

FREQUENTLY ASKED QUESTIONS

RIGHTS ISSUE OF UNITS BY HIGHWAYS INFRASTRUCTURE TRUST

Set out below are the frequently asked questions (“FAQs”) to guide investors in gaining familiarity with the application process for subscribing to the rights issue of fully paid Units issued (“Issue” or “Rights Issue”) by **HIGHWAYS INFRASTRUCTURE TRUST (“Trust”)** in terms of the letter of offer dated September 25, 2023 (“Letter of Offer”), filed with the Securities and Exchange Board of India and National Stock Exchange of India Limited. These FAQs are not exhaustive, nor do they purport to contain a summary of all the disclosures in the Letter of Offer or the entire application process in the Issue or all details relevant to prospective investors (“Investors”). Further, these FAQs should be read in conjunction with, and are qualified in their entirety by, more detailed information appearing in the Letter of Offer, including the sections “Notice to Investors”, “Risk Factors”, “Selling and Transfer Restrictions” and “Issue Information” on pages 1, 56, 270 and 275 respectively, of the Letter of Offer. Readers are advised to refer to the Letter of Offer which is available on the website of the Registrar (www.linkintime.co.in), Trust (www.highwaystrust.com), Lead Manager, Axis Capital Limited (www.axiscapital.co.in) and Stock Exchange (www.nseindia.com). Unless otherwise defined herein, all capitalised terms shall have such meaning as ascribed to them in the Letter of Offer.

- What are the details of the Issue?**

Rights units being offered by the Trust	Issue of up to 6,59,52,380 units (“Units”)
Issue Size	Aggregate Amount of ₹ 5,141.65 Million*
Rights Entitlements	10 Units for every 63 Units held on the Record Date
Record Date	Friday, September 29, 2023
Issue Price	₹77.96 per Unit

* The size of the Issue shall be subject to finalisation of Allotment in the Issue.

- What is the Rights Issue schedule?**

Last Date for credit of Rights Entitlements	on or about Friday, October 6, 2023
Issue Opening Date	Monday, October 9, 2023
Last Date for On Market Renunciation of Rights Entitlement*	Monday, October 9, 2023
Issue Closing Date[^]	Thursday, October 12, 2023
Finalisation of Basis of Allotment (On or about)	On or about Monday, October 16, 2023
Date of Allotment (On or about)	On or about Monday, October 16, 2023
Date of Credit (On or about)	On or about Tuesday, October 17, 2023
Date of Listing (On or about)	On or about Wednesday, October 18, 2023

* Eligible Unitholders are requested to ensure that renunciation through off-market transfer is completed in such a manner that the Rights Entitlements are credited to the demat account of the Renouncees on or prior to the Issue Closing Date.

[^] The Investment Manager will have the right to extend the Issue Period as it may determine from time to time, provided that this Issue will not remain open in excess of 15 days from the Issue Opening Date (inclusive of the Issue Opening Date). Further, no withdrawal of Application shall be permitted by any Applicant after the Issue Closing Date.

- What is the Rights Entitlement Ratio?**

The Units are being offered on a rights basis to the Eligible Unitholders in the ratio of 10 Units for every 63 Units held on the Record Date.

- What is the amount to be paid at the time of submitting the Application Form?**

Amount payable at the time of Application is ₹77.96 per Unit.

- What are Rights Entitlements?**

Eligible Unitholders whose names appear as a beneficial owners in respect of the Units held in dematerialized form as on the Record Date, i.e., Friday, September 29, 2023, are entitled to the number of Rights Entitlements as set out in their respective Rights Entitlement Letter.

The Registrar has sent the Rights Entitlement Letter along with the Abridged Letter of Offer and Application Form to all Eligible Unitholders, through email, which contain details of their Rights Entitlements based on the Unitholding as on the Record Date.

Further, the Eligible Unitholders can also obtain the details of their Rights Entitlements from the website of the Registrar (www.linkintime.co.in) by entering their DP ID, Client ID / Folio No. and PAN.

- **How will the Basis of Allotment be decided?**

Subject to the provisions contained in the Letter of Offer, the Rights Entitlement Letter, the Application Form, the Articles of Association and the approval of the Designated Stock Exchange, our Board will proceed to Allot the Units in the following order of priority:

- (a) Full Allotment to those Eligible Unitholders who have applied for their Rights Entitlements of Units either in full or in part and also to the Renouncee(s) who has or have applied for Units renounced in their favour, in full or in part, as adjusted for fractional entitlement.**
- (b) Allotment to Eligible Unitholders who having applied for the Units in full to the extent of their Rights Entitlement and have also applied for Additional Units shall be made as far as possible on an equitable basis, after giving preference to the Unitholders with fractional entitlement, having due regard to the number of Units held by them on the Record Date, provided there is an undersubscribed portion after making Allotment in (a) above.
- (c) Allotment to the Renouncees, who having applied for the Units renounced in their favour and also applied for Additional Units, provided there is an undersubscribed portion after making full Allotment specified in (a) and (b). The Allotment of such Additional Units may be made on a proportionate basis.
- (d) Allotment to the Sponsor and its Associates, who are Unitholders on the Record Date and who have disclosed their intent to subscribe to Additional Units in terms of the SEBI Rights Issue Guidelines, if there is an unsubscribed portion after making full Allotment as per clause (a), (b) and (c) above.
- (e) Allotment to the underwriter appointed for the Issue, if any, at the discretion of the Board of Directors of the Investment Manager, subject to disclosure in the Letter of Offer.

** Allotment to those Eligible Unitholders holding fractional entitlement will be given preference basis their fractional holding, provided there is an undersubscribed portion after making Allotment in (a) above. For example, fractional entitlement unitholder holding 7 Units will get preference for allotment of one Unit over those holding 6, 5 or 4 Units.

- **How can an Eligible Unitholders access the details of his respective Rights Entitlement?**

Rights Entitlements shall be credited to the respective demat accounts of Eligible Unitholders before the Issue Opening Date only in dematerialised form. Eligible Unitholders can also obtain the details of their respective Rights Entitlements from the website of the Registrar *i.e.*, www.linkintime.co.in by entering their DP ID, Client ID or Folio Number and PAN as on the record date, *i.e.*, September 29, 2023.

- **What are fractional entitlements? What will be the entitlement if a Unitholder holds less than 7 units?**

If any one is holding less than 7 units then such entitlements will be treated as fractional entitlements.

Illustration in relation to Fractional Entitlements

For ease of reference and understanding, we have assumed that the ratio of 10 Units for every 63 Units held by the Eligible Unitholders will be offered on a rights basis. The detailed description of the fractional entitlement and the basis of allotment are provided below:

The Units are being offered on a rights basis to existing Eligible Unitholders in the ratio of 10 Units for every 63 Units held as on the Record Date. Fractional entitlements of the Rights Entitlement will not be credited to a suspense account. Accordingly, if the Unitholding of any of the Eligible Unitholders is less than 63 Units or is not in the multiple of 63 Units, the fractional entitlements of such Eligible Unitholders shall be ignored. However, the Eligible Unitholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one additional Unit if they apply for additional Units in the Issue over and above their Rights Entitlements, if any, subject to availability of Units in this Issue post allocation towards Rights Entitlements applied for.

For example, if an Eligible Unitholder holds 63 Units, such Unitholder will be entitled to 10 Units and will also be given a preferential consideration for the Allotment of 1 additional Unit if such Eligible Unitholders has applied for additional Units in the Issue, over and above his/her Rights Entitlements, subject to availability of Units in this Issue post allocation towards Rights Entitlements applied for.

Further, the Eligible Unitholders holding less than 7 Units shall have 'zero' entitlement for the Units. Such Eligible Unitholders are entitled to apply for additional Units in the Issue and will be given preference in the Allotment of 1 Unit, if such Eligible Unitholders apply for additional Units in the Issue, subject to availability of Units in this Issue post allocation. Allotment to those Eligible Unitholders holding fractional entitlement will be given preference basis their fractional holding, provided there is an undersubscribed portion. For example, fractional entitlement unitholder holding 7 Units will get preference for allotment of one Unit over those holding 4, 5 or 6 Unit(s).

- What are the options available with a Unitholder holding fractional entitlement?**

The Eligible Unitholders whose fractional entitlements are being ignored, will be given preferential consideration for the Allotment of one additional Unit if they apply for additional Units in the Issue over and above their Rights Entitlements, if any, subject to availability of Units in this Issue post allocation towards Rights Entitlements applied for.

- When will Credit of Rights Entitlements in the demat accounts happen?**

Pursuant to the provisions of the Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014 including the rules, circulars and guidelines issued thereunder, including the SEBI Rights Issue Guidelines, the Rights Entitlements shall be credited in dematerialized form in respective demat accounts of the Eligible Unitholders before the Issue Opening Date.

In this connection, the Trust has made necessary arrangements with NSDL and CDSL for credit of the Rights Entitlements in dematerialized form in the demat accounts of the Eligible Unitholders. The ISIN of the Rights Entitlements is INE0KXY20011. The said ISIN shall remain frozen (for debit) until the Issue Opening. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

- What is the process for Renunciation of Rights Entitlements?**

This Issue includes a right exercisable by Eligible Unitholders to renounce the Rights Entitlements credited to their respective demat account either in full or in part.

The renunciation from non-resident Eligible Unitholder(s) to resident Indian(s) and vice versa shall be subject to provisions of FEMA Rules and other circular, directions, or guidelines issued by RBI or the Ministry of Finance from time to time read with Schedule VIII of the FEM Rules permits the issue of Units by InvITs to persons resident outside India.

The renunciation of Rights Entitlements credited in your demat account can be made either by sale of such Rights Entitlements using the secondary market platform of the Stock Exchanges or through an off-market transfer. For details, please see the section entitled "*Issue Information - Procedure for Renunciation of Rights Entitlements*" on page 285 of Letter of Offer.

In this regard, the Investment Manager has made necessary arrangements with NSDL and CDSL for the crediting of the Rights Entitlements to the demat accounts of the Eligible Unitholders in a dematerialized form. A separate ISIN for the Rights Entitlements has also been generated which is INE0KXY20011. The said ISIN shall remain frozen (for debit) until the Issue Opening Date. The said ISIN shall be suspended for transfer by the Depositories post the Issue Closing Date.

Eligible Unitholders are requested to provide relevant details (such as copies of self-attested PAN and details confirming the legal and beneficial ownership of their respective Units) to the Investment Manager or the Registrar not later than two Working Days prior to the Issue Closing Date, being by Thursday, October 12, 2023, to enable the credit of their Rights Entitlements by way of transfer from the demat suspense escrow account to their demat account at least one day before the Issue Closing Date, to enable such Eligible Unitholders to make an application in this Issue, and this communication shall serve as an intimation to such Eligible Unitholders in this regard. Such Eligible Unitholders are also requested to ensure that their demat account, details of which have been provided to Investment Manager or the Registrar account is active to facilitate such transfer.

Additionally, Investment Manager will submit the details of the total Rights Entitlements credited to the demat accounts of the Eligible Unitholders and the demat suspense escrow account to the Stock Exchanges after completing the corporate action. The details of the Rights Entitlements with respect to each Eligible Unitholders can be accessed by such respective Eligible Unitholders on the website of the Registrar after keying in their respective details along with other security control measures implemented thereat.

- **If the Investor purchased Rights Entitlements from the secondary market, does he need to pay once again for the Rights Units applied for through ASBA**

Yes, even though the Investor purchased the Rights Entitlements from the secondary market, they need to block/pay the issue price amount with designated SCSBs

- **Whether any persons who are not existing unitholders of the issuer Trust as on record date, can apply to the Rights Issue?**

Persons who are not existing unitholders of the Issuer Trust as on the record date can buy the Rights Entitlements (REs) through online or off line renunciation and apply in the Rights Issue up to REs bought.

- **What will happen if Rights Entitlements (REs) are purchased through On market renunciation / Off market renunciation, and no application is made for subscribing the units / other securities offered under Rights Issue?**

In case REs are purchased through On market renunciation/ Off market renunciation, and no corresponding application is made for subscribing the units/ other securities offered under Rights Issue, the REs purchased will lapse

- **What are the options available to the Eligible Unitholders in the Rights Issue?**

The Rights Entitlement Letter will clearly indicate the number of Units that the Eligible Unitholder is entitled to.

If the Eligible Unitholder applies in this Issue, then such Eligible Unitholder can:

- apply for its Units to the full extent of its Rights Entitlements; or
- apply for its Units to the extent of part of its Rights Entitlements (without renouncing the other part); or

- (iii) apply for Units to the extent of part of its Rights Entitlements and renounce the other part of its Rights Entitlements; or
- (iv) apply for its Units to the full extent of its Rights Entitlements and apply for additional Units in the Issue; or
- (v) renounce its Rights Entitlements in full.

- **Can an application in the rights Issue be made using third party bank account?**

Investors can make payment only using bank account held in their own name. Please note that Applications made with payment using third party bank accounts are liable to be rejected.

- **Can a joint bank account be used to make applications on behalf of unitholders?**

Joint bank account can be used by the applicant provided they are joint holders in the Bank account.

- **Can an application be made by cash / cheque?**

No.

- **Can an application be made by visiting the Trust, Investment Manager, Registrar and / or the Lead Managers office?**

No. An Investor can, however, approach designated branches of Banker to the Issue in its capacity as SCSB.

- **Can the broker collect the application form and submit the application?**

No.

- **Does purchase of Rights Entitlement means the purchaser will automatically get Rights Units?**

The purchaser/ investor acquiring Rights Entitlement on the floor of stock exchange or in the off-market transaction will not automatically get Units. They will be required to make an application in accordance with the provision of the Letter of Offer for acquiring Rights Units to the extent of the Rights Entitlement acquired and/or additional Rights Units.

Please note that the Rights Entitlements which are neither renounced nor subscribed by the Bidders on or before the Issue Closing Date shall lapse and shall be extinguished after the Issue Closing Date. No Units for such lapsed Rights Entitlements will be credited, even if such Rights Entitlements were purchased from market and the purchaser will lose the premium paid to acquire the Rights Entitlements. Persons who are credited the Rights Entitlements are required to make an Application to apply for Units offered under this Issue for subscribing to the Units offered pursuant to this Issue.

- **How can an Investor understand that the Application has been successfully made?**

Investors will be provided acknowledgment/confirmation email upon successful completion of Application.

- **How can an Investor understand if the Rights Units have been allocated?**

The Trust and/or the Registrar will send Email Intimation (Allotment/ Refund advice) to all the applicants who have been Allotted Rights Units. Unitholders can also obtain the details of their allotment from the website of the Registrar.

- **What is the process of updating the email ID, phone number and Indian address?**

To update respective email addresses/ mobile numbers in the records maintained by the Registrar or the Trust, Eligible Unitholders should contact Registrar.

Eligible Unitholders can update their Indian address in the records maintained by the Registrar and the Trust by submitting their respective copies of self-attested proof of address, passport, etc. at https://web.linkintime.co.in/EmailReg/Email_Register.html.

- **How can an investor apply in the Issue?**

An Investor, wishing to participate in this Issue through the ASBA facility, is required to have an ASBA enabled bank account with an SCSB, prior to making the Application. Investors desiring to make an Application in this Issue through ASBA process, may submit the Application Form to the Designated Branches of the SCSB or online/electronic Application through the website of the SCSBs (if made available by such SCSB) for authorising such SCSB to block Application Money payable on the Application in their respective ASBA Accounts.

Investors should ensure that they have correctly submitted the Application Form, or have otherwise provided an authorisation to the SCSB, *via* the electronic mode, for blocking funds in the ASBA Account equivalent to the Application Money mentioned in the Application Form, as the case may be, at the time of submission of the Application

- **What is the procedure for making plain paper application and where can the plain paper application be submitted?**

An Eligible Unitholder who is eligible to apply under the ASBA process may make an Application to subscribe to this Issue on plain paper in case of non-receipt of Application Form. In such cases of non-receipt of the Application Form through e-mail or physical delivery (where applicable) and the Eligible Unitholder not being in a position to obtain it from any other source may make an Application to subscribe to this Issue on plain paper with the same details as per the Application Form that is available on the website of the Registrar, Stock Exchanges or the Lead Manager. An Eligible Unitholder shall submit the plain paper Application to the Designated Branches of the SCSB for authorising such SCSB to block Application Money in the said bank account maintained with the same SCSB. Applications on plain paper will not be accepted from any address outside India.

Please note that the Eligible Unitholders who are making the Application on plain paper shall not be entitled to renounce their Rights Entitlements and should not utilize the Application Form for any purpose including renunciation even if it is received subsequently.

- **When can Eligible Unitholder apply in the issue?**

An Eligible Unitholder can apply in the issue from the date of issue opening (i.e. October 9, 2023)

- **When does the refund take place?**

Money is unblocked by SCSBs post finalization of basis of allotment, which is likely to take place around Monday, October 16, 2023

- **Is R-WAP platform available to Unitholders who cannot make application through ASBA?**

R-WAP platform is not available to Unitholders in this Issue

- **Is there any restriction on total investment amount / Units?**

As the trading lot size comprises of 2,00,000 Units aggregating to ₹20 million in accordance with InvIT Regulations for the Highways Trust. The minimum application in the Issue by any Investor shall be for 2,56,542 Units. The minimum allotment to any Investor shall not be less than ₹ 20 million.

- **What will be the treatment of Multiple Applications?**

In case where multiple Applications are made using same demat account, such Applications shall be liable to be rejected. A separate Application can be made in respect of Rights Entitlements in each demat account of the Investors and such Applications shall not be treated as multiple applications. A separate Application can be made in respect of each scheme of a mutual fund registered with SEBI and such Applications shall not be treated as multiple applications.

In cases where multiple Application Forms are submitted, including through ASBA, such Applications shall be treated as multiple applications and are liable to be rejected, other than multiple applications submitted by any of the Sponsor or its Associates to meet the minimum subscription requirements applicable to this Issue as described in the section entitled “The Issue – Intention and extent of participation by the Sponsor and its Associates” on page 18 of Letter of Offer.

- **How to withdraw an Application made through ASBA?**

An Investor who has applied in this Issue may withdraw their Application at any time during Issue Period by approaching the SCSB where application is submitted. However, no Bidder shall withdraw their Application post the Issue Closing Date.

- **Whether Overseas Investors can participate in rights Issue?**

The rights entitlements and the units have not been and will not be registered under the U.S. Securities Act, or any U.S. state securities laws and may not be offered, sold, resold or otherwise transferred within the UNITED STATES, except in a transaction exempt from the registration requirements of the U.S. SECURITIES ACT. The units referred to in the draft letter of offer, this letter of offer are being offered and sold in offshore transactions outside the united states in compliance with regulations to unitholders located in jurisdictions where such offer and sale of the units is permitted under laws of such jurisdictions. the offering to which the Draft Letter of Offer, the Letter of Offer relates is not, and under no circumstances is to be construed as, an offering of any units or rights entitlements for sale in the UNITED STATES or as a solicitation therein of an offer to buy any of the said securities. The units and the rights entitlements are not transferable except in accordance with the restrictions described in the section entitled “Selling and Transfer *Restrictions*” on page 270 of the Letter of Offer.

- **When will the Rights Units be credited to the demat account?**

On or About Friday, October 6, 2023.

DISCLAIMER

Highways Trust is proposing, subject to receipt of requisite approvals, market conditions and other considerations, a Rights Issue of its Units and has filed the Letter of Offer with the Stock Exchange. The Letter of Offer is available on the website of the NSE at www.nseindia.com, Highways Trust at www.highwaystrust.com, Lead Manager to the Issue, i.e. Axis Capital Limited at www.axiscapital.co.in. Investors should note that investments in Units involve a high degree of risk and Investors should not invest in the Issue unless they are prepared to take the risk of losing all or part of their investment. Investors are advised to carefully read the section entitled “Risk Factors” on page 56 of the Letter of Offer and other disclosures included in the Letter of Offer before making an investment decision relating to the Issue.