Report on Enterprise Valuation of National Highways Infra Projects Private Limited proposed to be acquired by National Highways Infra Trust

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Private and Confidential

31 March 2021

Report Ref No: RVA2021DTFAREP064

National Highways Infra Investment Managers Private Limited
G-5 & 6, Sector-10, Dwarka
Delhi 110075

Sub: Enterprise Valuation of National Highways Infra Projects Private Limited, pursuant to SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended ("the SEBI InvIT Regulations")

Dear Sir,

We refer to our appointment letter dated 29th December 2020 wherein RBSA Valuation Advisors LLP ("RBSA") has been appointed by National Highways Infra Investment Managers Private Limited ("NHIIMPL"/ the "Investment Manager"), as an independent valuer, as per Regulation 2(zzf) of the SEBI (Infrastructure Investment Trust) Regulations, 2014 ("SEBI InvIT Regulations"), for carrying out the Enterprise Valuation of National Highways Infra Projects Private Limited ("NHIPPL" or the "SPV"). NHIPPL is a wholly owned subsidiary of National Highway Authority of India ("NHAI" or the "Sponsor) and has been incorporated as a special purpose vehicle to encompass 5 Toll road projects ("Specified Projects"). NHIPPL has entered into a concession agreement with NHAI to operate, maintain and transfer the Specified Projects under the Toll, Operate and Transfer ("TOT") model. Specified Projects proposed to be held by NHIPPL are as follows:

1. Abu Road (Rajasthan) to Swaroopganj (Rajasthan) ("ABU-SWA")
2. Chittorgarh (Rajasthan) to Kota (Rajasthan) ("CHT-KOT")
3. Palanpur (Gujarat) to Abu Road (Rajasthan) ("PLN-ABU")
4. Kothakota Bypass (Telangana) to Kurnool (Andhra Pradesh) ("KOT-KUR")
5. Belgaum (Karnataka) to Kagal (Karnataka) ("BEL-KAG")

National Highways Infra Trust ("NHIT " or the "Trust" or "InvIT") is registered with the Securities and Exchange Board of India ("SEBI") as an infrastructure investment trust under the SEBI InvIT Regulations.

NHIIMPL is acting as Investment Manager to the Trust, NHAI is acting as Sponsor to the Trust, and IDBI Trusteeship Services Limited ("Trustee") is acting as Trustee to the Trust, within the meaning of the SEBI InvIT Regulations.

NHAI aims to monetize Specified Projects encompassed in the SPV through the InvIT (Infrastructure Investment Trust) route. Pursuant to this, NHIIMPL is evaluating a proposal for acquisition by the Trust of stake held by NHAI in NHIPPL ("Transaction").

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We have analyzed the information provided by/ on behalf of the Investment Manager through broad inquiry, analysis and review but have not carried out a due diligence or audit of such information. We have relied on the explanations and information provided by/ on behalf of the Investment Manager. We have no present or planned future interest in the Sponsor, the SPV or the Investment Manager except to the extent of our appointment as an independent valuer. Our professional fees for the valuation are not contingent upon the values reported herein. Our valuation analysis should not be construed as an investment advice specifically, we do not express any opinion on the suitability or otherwise of entering into any financial or other transaction with the Trust.

We enclose our valuation report (the "Report") providing our opinion on the fair enterprise valuation of NHIPPL as of 30th March 2021 ("Valuation Date"), on a 'going concern' premise. The attached Report details the valuation approach and methodologies, calculations, and conclusions with respect to this valuation.

Our valuation analysis must be considered as a whole. Selecting portions of our analysis or the factors we considered, without considering all factors and analysis together could create a misleading view of the process underlying the valuation conclusions. Valuation is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis.

Our valuation conclusion included herein, and Report complies with the SEBI InvIT Regulations and guidelines, circular or notification issued by SEBI there under.

Please note that the Report must be read in conjunction with the Assumptions and Limiting Conditions, which are contained in Section 3 of this Report. This letter, the Report and the summary of valuation included herein may be provided to the Trust's advisors, the Securities and Exchange Board of India, other regulatory and supervisory authority, as may be required in connection with the Transaction and can be reproduced and included in the draft placement memorandum and final placement memorandum proposed to be filed in connection with offering of the units of the Trust.

This letter should be read in conjunction with the attached Report.

For **RBSA Valuation Advisors LLP,**
(RVE No.: IBBI/RV-E/05/2019/110)

R Shah

RBSA VALUATION ADVISORS LLP

Name: Ravishu Vinod Shah
Designation: Partner
Asset Class: Securities or Financial Assets (RV No.: IBBI/RV/06/2020/12728)
Date: 31st March 2021
Place: Mumbai

Contents

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1. Executive Summary

National Highway Authority of India ("NHAI") was set up by an act of the Indian Parliament, NHAI Act, 1988. NHAI is set up with the primary objective of facilitating development, maintenance, and management of national highways in India. NHAI has been entrusted with National Highways Development Project, along with other minor projects. NHAI is vested in with a portfolio of 50,329 kms of National Highways ("NH") for development, maintenance, and management.

National Highways Infra Projects Private Limited ("NHIPPL" or "SPV") is a wholly owned subsidiary of NHAI, which has been incorporated as a special purpose vehicle to encompass five Toll road projects ("Specified Projects"). NHIPPL has entered into a concession agreement with NHAI to operate, maintain and transfer the Specified Projects under the Toll, Operate and Transfer ("TOT") model.

National Highways Infra Trust ("NHIT " or the "Trust" or "InvIT") is registered with the Securities and Exchange Board of India ("SEBI") as an infrastructure investment trust under the SEBI InvIT Regulations. National Highways Infra Investment Managers Private Limited ("NHIIMPL" or the "Investment Manager") is acting as Investment Manager to the Trust. National Highway Authority of India ("NHAI" or "Sponsor") is acting as Sponsor to the Trust, and IDBI Trusteeship Services Limited ("Trustee") is acting as the Trustee to the Trust, within the meaning of the SEBI InvIT Regulations.

NHAI aims to monetize Specified Projects encompassed in the SPV through the InvIT (Infrastructure Investment Trust) route. Pursuant to this, NHIIMPL is evaluating a proposal for acquisition by the Trust of stake held by NHAI in NHIPPL ("Transaction").

In this regard, RBSA Valuation Advisors LLP has been appointed by the Investment Manager, as an independent valuer, as per Regulation 2(zzf) of the SEBI InvIT Regulations, for the purpose of carrying out Enterprise Valuation of National Highways Infra Projects Private Limited which is proposed to be acquired by the Trust.

National Highways Infra Projects Private Limited comprises the following Specified Projects:

Sr. No.	Name of Section	NH	Total Length (Kms)	Toll Plaza	Start Kms	End Kms
1	Abu Road – Swaroopganj	NH-27	31.000	Undavariya	646.000	677.000
2	Chittorgarh – Kota & Chittorgarh Bypass	NH-27	160.500	Bassi, Aroli and Dhaneshwar	891.929	1052.429
3	Palanpur/Khemana – Abu Road	NH-27	45.000	Khemana	601.000	646.000
4	Kothakota Bypass - Kurnool Highway	NH-44	74.622	Pullur	135.469	211.000
5	Maharashtra / Karnataka Border (Kagal) Highway	NH-48	77.705	Hattargi and Kognoli	515.000	592.705

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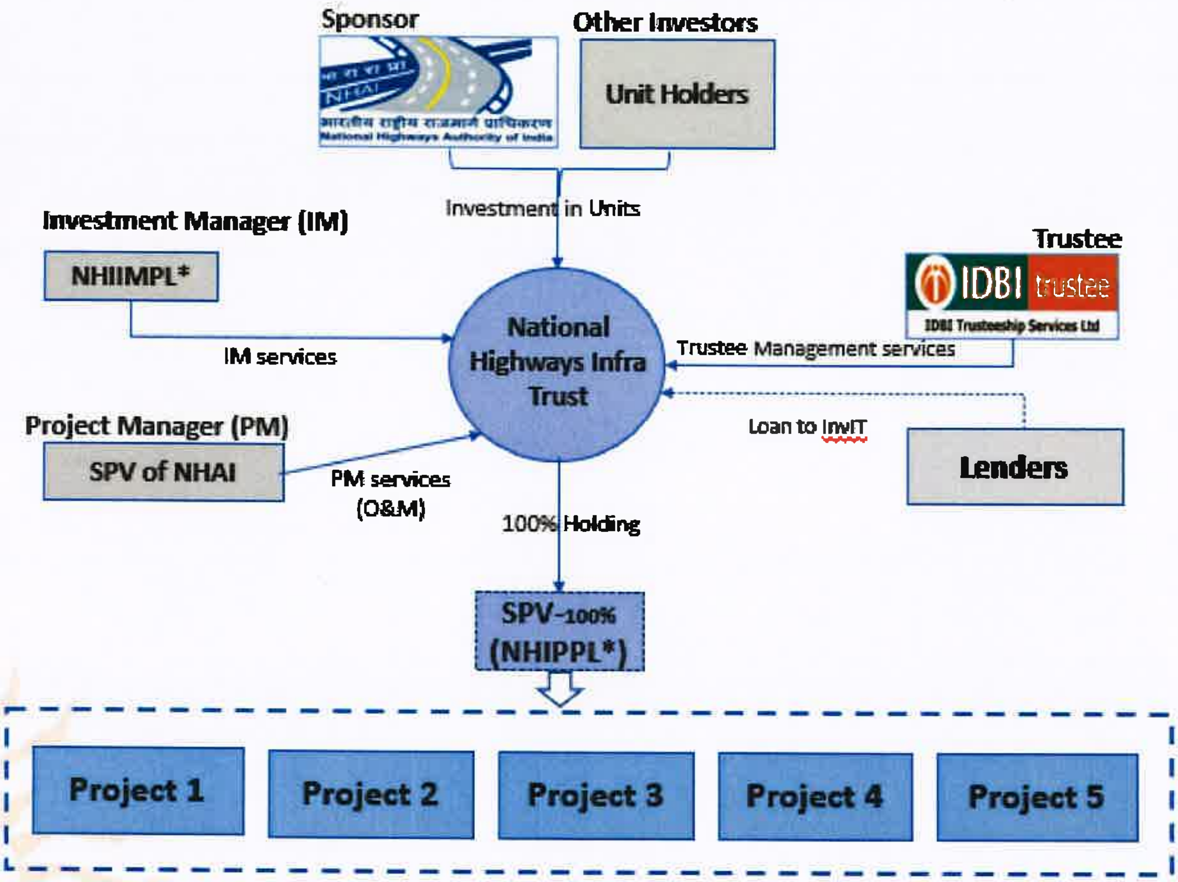
Proposed National Highways Infra Trust Structure



***NHIPPL - National Highways Infra Projects Private Limited, NHIIMPL - National Highways Infra Investment Managers Private Limited**

Valuation Analysis

The Discounted Cash Flow ("DCF") method under the Income Approach has been adopted for enterprise valuation of the SPV. Free Cash Flow to Firm method under DCF has been applied based on the projected financial statements of the SPV provided by the Management of NHIIMPL (the "Management"). The Enterprise Value has been computed by discounting the free cash flows to the firm (SPV) until the end of the concession period of 30 years beginning from 1st April 2021, using an appropriate Weighted Average Cost of Capital ("WACC").

The Investment Manager has appointed independent consultants to carry out Traffic study and estimation of toll revenue and Technical study for estimation of operating and maintenance expenses and major maintenance expenses, for each of the Specified Projects of the SPV over the concession period of 30 years ending on 31st March 2051. We have relied upon the Traffic Study reports and Technical reports provided by independent consultants on the Specified Projects of the SPV for the Enterprise valuation of NHIPPL.

Valuation of a company/ business is not a precise science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value and we normally express our opinion on the value as falling within a likely range. However, considering the nature of the engagement, we have provided a single point value estimate. While we have provided our opinion on the enterprise value of NHIPPL based on the information made available to us and within the scope and constraints of our engagement, others may have a different opinion. Accordingly, we expressly disclaim all liability for any loss or damage of whatever kind which may arise from any person acting on any information and estimates contained in this Report which are contrary to the stated purpose.

While our work has involved an analysis of financial and other information provided by/ on behalf of the Management, our engagement does not include an audit in accordance with generally accepted auditing standards of NHIPPL existing business records. We have not carried out any independent technical evaluation or appraisal or due diligence of the assets or liabilities of the NHIPPL. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by/ on behalf of the Management. Our Report is subject to the scope, assumptions and limitations detailed hereinafter. As such the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made.

The outbreak of the Novel Coronavirus ("COVID-19"), declared by the World Health Organization as a "Global Pandemic" on 11th March 2020, has adversely affected the Global and Indian economy. Travel restrictions implemented by many countries has affected the economic activities. Governments have announced various measures to combat COVID 19 pandemic and to support the economic and business activities. The outbreak of COVID 19 Pandemic has led to significantly higher uncertainties in the near to medium term and its impact is evolving. Considering the unprecedented set of circumstances, Valuation analysis is reported on the basis of 'material valuation uncertainty' and accordingly, less certainty and a higher degree of caution should be attached to the Valuation analysis than would normally be the case. It may be noted that the estimated value may change significantly and unexpectedly over a relatively short period of time based on the evolving conditions/ uncertainties on account of COVID 19 pandemic.

Further, the Union Transport and Highway Minister informed the Lok Sabha (the Lower House of the Indian Parliament) on 18th March 2021, that all physical toll booths across the National Highways network will be removed and a GPS-based toll collection system will be rolled out within one year. In light of this announcement made by the Honorable Minister, we have been given to understand by the Management that due to lack of clarity on the implementation plan and related financial information, it is too early and difficult to assess the impact of implementation of GPS-based toll collection system on toll operations and maintenance expenses in future for the respective five projects and therefore, toll operations and maintenance expenses have been projected considering the existing toll collection system involving physical toll booths and FASTag.

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Enterprise Valuation of NHIPPL as of 30th March 2021 ("Valuation Date"), has been carried out considering *inter-alia* Traffic Study and Technical Reports of independent consultants, Business plan/ Projected financial statements of NHIPPL and other information provided by/ on behalf of the Management, industry analysis and other relevant factors.

The Valuation summary of NHIPPL as of 30th March 2021, is as follows:

SPV	WACC	Enterprise Value (INR Cr)
National Highways Infra Projects Pvt. Ltd. (NHIPPL)	10.4%	7,362.4

The project wise break-up of SPV's Enterprise Value is as follows:

Project Name	Project EV (INR Cr)	Distribution
Abu Road-Palanpur	1,148.4	15.60%
Abu Road - Swaroopganj	742.9	10.09%
Kothakota Kurnool	1,943.2	26.39%
Belgaum Kagal	2,332.5	31.68%
Chittorgarh-Kota	1,195.3	16.24%
Total	**7,362.3**	**100.00%**
Add: Cash	0.1	
Total Enterprise Value	**7,362.4**	

Note: Project EV has been estimated considering *inter-alia* apportionment of common expenses and income taxes of the SPV to the Specified Projects and may not be representative of the Enterprise Value of each Specified Project on a 'standalone' basis

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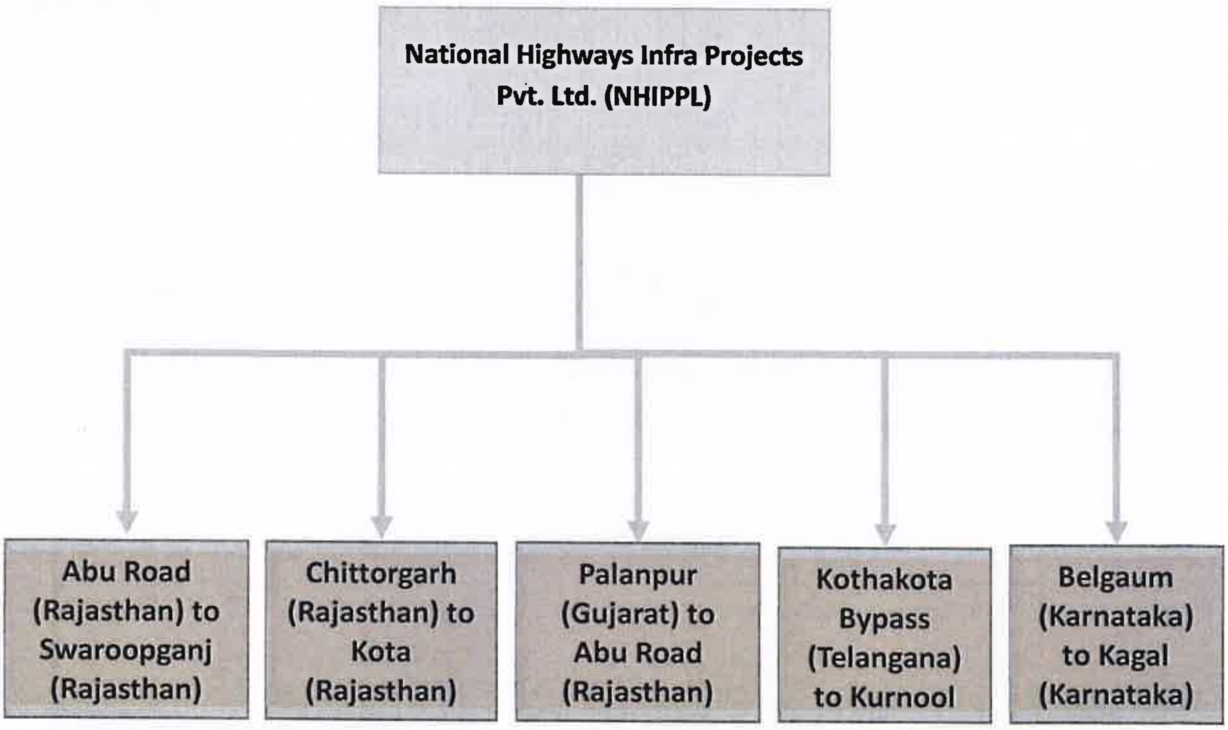
2. Engagement Overview

- National Highway Authority of India was set up by an act of the Indian Parliament, NHAI Act, 1988. NHAI is set up with the primary objective of facilitating development, maintenance, and management of national highways in India. NHAI has been entrusted with National Highways Development Project, along with other minor projects. NHAI is vested in with a portfolio of 50,329 kms of National Highways for development, maintenance, and management.

- National Highways Infra Projects Private Limited is a wholly owned subsidiary of NHAI, which has been incorporated as a special purpose vehicle to encompass five Toll road projects ("Specified Projects"). NHIPPL has entered into a concession agreement with NHAI to operate, maintain and transfer the Specified Projects under the Toll, Operate and Transfer (TOT) model.

- NHAI aims to monetize Specified Projects encompassed in the SPV through the InvIT (Infrastructure Investment Trust) route.

- National Highways Infra Projects Private Limited holds the following Specified Projects:



- National Highways Infra Trust is registered with the Securities and Exchange Board of India as an infrastructure investment trust under the SEBI InvIT Regulations. National Highway Authority of India is acting as Sponsor to the Trust, NHIIMPL is acting as Investment Manager to the Trust and IDBI Trusteeship Services Limited is acting as the Trustee to the Trust. NHIIMPL is evaluating a proposal to transfer equity shares in the SPV to National Highways Infra Trust.

- In this regard, RBSA Valuation Advisors LLP has been appointed by the Investment Manager, as an independent valuer, as per Regulation 2(zzf) of the SEBI InvIT Regulations, for the purpose of carrying out the Enterprise Valuation of National Highways Infra Projects Private Limited which is proposed to be transferred to the Trust.

- RBSA Valuation Advisors LLP is a registered valuer entity under the Section 247 of the Companies Act, 2013 registered with the Insolvency and Bankruptcy Board of India having Registered Valuer Entity No. IBBI/RV-E/05/2019/110.

- We declare that:
    - We are competent to undertake the financial valuation in terms of the SEBI InvIT Regulations;
    - We are an independent registered valuer entity and have prepared the Report on a fair and unbiased basis; and
    - We have at least two partners/ directors having experience of 5 years each in the valuation of infrastructure assets.

- The Valuation Date considered for the Enterprise Valuation of SPV is 30th March 2021. Valuation analysis and results are specific to the Valuation date. A valuation of this nature involves consideration of various factors including the financial position of the SPV as at the Valuation Date, trends in the equity stock market and fixed income security market, macro-economic and industry trends, etc.

- We have carried out additional scope of work as per schedule V of SEBI InvIT Regulations (Refer para 10.1 for further details).

- This Report covers all the disclosures required as per the SEBI InvIT Regulations and the Valuation of the SPV is impartial, true and fair and in compliance with the SEBI InvIT Regulations.

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3. Assumptions and Limiting Conditions

3.1. This Report, its contents and the results herein are specific to (i) the purpose of valuation agreed as per the terms of our engagement; (ii) the date of this Report; (iv) Traffic Study and Technical Reports for the Specified Projects by independent consultants, and (v) Business plan/ Projected financial statements of the SPV and other information provided by/ on behalf of the Management and information obtained from public domain/ subscribed databases till 30th March 2021.

3.2. While our work has involved an analysis of financial and other information provided by/ on behalf of the Management, our engagement does not include an audit in accordance with generally accepted auditing standards of the SPV existing business records. We have not carried out any independent technical evaluation or appraisal or due diligence of the assets or liabilities of the SPV. Accordingly, we assume no responsibility and make no representations with respect to the accuracy or completeness of any information provided by/ on behalf of the Management. Our Report is subject to the Scope, Assumptions and Limitations detailed hereinafter. As such the Report is to be read in totality, and not in parts, in conjunction with the relevant documents referred to herein and in the context of the purpose for which it is made.

3.3. The valuation of companies and businesses is not a precise science and the conclusions arrived at in many cases will be subjective and dependent on the exercise of individual judgment. There is, therefore, no indisputable single value and we normally express our opinion on the value as falling within a likely range, considering the purpose and requirement of this engagement, we have provided a single value. While we have provided our opinion on the fair value of the SPV based on the information made available to us and within the scope and constraints of our engagement, others may have a different opinion.

3.4. A valuation of this nature is necessarily based on stock market, financial, economic and other conditions in general and industry trends in particular prevailing as on the Valuation date and the information made available to us as of the date hereof. Events occurring after the Valuation date may affect this Report and the assumptions used in preparing it, and we do not assume any obligation to update, revise or reaffirm this Report.

3.5. In the course of valuation, we were provided with both written and verbal information as mentioned in the Section 4. We have analysed the information provided to us by/ on behalf of the Management through broad inquiry, analysis and review but have not carried out a due diligence or audit of the information provided for the purpose of this engagement. We have assumed that no information has been withheld that could have influenced the purpose of our Report.

3.6. Valuation may be based on estimates of future financial performance or opinions that represent reasonable expectations at a particular point in time. However, we do not provide assurance on the achievability of the results projected by the Management as events and circumstances do not occur as expected and differences between actual and expected results may be material. We express no

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opinion as to how closely the actual results will correspond to those projected as the achievement of the projected results is inter-alia dependent on actions, plans and assumptions of the Management and macro-economic and other external factors which are beyond the control of the Management.

3.7. Our valuation is primarily from a business perspective and does not take into account various legal and other corporate structures beyond the limited information provided to us by the Investment Manager. The value conclusion is not intended to represent the value at any time other than the Valuation date that is specifically stated in the Report.

3.8. We have also relied on the data from external sources to conclude the valuation. These sources are believed to be reliable and therefore, we assume no liability for the truth or accuracy of any data, opinions or estimates furnished by others that have been used in this analysis. Where we have relied on data, opinions or estimates from external sources, reasonable care has been taken to ensure that such data has been correctly extracted from those sources and/ or reproduced in its proper form and context.

3.9. The actual price achieved in case of a transaction may be higher or lower than our estimate of value depending upon the circumstances and timing of the transaction, the nature of the business and other relevant factors. The knowledge, negotiating ability and motivation of the buyers and sellers and the applicability of a discount or premium for control will also affect actual market price achieved. Accordingly, our valuation conclusion will not necessarily be the price at which any agreement proceeds. The final transaction price is something on which the parties themselves have to agree considering *inter-alia* their own assessment of the Transaction and inputs from other advisors.

3.10. This Report has been prepared for the sole use by the Investment Manager / Trust / Sponsor in connection with the purpose stated herein. It is inappropriate to use this Report for any purpose other than the purpose mentioned herein. This restriction does not preclude the Investment Manager from providing a copy of the Report to its third-party advisors whose review would be consistent with the intended use. Our Report may be disclosed in connection with any statutory and regulatory filing in connection with the Transaction and in accordance with the provision of SEBI InvIT Regulations. Further, the Report and summary of valuation included herein can be reproduced and included in the Draft placement memorandum and final placement memorandum, which may be filed with the SEBI. We shall not assume any responsibility to any third party to whom the Report is disclosed or otherwise made available.

3.11. The Report assumes that the SPV complies fully with relevant laws and regulations applicable in its area of operations and usage unless otherwise stated, and that they will be managed in a competent and responsible manner. Further, unless specifically stated to the contrary, this Report has given no consideration to matters of a legal nature, including issues of legal title and compliance with local laws, and litigations and other contingent liabilities that are not recorded/ reflected in the financial statements provided to us.

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3.12. It is clarified that this Report is not a fairness opinion under any of the stock exchange/ listing regulations. In case of any third-party having access to this Report, it should be noted that the Report is not a substitute for the third party's own due diligence/ appraisal/ enquiries/ independent advice that the third party should undertake for his purpose.

3.13. The outbreak of the Novel Coronavirus ("COVID-19"), declared by the World Health Organization as a "Global Pandemic" on March 11, 2020, has adversely affected the Global and Indian economy. Travel restrictions implemented by many countries has affected the economic activities. Governments have announced various measures to combat COVID 19 pandemic and to support the economic and business activities. The outbreak of COVID 19 Pandemic has led to significantly higher uncertainties in the near to medium term and its impact is evolving. Considering the unprecedented set of circumstances, Valuation analysis is reported on the basis of 'material valuation uncertainty' and accordingly less certainty and a higher degree of caution should be attached to the Valuation analysis than would normally be the case. It may be noted that the estimated value may change significantly and unexpectedly over a relatively short period of time based on the evolving conditions/ uncertainties on account of COVID 19 pandemic.

3.14. In the particular circumstances of this case, our liability (in contract or under statute or otherwise) for any economic loss or damage arising out of or in connection with this engagement, irrespective of the quantum of loss or damage caused, shall be limited to the amount of fees actually received by us from the Investment Manager, as laid out in the engagement letter, for such valuation work.

3.15. In rendering this Report, we have not provided any legal, regulatory, tax, accounting or actuarial advice and accordingly we do not assume any responsibility or liability in respect thereof.

3.16. This Report does not look into the business/ commercial reasons behind the Transaction nor the likely benefits arising out of the same. Similarly, it does not address the relative merits of investing in an infrastructure trust as compared with any other alternative business transaction, or other alternatives, or whether or not such alternatives could be achieved or are available.

3.17. We are not advisors with respect to legal tax and regulatory matters for the Transaction. No investigation of the SPV claim to title of assets has been made for the purpose of this Report and the SPV claim to such rights have been assumed to be valid. No consideration has been given to liens or encumbrances against the assets, beyond the loans is closed in the accounts. Therefore, no responsibility is assumed for matters of a legal nature.

3.18. The scope of work has been limited both in terms of the areas of the business and operations which have been reviewed. There may be matters, other than those noted in this report, which might be relevant in the context of the transaction and which a wider scope might uncover.

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3.19. RBSA is not aware of any contingent, commitment or material issue, besides the information disclosed in the audited financial statements and additionally provided by the Investment Manager / Management which has been presented in this Report, which could materially affect the SPV economic environment and future performance and therefore, the fair value of their businesses.

3.20. We have no present or planned future interest in the Trustee, Investment Manager, the Sponsor or the SPV and the fee for this Report is not contingent upon the values reported herein. Our valuation analysis should not be construed as investment advice; specifically, we do not express any opinion on the suitability or otherwise of entering into any financial or other transaction.

3.21. We have relied upon the representations of the Management in respect of the information provided by them. We shall not be liable for any loss, damages, cost or expenses arising from fraudulent acts, misrepresentations, or willful default on part of the Investment Manager, the SPV, their directors, employee or agents.

- **Limitation of Liabilities**
  - It is agreed that, having regard to RBSA's interest in limiting the personal liability and exposure to litigation of its personnel, the Investment Manager, the Sponsor, the Trust or the Trustee will not bring any claim in respect of any damage against any of RBSA's personnel.
  - In no circumstances, RBSA shall be responsible for any consequential, special, direct, indirect, punitive or incidental loss, damages or expenses (including loss of profits, data, business, opportunity cost, goodwill or indemnification) in connection with the performance of the Services whether such damages are based on breach of contract, tort, strict liability, breach of warranty, negligence, or otherwise) even if the Investment Manager had contemplated and communicated to RBSA the likelihood of such damages. Any decision to act upon the Report is to be made by the Investment Manager and no communication by RBSA should be treated as an invitation or inducement to engage the Investment Manager to act upon the Report.
  - In the particular circumstances of this case, our liability (in contract or under statute or otherwise) for any loss or damage caused, shall be limited to the amount of fees actually received by us, as laid out in the engagement letter, for such valuation work.
  - It is clarified that the Sponsor and the Trust will be solely responsible for any delays, additional costs, or other liabilities caused by or associated with any deficiencies in their responsibilities, misrepresentations, incorrect and incomplete information including information provided to determine the assumptions.
  - RBSA will not be liable if any loss arises due to the provision of false, misleading or incomplete information or documentation by the Investment Manager, the Sponsor, the Trust or the Trustee.

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4. Sources of Information

For the purpose of undertaking this valuation exercise, we have relied on the following sources of information provided by/ on behalf of the Management:

- Audited financial statement of the SPV for the period ended 30 March 2021,
- Concession Agreements for the five projects between the SPV and NHAI for the Specified Projects;
- Reports of independent consultants appointed by the Investment Manager for Traffic study and estimation of toll revenue for the duration of the concession period for each of the Specified Projects of the SPV ("Traffic Study Reports");
- Reports of independent consultants appointed by the Investment Manager for Technical study for estimation of operating and maintenance expenses and major maintenance expenses for the duration of the concession period for each of the Specified Projects of the SPV ("Technical Reports");
- Projected financial statements of the SPV for the concession period from 1st April 2021 to 31st March 2051 (FY2022 – FY2051) which the Management expects to be their best estimate of the expected performance of the SPV encompassing yje Specified Projects ("Management Projections");
- Discussions with the Management to inter-alia understand expected future performance of the SPV, key value drivers and other factors affecting the business of the SPV;
- Management representation letter with respect to mandatory disclosures required by SEBI; and
- Capital IQ's database of publicly traded companies.

We have also obtained the explanations, information and representations, which we believed were reasonably necessary and relevant for our exercise from the Management.

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5. Procedures

We have carried out the Enterprise Valuation of the SPV, to the extent applicable, in accordance with ICAI Valuation Standards, 2018 ("ICAI VS") issued by the Institute of Chartered Accountants of India.

We have adopted the following procedures for carrying out the valuation analysis:

- Considered the audited financial statement of the SPV for the period ended 30 March 2021;
- Considered the key terms of Concession Agreements;
- Analysis of the Management Projections;
- Considered the Traffic Study Reports and Technical Reports;
- Analysis of the key economic and industry factors which may affect the valuation of the SPV;
- Analysis of the information available in public domain/ subscribed databases in respect of the comparable companies/ comparable transactions, as considered relevant by us;
- Selection of valuation approach and valuation methodology/(ies), in accordance with ICAI VS, as considered appropriate and relevant by us;
- Analysis of other publicly available information, as considered relevant by us; and
- Determination of Enterprise Value of the SPV.

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6. Industry Overview

Road Infrastructure in India

- India has the second largest road network in the world, spanning a total of ~ 5.9 million kilometers (kms). This comprises National Highways, Expressways, State Highways, Major District Roads, Other District Roads and Village Roads as under:

Particulars	In kms	% share
National Highways	132,500	2%
State Highways	156,694	3%
Other Roads	5,608,477	95%
Total	5,897,671	

Source: IBEF November 2020 Report

- This road network transports 64.5 per cent of all goods in the country and 90 per cent of India's total passenger traffic uses road network to commute. Road transportation has gradually increased over the years with improvement in connectivity between cities, towns, and villages in the country.

Strong momentum in expansion of roadways

- Highway construction in India increased at 21.44% CAGR between FY16- FY19. In FY19, 10,855 km of highways were constructed. The Government aims to construct 65,000 km of national highways at a cost of Rs. 5.35 lakh crore (US$ 741.51 billion) by 2022.
- In April 2020, the Government has set a target of constructing roads worth INR 15 lakh crore (US$ 212.80 billion) over the next two years.
- In July 2020, foundation stones of various highway projects, part of a new economic corridor, worth around Rs 20,000 crore (US$ 2.84 billion) were laid in Haryana.
- In October 2020, the foundation stone was established for nine National Highway projects—with a total length of ~262 km—worth more than INR 2,752 crore (US$ 371.13 million) in Tripura.
- In October 2020, National Highway projects worth INR 19,800 crore (US$ 2.67 billion) in Kerala have been initiated by the Ministry of Road Transport and Highways and are expected to be completed by 2024. 30 projects, with a length of ~549 km worth INR 5,327 crore (US$ 718.40 million) are under implementation.
- In October 2020, the Department of Central National Highways has issued a permit to construct a 122 km National Highway from Kalvakurthi in Telangana to Karivena in Andhra Pradesh. The new national highway would reduce the distance to Tirupati from Hyderabad by 80 km.

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Source: IBEF November 2020 Report

Growth Drivers

Growing demand
- Rise in two and four wheeler.
- Increasing freight traffic.
- Strong trade and tourist flows between state.

Policy Support
- Greater Government focus on infrastructure.
- Standardised processes for bidding and tolling and clear policy framework.
- Tax SOPS, FDI,FII Encouragement

Increasing Investment
- In 2019-20, INR 36,691 Crore (US$5.24 Billion) was allocated to NHAI.
- For FY20, transfer from Central Road and Infrastructure Fund (CRIF) is estimated at Rs. 54,539 crore (US$ 7.80 Bn) from the revised estimates of Rs. 51,679 (US$ 7.39 billion) in FY19.
- The Ministry allocated Rs. 3,150 crore (US$ 0.45 billion) for maintenance of roads and highways in FY20 and Rs. 280 crore (US$ 40 million) for road transport and safety..

Source: IBEF November 2020 Report

Future growth Prospects

- In April 2020, the Government set a target of constructing roads worth INR 15 lakh crore (US$ 212.80 billion) in next two years.
- In June 2020, NHAI became fully digital with the launch of unique cloud based and Artificial Intelligence powered Big Data Analytics platform - Data Lake and Project Management Software.
- In November 2020, the Government of India and the New Development Bank (NDB) signed a loan agreement for US$ 500 million for the 'Delhi-Ghaziabad-Meerut Regional Rapid Transit System Project' to provide fast, reliable, safe and comfortable public transport system in the National Capital Region (NCR).

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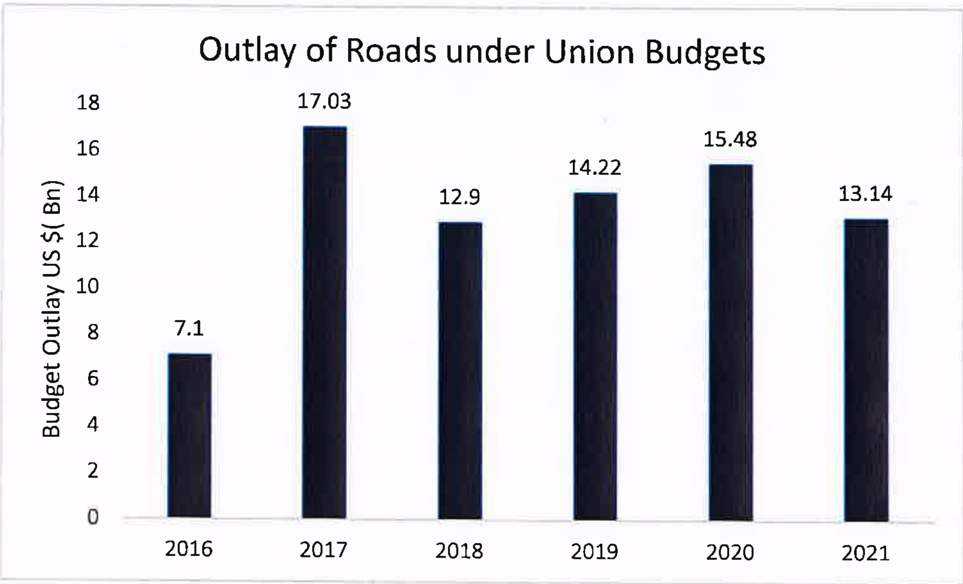
- During 2019-23, National Highway Authority of India (NHAI) will be able to generate Rs 1 lakh crore (US$ 14.30 billion) annually from toll and other sources.
- NHAI is planning to raise Rs 40,000 crore (US$ 5.72 billion) to monetize its highway assets through Infrastructure Investment Trust .

Highlights of Union Budget 2021-22

- The Government has allocated INR 1,18,101 lakh crore (highest ever outlay) for Ministry of Road Transport and Highways – of which INR 1,08,230 crore is for capital expenditure.
- Under the Bharatmala Pariyojana, with an estimated investment of Rs 5.35 lakh crore, already 13,000 km of roads worth Rs 3.30 lakh crore have been awarded for construction:
    - 3,800 km have already been constructed
    - Another 8,500 km to be awarded for construction by March 2022
    - Additional 11,000 km of national highway corridors to be completed by March 2022
- A large amount of ~INR 2.27 lakh crore has been earmarked for ongoing and new economic corridors/expressways.

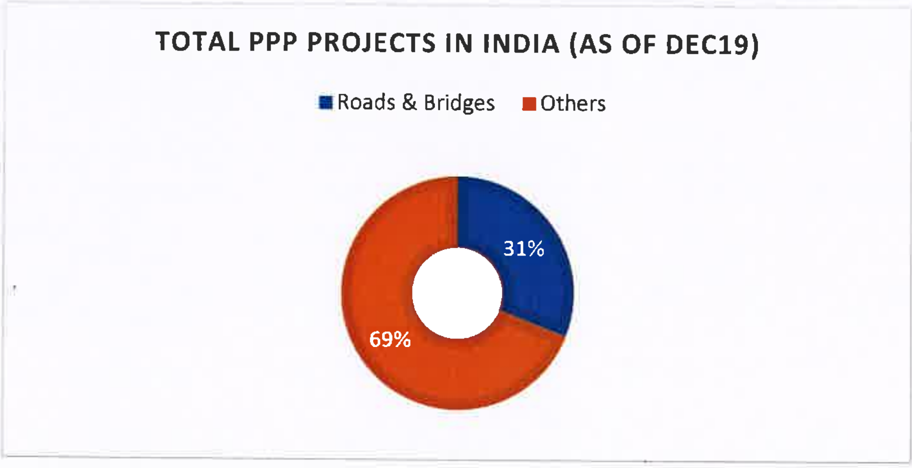


Source: IBEF Road Report November 2020

Private Sector Participation: -

- As of December 2019, out of the 9,242 PPP projects in India, 2,872 were related to roads and bridges.
- Projects awarded under build-operate-transfer (BOT) was 37.62% of the total awarded projects as of December 2019.
- In August 2020, the Government of India revised the Model Concession Agreement for BOT projects to plug delays by imposing a deadline on the NHAI and incentivizing timely work by concessionaires. According to revised norms, the NHAI will have to hand over 90% of the project land (vacant and ready to build) to private developers, thus creating a more market-friendly sector and attracting more private players.

- As on December 2019, 824 projects were recommended for development by Public Private Partnership (PPP) Appraisal
- Committee
- Investment of US$ 31 billion for national highways is expected in PPP by the end of 2020.



(Source: IBEF Road Report November 2020)

Government initiatives: -

1. **National Infrastructure Pipeline (NIP)**

The government's ambitious National Infrastructure Pipeline which is to be implemented over the next 5 years (till FY25) is an attempt undertaken by the centre to facilitate economic revival by relying on infrastructure creation. The NIP covers a gamut of sectors, rural and urban infrastructure as well and entails investments to the tune of INR 102 lakh Crores to be undertaken by the central government, state governments and the private sector.

2. **Bharatmala Pariyojana (BMP) – Phase I**

- Bharatmala Pariyojana is a program for the highways sector that focuses on optimizing efficiency of freight and passenger movement across the country by bridging critical infrastructure gaps through effective interventions like development of Economic Corridors, Inter Corridors and Feeder Routes, National Corridor Efficiency Improvement, Border and International connectivity roads, Coastal and Port connectivity roads and Green-field expressways.

- A total of around 24,800 kms are being considered in Phase I. In addition, Phase I also includes 10,000 kms of balance road works under NHDP. Estimated outlay for Phase I is INR 5.35 lakh Crores spread over 5 years.

- Summary of Phase 1 Components and approved outlay of for the same are as follows: -

Sr. No.	Components	Length (Km)	Outlay (INR crore)
1	Economic corridors development	9,000	120,000
2	Inter- corridors & feeder roads	6,000	80,000
3	National Corridors Efficiency Improvement	5,000	100,000
4	Border and International Connectivity	2,000	25,000
5	Coastal and port connectivity roads	2,000	20,000
6	Expressways	800	40,000
Total		24,800	385,000
7	Balance Road works under NHDP	10,000	1,50,000
Total			5,35,000

Source: Annual Report Ministry of Road Transport and Highways FY 2020-21

Projects with aggregate length of approximately 13,171 kms have already been awarded under Bharatmala Pariyojana (including residual NHDP Works) till November 2020, while projects with length 2,587 kms are currently under bidding. Additionally, work on preparation of Detailed Project Reports for about 13,233 kms is under progress.

3. FASTAG

FASTag is a Radio Frequency Identification Technology (RFID) introduced by the Government of India along with the Ministry of Road Transport and Highway in October 2017. This measure was taken keeping in scrutiny several inconveniences for both individual drivers and the nation at large.

The National Highways Authority of India ("NHAI") has decided to make the use of FASTags mandatory from February 15, 2021 for all four-wheelers. Since December 2019, all lanes of national highways toll plazas were declared as "FASTag lanes" and Highways Minister Nitin Gadkari has announced that all vehicles must have FASTags.

NHAI has authorized 22 banks in India to provide FASTag cards to individuals. These 22 banks, along with NHAI plazas, common service centers, petrol pumps, and transport hubs have set up more than 28,000 point-of-sale terminals across India.

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7. Valuation Approach and Methodology

VALUATION APPROACHES		
INCOME APPROACH	MARKET APPROACH	ASSET APPROACH
Estimates value based on the present value of future earnings of cash	Estimates value based on the multiples of comparable companies and precedent comparable transactions	Estimates value based on the fair value of the business' assets less the fair value of its liabilities
Applied	Not applied	Not Applied

Basis and Methodology of Valuation

- **Basis of Valuation**

  It means the indication of the type of value being used in an engagement. Fair Value as per ICAI VS defined as under:

  "Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the valuation date."

  Fair value basis has been adopted for enterprise valuation of the SPV

- **Valuation Date**

  Valuation Date is the specific date at which the value of the assets to be valued gets estimated or measured. Valuation is time specific and can change with the passage of time *inter-alia* due to changes in the condition of the asset to be valued and market parameters. Accordingly, valuation of an asset as at a particular date can be different from other date(s).

  The Valuation Date considered for the fair enterprise valuation of the SPV is 30th March 2021 ("Valuation Date"). The attached Report is drawn up by reference to accounting and financial information as on 30th March 2021.

- **Premise of Value**

  Premise of Value refers to the conditions and circumstances how an asset is deployed. In the present case, we have determined the fair enterprise value of the SPV on a Going Concern Value defined as under:

  "Going concern value is the value of a business enterprise that is expected to continue to operate in the future. The intangible elements of going concern value result from factors such as having a trained work force, an operational plant, the necessary licenses, systems, and procedures in place, etc."

Approach & Method	Applied/Not Applied	Description	Rationale
Income Approach Discounted Cash Flow Method (DCF)	Applied	▪ In the DCF method under the Income approach, forecast cash flows are discounted back to the Valuation date, estimating a net present value of the cash flow stream of the business. A terminal value at the end of the explicit forecast period is then determined and that value is also discounted back to the Valuation date to give an overall value for the business ▪ A discounted cash flow methodology typically requires the forecast period to be of such a length to enable the business to achieve a stabilized level of earnings, or to be reflective of an entire operation cycle for more cyclical industries ▪ The rate at which the future cash flows are discounted (the "discount rate") should reflect not only the time value of money, but also the risk associated with the business' future operations. The discount rate most generally employed is Weighted Average Cost of Capital ("WACC") or Cost of Equity (Ke), reflecting an optimal as opposed to actual financing structure	• Management has provided financial projections of the SPV, which represents their best estimate of the expected performance of the SPV for the balance tenor of their respective Concession period. Considering the aforementioned, DCF method has been adopted to estimate the enterprise value of the SPV.
Market Approach • Market Price Method	Not Applied	▪ Under this method, the value of a company is arrived at considering its market price over an appropriate period.	▪ As the SPV is not listed, this method is not applied
Market Approach • Comparable Companies Multiples ("CCM") Method	Not Applied	▪ Under Comparable Companies Method, the value of shares / business of a company is determined based on market multiples of publicly traded comparable companies. Although no two companies are entirely alike, the companies selected as comparable companies should be	▪ The Specified Projects are operational and do not have project implementation risk. Further, the projected income and cash flows of the SPV primarily depends on the key terms of the respective concession agreements, residual tenor, project-

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Approach & Method	Applied/Not Applied	Description	Rationale
		engaged in the same or a similar line of business as the subject company. ▪ The appropriate multiple is generally based on the performance of listed companies with similar business models and size.	specific characteristics/ factors, etc. which may differ from the other projects. Accordingly, this method is not adopted.
Market Approach • Comparable Transaction Multiples ("CTM") Method	Not Applied	▪ Under Comparable Transaction Multiples Method, the value of shares /business of a company is determined based on market multiples of publicly disclosed transactions in the similar space as that of the subject company ▪ Multiples are generally based on data from recent transactions in a comparable sector, but with appropriate adjustment after consideration is given to the specific characteristics of the business being valued	▪ The projected income and cash flows of the SPV primarily depend on the key terms of the respective concession agreements, residual tenor, project-specific characteristics/ factors, etc. which may differ from the other projects. We have not adopted this methodology due to unavailability of information in public domain involving recent transactions in similar projects

Asset based Approach
• Adjusted Net Asset Value Method
	Not Applied	▪ Under the Adjusted Net Asset Value Method, a Valuation of a 'going concern' business is computed by adjusting the assets and liabilities to the fair market value as of the date of the Valuation.
		▪ A net asset value methodology is typically most appropriate when:
		  ▪ Valuing a holding company or a capital-intensive company.
		  ▪ Losses are continually generated by the business; or
		  ▪ Valuation methodologies based on a company's net income or cash flow levels indicate a value lower than its adjusted net asset value.
			▪ The SPV has entered into concession agreements and their revenues are largely predetermined for the residual period of the project. In such a scenario, the true worth of the business is reflected in its future earning capacity rather than the historical cost of the project. The valuation of the SPV is carried out on a 'going concern' premise. Since the Net Asset value does not capture the future earning potential of the businesses, we have not adopted the Asset approach for the valuation of the SPV.

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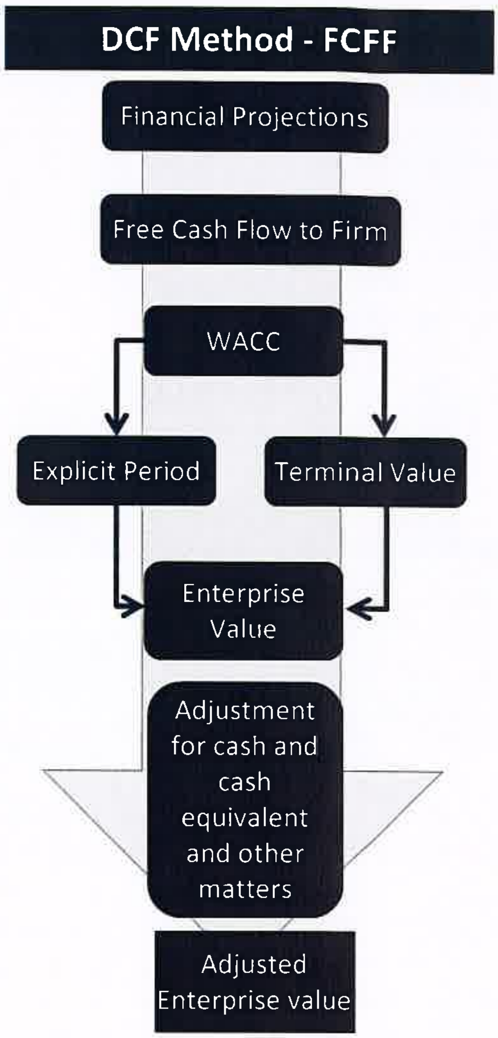
Income Approach

The Income Approach is widely used for valuation under "Going Concern" basis. It focuses on the income generated by a company in the past as well as its future earning capability.

Discounted Cash Flow ("DCF") Method

- Under the DCF method, the business is valued by discounting its free cash flows for the explicit forecast period and the perpetuity value thereafter.
- Free Cash Flows to Firm ("FCFF") under the DCF method has been applied for estimating the enterprise value of the SPV.
- FCFF represent the cash available for distribution to both, the owners and creditors of the business. FCFF for the explicit period and perpetuity value is discounted by the Weighted Average Cost of Capital ("WACC") to derive the net present value. The WACC is an appropriate rate of discount to calculate the present value of the future cash flows as it considers equity–debt risk by incorporating debt–equity ratio of the firm.
- Enterprise Value ("EV") is derived by aggregating the present value of FCFF for the balance tenor of the Concession Agreement ("Explicit period") and Terminal value at the end of the Explicit period.
- Terminal value is estimated based on the business' potential for further growth beyond the Explicit period. Considering *inter-alia* the estimated economic life of the projects, Terminal value has been estimated considering release of net working capital, at the end of the Explicit period.
- The Enterprise Value of the SPV have been determined as an aggregate of the present value of FCFF for the Explicit period and Terminal value.



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Weighted Average Cost of Capital (WACC)

WACC has been estimated as under:

Particulars	Definition/Formula
WACC	Ke * (E/ (D + E)) + Kd * (1-T) * (D/(D + E))
Where:	
Ke	cost of equity
E	market value of equity
Kd	cost of debt
D	market value of debt
T	effective tax rate

The cost of equity is derived using the Capital Asset Pricing Model ("CAPM") as follows:

Particulars	Definition/Formula
Ke	Rf + ß * (Rm – Rf) + α
Where:	
Rf	the return on risk-free assets
Rm	the expected average return of the market
(Rm – Rf)	the average risk premium above the risk – free rate that a "market" portfolio of assets is earning
ß	the beta factor, being the measure of the systematic risk of a particular asset relative to the risk of a portfolio of all risky assets
α	Company specific risk factor (alpha), if any

A summary of WACC for the Specified Projects is appended as per **Appendix 1**.

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8. Valuation of NHIPPL

8.1. Key underlying assumptions as provided by the Management are as follows:

- **Operating Revenue:** Operating revenue for Specified Projects is projected based on the Traffic Study Reports of independent consultants appointed by NHIIMPL.
- **Operational and Maintenance Expenses (Routine maintenance)**: O&M expenses estimated by the Management over the Projected Period are supported by the Technical study reports of independent consultants.
- **Major Maintenance & Repair Expenses (MMR / Periodic maintenance)**: Periodic maintenance expenses are costs that are incurred to bring the road asset back to an earlier condition or to keep the road asset operating at its present condition. Similar to O&M expenditure MMR expenditures estimated by the Management over the Projected Period are supported by the Technical study reports of independent consultants.
- **Project Management (PM) Expenses**: PM expenses shall be paid by NHIT to the Project Manager for the management of all the toll road projects. These expenses are taken as per the PM agreement between NHIT and the Project Manager.
- **Insurance and Other office Expenses**: These expenses estimated by the Management over the Projected Period are supported by the Technical study reports of independent consultants.
- **Pre-issuance Fees and Charges and Bank Guarantee (BG) expenses:** One time pre-issuance fee and charges amounting to INR 38 Cr and yearly BG expenses amounting to INR 0.30 Cr. shall be incurred by the SPV. We have relied on the projections provided by the Management.
- **Other expenses:** In respect of certain Specified projects, NHAI has entered into concession agreements with third party to operate the projects on BOT (Annuity) basis. Management represented that:
    - Annuity expenses payable to such third party for the balance duration of the respective concession agreement shall be borne by NHAI; and,
    - Operation and maintenance expenses and MMR expenses which may need to be incurred during the balance period of the respective concession agreement with such third party shall be borne by the respective party.
- **Depreciation and Amortization**: The Service Concession Agreement have been amortized over the period of concession on the basis of projected revenues. Since depreciation and amortization is a non-cash expenditure, it has been added back to arrive at the net cash flows.

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- **Taxes:** Income taxes are estimated considering, as appropriate, tax depreciation/ amortisation policy proposed to be followed by the SPV and corporate income tax rate of 25.17%.

- **Capital Expenditure:** Management has projected that capital expenditure aggregating ~INR 520 crore shall be incurred be incurred by the SPV during FY2022 and FY2023. There will be no further capital expenditure in the projected period. We have relied on the projections provided by the Management.

- **Working Capital:** Considering the nature of the business of operating toll road projects, the working capital requirement is expected to be Nil for the projected period.

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8.2. Specified Projects of NHIPPL

8.2.1. Palanpur (Gujarat) to Abu Road (Rajasthan) ("PLN-ABU")

8.2.1.1. Project Overview

Parameters	Details
Project Name	NH27 (NH14) Palanpur/Khemana - Aburoad (Stretch 3)
Length of the project	45.00 kms
Toll Plaza Location	Khemana
Project Type for the SPV	Toll, Operate and Transfer
Concession Period for the SPV - Start	1 April 2021
Concession Period for the SPV - End	31 March 2051
Date of Inspection	11th February 2021

Source: Management information

8.2.1.2. Additional Procedures to be complied with in accordance with InvIT regulations

A. List of one-time sanctions/approvals which are obtained or pending:

As represented by the management, the list of sanctions/ approvals obtained till 30th March 2021 is provided in **Appendix 3.**

B. List of up to date/ overdue periodic clearances:

As represented by the management, all other material permits, registrations, licenses, approvals, consents and other authorizations (collectively, "Governmental Licenses") shall be obtained as per individual project requirement once NHIPPL is purchased by the Trust and the rights and obligations are assumed. NHIPPL would in due course and as required under applicable law procure all the Governmental Licenses issued by, and shall make all material declarations and filings with, the applicable Governmental Authority to own, lease, license, operate and use its properties and assets and to conduct the business by NHIPPL, as described in the Draft Placement Memorandum and as will be described in the Placement Memorandum and the Final Placement Memorandum. No notice of proceedings has been received relating to the revocation or modification of any Governmental Licenses, except as would not result in a Material Adverse Change. The general list of Governmental Licenses is enclosed in **Appendix 4**.

C. Estimates of already carried out as well as proposed major repairs and improvements along with estimated time of completion:

Historical Major Maintenance Expenses (INR Cr): Not Applicable

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Forecasted Major Maintenance Expenses (INR Cr):

Particulars for the year/ period ended	31-Mar-22	31-Mar-23	31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28	31-Mar-29
No of Months	12	12	12	12	12	12	12	12
Major Maintenance Expenses	-	-	-	-	-	-	-	4.86

Particulars for the year/ period ended	31 Mar-30	31 Mar-31	31 Mar-32	31 Mar-33	31 Mar-34	31 Mar-35	31-Mar-36
No of Months	12	12	12	12	12	12	12
Major Maintenance Expenses	53.18	-	-	-	-	-	-

Particulars for the year/ period ended	31 Mar-37	31 Mar-38	31 Mar-39	31 Mar-40	31 Mar-41	31 Mar-42	31-Mar-43
No of Months	12	12	12	12	12	12	12
Major Maintenance Expenses	-	-	-	97.28	-	-	-

Particulars for the year/ period ended	31 Mar-44	31 Mar-45	31 Mar-46	31 Mar-47	31 Mar-48	31 Mar-49	31-Mar-50	31-Mar-51
No of Months	12	12	12	12	12	12	12	12
Major Maintenance Expenses	-	-	125.06	-	-	-	-	-

Source: Management information

D. <u>On-going material litigations including tax disputes and claims in relation to the assets, if any:</u>
As represented by the Management, there are no litigations pending as at 30th March 2021.

E. <u>Revenue pendencies including local authority taxes associated with InvIT asset and compounding charges, if any</u>
As represented by the Management, there are no revenue pendencies including local authority taxes associated or compounding charges with InvIT asset as at 30th March 2021.

F. <u>Vulnerability to natural or induced hazards that may not have been covered in town planning building control.</u>
As represented by the Management, any natural or induced hazards would be adequately covered by insurance.

G. <u>Latest Pictures of the project along with date of physical inspection</u>
Please refer **Appendix 5.**

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8.2.2. Abu Road (Rajasthan) to Swaroopganj (Rajasthan) ("ABU-SWA")

8.2.2.1. Project Overview

Parameters	Details
Project Name	NH27 (NH14) Aburoad - Swaroopganj (Stretch 1)
Length of the project	31.00 kms
Toll Plaza Location	Undavariya
Project Type for the SPV	Toll, Operate and Transfer
Concession Period for the SPV - Start	1 April 2021
Concession Period for the SPV - End	31 March 2051
Date of Inspection	11th February 2021

Source: Management information

8.2.2.2. Additional Procedures to be complied with in accordance with InvIT regulations

A. List of one-time sanctions/approvals which are obtained or pending:

As represented by the management, the list of sanctions/ approvals obtained till 30th March 2021 is provided in **Appendix 3.**

B. List of up to date/ overdue periodic clearances:

As represented by the management, all other material permits, registrations, licenses, approvals, consents and other authorizations (collectively, "Governmental Licenses") shall be obtained as per individual project requirement once NHIPPL is purchased by the Trust and the rights and obligations are assumed. NHIPPL would in due course and as required under applicable law procure all the Governmental Licenses issued by, and shall make all material declarations and filings with, the applicable Governmental Authority to own, lease, license, operate and use its properties and assets and to conduct the business by NHIPPL, as described in the Draft Placement Memorandum and as will be described in the Placement Memorandum and the Final Placement Memorandum. No notice of proceedings has been received relating to the revocation or modification of any Governmental Licenses, except as would not result in a Material Adverse Change. The general list of Governmental Licenses is enclosed in **Appendix 4**.

C. Estimates of already carried out as well as proposed major repairs and improvements along with estimated time of completion:

Historical Major Maintenance Expenses (INR Cr): Not Applicable

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Forecasted Major Maintenance Expenses (INR Cr):

Particulars for the year/ period ended	31-Mar-22	31-Mar-23	31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28	31-Mar-29
No of Months	12	12	12	12	12	12	12	12
Major Maintenance Expenses	-	-	-	-	-	-	9.41	-

Particulars for the year/ period ended	31 Mar-30	31 Mar-31	31 Mar-32	31 Mar-33	31 Mar-34	31 Mar-35	31-Mar-36
No of Months	12	12	12	12	12	12	12
Major Maintenance Expenses	-	-	-	-	-	-	-

Particulars for the year/ period ended	31 Mar-37	31 Mar-38	31 Mar-39	31 Mar-40	31 Mar-41	31 Mar-42	31-Mar-43
No of Months	12	12	12	12	12	12	12
Major Maintenance Expenses	-	75.65	-	-	-	-	-

Particulars for the year/ period ended	31 Mar-44	31 Mar-45	31 Mar-46	31 Mar-47	31 Mar-48	31 Mar-49	31-Mar-50	31-Mar-51
No of Months	12	12	12	12	12	12	12	12
Major Maintenance Expenses	90.57	-	-	-	-	-	120.18	-

Source: Management information

D. On-going material litigations including tax disputes and claims in relation to the assets, if any;

As represented by the Management, there are no litigations pending as at 30th March 2021.

E. Revenue pendencies including local authority taxes associated with InvIT asset and compounding charges, if any

As represented by the Management, there are no revenue pendencies including local authority taxes associated or compounding charges with InvIT asset as at 30th March 2021.

F. Vulnerability to natural or induced hazards that may not have been covered in town planning building control.

As represented by the Management, any natural or induced hazards would be adequately covered by insurance.

G. Latest Pictures of the project along with date of physical inspection

Please refer **Appendix 6.**

8.2.3. Kothakota Bypass (Telangana) to Kurnool (Andhra Pradesh) ("KOT-KUR")

8.2.3.1. Project Overview

Parameters	Details
Project Name	NH44 (NH7) Stretch of Kothakota Bypass - Kurnool Highway (Stretch 4)
Length of the project	74.622 kms
Toll Plaza Location	Pullur
Project Type for the SPV	Toll, Operate and Transfer
Concession Period for the SPV - Start	1 April 2021
Concession Period for the SPV - End	31 March 2051
Date of Inspection	12th February 2021

Source: Management information

8.2.3.2. Additional Procedures to be complied with in accordance with InvIT regulations

A. List of one-time sanctions/approvals which are obtained or pending:

As represented by the management, the list of sanctions/ approvals obtained till 30th March 2021 is provided in **Appendix 3.**

B. List of up to date/ overdue periodic clearances:

As represented by the management, all other material permits, registrations, licenses, approvals, consents and other authorizations (collectively, "Governmental Licenses") shall be obtained as per individual project requirement once NHIPPL is purchased by the Trust and the rights and obligations are assumed. NHIPPL would in due course and as required under applicable law procure all the Governmental Licenses issued by, and shall make all material declarations and filings with, the applicable Governmental Authority to own, lease, license, operate and use its properties and assets and to conduct the business by NHIPPL, as described in the Draft Placement Memorandum and as will be described in the Placement Memorandum and the Final Placement Memorandum. No notice of proceedings has been received relating to the revocation or modification of any Governmental Licenses, except as would not result in a Material Adverse Change. The general list of Governmental Licenses is enclosed in **Appendix 4**.

C. Estimates of already carried out as well as proposed major repairs and improvements along with estimated time of completion:

Historical Major Maintenance Expenses (INR Cr): Not Applicable

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Forecasted Major Maintenance Expenses (INR Cr):

Particulars for the year/ period ended	31-Mar-22	31-Mar-23	31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28	31-Mar-29
No of Months	12	12	12	12	12	12	12	12
Major Maintenance Expenses	-	-	-	-	-	-	-	12.34

Particulars for the year/ period ended	31 Mar-30	31 Mar-31	31 Mar-32	31 Mar-33	31 Mar-34	31 Mar-35	31-Mar-36
No of Months	12	12	12	12	12	12	12
Major Maintenance Expenses	142.38	-	-	-	-	-	-

Particulars for the year/ period ended	31 Mar-37	31 Mar-38	31 Mar-39	31 Mar-40	31 Mar-41	31 Mar-42	31-Mar-43
No of Months	12	12	12	12	12	12	12
Major Maintenance Expenses	-	-	213.59	-	-	-	-

Particulars for the year/ period ended	31 Mar-44	31 Mar-45	31 Mar-46	31 Mar-47	31 Mar-48	31 Mar-49	31-Mar-50	31-Mar-51
No of Months	12	12	12	12	12	12	12	12
Major Maintenance Expenses	-	269.35	-	-	-	-	-	331.10

Source: Management information

D. <u>On-going material litigations including tax disputes and claims in relation to the assets, if any;</u>
As represented by the Management, there are no litigations pending as at 30th March 2021.

E. <u>Revenue pendencies including local authority taxes associated with InvIT asset and compounding charges, if any</u>
As represented by the Management, there are no revenue pendencies including local authority taxes associated or compounding charges with InvIT asset as at 30th March 2021.

F. <u>Vulnerability to natural or induced hazards that may not have been covered in town planning building control.</u>
As represented by the Management, any natural or induced hazards would be adequately covered by insurance.

G. <u>Latest Pictures of the project along with date of physical inspection</u>
Please refer **Appendix 7.**

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8.2.4. Belgaum (Karnataka) to Kagal (Karnataka) ("BEL-KAG")

8.2.4.1. Project Overview

Parameters	Details
Project Name	NH48 (Old NH4) Stretch of Belgaum – Maharashtra / Karnataka Border (Kagal) Highway (Stretch 5)
Length of the project	77.705 kms
Toll Plaza Location	Hattargi and Kognoli
Project Type for the SPV	Toll, Operate and Transfer
Concession Period for the SPV - Start	1 April 2021
Concession Period for the SPV - End	31 March 2051
Date of Inspection	11th February 2021

Source: Management information

8.2.4.2. Additional Procedures to be complied with in accordance with InvIT regulations

A. <u>List of one-time sanctions/approvals which are obtained or pending:</u>

As represented by the management, the list of sanctions/ approvals obtained till 30th March 2021 is provided in **Appendix 3.**

B. <u>List of up to date/ overdue periodic clearances:</u>

As represented by the management, all other material permits, registrations, licenses, approvals, consents and other authorizations (collectively, "Governmental Licenses") shall be obtained as per individual project requirement once NHIPPL is purchased by the Trust and the rights and obligations are assumed. NHIPPL would in due course and as required under applicable law procure all the Governmental Licenses issued by, and shall make all material declarations and filings with, the applicable Governmental Authority to own, lease, license, operate and use its properties and assets and to conduct the business by NHIPPL, as described in the Draft Placement Memorandum and as will be described in the Placement Memorandum and the Final Placement Memorandum. No notice of proceedings has been received relating to the revocation or modification of any Governmental Licenses, except as would not result in a Material Adverse Change. The general list of Governmental Licenses is enclosed in **Appendix 4.**

C. <u>Estimates of already carried out as well as proposed major repairs and improvements along with estimated time of completion:</u>

Historical Major Maintenance Expenses (INR Cr): Not Applicable

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Forecasted Major Maintenance Expenses (INR Cr):

Particulars for the year/ period ended	31-Mar-22	31-Mar-23	31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28	31-Mar-29
No of Months	12	12	12	12	12	12	12	12
Major Maintenance Expenses	-	-	-	-	-	-	-	-

Particulars for the year/ period ended	31 Mar-30	31 Mar-31	31 Mar-32	31 Mar-33	31 Mar-34	31 Mar-35	31-Mar-36
No of Months	12	12	12	12	12	12	12
Major Maintenance Expenses	-	-	-	-	-	69.35	23.62

Particulars for the year/ period ended	31 Mar-37	31 Mar-38	31 Mar-39	31 Mar-40	31 Mar-41	31 Mar-42	31-Mar-43
No of Months	12	12	12	12	12	12	12
Major Maintenance Expenses	-	-	-	-	85.24	33.58	-

Particulars for the year/ period ended	31 Mar-44	31 Mar-45	31 Mar-46	31 Mar-47	31 Mar-48	31 Mar-49	31-Mar-50	31-Mar-51
No of Months	12	12	12	12	12	12	12	12
Major Maintenance Expenses	-	-	-	104.79	35.69	-	-	-

Source: Management information

D. On-going material litigations including tax disputes and claims in relation to the assets, if any;

As represented by the Management, there are no litigations pending as at 30th March 2021.

E. Revenue pendencies including local authority taxes associated with InvIT asset and compounding charges, if any

As represented by the Management, there are no revenue pendencies including local authority taxes associated or compounding charges with InvIT asset as at 30th March 2021.

F. Vulnerability to natural or induced hazards that may not have been covered in town planning building control.

As represented by the Management, any natural or induced hazards would be adequately covered by insurance.

G. Latest Pictures of the project along with date of physical inspection

Please refer **Appendix 8.**

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8.2.5. Chittorgarh (Rajasthan) to Kota (Rajasthan) ("CHT-KOT")

8.2.5.1. Project Overview

Parameters	Details
Project Name	NH27 (NH76) Chittorgarh – Kota & Chittorgarh Bypass (Stretch 2)
Length of the project	160.500 kms
Toll Plaza Location	Bassi, Aroli and Dhaneshwar
Project Type for the SPV	Toll, Operate and Transfer
Concession Period for the SPV - Start	1 April 2021
Concession Period for the SPV - End	31 March 2051
Date of Inspection	11th February 2021

Source: Management information

8.2.5.2. Additional Procedures to be complied with in accordance with InvIT regulations

A. <u>List of one-time sanctions/approvals which are obtained or pending:</u>
As represented by the management, the list of sanctions/ approvals obtained till 30th March 2021 is provided in **Appendix 3.**

B. <u>List of up to date/ overdue periodic clearances:</u>
As represented by the management, all other material permits, registrations, licenses, approvals, consents and other authorizations (collectively, "Governmental Licenses") shall be obtained as per individual project requirement once NHIPPL is purchased by the Trust and the rights and obligations are assumed. NHIPPL would in due course and as required under applicable law procure all the Governmental Licenses issued by, and shall make all material declarations and filings with, the applicable Governmental Authority to own, lease, license, operate and use its properties and assets and to conduct the business by NHIPPL, as described in the Draft Placement Memorandum and as will be described in the Placement Memorandum and the Final Placement Memorandum. No notice of proceedings has been received relating to the revocation or modification of any Governmental Licenses, except as would not result in a Material Adverse Change. The general list of Governmental Licenses is enclosed in **Appendix 4**.

C. <u>Estimates of already carried out as well as proposed major repairs and improvements along with estimated time of completion:</u>

Historical Major Maintenance Expenses (INR Cr): Not Applicable

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Forecasted Major Maintenance Expenses (INR Cr):

Particulars for the year/ period ended	31-Mar-22	31-Mar-23	31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28	31-Mar-29
No of Months	12	12	12	12	12	12	12	12
Major Maintenance Expenses	-	-	-	46.81	-	-	-	22.48

Particulars for the year/ period ended	31 Mar-30	31 Mar-31	31 Mar-32	31 Mar-33	31 Mar-34	31 Mar-35	31-Mar-36
No of Months	12	12	12	12	12	12	12
Major Maintenance Expenses	-	45.12	-	-	-	31.20	-

Particulars for the year/ period ended	31 Mar-37	31 Mar-38	31 Mar-39	31 Mar-40	31 Mar-41	31 Mar-42	31-Mar-43
No of Months	12	12	12	12	12	12	12
Major Maintenance Expenses	55.46	-	-	-	33.97	-	68.18

Particulars for the year/ period ended	31 Mar-44	31 Mar-45	31 Mar-46	31 Mar-47	31 Mar-48	31 Mar-49	31-Mar-50	31-Mar-51
No of Months	12	12	12	12	12	12	12	12
Major Maintenance Expenses	-	-	-	47.39	-	83.81	-	-

Source: Management information

D. <u>On-going material litigations including tax disputes and claims in relation to the assets, if any;</u>

As represented by the Management, there are no litigations pending as at 30th March 2021.

E. <u>Revenue pendencies including local authority taxes associated with InvIT asset and compounding charges, if any</u>

As represented by the Management, there are no revenue pendencies including local authority taxes associated or compounding charges with InvIT asset as at 30th March 2021.

F. <u>Vulnerability to natural or induced hazards that may not have been covered in town planning building control.</u>

As represented by the Management, any natural or induced hazards would be adequately covered by insurance.

G. <u>Latest Pictures of the project along with date of physical inspection</u>

Please refer **Appendix 9.**

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9. Valuation Conclusion

We have carried out the Enterprise Valuation of the SPV as of 30th March 2021, considering *inter-alia* Traffic Study and Technical Reports of independent consultants, Business plan/ Projected financial statements of the SPV and other information provided by/ on behalf of the Management, industry analysis and other relevant factors.

The outbreak of the Novel Coronavirus ("COVID-19"), declared by the World Health Organization as a "Global Pandemic" on 11th March 2020, has adversely affected the Global and Indian economy. Travel restrictions implemented by many countries has affected the economic activities. Governments have announced various measures to combat COVID 19 pandemic and to support the economic and business activities. The outbreak of COVID 19 Pandemic has led to significantly higher uncertainties in the near to medium term and its impact is evolving. Considering the unprecedented set of circumstances, Valuation analysis is reported on the basis of 'material valuation uncertainty' and accordingly, less certainty and a higher degree of caution should be attached to the Valuation analysis than would normally be the case. It may be noted that the estimated value may change significantly and unexpectedly over a relatively short period of time based on the evolving conditions/ uncertainties on account of COVID 19 pandemic.

Further, the Union Transport and Highway Minister informed the Lok Sabha (the Lower House of the Indian Parliament) on 18th March 2021, that all physical toll booths across the National Highways network will be removed and a GPS-based toll collection system will be rolled out within one year. In light of this announcement made by the Honorable Minister, we have been given to understand by the Management that due to lack of clarity on the implementation plan and related financial information, it is too early and difficult to assess the impact of implementation of GPS-based toll collection system on toll operations and maintenance expenses in future for the respective five projects and therefore, toll operations and maintenance expenses have been projected considering the existing toll collection system involving physical toll booths and FASTag.

The Valuation summary of the SPV as of 30th March 2021, is as follows:

SPV	WACC	Enterprise Value (INR Cr)
National Highways Infra Projects Pvt. Ltd. (NHIPPL)	10.4%	7,362.4

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The Project-wise break-up of SPV's Enterprise Value is as follows:

Project Name	Project EV (INR Cr)	Distribution
Abu Road-Palanpur	1,148.4	15.60%
Abu Road - Swaroopganj	742.9	10.09%
Kothakota Kurnool	1,943.2	26.39%
Belgaum Kagal	2,332.5	31.68%
Chittorgarh-Kota	1,195.3	16.24%
Total	**7,362.3**	**100.00%**
Add: Cash	0.1	
Total Enterprise Value	**7,362.4**	

Note: Note: Project EV has been estimated considering *inter-alia* apportionment of common expenses and income taxes of the SPV to the Specified Projects and may not be representative of the Enterprise Value of each Specified Project on a 'standalone' basis

Sensitivity Analysis

WACC	9.80%	10.00%	10.20%	10.40%	10.60%	10.80%	11.00%
Enterprise Value (INR Cr)	7,936.2	7,738.1	7,546.9	7,362.4	7,184.3	7,012.3	6,846.2

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Appendices

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Appendix 1 - WACC

Particulars		Remarks
Cost of Equity (Ke)		
Risk Free Rate (Rfr)	~ 6.71%	Based on 10-year Zero coupon yield curve for GoI securities as at 30th March 2021
Equity Market Risk Premium	~ 7.0%	Equity Market equity risk premium is estimated considering inter-alia historical equity market returns over a risk-free rate and forward-looking equity market risk premium estimates. Data sources reviewed generated a range of equity risk premium indications. However, a 7% equity market risk premium was considered reasonable representative of the equity risk premium for India.
Relevered Beta	~ 0.96	Considering *inter-alia* 5-year monthly beta of comparable companies and debt-to-equity ratio
Additional Risk Premium	1.0%	Considering the company specific risk factors, including, operational nature of the underlying projects, revenue terms (toll), uncertainties due to Covid 19 pandemic, projected performance, etc.
Cost of Equity (Ke)	**~ 14.4%**	
Cost of Debt (Kd)		
Pre-Tax Cost of Debt (Kd)	~ 8.0%	Considering Management inputs *inter-alia* the operating nature of the SPV and discussions with the prospective lenders, InvIT/ SPV will be able to borrow at a weighted average interest rate of 8% per annum
Effective tax rate	~ 19.4%	Estimated considering *inter-alia* tax depreciation/ amortisation policy proposed to be followed by the SPV and corporate income tax rate
Post-Tax Cost of Debt (Kd)	**~ 6.5%**	
Debt-to-equity Ratio	~ 1.00	Considering *inter-alia* typical funding pattern for road infrastructure projects and long-term debt equity ratio and permissible leverage under the SEBI InvIT Regulations
WACC	**~ 10.43%**	
Rounded off WACC	**~ 10.40%**	

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Appendix 2 – Discounted Cash Flow (DCF)

Enterprise Valuation of the SPV

Amount in INR Cr.

Particulars		FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031
Revenue		493.4	522.8	566.6	699.0	795.1	866.4	946.0	1,029.4	1,116.3	1,181.6
EBITDA		358.2	399.4	440.4	539.8	623.6	668.2	735.6	804.8	886.8	936.5
Less: IM Expenses		(11.3)	(11.3)	(12.1)	(13.0)	(14.0)	(15.1)	(16.2)	(17.4)	(18.7)	(20.1)
Less: Income Tax		-	-	-	-	-	-	-	-	-	-
Less: MMR Expenses		-	-	-	(46.8)	-	-	(9.4)	(39.7)	(195.6)	(45.1)
Less: Capital Expenditure		(259.9)	(259.9)	-	-	-	-	-	-	-	-
Add/Less: Working Capital		-	-	-	-	-	-	-	-	-	-
Free Cashflows to the Firm ("FCFF")		**87.1**	**128.2**	**428.2**	**480.0**	**609.6**	**653.1**	**710.0**	**747.7**	**672.5**	**871.3**
Time to Midpoint		0.50	1.50	2.50	3.50	4.50	5.50	6.50	7.50	8.50	9.50
Discount Rate/ PV factor	10.40%	0.95	0.86	0.78	0.71	0.64	0.58	0.53	0.48	0.43	0.39
PV of FCFF		**82.9**	**110.5**	**334.3**	**339.4**	**390.4**	**378.9**	**373.1**	**355.9**	**290.0**	**340.3**

Particulars		FY2032	FY2033	FY2034	FY2035	FY2036	FY2037	FY2038	FY2039	FY2040	FY2041
Revenue		1,195.4	1,253.1	1,432.7	1,646.0	1,825.0	1,965.2	2,126.4	2,293.2	2,480.1	2,673.6
EBITDA		952.0	1,008.6	1,161.0	1,305.8	1,460.0	1,574.1	1,695.0	1,797.2	1,924.6	2,087.9
Less: IM Expenses		(21.6)	(23.3)	(25.0)	(26.9)	(28.9)	(31.1)	(33.4)	(35.9)	(38.6)	(41.5)
Less: Income Tax		-	(56.0)	(271.6)	(286.7)	(348.0)	(371.0)	(398.1)	(390.3)	(452.0)	(487.5)
Less: MMR Expenses		-	-	-	(100.6)	(23.6)	(55.5)	(75.6)	(213.6)	(97.3)	(119.2)
Less: Capital Expenditure		-	-	-	-	-	-	-	-	-	-
Add/Less: Working Capital		-	-	-	-	-	-	-	-	-	-
FCFF		**930.4**	**929.4**	**864.5**	**891.7**	**1,059.5**	**1,116.5**	**1,187.8**	**1,157.4**	**1,336.7**	**1,439.6**
Time to Midpoint		10.50	11.50	12.50	13.50	14.50	15.50	16.50	17.50	18.50	19.50
Discount Rate/ PV factor	10.40%	0.35	0.32	0.29	0.26	0.24	0.22	0.20	0.18	0.16	0.15
PV of FCFF		**329.1**	**297.8**	**250.9**	**234.4**	**252.3**	**240.8**	**232.1**	**204.8**	**214.3**	**209.0**

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Particulars		FY2042	FY2043	FY2044	FY2045	FY2046	FY2047	FY2048	FY2049	FY2050	FY2051
Revenue		2,889.4	3,112.5	3,356.0	3,602.8	3,883.2	4,182.8	4,511.3	4,842.4	5,202.0	5,586.0
EBITDA		2,251.3	2,454.3	2,651.7	2,862.2	3,096.3	3,325.3	3,604.2	3,885.8	4,183.8	4,501.9
Less: IM Expenses		(44.6)	(47.9)	(51.5)	(55.4)	(59.6)	(64.0)	(68.8)	(74.0)	(79.5)	(85.5)
Less: Income Tax		(549.9)	(592.3)	(636.4)	(644.4)	(739.5)	(790.2)	(889.4)	(948.0)	(1,013.6)	(1,040.4)
Less: MMR Expenses		(33.6)	(68.2)	(90.6)	(269.4)	(125.1)	(152.2)	(35.7)	(83.8)	(120.2)	(331.1)
Less: Capital Expenditure		-	-	-	-	-	-	-	-	-	-
Add/Less: Working Capital		-	-	-	-	-	-	-	-	-	-
FCFF		**1,623.2**	**1,745.9**	**1,873.3**	**1,893.0**	**2,172.1**	**2,318.9**	**2,610.3**	**2,780.0**	**2,970.5**	**3,044.9**
Time to Midpoint		20.50	21.50	22.50	23.50	24.50	25.50	26.50	27.50	28.50	29.50
Discount Rate/ PV factor	10.40%	0.13	0.12	0.11	0.10	0.09	0.08	0.07	0.07	0.06	0.05
PV of FCFF		**213.5**	**208.0**	**202.2**	**185.0**	**192.3**	**186.0**	**189.6**	**182.9**	**177.0**	**164.4**

Present Value of FCFF	**7,362.3**
Add: Cash	0.1
Enterprise Value	7,362.4

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Project-wise break-up of SPV's Free Cash Flow to Firm #

Particulars	FY2022	FY2023	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031
Free Cash Flow to Firm (FCFF)										
Abu Road - Palanpur	35.0	49.2	79.5	75.8	84.6	91.1	102.8	108.4	73.3	133.0
Abu Road – Swaroopganj	13.1	19.1	52.9	49.7	55.0	60.4	58.4	74.8	81.9	72.1
Kothakota - Kurnool	(8.0)	19.5	149.1	163.5	179.4	185.8	196.7	202.3	97.1	252.7
Belgaum - Kagal	79.6	70.2	75.4	155.4	200.0	218.1	236.3	255.7	276.0	299.6
Chittorgarh - Kota	(32.6)	(29.8)	71.4	35.6	90.5	97.7	115.7	106.4	144.2	113.9
SPV	**87.1**	**128.2**	**428.2**	**480.0**	**609.6**	**653.1**	**710.0**	**747.7**	**672.5**	**871.3**
Present Value of FCFF @ 10.40%										
Abu Road - Palanpur	33.3	42.4	62.1	53.6	54.2	52.9	54.0	51.6	31.6	51.9
Abu Road – Swaroopganj	12.4	16.5	41.3	35.2	35.2	35.0	30.7	35.6	35.3	28.2
Kothakota - Kurnool	(7.6)	16.8	116.4	115.6	114.9	107.8	103.4	96.3	41.9	98.7
Belgaum - Kagal	75.8	60.5	58.8	109.9	128.1	126.6	124.2	121.7	119.0	117.0
Chittorgarh - Kota	(31.0)	(25.7)	55.7	25.2	58.0	56.7	60.8	50.7	62.2	44.5

Particulars	FY2032	FY2033	FY2034	FY2035	FY2036	FY2037	FY2038	FY2039	FY2040	FY2041
Free Cash Flow to Firm (FCFF)										
Abu Road - Palanpur	145.1	117.2	98.6	128.9	167.9	181.0	196.5	210.9	144.3	232.1
Abu Road – Swaroopganj	75.1	92.2	97.0	104.3	114.6	122.9	65.3	130.4	140.5	154.4
Kothakota - Kurnool	216.9	211.4	221.6	279.4	302.4	323.9	349.7	193.6	377.0	407.6
Belgaum - Kagal	322.6	327.3	285.8	225.9	282.9	322.4	347.4	372.5	402.6	376.7
Chittorgarh - Kota	170.7	181.4	161.6	153.2	191.6	166.3	229.0	250.0	272.3	268.8
SPV	**930.4**	**929.4**	**864.5**	**891.7**	**1,059.5**	**1,116.5**	**1,187.8**	**1,157.4**	**1,336.7**	**1,439.6**
Present Value of FCFF @ 10.40%										
Abu Road - Palanpur	51.3	37.6	28.6	33.9	40.0	39.0	38.4	37.3	23.1	33.7
Abu Road – Swaroopganj	26.6	29.5	28.1	27.4	27.3	26.5	12.8	23.1	22.5	22.4
Kothakota - Kurnool	76.7	67.7	64.3	73.5	72.0	69.9	68.3	34.3	60.4	59.2
Belgaum - Kagal	114.1	104.9	83.0	59.4	67.4	69.6	67.9	65.9	64.5	54.7
Chittorgarh - Kota	60.4	58.1	46.9	40.3	45.6	35.9	44.7	44.3	43.6	39.0

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Particulars	FY2042	FY2043	FY2044	FY2045	FY2046	FY2047	FY2048	FY2049	FY2050	FY2051
Free Cash Flow to Firm (FCFF)										
Abu Road - Palanpur	251.6	275.5	298.7	322.0	260.7	376.7	410.3	439.1	477.4	513.6
Abu Road – Swaroopganj	167.1	181.4	134.5	215.2	233.4	246.6	272.5	294.5	233.1	343.2
Kothakota - Kurnool	439.3	475.8	516.9	361.7	599.0	645.4	693.2	752.5	808.9	634.3
Belgaum - Kagal	446.6	509.2	540.0	579.5	629.4	605.3	705.1	783.2	834.6	900.5
Chittorgarh - Kota	318.6	304.0	383.3	414.5	449.6	444.9	529.2	510.6	616.4	653.2
SPV	**1,623.2**	**1,745.9**	**1,873.3**	**1,893.0**	**2,172.1**	**2,318.9**	**2,610.3**	**2,780.0**	**2,970.5**	**3,044.9**
Present Value of FCFF @ 10.40%										
Abu Road - Palanpur	33.1	32.8	32.2	31.5	23.1	30.2	29.8	28.9	28.5	27.7
Abu Road – Swaroopganj	22.0	21.6	14.5	21.0	20.7	19.8	19.8	19.4	13.9	18.5
Kothakota - Kurnool	57.8	56.7	55.8	35.4	53.0	51.8	50.4	49.5	48.2	34.2
Belgaum - Kagal	58.7	60.7	58.3	56.6	55.7	48.5	51.2	51.5	49.7	48.6
Chittorgarh - Kota	41.9	36.2	41.4	40.5	39.8	35.7	38.4	33.6	36.7	35.3

 # Project-wise FCFF has been estimated considering inter-alia apportionment of common expenses and income taxes of the SPV to the Specified Projects and may not be representative of the FCFF of each Specified Project on a 'standalone' basis

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Appendix 3 – List of one-time sanctions/approvals

Abu Road (Rajasthan) to Swaroopganj (Rajasthan)

- Environmental clearance dated April 17, 2006 issued by the IA-III Division, Ministry of Environment and Forests, Government of India in respect of Palanpur to Swaroopgunj section for rehabilitation and upgrading of existing NH-14 from 264.00 km to 340.00 km and NH-76 from 0/000 to 110/000 undertaken by NHAI.

Kothakota Bypass (Telangana) to Kurnool (Andhra Pradesh)

- Environmental clearance dated May 19, 2006, issued by the IA-III Division, Ministry of Environment and Forests, Government of India in respect of Kothakota to Kurnool section for upgrading of existing two lane to four lane divided carriageway configuration of NH-7 from 135.469 km to 211.000 km undertaken by NHAI.

Belgaum (Karnataka) to Kagal (Karnataka)

- Environmental clearance dated May 14, 2002 issued by the IA-III Division, Ministry of Environment and Forests, Government of India in respect of Belgaum Maharashtra Border for four laning and strengthening of NH-4 515 km to 592 km undertaken by NHAI.

Chittorgarh (Rajasthan) to Kota (Rajasthan)

- Environmental clearance dated February 2, 2006 issued by the IA-III Division, Ministry of Environment and Forests, Government of India in respect of Chittorgarh to Kota in Rajasthan section for upgrading of NH-76 of east west corridors undertaken by NHAI.

Source: Management information

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Appendix 4 – List of Governmental Licenses

S. No.	Statutory Permission
1	Environmental Clearance
2	Forest Clearance
3	Tree Cutting permission
4	Borrow Area permission from state & local panchayat office
5	Boulder Extraction permission from state & local panchayat office
6	Quarry permission
7	Drilling & Blasting -Explosive License & permissing
8	Permission from State to draw Ground Water from river / reservoir
9	Factory License for Camp Set up
10	Shop & Establishment License for Setting up of Office other than Camp
11	Labour License
12	Inspector of Factories- For Setting up of Crusher, Batching Plant and HMP (CTE)
13	Inspector of Factories & Local Panchayat- For Consent to Operate- Crusher, Batching Plant and HMP (CTO)
14	CPCB permission for Batching plant, HMP and Crusher Set up
15	CPCB Permission/ State permission for using DG sets in camp and Construction projects
16	Approval /permission from Utility Shifting Agency- Electricity, Gas, Water pipelines for Excavations & elevated structure erection
17	Approval of Railways for ROB / RUB Construction
18	RTO permission to Operate and Run Construction equipments (movable) which does not have registration
19	Other any, as per local body/ state

Source: Management information

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Appendix 5 – PLN-ABU: Latest Pictures of the project

Khemana Toll Plaza

Khemana Toll - Charges

Khemana Toll Office

Palanpur to Abu Road Stretch

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Appendix 6 – ABU-SWA: Latest Pictures of the project

Undavariya Toll Plaza

Undavariya Toll - Charges

Undavariya Toll Office

Abu Road to Swaroopgunj Stretch

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Appendix 7 – KOT-KUR: Latest Pictures of the project

Pullur Toll Plaza

Pullur Toll Plaza

Kothakota Kurnool Toll Road

Kothakota Kurnool Toll Road

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Appendix 8 – BEL-KAG: Latest Pictures of the project

Hattargi Toll Plaza

Hattargi Toll Plaza

Hattargi Toll Road

Hattargi Toll Road

Hattargi Toll Road

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Kognoli Toll Plaza

Kognoli Toll Plaza

Kognoli Toll Plaza

Kognoli Toll Road

Kognoli Toll Road

Appendix 9 – CHT-KOT: Latest Pictures of the project

Dhaneshwar Toll Plaza

Dhaneshwar Toll Plaza

Dhaneshwar Toll Office

Dhaneshwar Toll Road

Chittorgarh to Kota Stretch

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Aroli Toll Plaza

Aroli Toll Plaza

Aroli Toll - Charges

Aroli Toll Plaza

Aroli Toll Road

RBSA VALUATION ADVISORS LLP

Aroli Toll Plaza (Contd.)

Repairing Work at Chittorgarh to Kota Stretch

Repairing Work at Chittorgarh to Kota Stretch

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Bassi Toll Plaza

Bassi Toll Plaza

Bassi Toll Office

Bassi Toll Road

Bassi Toll Road

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