed and Stringent DD process by hiring NBIU Agencies to assure the quality of the asset



Major Maintenance – 1.5-2X Life Cycle Cost compared to other road operators and “No Compromise” ideology with timely planned and executed ensures better condition of road assets



Pre-Monsoon Maintenance – Well planned pre-monsoon maintenance activities ensures better upkeep of the asset resulting in lower asset losses



Routine Maintenance – With 2X O&M cost compared to other road operators and quality routine maintenance activities planned pro-actively ensures excellent asset conditions resulting into lower asset-based claims

Risk Mitigation Factors – Key Differentiators (O&M)

Activity	General Market Practice	InVit Members Practice
Maintenance Strategy	<ul style="list-style-type: none"> • Reactive and limited • Based on significant distress, visible only on visual inspection 	<ul style="list-style-type: none"> • Proactive and Preventive strategy • Technology driven regular testing to identify distressed sections well in advance
Major Maintenance Technology	<ul style="list-style-type: none"> • Milling, Overlay and BC filling • Same approach used throughout road stretch 	<ul style="list-style-type: none"> • Latest practices like cold-in-place recycling, hot-in-place recycling and BC filing • Milling only as and when needed • Scientific approach – customized solutions for each segment of stretch
Right of Way Management	Manual	<ul style="list-style-type: none"> • Video based surveys for identifying encroachments and for maintaining road furniture • Consultative approach for removal of encroachments
Interface with Independent Engineer and Concession Authority	Only in case of problems	<ul style="list-style-type: none"> • Active dialogue • Proactively identifying and implementing improvements to the road

