NATIONAL HIGHWAYS INFRA INVESTMENT MANAGERS PRIVATE LIMITED
Registered Office: G-5 & 6, Sector-10, Dwarka, New Delhi– 110075,
Tel: 011-25076536, FAX: 25076536. Email: nhiimpl@nhai.org
CIN: U65929DL2020GOI366835

Date: 10.11.2023

Corporate Relations Department **BSE Limited** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai-400001	**The Listing Department** **National Stock Exchange of India Limited** Exchange Plaza, C-1, Block-G, Bandra Kurla Complex, Bandra (East), Mumbai-400051

Ref.: Scrip Code: 543385; Scrip ID/Symbol: NHIT

Sub: Half Year Report of National Highway Infra Trust (NHIT) for the period ended 30th September, 2023

Dear Sir/Madam,

In terms of the Regulation 23 of the SEBI (Infrastructure Investment Trusts) Regulations, 2014, as amended or supplemented, enclosed please find the Half-yearly Report of National Highway Infra Trust (NHIT) for the period ended 30th September, 2023

You are requested to take the above information on record.

Thanking you,

For **National Highways Infra Trust**

By Order of the Board

National Highways Infra Investment Managers Private Limited

GUNJAN SINGH
Digitally signed by GUNJAN SINGH
Date: 2023.11.10 16:33:46 +05'30'

(Gunjan Singh)
Company Secretary and Compliance Officer

Half Yearly Report

Report for the Half Year ended 30th September 2023

We National Highways Infra Investment Managers Private Limited, Investment Manager of National Highways Infra Trust ("Trust") hereby submit the half-yearly report for the period from April 01, 2023, to September 30, 2023, of the Trust along with Financial information for the half year ended September 30, 2023.

1. Investment Manager's brief report of activities of the InvIT and summary of the audited consolidated financial statements for the half year of the InvIT
   - The brief report on the activities of the InvIT is attached as **Annexure I**
   - The un-audited Financial Statements as on 30th September, 2023 (Half Year) are attached as **Annexure XII**

2. Brief details of all the assets of the InvIT, project-wise
   - The brief details of assets of the InvIT are attached as **Annexure II**

3. Details of revenue during the year, project-wise from the underlying projects
   - Revenue details are attached as **Annexure III**

4. Brief summary of the valuation as per full valuation report as at the end of the year
   - Executive summary of Valuation as on 31st July, 2023 is attached as **Annexure IV**

5. Any information or report pertaining to the specific sector or sub-sector that may be relevant for an investor to invest in units of the InvIT
   - Road sector report is attached as **Annexure V**

6. Details of changes during the year pertaining to
   a. Addition and divestment of assets including the identity of the buyers or sellers, purchase or sale prices and brief details of valuation for such transactions
   - There are no such addition or disinvestments during the period upto 30th September, 2023

   b. Valuation of assets and NAV (as per the full valuation reports)
   - Valuation report along with Enterprise Value as on 31st July 2023 attached as **Annexure VI**

   c. Borrowings or repayment of borrowings (standalone and consolidated)
   - As per the below table

(Rs. In Crores)

S.N.	Type of Loan	Amount Outstanding as on 01.04.2023	Principal Paid during April 2023 to September 2023	Interest Paid during April 2023 to September 2023	Balance outstanding as on September 30, 2023
1.	Secured Term Loan	1460	10	61.94	1490

d. Credit rating

- Credit Rating letter issued by Care Edge as on 25th April, 2023 and India Ratings & Research as on 23rd June, 2023 is attached as **Annexure VIIa and VIIb**

e. Sponsor, Investment Manager, Trustee, valuer, directors of the Trustee or Investment Manager or sponsor, etc.

- The details are attached as **Annexure VIII**

f. Clauses in trust deed, investment management agreement, or any other agreement entered into pertaining to activities of InvIT

- No changes

g. Any regulatory changes that has impacted or may impact cash flows of the underlying projects

- None

h. Change in material contracts or any new risk in the performance of any contract pertaining to the InvIT:

Following new contracts were awarded for Round 1 and Round 2 assets:

- Manpower Services for collection of fees in respect of 7 Projects (12 toll plazas

- O&M Maintenance Contractor for One (1) toll plaza, i.e. Chittorgarh-Kota

- Contract awarded for Initial Improvement works in respect of Palanpur-AbuRoad Swaroopganj, Chittorgarh-Kota, Belgam-Kagal, Agra Bypass

- Contract awarded for special work for DBM and BCC in respect of Chittorgarh-Kota

i. Any legal proceedings which may have significant bearing on the activities or revenues or cash flows of the InvIT

- None

j. Any other material change during the half year

- None

7. Revenue of the InvIT for the last 5 years, project-wise
   - The details of Project wise Revenue are attached as **Annexure III.** The date of appointment of project is 16th December 2021.

8. Update on development of under-construction projects, if any
   - There are no under-construction projects, therefore this is Not Applicable

9. Details of outstanding borrowings and deferred payments of InvIT including any credit rating(s), debt maturity profile, gearing ratios of the InvIT on a consolidated and standalone basis as at 30th September, 2023

(Rs. In Crores)

S.N.	Type of Loan	Balance Outstanding as on 30.09.2023	Credit Rating	Debt Maturity Profile	Gearing Ratio Standalone basis	Gearing Ratio Consolidated Basis
1.	Secured Term Loan	1490	AAA	Structure Quarterly Payments started from 31st December, 2021 and ending on 31st March, 2041	Debt- Equity Ratio: 0.36 Debt Service coverage ratio: 3.28 Interest Service coverage ratio: 4.82	Debt- Equity Ratio: 0.41 Debt Service coverage ratio: 3.14 Interest Service coverage ratio: 2.04

10. The total operating expenses of the InvIT along with detailed break-up, including all fees and charges paid to the Investment Manager and any other parties, if any during the half year
    - The details are attached as **Annexure IX**

11. Past performance of the InvIT with respect to unit price, distributions made and yield for the last 5 years, as applicable

    - Following is the distribution table since the listing:

Record Date	26th May 2022	16th August 2022	27th September 2022	16th February 2023	22nd May 2023	11th August 2023	Total Since Listing
Distribution per unit (Rs./Unit)	0.79	1.75	1.61	1.41	1.60	1.75	8.91

**In the Board meeting of NHIIMPL, held on 8th November, 2023, the Distribution to unitholders of Rs. 1.816 per unit for the quarter ended 30th September, 2023 was declared.*

12. Unit price quoted on the exchange at the beginning and end of the first half year of FY 23-24, the highest and lowest unit price and the average daily volume traded during the first half year of FY 23-24

- Following are the details of Unit Price:

(i) NSE Details:

Period	Date	OPEN	HIGH	LOW	PREV. CLOSE	VWAP	Volume	Value	No. of Trades
Beginning of half Year	20th April, 2023	113.00	113.00	113.00	109.74	113.00	6,00,000	6,78,00,000	3
End of Financial Year	26th Sept, 2023	119.80	119.80	119.80	116.45	119.80	2,00,000	2,39,60,000	1

(ii) BSE Details:

Period	Date	OPEN	HIGH	LOW	CLOSE	WAP	No. of Shares	Turnover	No. of Trades
Beginning of half Year	7th June 2023	118.75	118.75	118.75	118.75	118.75	30,00,000	35,62,50,000	4
End of Financial Year	8th Aug 2023	116.45	116.45	116.45	116.45	116.45	22,00,000	25,61,90,000	11

13. (1) Details of all related party transactions during the half year, value of which exceeds five per cent. of value of the InvIT assets-
    - None

    (2) Details regarding the monies lent by the InvIT to the holding company or the special purpose vehicle in which it has investment in.
    - NHIT had lent an amount of Rs. 8946.07 Crores to National highways Infra projects Private Limited ("NHIPPL" or "Project SPV1")

14. Details of issue and buyback of units during the half year, if any:
    - Nil

15. Brief details of material and price sensitive information
    - During the half year, the trust from time to time, has been providing price-sensitive details of material and price-sensitive information to the Stock Exchanges in accordance with the SEBI InvIT Regulations.

16. Brief details of material litigations and regulatory actions, which are pending, against the InvIT, sponsor(s), Investment Manager, Project Manager(s), or any of their associates and the Trustee] if any, as at the end of the Half year (30th September, 2023)
    - The details of material litigations of Sponsor and Trustee are attached as **Annexure X**

- There are no pending litigations against InvIT, Investment Manager and Special Purpose Vehicles of InvIT

17. Risk factors
    - The details of risk factors are attached as **Annexure XI**

18. Information of the contact person of the InvIT
    - **Compliance Officer of Investment Manager (acting on behalf of Trust)**
    - **Ms. Gunjan Singh is the Compliance officer**
    - Contact details are as follows:
      Address: G-5 & 6, Sector – 10,
      Dwarka, New Delhi 110 075
      Tel: +91 11-2507 4100 Extn: 1671
      Fax: +91 11 2507 4100
      E-mail: cs.nhim@nhai.org

19. Financial statements for the half year; (Standalone and consolidated)
    - The Financial Statements as on 30th September, 2023 (Half Year) are attached as **Annexure XII**

20. Updated valuation report by the valuer taking into account any material developments during the previous half-year
    - Valuation report as on 31st July, 2023 is attached as **Annexure VI**

21. Any other material events during the half-year
    - Enclosed as part of reply to Point 6 (j) above.


Krishna Bridge KK


BK Corridor


Tungabhadra Bridge - KK

National Highways Infra Trust (NHIT)

Annexure I Executive Summary FY24

APRIL 2023- EXECUTIVE SUMMARY

Business Area	Remarks
Traffic	• Takeover of toll operations w.e.f from 9th March 2023 for R2 projects • YoY Traffic growth R1 projects in April is more than 5% mainly backed by high passenger traffic except in AP & AS which is muted due to low growth in freight traffic • Partial increase in traffic can be attributed to operational efficiencies employed by higher coverage of traffic crossing plaza
Operational Revenue	• Toll Revenue of Rs. 77.7 cr in April 2023 (Rs 47.1 for R1 assets and Rs. 30.6 cr for R2 assets)
Financial Performance	• Accounts for FY 2023 are currently under preparation/audit. To be shared separately in upcoming board meeting. April 2023 numbers will be shared subsequently
Round 3 Acquisition	• Process for Round 3 re-initiated; targeting launch by mid-June
EHS	• More than 2.4 mn safe man hours achieved cumulatively across Round 1 and Round 2 projects till April 2023

MAY 2023- EXECUTIVE SUMMARY

Business Area	Remarks
Traffic	• Portfolio performance better than expected; CJV traffic higher across the country • Outperformance in Bassi, Aroli and Raksha plazas • AP/AS continue to under perform (~3-5%)
Operational Revenue	• Toll Revenue of Rs. 81.7 cr in May 2023 vis-a-vis a budget of Rs. 80.8 cr (~1% ↑)
Financial Performance	• EBITDA of ~ Rs 74.4 cr in May 2023 in Project SPV vis-a-vis budget of Rs 64.3 cr (~16% ↑) • Distributions of Rs 116.5 cr declared by Trust for Q4 FY23
Round 3 Acquisition	• Traffic and Technical diligence complete, fund raise to initiate post Board approval
EHS	• More than 2.7 mn safe man hours achieved cumulatively across Round 1 and Round 2 projects since July 2022

JUNE 2023- EXECUTIVE SUMMARY

Business Area	Remarks
Traffic & Revenue	• Toll Revenue of Rs. 76.3 cr in June 2023 vis-a-vis a budget of Rs. 77.8 cr (~1.9% ↓) • Slightly lower performance across the northern and western part of country due to early onset of monsoon/cyclones • Southern projects continue to outperform • Interactive Traffic/Revenue dashboard launched. Access being given to Directors
Operational Performance	• Reduction in exempted vehicles at Khemana, Undavariya, Raibha and Raksha • Successfully removed many temporary and permanent encroachments at AB, SJ and CK projects
Financial Performance	• EBITDA of ~ Rs 67.2 cr in June 2023 in Project SPV vis-a-vis budget of Rs 61.0 cr (~10% ↑)
Other Key Developments	• For Round 3 assets, NHAI has reduced Scope of Initial Improvement Works; revised schedules awaited • New HRMS implemented and live with varied functionalities
EHS	• More than ~3 mn safe man hours achieved cumulatively across Round 1 and Round 2 projects since July 2022

JULY 2023- EXECUTIVE SUMMARY

Business Area	Remarks
Operational Performance	• Traffic performance at portfolio level in line with Budget, however, variation being observed at project level due to rains and seasonality • Toll Revenue of Rs. 75.0 cr in July 2023 vis-a-vis a budget of Rs. 74.9 cr (0.1% ↑)
Financial Performance	• EBITDA of ~ Rs 67.3 cr in July 2023 in Project SPV vis-a-vis budget of Rs 58.1 cr (~14% ↑)
Other Key Developments	• For Round 3, revised technical schedules received on 27th July 2023; Traffic and Technical diligence being updated • Revised Diligence findings along with independent valuation to be presented to the Board in the month of September 2023
EHS	• More than 3.3 mn safe man hours achieved cumulatively across Round 1 and Round 2 projects since July 2022

AUGUST 2023- EXECUTIVE SUMMARY

Business Area	Remarks
Operational Performance	• Traffic performance at portfolio level in line with Budget, however, variation being observed at project level due to rains and seasonality • Toll Revenue of Rs. 78.8 cr in August 2023 vis-a-vis a budget of Rs. 76.5 cr (3% ↑)
Financial Performance	• EBITDA of ~ Rs 69.9 cr in August 2023 in Project SPV vis-a-vis budget of Rs 60.0 cr (~16.5% ↑)
Other Key Developments	• Round 3 Acquisition • Revised Diligence findings along with independent valuation to be presented to the Board in the month of September/October 2023 • Maiden Strategic Meet held in Udaipur from 23rd -25th August, glimpses shared in Annexure-3
EHS	• More than 3.6 mn safe man hours achieved cumulatively across Round 1 and Round 2 projects since July 2022

SEPTEMBER 2023- EXECUTIVE SUMMARY

Business Area	Remarks
Operational Performance	• Traffic performance at portfolio level in line with Budget, however, variation being observed at project level due to rains and seasonality • Toll Revenue of Rs. 75.9 cr in Sep' 2023 vis-a-vis a budget of Rs. 74.9 cr (1.2%↑)
Financial Performance	• EBITDA of ~ Rs 67.3 cr in September 2023 in Project SPV vis-a-vis budget of Rs 58.2 cr (~15.6% ↑)
Other Key Developments	• Round 3 Acquisition • For R3, revised diligence findings along with independent valuation to be presented to the Board in the month of October 2023 • Mumbai Office at INS Tower, BKC operational effective 4th October 2023 • For Round 4, NHAI vide its letter dated 29.09.23 has offered 6 more road assets for monetization
EHS	• More than 3.9 mn safe man hours achieved cumulatively across Round 1 and Round 2 projects since July 2022

Annexure II

SUMMARY OF THE CONCESSION AGREEMENTS

The following are summaries of the concession agreements entered into by the National Highways Infra Projects Private Limited in relation to Toll Roads. The descriptions and summaries of the agreements below are not, nor do they purport to be complete descriptions or summaries of all terms of such agreements. Certain terms used in this section have the meaning assigned to them in the respective concession agreements. Copies of these concession agreements are also available for inspection at the registered office of the Investment Manager (on behalf of the Trust). For details, refer to "Material Contracts and Documents for Inspection" on page 329.

1. *Concession Agreement between Concessionaire and NHAI dated March 30, 2021 in respect of the Kotha Kota Kurnool Project*

The Concessionaire has entered into a concession agreement for operation, maintenance, and management of the Kotha Kota Kurnool Project Highway (as defined below) on toll, operate and transfer (TOT) basis (the "**Kotha Kota Kurnool Concession Agreement**"), for a period of 30 years from the Appointed Date (i.e. December 16, 2021) or such date on which the Kotha Kota Kurnool Concession Agreement is terminated by a termination notice ("**Kotha Kota Kurnool Concession Period**").

Certain Definitions

"**Kotha Kota Kurnool Project"** means the operation and maintenance of the Kotha Kota Kurnool Project Highway in accordance with the provisions of the Kotha Kota Kurnool Concession Agreement and includes all works, services and equipment relating to or in respect of the scope of the Kotha Kota Kurnool Project as set forth in the Kotha Kota Kurnool Concession Agreement;

"**Kotha Kota Kurnool Project Assets**" means all physical and other assets relating to and forming part of the Site including (a) rights over the Site in the form of licence, Right of Way or otherwise; (b) tangible assets such as civil works and equipment including foundations, embankments, pavements, road surface, interchanges, bridges, culverts, road overbridges, drainage works, traffic signals, sign boards, kilometre- stones, toll plazas, electrical systems, communication systems, rest areas, relief centers, maintenance depots and administrative offices; (d) all rights of the Concessionaire under the project agreements; (e) security deposits; (f) insurance proceeds; and (g) Applicable Permits and authorisations relating to or in respect of the Kotha Kota Kurnool Project Highway, but does not include Additional Facilities; and

"**Kotha Kota Kurnool Project Highway"** means the Site comprising the existing road comprising:

Project Highway	State	Start (Km)	End (Km)	Length
Kothakota Bypass-Kurnool	Telangana	135.469	211.000	74.622

and all Kotha Kota Kurnool Project Assets.

Grant of Concession

Subject to and in accordance with the terms and conditions set forth in the Kotha Kota Kurnool Concession Agreement, NHAI has granted to the Concessionaire, and the Concessionaire has accepted the concession for a period of 30 years, including the exclusive right, license and authority during the subsistence of the Kotha Kota Kurnool Concession Agreement to operate, manage and maintain the Kotha Kota Kurnool Project Highway.

Subject to and in accordance with the terms and conditions set forth in the Kotha Kota Kurnool Concession Agreement, the Concessionaire is entitled to undertake the following in accordance with the terms of the Kotha Kota Kurnool Concession Agreement, applicable laws and applicable permits:

i. Right of Way, access and license to the Site for the purpose of and to the extent conferred by the provisions of the Kotha Kota Kurnool Concession Agreement;

ii. manage, operate and maintain the Kotha Kota Kurnool Project Highway and regulate the use thereof by third parties in accordance the terms of Kotha Kota Kurnool Concession Agreement;

iii. demand, collect and appropriate the fees from vehicles and persons liable for payment of fees for using the Kotha Kota Kurnool Project Highway or any part thereof and refuse entry of any vehicle to the Kotha Kota Kurnool Project Highway if the fee due is not paid;

iv. perform and fulfill all of the Concessionaire's obligations under and in accordance with the Kotha Kota Kurnool Concession Agreement;

v. bear and pay all costs, expenses and charges in connection with or incidental to the performance of the obligations of the Concessionaire under the Kotha Kota Kurnool Concession Agreement; and

vi. neither assign, transfer or sublet or create any lien or encumbrance on the Kotha Kota Kurnool Concession Agreement, or the concession granted thereby, or on the whole or any part of the Kotha Kota Kurnool Project Highway nor transfer, lease or part possession thereof, save and except as expressly permitted by the Kotha Kota Kurnool Concession Agreement.

Fees

The Concessionaire is entitled to, during the Kotha Kota Kurnool Concession Period, levy, collect and appropriate fees from users ("**User Fee**") of the Kotha Kota Kurnool Project Highway pursuant to and in accordance with the provisions in the Kotha Kota Kurnool Concession Agreement and National Highways Fee (Determination of Rates and Collection) Rules, 2008 as amended (the "**Fee Rules**") and to appropriate the same. In accordance with the terms of the Kotha Kota Kurnool Concession Agreement, the Concessionaire shall not collect any fees in relation to exempted vehicles.The fees collected by Concessionaire are being deposited in the escrow account and appropriated in accordance with the relevant provisions of the Kotha Kota Kurnool Concession Agreement.

Sub Rule 6(6) of the above-mentioned Fee Rules states,

"*(a) The fee shall be collected by the Central Government or the executing Authority as the case may be and for a specified period in accordance with the terms of agreement entered by the Concessionaire.*
(b) The fee as notified as per Concession Agreement shall be leviable till the end of the concession period and after the Concession Agreement is over, the fee shall be collected by the Central Government executing authority at a reduced rate of 40% of the fee on the date of transfer of such section of National Highways, bridge, tunnel or bypass, as the case may be, to be revised annually in accordance with these rules:

Provided that after the recovery of capital cost through user fee realised, in respect of a public funded project, the fee leviable would be reduced to 40% of the user fee for such section of National Highways, bridge, tunnel or bypass as the case may be, to be revised annually in accordance with these rules."

In respect of the above, NHAI has clarified that Rule 6 of the Fee Rules provides that the user fee to be notified by Government as per the format of Schedule M of Concession Agreement shall be leviable till the end of the concession period. Hence, the rate of User Fee shall only be reduced after the concession period is over.

Concession Fees

As consideration for the grant of the Concession, the Concessionaire has paid a concession fee to NHAI equivalent to ₹ 19,401.00 million as a Condition Precedent.

For the purposes of stamp duty payment, concession agreements are generally considered to be agreements which are not lease deeds and stamp duty of ₹ 100.00 is typically paid for such concession agreements. However, stamp duty authorities of certain states in India have issued notices to some concessionaires alleging inadequate stamp duty on the concession agreements executed between the concessionaires and the NHAI. The stamp authorities allege that since concession agreements relate to the letting of tolls to the concessionaires in the form of leases, or as development agreements, such agreements were required to be stamped as lease agreements or development agreements, as applicable. The stamp duty for a lease agreement or a development agreement ranges between 1.0% and 11.0% of the annual rent or premium payable or the market value of the property. Furthermore, stamp duty authorities may impose penalties for payment of inadequate stamp duty, which could extend up to ten (10) times the amount of the stamp duty payable. Accordingly, concession agreements that have not been stamped as such could be considered to be inadequately stamped. The High Courts of Allahabad and Maharashtra have also held that a concession agreement ought to be stamped as a lease agreement and have upheld the imposition of a higher stamp duty on such agreements.

While we have paid stamp duty of ₹ 100.00 on each of our Concession Agreements in accordance with usual practice, if any demand for payment of a higher stamp duty or penalty is imposed, it would increase the costs of the Toll Roads.

In respect of above, NHAI has clarified that:

(i) As on the date of Kotha Kota Kurnool Concession Agreement, GST is not applicable on Concession Fee. However, if it becomes applicable at a later stage, this shall be considered as change in law.
(ii) There is no requirement of stamp duty in case of Concession Agreements since Fee Rules provided for levy and collection of user fee and not toll tax. In case, in future any such demand arises, it shall be treated as change in law.

Escrow Account

The provisions in relation to the escrow account in the Kotha Kota Kurnool Concession Agreement are only applicable if the obligations of the Concessionaire under the Kotha Kota Kurnool Concession Agreement are financed by the Lenders.

The Concessionaire has opened and established the escrow account with the escrow bank and all funds constituting the financing package related to the Kotha Kota Kurnool Project are being credited to such escrow account. During the Kotha Kota Kurnool Concession Period, all fees and any other revenues including the proceeds of any rentals, deposits, capital receipts or insurance claims from or in respect of the Kotha Kota Kurnool Project Highway are being deposited therein. In addition, all disbursements or payments by NHAI pursuant to the Kotha Kota Kurnool Concession Agreement, including, if any, in relation to the change of scope in the Kotha Kota Kurnool Project are being deposited by NHAI in the escrow account.

Disbursements from Escrow Account

The Concessionaire had given, at the time of the opening of the escrow account, irrevocable instructions by way of an escrow agreement substantially in form set forth in the Kotha Kota Kurnool Concession Agreement to the escrow bank instructing, *inter alia*, that the deposits into the escrow account shall subject to the provisions of the Kotha Kota Kurnool Concession Agreement, be appropriated in the following order every month and if not due in a month then appropriated proportionately in such month and retained in the escrow account and paid out therefrom in the month when due unless otherwise expressly provided in the instruction letter:

i. all taxes due and payable by the Concessionaire for and in respect of the Kotha Kota Kurnool Project Highway;

ii. concession fee;

iii. all payments relating to construction of the Kotha Kota Kurnool Project Highway, subject to and in accordance with the conditions, if any, set forth in the financing agreements;

iv. operation and maintenance expenses;

v. operation and maintenance expenses and other costs and expenses incurred by NHAI in accordance with the provisions of the Kotha Kota Kurnool Concession Agreement, and certified by NHAI as due and payable to it;

vi. monthly proportionate provision of debt service payment due in an accounting year;

vii. all payments and damages certified by NHAI as due and payable to it by the Concessionaire; and

vii. balance, if any, in accordance with the instructions of the Concessionaire.

Disbursements upon Termination

Notwithstanding anything to the contrary contained in the escrow agreement and subject to the provisions of the Kotha Kota Kurnool Concession Agreement, in the case of termination, the amounts standing to the credit of the escrow account shall be disbursed towards:

i. all taxes due and payable by the Concessionaire for and in respect of the Kotha Kota Kurnool Project Highway;

ii. payment due to the lenders;

iii. all payments and damages certified by NHAI as due and payable to it by the Concessionaire;

iv. retention and payments relating to the liability for defects and deficiencies;

v. incurred or accrued operation and maintenance expenses;

vi. any other payments required to be made under the Kotha Kota Kurnool Concession Agreement; and

vii. balance, if any, in accordance with the instructions of the Concessionaire.

Change of Scope

NHAI may, notwithstanding anything to the contrary contained in the Kotha Kota Kurnool Concession Agreement, require the Concessionaire to make alterations/ modifications in the scope of the Kotha Kota Kurnool Project as contemplated by the Kotha Kota Kurnool Concession Agreement. If the cumulative costs relating to all the change of scope orders exceed 5% of the

concession fee in any continuous period of 3 years immediately preceding the date of such change of scope order or if such cumulative costs exceed 25% of the concession fee at any time during the Kotha Kota Kurnool Concession Period, NHAI may award any works or services, to any person on the basis of open competitive bidding and the Concessionaire shall be entitled to take part in such competitive bidding with a right to match the first-ranked bid. All such changes shall be made by NHAI by an order issued in accordance with the procedure set forth in the Kotha Kota Kurnool Concession Agreement.

Termination of the Kotha Kota Kurnool Concession Agreement

Termination by either party

Either Party may in its discretion terminate the Kotha Kota Kurnool Concession Agreement by giving a termination notice to the other party if a force majeure event subsists for a period of 120 days or more within a continuous period of 365 days. Before issuing such termination notice, the party intending to issue the termination notice shall inform the other party of such intention and grant 15 days' time to make a representation, and may after the expiry of such 15 days period, whether or not it is in receipt of such representation, in its sole discretion issue the termination notice.

Termination by the NHAI

In the event of any of the defaults specified below have occurred, and if the Concessionaire has failed to cure such breach or default within the period provided for the same in the Kotha Kota Kurnool Concession Agreement, then NHAI shall be entitled to issue a notice of its intention to terminate the Kotha Kota Kurnool Concession Agreement, with a copy to the lenders. The following events shall constitute an event of default by the Concessionaire (a "**Concessionaire Default**") unless they have occurred as a result of any breach of the Kotha Kota Kurnool Concession Agreement by NHAI or due to force majeure:

i. the performance security has been encashed and appropriated in accordance with the Kotha Kota Kurnool Concession Agreement and the Concessionaire has failed to replenish or provide fresh performance security within a cure period of 15 days;

ii. subsequent to the replenishment or furnishing of fresh performance security in accordance with the Kotha Kota Kurnool Concession Agreement, the Concessionaire fails to cure, within a cure period of 60 days, the Concessionaire Default for which whole or part of the performance security was appropriated;

iii. the Concessionaire abandons or manifests intention to abandon the operation and maintenance of the Kotha Kota Kurnool Project Highway without the prior written consent of NHAI;

iv. the Concessionaire fails to roll over, renew and furnish new bank guarantee performance security subject to and in accordance with terms of the Kotha Kota Kurnool Concession Agreement, at least 3 months prior to expiry of subsisting bank guarantee;

v. the Concessionaire is in breach of the Maintenance Requirements or the Safety Requirements;

vi the Concessionaire has failed to make any payment to NHAI within the period specified in the Kotha Kota Kurnool Concession Agreement;

vii. upon occurrence of a financial default, the lenders' representative has by notice required NHAI to undertake suspension or termination, as the case may be, in accordance with the substitution agreement and the Concessionaire fails to cure the default within the specified cure period;

viii. a breach of any of the project agreements by the Concessionaire causes a material adverse effect;

ix. the Concessionaire creates any encumbrance in breach of the Kotha Kota Kurnool Concession Agreement;

x. the Concessionaire repudiates the Kotha Kota Kurnool Concession Agreement or otherwise takes any action or evidences or conveys an intention not to be bound by the Kotha Kota Kurnool Concession Agreement;

xi. a change in ownership occurs in breach of the provisions of the Kotha Kota Kurnool Concession Agreement;

xii. there is a transfer, pursuant to law either of the rights and/or obligations of the Concessionaire under any of the project agreements, or of all or part of the assets or undertaking of the Concessionaire, and such transfer causes a material adverse effect;

xiii. an execution levied on any of the assets of the Concessionaire has caused a material adverse effect;

xiv. the Concessionaire is adjudged bankrupt or insolvent, or if a trustee or receiver is appointed for the Concessionaire or

for the whole or material part of its assets that has a material bearing on the Kotha Kota Kurnool Project;

xv. the Concessionaire has been, or is in the process of being liquidated, dissolved, wound-up, amalgamated or reconstituted in a manner that would cause, in the reasonable opinion of NHAI, a material adverse effect;

xvi. a resolution for winding up of the Concessionaire is passed or any petition for winding up of the Concessionaire is admitted by a court of competent jurisdiction and a provisional liquidator or receiver is appointed and such order has not been set aside within 90 days of the date thereof or the Concessionaire is ordered to be wound up by Court except for the purpose of amalgamation or reconstruction; provided that, as part of such amalgamation or reconstruction, the entire property, assets and undertaking of the Concessionaire are transferred to the amalgamated or reconstructed entity and that the amalgamated or reconstructed entity has unconditionally assumed the obligations of the Concessionaire under the Kotha Kota Kurnool Concession Agreement and the project agreements; and provided that:

a. the amalgamated or reconstructed entity has the capability and operating experience necessary for the performance of its obligations under the Kotha Kota Kurnool Concession Agreement and the project agreements;

b. the amalgamated or reconstructed entity has the financial standing to perform its obligations under the Kotha Kota Kurnool Concession Agreement and the project agreements and has a credit worthiness at least as good as that of the Concessionaire as at Appointed Date; and

c. each of the project agreements remains in full force and effect;

xvii. any representation or warranty of the Concessionaire herein contained which is, as of the date of Kotha Kota Kurnool Concession Agreement, found to be materially false, incorrect or misleading;

xviii. the Concessionaire submits to NHAI any statement, notice or other document, in written or electronic form, which has a material effect on NHAI's rights, obligations or interests and which is false in material particulars;

xix. the Concessionaire has failed to fulfil any obligation, for which failure termination has been specified in the Kotha Kota Kurnool Concession Agreement;

xx. the Concessionaire commits a default in complying with any other provision of the Kotha Kota Kurnool Concession Agreement if such default causes a material adverse effect on NHAI;

xxi. an escrow default occurs and the Concessionaire fails to cure the default within a cure period of 15 days;

Termination by Concessionaire

If any of the defaults specified below shall have occurred, and NHAI fails to cure such default within a cure period of 90 days or such longer period as has been expressly provided in the Kotha Kota Kurnool Concession Agreement, NHAI shall be deemed to be in default of the Kotha Kota Kurnool Concession Agreement, unless the default has occurred as a result of any breach of the Kotha Kota Kurnool Concession Agreement by the Concessionaire or due to force majeure:

i. NHAI commits a material default in complying with any of the provisions of the Kotha Kota Kurnool Concession Agreement and such default has a material adverse effect on the Concessionaire; or

ii. NHAI repudiates the Kotha Kota Kurnool Concession Agreement or otherwise takes any action that amounts to or manifests an irrevocable intention not to be bound by the Kotha Kota Kurnool Concession Agreement.

Termination Payments

The termination payment pursuant to the Kotha Kota Kurnool Concession Agreement becomes due and payable to the Concessionaire by NHAI within 15 days of the Concessionaire furnishing to NHAI an NOC issued by the lenders/ lenders' representative recording/ effecting release/ vacation/ discharge of the charge on Kotha Kota Kurnool Project receivables (if any) created by Concessionaire for securing repayment of the debt. If NHAI fails to disburse the full termination payment within 15 days, NHAI shall pay interest at a rate equal to 3% above the bank rate on the amount of termination payment remaining unpaid.

Upon termination of the Kotha Kota Kurnool Concession Agreement by the NHAI on account of occurrence of a Concessionaire Default, the NHAI shall pay the Concessionaire by way of termination payment 70% of the Unexpired Cash Flow.

Upon termination of the Kotha Kota Kurnool Concession Agreement by the Concessionaire on account of occurrence of an NHAI Default, the Concessionaire shall be entitled to receive from NHAI by way of termination payment a sum equal to 105% of the Unexpired Cash Flow.

2. ***Concession Agreement between Concessionaire and NHAI dated March 30, 2021 in respect of the Chittorgarh Kota Project***

The Concessionaire has entered into a concession agreement for operation, maintenance, and management of Chittorgarh Kota Project Highway (as defined below) on toll, operate and transfer (TOT) basis (the "**Chittorgarh Kota Concession Agreement**"), for a period of 30 years from the Appointed Date (i.e., December 16, 2021) or such date on which the Chittorgarh Kota Concession Agreement is terminated by a termination notice ("**Chittorgarh Kota Concession Period**").

Certain Definitions

"**Chittorgarh Kota Project"** means the operation and maintenance of the Chittorgarh Kota Project Highway in accordance with the provisions of the Chittorgarh Kota Concession Agreement and includes all works, services and equipment relating to or in respect of the scope of the Chittorgarh Kota Project as set forth in the Chittorgarh Kota Concession Agreement;

"**Chittorgarh Kota Project Assets**" means all physical and other assets relating to and forming part of the Site including (a) rights over the Site in the form of licence, Right of Way or otherwise; (b) tangible assets such as civil works and equipment including foundations, embankments, pavements, road surface, interchanges, bridges, culverts, road overbridges, drainage works, traffic signals, sign boards, kilometre- stones, toll plazas, electrical systems, communication systems, rest areas, relief centers, maintenance depots and administrative offices; (d) all rights of the Concessionaire under the project agreements; (e) security deposits; (f) insurance proceeds; and (g) Applicable Permits and authorisations relating to or in respect of the Chittorgarh Kota Project Highway, but does not include Additional Facilities; and

"**Chittorgarh Kota Project Highway"** means the Site comprising the existing road comprising:

Project Highway	State	Start (Km)	End (Km)	Length
Chittorgarh-Kota and Chittorgarh Bypass	Rajasthan	891.29	1052.429	160.500

and all Chittorgarh Kota Project Assets.

Grant of Concession

Subject to and in accordance with the terms and conditions set forth in the Chittorgarh Kota Concession Agreement, NHAI has granted to the Concessionaire, and the Concessionaire has accepted the concession for a period of 30 years, including the exclusive right, license and authority during the subsistence of the Chittorgarh Kota Concession Agreement to operate, manage and maintain the Chittorgarh Kota Project Highway.

Subject to and in accordance with the terms and conditions set forth in the Chittorgarh Kota Concession Agreement, the Concessionaire is entitled to undertake the following in accordance with the terms of the Chittorgarh Kota Concession Agreement, applicable laws and applicable permits:

i. Right of Way, access and license to the Site for the purpose of and to the extent conferred by the provisions of the Chittorgarh Kota Concession Agreement;

ii. manage, operate and maintain the Chittorgarh Kota Project Highway and regulate the use thereof by third parties in accordance with the terms of Chittorgarh Kota Concession Agreement;

iii. demand, collect and appropriate the fees from vehicles and persons liable for payment of fees for using the Chittorgarh Kota Project Highway or any part thereof and refuse entry of any vehicle to the Chittorgarh Kota Project Highway if the fee due is not paid;

iv. perform and fulfill all of the Concessionaire's obligations under and in accordance with the Chittorgarh Kota Concession Agreement;

v. bear and pay all costs, expenses and charges in connection with or incidental to the performance of the obligations of the Concessionaire under the Chittorgarh Kota Concession Agreement; and

vi. neither assign, transfer or sublet or create any lien or encumbrance on the Chittorgarh Kota Concession Agreement, or the concession granted thereby, or on the whole or any part of the Chittorgarh Kota Project Highway nor transfer, lease or part possession thereof, save and except as expressly permitted by the Chittorgarh Kota Concession Agreement.

Fees

The Concessionaire is entitled to, during the Chittorgarh Kota Concession Period, levy, collect and appropriate fees from users ("**User Fee**") of the Chittorgarh Kota Project Highway pursuant to and in accordance with the provisions in the Chittorgarh Kota Concession Agreement and the Fee Rules and to appropriate the same. In accordance with the terms of the Chittorgarh Kota Concession Agreement, the Concessionaire shall not collect any fees in relation to exempted vehicles.The fees collected by Concessionaire are being deposited in the escrow account and appropriated in accordance with the relevant provisions of the Chittorgarh Kota Concession Agreement.

Sub Rule 6(6) of the above-mentioned Fee Rules states,

"
(a) The fee shall be collected by the Central Government or the executing Authority as the case may be and for a specified period in accordance with the terms of agreement entered by the Concessionaire.
(b) The fee as notified as per Concession Agreement shall be leviable till the end of the concession period and after the Concession Agreement is over, the fee shall be collected by the Central Government executing authority at a reduced rate of 40% of the fee on the date of transfer of such section of National Highways, bridge, tunnel or bypass, as the case may be, to be revised annually in accordance with these rules:

Provided that after the recovery of capital cost through user fee realised, in respect of a public funded project, the fee leviable would be reduced to 40% of the user fee for such section of National Highways, bridge, tunnel or bypass as the case may be, to be revised annually in accordance with these rules."

In respect of the above, NHAI has clarified that Rule 6 of the Fee Rules provides that the user fee to be notified by Government as per the format of Schedule M of Concession Agreement shall be leviable till the end of the concession period. Hence, the rate of User Fee shall only be reduced after the concession period is over.

Concession Fees

As consideration for the grant of the Concession, the Concessionaire has paid a concession fee to NHAI equivalent to ₹ 11,934.00 million as a Condition Precedent.

For the purposes of stamp duty payment, concession agreements are generally considered to be agreements which are not lease deeds and stamp duty of ₹ 100.00 is typically paid for such concession agreements. However, stamp duty authorities of certain states in India have issued notices to some concessionaires alleging inadequate stamp duty on the concession agreements executed between the concessionaires and the NHAI. The stamp authorities allege that since concession agreements relate to the letting of tolls to the concessionaires in the form of leases, or as development agreements, such agreements were required to be stamped as lease agreements or development agreements, as applicable. The stamp duty for a lease agreement or a development agreement ranges between 1.0% and 11.0% of the annual rent or premium payable or the market value of the property. Furthermore, stamp duty authorities may impose penalties for payment of inadequate stamp duty, which could extend up to ten (10) times the amount of the stamp duty payable. Accordingly, concession agreements that have not been stamped as such could be considered to be inadequately stamped. The High Courts of Allahabad and Maharashtra have also held that a concession agreement ought to be stamped as a lease agreement and have upheld the imposition of a higher stamp duty on such agreements.

While we have paid stamp duty of ₹ 100.00 on each of our Concession Agreements in accordance with usual practice, if any demand for payment of a higher stamp duty or penalty is imposed, it would increase the costs of the Toll Roads.

In respect of above, NHAI has clarified that:

(i) As on the date of Chittorgarh Kota Concession Agreement, GST is not applicable on Concession Fee. However, if it becomes applicable at a later stage, this shall be considered as change in law.
(ii) There is no requirement of stamp duty in case of Concession Agreements since Fee Rules provided for levy and collection of user fee and not toll tax. In case, in future any such demand arises, it shall be treated as change in law.

Escrow Account

The provisions in relation to the escrow account in the Chittorgarh Kota Concession Agreement are only applicable if the obligations of the Concessionaire under the Chittorgarh Kota Concession Agreement are financed by the Lenders.

The Concessionaire has opened and established the escrow account with the escrow bank and all funds constituting the financing package related to the Chittorgarh Kota Project are being credited to such escrow account. During the Chittorgarh Kota Concession Period all fees and any other revenues including the proceeds of any rentals, deposits, capital receipts or insurance claims from or in respect of the Chittorgarh Kota Project Highway are being deposited therein. In addition, all disbursements or payments by NHAI pursuant to the Chittorgarh Kota Concession Agreement, including, if any, in relation to the change of

scope in the Chittorgarh Kota Project are being deposited by NHAI in the escrow account.

Disbursements from Escrow Account

The Concessionaire had given, at the time of the opening of the escrow account, irrevocable instructions by way of an escrow agreement substantially in form set forth in the Chittorgarh Kota Concession Agreement to the escrow bank instructing, *inter alia*, that the deposits into the escrow account shall subject to the provisions of the Chittorgarh Kota Concession Agreement, be appropriated in the following order every month and if not due in a month then appropriated proportionately in such month and retained in the escrow account and paid out therefrom in the month when due unless otherwise expressly provided in the instruction letter:

i. all taxes due and payable by the Concessionaire for and in respect of the Chittorgarh Kota Project Highway;

ii. concession fee;

iii. all payments relating to construction of the Chittorgarh Kota Project Highway, subject to and in accordance with the conditions, if any, set forth in the financing agreements;

iv. operation and maintenance expenses;

v. operation and maintenance expenses and other costs and expenses incurred by NHAI in accordance with the provisions of the Chittorgarh Kota Concession Agreement, and certified by NHAI as due and payable to it;

vi. monthly proportionate provision of debt service payment due in an accounting year;

vii. all payments and damages certified by NHAI as due and payable to it by the Concessionaire; and

vii. balance, if any, in accordance with the instructions of the Concessionaire.

Disbursements upon Termination

Notwithstanding anything to the contrary contained in the escrow agreement and subject to the provisions of the Chittorgarh Kota Concession Agreement, in the case of termination, the amounts standing to the credit of the escrow account shall be disbursed towards:

i. all taxes due and payable by the Concessionaire for and in respect of the Chittorgarh Kota Project Highway;

ii. payment due to the lenders;

iii. all payments and damages certified by NHAI as due and payable to it by the Concessionaire;

iv. retention and payments relating to the liability for defects and deficiencies;

v. incurred or accrued operation and maintenance expenses;

vi. any other payments required to be made under the Chittorgarh Kota Concession Agreement; and

vii. balance, if any, in accordance with the instructions of the Concessionaire.

Change of Scope

NHAI may, notwithstanding anything to the contrary contained in the Chittorgarh Kota Concession Agreement, require the Concessionaire to make alterations/ modifications in the scope of the Chittorgarh Kota Project as contemplated by the Chittorgarh Kota Concession Agreement. If the cumulative costs relating to all the change of scope orders exceed 5% of the concession fee in any continuous period of 3 years immediately preceding the date of such change of scope order or if such cumulative costs exceed 25% of the concession fee at any time during the Chittorgarh Kota Concession Period, NHAI may award any works or services, to any person on the basis of open competitive bidding and the Concessionaire shall be entitled to take part in such competitive bidding with a right to match the first-ranked bid. All such changes shall be made by NHAI by an order issued in accordance with the procedure set forth in the Chittorgarh Kota Concession Agreement.

Termination of the Chittorgarh Kota Concession Agreement

Termination by either party

Either Party may in its discretion terminate the Chittorgarh Kota Concession Agreement by giving a termination notice to the other party if a force majeure event subsists for a period of 120 days or more within a continuous period of 365 days. Before issuing such termination notice, the party intending to issue the termination notice shall inform the other party of such intention and grant 15 days' time to make a representation, and may after the expiry of such 15 days period, whether or not it is in receipt of such representation, in its sole discretion issue the termination notice.

Termination by the NHAI

In the event of any of the defaults specified below have occurred, and if the Concessionaire has failed to cure such breach or default within the period provided for the same in the Chittorgarh Kota Concession Agreement, then NHAI shall be entitled to issue a notice of its intention to terminate the Chittorgarh Kota Concession Agreement, with a copy to the lenders. The following events shall constitute an event of default by the Concessionaire (a "**Concessionaire Default**") unless they have occurred as a result of any breach of the Chittorgarh Kota Concession Agreement by NHAI or due to force majeure:

i. the performance security has been encashed and appropriated in accordance with the Chittorgarh Kota Concession Agreement and the Concessionaire has failed to replenish or provide fresh performance security within a cure period of 15 days;

ii. subsequent to the replenishment or furnishing of fresh performance security in accordance with the Chittorgarh Kota Concession Agreement, the Concessionaire fails to cure, within a cure period of 60 days, the Concessionaire Default for which whole or part of the performance security was appropriated;

iii. the Concessionaire abandons or manifests intention to abandon the operation and maintenance of the Chittorgarh Kota Project Highway without the prior written consent of NHAI;

iv. the Concessionaire fails to roll over, renew and furnish new bank guarantee performance security subject to and in accordance with terms of the Chittorgarh Kota Concession Agreement, at least 3 months prior to expiry of subsisting bank guarantee;

v. the Concessionaire is in breach of the Maintenance Requirements or the Safety Requirements;

vi the Concessionaire has failed to make any payment to NHAI within the period specified in the Chittorgarh Kota Concession Agreement;

vii. upon occurrence of a financial default, the lenders' representative has by notice required NHAI to undertake suspension or termination, as the case may be, in accordance with the substitution agreement and the Concessionaire fails to cure the default within the specified cure period;

viii. a breach of any of the project agreements by the Concessionaire causes a material adverse effect;

ix. the Concessionaire creates any encumbrance in breach of the Chittorgarh Kota Concession Agreement;

x. the Concessionaire repudiates the Chittorgarh Kota Concession Agreement or otherwise takes any action or evidences or conveys an intention not to be bound by the Chittorgarh Kota Concession Agreement;

xi. a change in ownership occurs in breach of the provisions of the Chittorgarh Kota Concession Agreement;

xii. there is a transfer, pursuant to law either of the rights and/or obligations of the Concessionaire under any of the project agreements, or of all or part of the assets or undertaking of the Concessionaire, and such transfer causes a material adverse effect;

xiii. an execution levied on any of the assets of the Concessionaire has caused a material adverse effect;

xiv. the Concessionaire is adjudged bankrupt or insolvent, or if a trustee or receiver is appointed for the Concessionaire or for the whole or material part of its assets that has a material bearing on the Chittorgarh Kota Project;

xv. the Concessionaire has been, or is in the process of being liquidated, dissolved, wound-up, amalgamated or reconstituted in a manner that would cause, in the reasonable opinion of NHAI, a material adverse effect;

xvi. a resolution for winding up of the Concessionaire is passed or any petition for winding up of the Concessionaire is admitted by a court of competent jurisdiction and a provisional liquidator or receiver is appointed and such order has not been set aside within 90 days of the date thereof or the Concessionaire is ordered to be wound up by Court except for the purpose of amalgamation or reconstruction; provided that, as part of such amalgamation or reconstruction, the entire property, assets and undertaking of the Concessionaire are transferred to the amalgamated or reconstructed entity and

that the amalgamated or reconstructed entity has unconditionally assumed the obligations of the Concessionaire under the Chittorgarh Kota Concession Agreement and the project agreements; and provided that:

a. the amalgamated or reconstructed entity has the capability and operating experience necessary for the performance of its obligations under the Chittorgarh Kota Concession Agreement and the project agreements;

b. the amalgamated or reconstructed entity has the financial standing to perform its obligations under the Chittorgarh Kota Concession Agreement and the project agreements and has a credit worthiness at least as good as that of the Concessionaire as at Appointed Date; and

c. each of the project agreements remains in full force and effect;

xvii. any representation or warranty of the Concessionaire herein contained which is, as of the date of Chittorgarh Kota Concession Agreement, found to be materially false, incorrect or misleading;

xviii. the Concessionaire submits to NHAI any statement, notice or other document, in written or electronic form, which has a material effect on NHAI's rights, obligations or interests and which is false in material particulars;

xix. the Concessionaire has failed to fulfil any obligation, for which failure termination has been specified in the Chittorgarh Kota Concession Agreement;

xx. the Concessionaire commits a default in complying with any other provision of the Chittorgarh Kota Concession Agreement if such default causes a material adverse effect on NHAI;

xxi. an escrow default occurs and the Concessionaire fails to cure the default within a cure period of 15 days;

Termination by Concessionaire

If any of the defaults specified below shall have occurred, and NHAI fails to cure such default within a cure period of 90 days or such longer period as has been expressly provided in the Chittorgarh Kota Concession Agreement, NHAI shall be deemed to be in default of the Chittorgarh Kota Concession Agreement, unless the default has occurred as a result of any breach of the Chittorgarh Kota Concession Agreement by the Concessionaire or due to force majeure:

i. NHAI commits a material default in complying with any of the provisions of the Chittorgarh Kota Concession Agreement and such default has a material adverse effect on the Concessionaire; or

ii. NHAI repudiates the Chittorgarh Kota Concession Agreement or otherwise takes any action that amounts to or manifests an irrevocable intention not to be bound by the Chittorgarh Kota Concession Agreement.

Termination Payments

The termination payment pursuant to the Chittorgarh Kota Concession Agreement becomes due and payable to the Concessionaire by NHAI within 15 days of the Concessionaire furnishing to NHAI an NOC issued by the lenders/ lenders' representative recording/ effecting release/ vacation/ discharge of the charge on Chittorgarh Kota Project receivables (if any) created by Concessionaire for securing repayment of the debt. If NHAI fails to disburse the full termination payment within 15 days, NHAI shall pay interest at a rate equal to 3% above the bank rate on the amount of termination payment remaining unpaid.

Upon termination of the Chittorgarh Kota Concession Agreement by the NHAI on account of occurrence of a Concessionaire Default, the NHAI shall pay the Concessionaire by way of termination payment 70% of the Unexpired Cash Flow.

Upon termination of the Chittorgarh Kota Concession Agreement by the Concessionaire on account of occurrence of an NHAI Default, the Concessionaire shall be entitled to receive from NHAI by way of termination payment a sum equal to 105% of the Unexpired Cash Flow.

3. *Concession Agreement between Concessionaire and NHAI dated March 30, 2021 in respect of the Maharashtra Belgaum Project*

The Concessionaire has entered into a concession agreement for operation, maintenance, and management of Maharashtra Belgaum Project Highway (as defined below) on toll, operate and transfer (TOT) basis (the "**Maharashtra Belgaum Concession Agreement**"), for a period of 30 years from the Appointed Date (i.e., December 16, 2021) or such date on which the Maharashtra Belgaum Concession Agreement is terminated by a termination notice ("**Maharashtra Belgaum Concession Period**").

Certain Definitions

"**Maharashtra Belgaum Project"** means the operation and maintenance of the Maharashtra Belgaum Project Highway in accordance with the provisions of the Maharashtra Belgaum Concession Agreement and includes all works, services and equipment relating to or in respect of the scope of the Maharashtra Belgaum Project as set forth in the Maharashtra Belgaum Concession Agreement;

"**Maharashtra Belgaum Project Assets**" means all physical and other assets relating to and forming part of the Site including (a) rights over the Site in the form of licence, Right of Way or otherwise; (b) tangible assets such as civil works and equipment including foundations, embankments, pavements, road surface, interchanges, bridges, culverts, road overbridges, drainage works, traffic signals, sign boards, kilometre- stones, toll plazas, electrical systems, communication systems, rest areas, relief centers, maintenance depots and administrative offices; (d) all rights of the Concessionaire under the project agreements; (e) security deposits; (f) insurance proceeds; and (g) Applicable Permits and authorisations relating to or in respect of the Maharashtra Belgaum Project Highway, but does not include Additional Facilities; and

"**Maharashtra Belgaum Project Highway"** means the Site comprising the existing road comprising:

Project Highway	State	Start (Km)	End (Km)	Length
Maharashtra/Karnataka Border (Kagal)-Belgaum	Karnataka and Maharashtra	515.00	592.705	77.705

and all Maharashtra Belgaum Project Assets.

Grant of Concession

Subject to and in accordance with the terms and conditions set forth in the Maharashtra Belgaum Concession Agreement, NHAI has granted to the Concessionaire, and the Concessionaire has accepted the concession for a period of 30 years, including the exclusive right, license and authority during the subsistence of the Maharashtra Belgaum Concession Agreement to operate, manage and maintain the Maharashtra Belgaum Project Highway.

Subject to and in accordance with the terms and conditions set forth in the Maharashtra Belgaum Concession Agreement, the Concessionaire is entitled to undertake the following in accordance with the terms of the Maharashtra Belgaum Concession Agreement, applicable laws and applicable permits:

i. Right of Way, access and license to the Site for the purpose of and to the extent conferred by the provisions of the Maharashtra Belgaum Concession Agreement;

ii. manage, operate and maintain the Maharashtra Belgaum Project Highway and regulate the use thereof by third parties in accordance with terms hereof;

iii. demand, collect and appropriate the fees from vehicles and persons liable for payment of fees for using the Maharashtra Belgaum Project Highway or any part thereof and refuse entry of any vehicle to the Maharashtra Belgaum Project Highway if the fee due is not paid;

iv. perform and fulfill all of the Concessionaire's obligations under and in accordance with the Maharashtra Belgaum Concession Agreement;

v. bear and pay all costs, expenses and charges in connection with or incidental to the performance of the obligations of the Concessionaire under the Maharashtra Belgaum Concession Agreement; and

vi. neither assign, transfer or sublet or create any lien or encumbrance on the Maharashtra Belgaum Concession Agreement, or the concession granted thereby, or on the whole or any part of the Maharashtra Belgaum Project Highway nor transfer, lease or part possession thereof, save and except as expressly permitted by the Maharashtra Belgaum Concession Agreement.

Fees

The Concessionaire is entitled to, during the Maharashtra Belgaum Concession Period, levy, collect and appropriate fees from users ("**User Fee**") of the Maharashtra Belgaum Project Highway pursuant to and in accordance with the provisions in the Maharashtra Belgaum Concession Agreement and Fee Rules and to appropriate the same. In accordance with the terms of the Maharashtra Belgaum Concession Agreement, the Concessionaire shall not collect any fees in relation to exempted vehicles.The fees collected by Concessionaire are being deposited in the escrow account and appropriated in accordance with the relevant provisions of the Maharashtra Belgaum Concession Agreement.

Sub Rule 6(6) of the above-mentioned Fee Rules states,

"*(a) The fee shall be collected by the Central Government or the executing Authority as the case may be and for a specified period in accordance with the terms of agreement entered by the Concessionaire.*
(b) The fee as notified as per Concession Agreement shall be leviable till the end of the concession period and after the Concession Agreement is over, the fee shall be collected by the Central Government executing authority at a reduced rate of 40% of the fee on the date of transfer of such section of National Highways, bridge, tunnel or bypass, as the case may be, to be revised annually in accordance with these rules:

Provided that after the recovery of capital cost through user fee realised, in respect of a public funded project, the fee leviable would be reduced to 40% of the user fee for such section of National Highways, bridge, tunnel or bypass as the case may be, to be revised annually in accordance with these rules."

In respect of the above, NHAI has clarified that Rule 6 of the Fee Rules provides that the user fee to be notified by Government as per the format of Schedule M of Concession Agreement shall be leviable till the end of the concession period. Hence, the rate of User Fee shall only be reduced after the concession period is over.

Concession Fees

As consideration for the grant of the Concession, the Concessionaire has paid a concession fee to NHAI equivalent to ₹ 23,287.00 million as a Condition Precedent.

For the purposes of stamp duty payment, concession agreements are generally considered to be agreements which are not lease deeds and stamp duty of ₹ 100.00 is typically paid for such concession agreements. However, stamp duty authorities of certain states in India have issued notices to some concessionaires alleging inadequate stamp duty on the concession agreements executed between the concessionaires and the NHAI. The stamp authorities allege that since concession agreements relate to the letting of tolls to the concessionaires in the form of leases, or as development agreements, such agreements were required to be stamped as lease agreements or development agreements, as applicable. The stamp duty for a lease agreement or a development agreement ranges between 1.0% and 11.0% of the annual rent or premium payable or the market value of the property. Furthermore, stamp duty authorities may impose penalties for payment of inadequate stamp duty, which could extend up to ten (10) times the amount of the stamp duty payable. Accordingly, concession agreements that have not been stamped as such could be considered to be inadequately stamped. The High Courts of Allahabad and Maharashtra have also held that a concession agreement ought to be stamped as a lease agreement and have upheld the imposition of a higher stamp duty on such agreements.

While we have paid stamp duty of ₹ 100.00 on each of our Concession Agreements in accordance with usual practice, if any demand for payment of a higher stamp duty or penalty is imposed, it would increase the costs of the Toll Roads.

In respect of above, NHAI has clarified that:

(i) As on the date of Maharashtra Belgaum Concession Agreement, GST is not applicable on Concession Fee. However, if it becomes applicable at a later stage, this shall be considered as change in law.
(ii) There is no requirement of stamp duty in case of Concession Agreements since Fee Rules provided for levy and collection of user fee and not toll tax. In case, in future any such demand arises, it shall be treated as change in law.

Escrow Account

The provisions in relation to the escrow account in the Maharashtra Belgaum Concession Agreement are only applicable if the obligations of the Concessionaire under the Maharashtra Belgaum Concession Agreement are financed by the Lenders.

The Concessionaire has opened and established the escrow account with the escrow bank and all funds constituting the financing package related to the Maharashtra Belgaum Project are being credited to such escrow account. During the Maharashtra Belgaum Concession Period all fees and any other revenues including the proceeds of any rentals, deposits, capital receipts or insurance claims from or in respect of the Maharashtra Belgaum Project Highway are being deposited therein. In addition, all disbursements or payments by NHAI pursuant to the Maharashtra Belgaum Concession Agreement, including, if any, in relation to the change of scope in the Maharashtra Belgaum Project are being deposited by NHAI in the escrow account.

Disbursements from Escrow Account

The Concessionaire had given, at the time of the opening of the escrow account, irrevocable instructions by way of an escrow agreement substantially in form set forth in the Maharashtra Belgaum Concession Agreement to the escrow bank instructing, *inter alia*, that the deposits into the escrow account shall subject to the provisions of the Maharashtra Belgaum Concession Agreement, be appropriated in the following order every month and if not due in a month then appropriated proportionately in

such month and retained in the escrow account and paid out therefrom in the month when due unless otherwise expressly provided in the instruction letter:

i. all taxes due and payable by the Concessionaire for and in respect of the Maharashtra Belgaum Project Highway;

ii. concession fee;

iii. all payments relating to construction of the Maharashtra Belgaum Project Highway, subject to and in accordance with the conditions, if any, set forth in the financing agreements;

iv. operation and maintenance expenses;

v. operation and maintenance expenses and other costs and expenses incurred by NHAI in accordance with the provisions of the Maharashtra Belgaum Concession Agreement, and certified by NHAI as due and payable to it;

vi. monthly proportionate provision of debt service payment due in an accounting year;

vii. all payments and damages certified by NHAI as due and payable to it by the Concessionaire; and

vii. balance, if any, in accordance with the instructions of the Concessionaire.

Disbursements upon Termination

Notwithstanding anything to the contrary contained in the escrow agreement and subject to the provisions of the Maharashtra Belgaum Concession Agreement, in the case of termination, the amounts standing to the credit of the escrow account shall be disbursed towards:

i. all taxes due and payable by the Concessionaire for and in respect of the Maharashtra Belgaum Project Highway;

ii. payment due to the lenders;

iii. all payments and damages certified by NHAI as due and payable to it by the Concessionaire;

iv. retention and payments relating to the liability for defects and deficiencies;

v. incurred or accrued operation and maintenance expenses;

vi. any other payments required to be made under the Maharashtra Belgaum Concession Agreement; and

vii. balance, if any, in accordance with the instructions of the Concessionaire.

Change of Scope

NHAI may, notwithstanding anything to the contrary contained in the Maharashtra Belgaum Concession Agreement, require the Concessionaire to make alterations/ modifications in the scope of the Maharashtra Belgaum Project as contemplated by the Maharashtra Belgaum Concession Agreement. If the cumulative costs relating to all the change of scope orders exceed 5% of the concession fee in any continuous period of 3 years immediately preceding the date of such change of scope order or if such cumulative costs exceed 25% of the concession fee at any time during the Maharashtra Belgaum Concession Period, NHAI may award any works or services, to any person on the basis of open competitive bidding and the Concessionaire shall be entitled to take part in such competitive bidding with a right to match the first-ranked bid. All such changes shall be made by NHAI by an order issued in accordance with the procedure set forth in the Maharashtra Belgaum Concession Agreement.

Termination of the Maharashtra Belgaum Concession Agreement

Termination by either party

Either Party may in its discretion terminate the Maharashtra Belgaum Concession Agreement by giving a termination notice to the other party if a force majeure event subsists for a period of 120 days or more within a continuous period of 365 days. Before issuing such termination notice, the party intending to issue the termination notice shall inform the other party of such intention and grant 15 days' time to make a representation, and may after the expiry of such 15 days period, whether or not it is in receipt of such representation, in its sole discretion issue the termination notice.

Termination by the NHAI

In the event of any of the defaults specified below have occurred, and if the Concessionaire has failed to cure such breach or default within the period provided for the same in the Maharashtra Belgaum Concession Agreement, then NHAI shall be entitled to issue a notice of its intention to terminate the Maharashtra Belgaum Concession Agreement, with a copy to the lenders. The following events shall constitute an event of default by the Concessionaire (a "**Concessionaire Default**") unless they have occurred as a result of any breach of the Maharashtra Belgaum Concession Agreement by NHAI or due to force majeure:

i. the performance security has been encashed and appropriated in accordance with the Maharashtra Belgaum Concession Agreement and the Concessionaire has failed to replenish or provide fresh performance security within a cure period of 15 days;

ii. subsequent to the replenishment or furnishing of fresh performance security in accordance with the Maharashtra Belgaum Concession Agreement, the Concessionaire fails to cure, within a cure period of 60 days, the Concessionaire Default for which whole or part of the performance security was appropriated;

iii. the Concessionaire abandons or manifests intention to abandon the operation and maintenance of the Maharashtra Belgaum Project Highway without the prior written consent of NHAI;

iv. the Concessionaire fails to roll over, renew and furnish new bank guarantee performance security subject to and in accordance with terms of the Maharashtra Belgaum Concession Agreement, at least 3 months prior to expiry of subsisting bank guarantee;

v. the Concessionaire is in breach of the Maintenance Requirements or the Safety Requirements;

vi the Concessionaire has failed to make any payment to NHAI within the period specified in the Maharashtra Belgaum Concession Agreement;

vii. upon occurrence of a financial default, the lenders' representative has by notice required NHAI to undertake suspension or termination, as the case may be, in accordance with the substitution agreement and the Concessionaire fails to cure the default within the specified cure period;

viii. a breach of any of the project agreements by the Concessionaire causes a material adverse effect;

ix. the Concessionaire creates any encumbrance in breach of the Maharashtra Belgaum Concession Agreement;

x. the Concessionaire repudiates the Maharashtra Belgaum Concession Agreement or otherwise takes any action or evidences or conveys an intention not to be bound by the Maharashtra Belgaum Concession Agreement;

xi. a change in ownership occurs in breach of the provisions of the Maharashtra Belgaum Concession Agreement;

xii. there is a transfer, pursuant to law either of the rights and/or obligations of the Concessionaire under any of the project agreements, or of all or part of the assets or undertaking of the Concessionaire, and such transfer causes a material adverse effect;

xiii. an execution levied on any of the assets of the Concessionaire has caused a material adverse effect;

xiv. the Concessionaire is adjudged bankrupt or insolvent, or if a trustee or receiver is appointed for the Concessionaire or for the whole or material part of its assets that has a material bearing on the Maharashtra Belgaum Project;

xv. the Concessionaire has been, or is in the process of being liquidated, dissolved, wound-up, amalgamated or reconstituted in a manner that would cause, in the reasonable opinion of NHAI, a material adverse effect;

xvi. a resolution for winding up of the Concessionaire is passed or any petition for winding up of the Concessionaire is admitted by a court of competent jurisdiction and a provisional liquidator or receiver is appointed and such order has not been set aside within 90 days of the date thereof or the Concessionaire is ordered to be wound up by Court except for the purpose of amalgamation or reconstruction; provided that, as part of such amalgamation or reconstruction, the entire property, assets and undertaking of the Concessionaire are transferred to the amalgamated or reconstructed entity and that the amalgamated or reconstructed entity has unconditionally assumed the obligations of the Concessionaire under the Maharashtra Belgaum Concession Agreement and the project agreements; and provided that:

    a. the amalgamated or reconstructed entity has the capability and operating experience necessary for the performance of its obligations under the Maharashtra Belgaum Concession Agreement and the project agreements;

    b. the amalgamated or reconstructed entity has the financial standing to perform its obligations under the

Maharashtra Belgaum Concession Agreement and the project agreements and has a credit worthiness at least as good as that of the Concessionaire as at Appointed Date; and

c. each of the project agreements remains in full force and effect;

xvii. any representation or warranty of the Concessionaire herein contained which is, as of the date of Maharashtra Belgaum Concession Agreement, found to be materially false, incorrect or misleading;

xviii. the Concessionaire submits to NHAI any statement, notice or other document, in written or electronic form, which has a material effect on NHAI's rights, obligations or interests and which is false in material particulars;

xix. the Concessionaire has failed to fulfil any obligation, for which failure termination has been specified in the Maharashtra Belgaum Concession Agreement;

xx. the Concessionaire commits a default in complying with any other provision of the Maharashtra Belgaum Concession Agreement if such default causes a material adverse effect on NHAI;

xxi. an escrow default occurs and the Concessionaire fails to cure the default within a cure period of 15 days;

Termination by Concessionaire

If any of the defaults specified below shall have occurred, and NHAI fails to cure such default within a cure period of 90 days or such longer period as has been expressly provided in the Maharashtra Belgaum Concession Agreement, NHAI shall be deemed to be in default of the Maharashtra Belgaum Concession Agreement, unless the default has occurred as a result of any breach of the Maharashtra Belgaum Concession Agreement by the Concessionaire or due to force majeure:

i. NHAI commits a material default in complying with any of the provisions of the Maharashtra Belgaum Concession Agreement and such default has a material adverse effect on the Concessionaire; or

ii. NHAI repudiates the Maharashtra Belgaum Concession Agreement or otherwise takes any action that amounts to or manifests an irrevocable intention not to be bound by the Maharashtra Belgaum Concession Agreement.

Termination Payments

The termination payment pursuant to the Maharashtra Belgaum Concession Agreement becomes due and payable to the Concessionaire by NHAI within 15 days of the Concessionaire furnishing to NHAI an NOC issued by the lenders/ lenders' representative recording/ effecting release/ vacation/ discharge of the charge on Maharashtra Belgaum Project receivables (if any) created by Concessionaire for securing repayment of the debt. If NHAI fails to disburse the full termination payment within 15 days, NHAI shall pay interest at a rate equal to 3% above the bank rate on the amount of termination payment remaining unpaid.

Upon termination of the Maharashtra Belgaum Concession Agreement by the NHAI on account of occurrence of a Concessionaire Default, the NHAI shall pay the Concessionaire by way of termination payment 70% of the Unexpired Cash Flow.

Upon termination of the Maharashtra Belgaum Concession Agreement by the Concessionaire on account of occurrence of an NHAI Default, the Concessionaire shall be entitled to receive from NHAI by way of termination payment a sum equal to 105% of the Unexpired Cash Flow.

4. *Concession Agreement between Concessionaire and NHAI dated March 30, 2021 in respect of the Abu Road – Swaroopganj Project*

The Concessionaire has entered into a concession agreement for operation, maintenance, and management of Abu Road – Swaroopganj Project Highway (as defined below) on toll, operate and transfer (TOT) basis (the "**Abu Road – Swaroopganj Concession Agreement**"), for a period of 30 years from the Appointed Date (i.e., December 16, 2021) or such date on which the Abu Road – Swaroopganj Concession Agreement is terminated by a termination notice ("**Abu Road – Swaroopganj Concession Period**").

Certain Definitions

"**Abu Road – Swaroopganj Project"** means the operation and maintenance of the Abu Road – Swaroopganj Project Highway in accordance with the provisions of the Abu Road – Swaroopganj Concession Agreement and includes all works, services and equipment relating to or in respect of the scope of the Abu Road – Swaroopganj Project as set forth in the Abu Road – Swaroopganj Concession Agreement;

"**Abu Road – Swaroopganj Project Assets**" means all physical and other assets relating to and forming part of the Site including (a) rights over the Site in the form of licence, Right of Way or otherwise; (b) tangible assets such as civil works and equipment including foundations, embankments, pavements, road surface, interchanges, bridges, culverts, road overbridges, drainage works, traffic signals, sign boards, kilometre- stones, toll plazas, electrical systems, communication systems, rest areas, relief centers, maintenance depots and administrative offices; (d) all rights of the Concessionaire under the project agreements; (e) security deposits; (f) insurance proceeds; and (g) Applicable Permits and authorisations relating to or in respect of the Abu Road – Swaroopganj Project Highway, but does not include Additional Facilities; and

"**Abu Road – Swaroopganj Project Highway"** means the Site comprising the existing road comprising:

Project Highway	State	Start (Km)	End (Km)	Length
Abu Road-Swaroopganj	Rajasthan	646.000	677.000	31.000

and all Abu Road – Swaroopganj Project Assets.

Grant of Concession

Subject to and in accordance with the terms and conditions set forth in the Abu Road – Swaroopganj Concession Agreement, NHAI has granted to the Concessionaire, and the Concessionaire has accepted the concession for a period of 30 years, including the exclusive right, license and authority during the subsistence of the Abu Road – Swaroopganj Concession Agreement to operate, manage and maintain the Abu Road – Swaroopganj Project Highway.

Subject to and in accordance with the terms and conditions set forth in the Abu Road – Swaroopganj Concession Agreement, the Concessionaire is entitled to undertake the following in accordance with the terms of the Abu Road – Swaroopganj Concession Agreement, applicable laws and applicable permits:

i. Right of Way, access and license to the Site for the purpose of and to the extent conferred by the provisions of the Abu Road – Swaroopganj Concession Agreement;

ii. manage, operate and maintain the Abu Road – Swaroopganj Project Highway and regulate the use thereof by third parties in accordance with terms Abu Road – Swaroopganj Concession Agreement;

iii. demand, collect and appropriate the fees from vehicles and persons liable for payment of fees for using the Abu Road – Swaroopganj Project Highway or any part thereof and refuse entry of any vehicle to the Abu Road – Swaroopganj Project Highway if the fee due is not paid;

iv. perform and fulfill all of the Concessionaire's obligations under and in accordance with the Abu Road – Swaroopganj Concession Agreement;

v. bear and pay all costs, expenses and charges in connection with or incidental to the performance of the obligations of the Concessionaire under the Abu Road – Swaroopganj Concession Agreement; and

vi. neither assign, transfer or sublet or create any lien or encumbrance on the Abu Road – Swaroopganj Concession Agreement, or the concession granted thereby, or on the whole or any part of the Abu Road – Swaroopganj Project Highway nor transfer, lease or part possession thereof, save and except as expressly permitted by the Abu Road – Swaroopganj Concession Agreement.

Fees

The Concessionaire is entitled to, during the Abu Road – Swaroopganj Concession Period, levy, collect and appropriate fees from users ("**User Fee**") of the Abu Road – Swaroopganj Project Highway pursuant to and in accordance with the provisions in the Abu Road – Swaroopganj Concession Agreement and the Fee Rules and to appropriate the same. In accordance with the terms of the Abu Road – Swaroopganj Concession Agreement, the Concessionaire shall not collect any fees in relation to exempted vehicles.The fees collected by Concessionaire are being deposited in the escrow account and appropriated in accordance with the relevant provisions of the Abu Road – Swaroopganj Concession Agreement.

Sub Rule 6(6) of the above-mentioned Fee Rules states,

"*(a) The fee shall be collected by the Central Government or the executing Authority as the case may be and for a specified period in accordance with the terms of agreement entered by the Concessionaire.*
(b) The fee as notified as per Concession Agreement shall be leviable till the end of the concession period and after the

Concession Agreement is over, the fee shall be collected by the Central Government executing authority at a reduced rate of 40% of the fee on the date of transfer of such section of National Highways, bridge, tunnel or bypass, as the case may be, to be revised annually in accordance with these rules:

Provided that after the recovery of capital cost through user fee realised, in respect of a public funded project, the fee leviable would be reduced to 40% of the user fee for such section of National Highways, bridge, tunnel or bypass as the case may be, to be revised annually in accordance with these rules."

In respect of the above, NHAI has clarified that Rule 6 of the Fee Rules provides that the user fee to be notified by Government as per the format of Schedule M of Concession Agreement shall be leviable till the end of the concession period. Hence, the user fee rate shall only be reduced after the concession period is over.

Concession Fees

As consideration for the grant of the Concession, the Concessionaire has paid a concession fee to NHAI equivalent to ₹ 7,417.00 million as a Condition Precedent.

For the purposes of stamp duty payment, concession agreements are generally considered to be agreements which are not lease deeds and stamp duty of ₹ 100.00 is typically paid for such concession agreements. However, stamp duty authorities of certain states in India have issued notices to some concessionaires alleging inadequate stamp duty on the concession agreements executed between the concessionaires and the NHAI. The stamp authorities allege that since concession agreements relate to the letting of tolls to the concessionaires in the form of leases, or as development agreements, such agreements were required to be stamped as lease agreements or development agreements, as applicable. The stamp duty for a lease agreement or a development agreement ranges between 1.0% and 11.0% of the annual rent or premium payable or the market value of the property. Furthermore, stamp duty authorities may impose penalties for payment of inadequate stamp duty, which could extend up to ten (10) times the amount of the stamp duty payable. Accordingly, concession agreements that have not been stamped as such could be considered to be inadequately stamped. The High Courts of Allahabad and Maharashtra have also held that a concession agreement ought to be stamped as a lease agreement and have upheld the imposition of a higher stamp duty on such agreements.

While we have paid stamp duty of ₹ 100.00 on each of our Concession Agreements in accordance with usual practice, if any demand for payment of a higher stamp duty or penalty is imposed, it would increase the costs of the Toll Roads.

In respect of above, NHAI has clarified that:

(i) As on the date of Abu Road – Swaroopganj Concession Agreement, GST is not applicable on Concession Fee. However, if it becomes applicable at a later stage, this shall be considered as change in law.
(ii) There is no requirement of stamp duty in case of Concession Agreements since Fee Rules provided for levy and collection of user fee and not toll tax. In case, in future any such demand arises, it shall be treated as change in law.

Escrow Account

The provisions in relation to the escrow account in the Abu Road – Swaroopganj Concession Agreement are only applicable if the obligations of the Concessionaire under the Abu Road – Swaroopganj Concession Agreement are financed by the Lenders.

The Concessionaire has opened and established the escrow account with the escrow bank and all funds constituting the financing package related to the Abu Road – Swaroopganj Project are being credited to such escrow account. During the Abu Road – Swaroopganj Concession Period all fees and any other revenues including the proceeds of any rentals, deposits, capital receipts or insurance claims from or in respect of the Abu Road – Swaroopganj Project Highway are being deposited therein. In addition, all disbursements or payments by NHAI pursuant to the Abu Road – Swaroopganj Concession Agreement, including, if any, in relation to the change of scope in the Abu Road – Swaroopganj Project are being deposited by NHAI in the escrow account.

Disbursements from Escrow Account

The Concessionaire had given, at the time of the opening of the escrow account, irrevocable instructions by way of an escrow agreement substantially in form set forth in the Abu Road – Swaroopganj Concession Agreement to the escrow bank instructing, *inter alia*, that the deposits into the escrow account shall subject to the provisions of the Abu Road – Swaroopganj Concession Agreement, be appropriated in the following order every month and if not due in a month then appropriated proportionately in such month and retained in the escrow account and paid out therefrom in the month when due unless otherwise expressly provided in the instruction letter:

i. all taxes due and payable by the Concessionaire for and in respect of the Abu Road – Swaroopganj Project Highway;

ii. concession fee;

iii. all payments relating to construction of the Abu Road – Swaroopganj Project Highway, subject to and in accordance with the conditions, if any, set forth in the financing agreements;

iv. operation and maintenance expenses;

v. operation and maintenance expenses and other costs and expenses incurred by NHAI in accordance with the provisions of the Abu Road – Swaroopganj Concession Agreement, and certified by NHAI as due and payable to it;

vi. monthly proportionate provision of debt service payment due in an accounting year;

vii. all payments and damages certified by NHAI as due and payable to it by the Concessionaire; and

vii. balance, if any, in accordance with the instructions of the Concessionaire.

Disbursements upon Termination

Notwithstanding anything to the contrary contained in the escrow agreement and subject to the provisions of the Abu Road – Swaroopganj Concession Agreement, in the case of termination, the amounts standing to the credit of the escrow account shall be disbursed towards:

i. all taxes due and payable by the Concessionaire for and in respect of the Abu Road – Swaroopganj Project Highway;

ii. payment due to the lenders;

iii. all payments and damages certified by NHAI as due and payable to it by the Concessionaire;

iv. retention and payments relating to the liability for defects and deficiencies;

v. incurred or accrued operation and maintenance expenses;

vi. any other payments required to be made under the Abu Road – Swaroopganj Concession Agreement; and

vii. balance, if any, in accordance with the instructions of the Concessionaire.

Change of Scope

NHAI may, notwithstanding anything to the contrary contained in the Abu Road – Swaroopganj Concession Agreement, require the Concessionaire to make alterations/ modifications in the scope of the Abu Road – Swaroopganj Project as contemplated by the Abu Road – Swaroopganj Concession Agreement. If the cumulative costs relating to all the change of scope orders exceed 5% of the concession fee in any continuous period of 3 years immediately preceding the date of such change of scope order or if such cumulative costs exceed 25% of the concession fee at any time during the Abu Road – Swaroopganj Concession Period, NHAI may award any works or services, to any person on the basis of open competitive bidding and the Concessionaire shall be entitled to take part in such competitive bidding with a right to match the first-ranked bid. All such changes shall be made by NHAI by an order issued in accordance with the procedure set forth in the Abu Road – Swaroopganj Concession Agreement.

Termination of the Abu Road – Swaroopganj Concession Agreement

Termination by either party

Either Party may in its discretion terminate the Abu Road – Swaroopganj Concession Agreement by giving a termination notice to the other party if a force majeure event subsists for a period of 120 days or more within a continuous period of 365 days. Before issuing such termination notice, the party intending to issue the termination notice shall inform the other party of such intention and grant 15 days' time to make a representation, and may after the expiry of such 15 days period, whether or not it is in receipt of such representation, in its sole discretion issue the termination notice.

Termination by the NHAI

In the event of any of the defaults specified below have occurred, and if the Concessionaire has failed to cure such breach or default within the period provided for the same in the Abu Road – Swaroopganj Concession Agreement, then NHAI shall be entitled to issue a notice of its intention to terminate the Abu Road – Swaroopganj Concession Agreement, with a copy to the lenders. The following events shall constitute an event of default by the Concessionaire (a "**Concessionaire Default**") unless they have occurred as a result of any breach of the Abu Road – Swaroopganj Concession Agreement by NHAI or due to force majeure:

i. the performance security has been encashed and appropriated in accordance with the Abu Road – Swaroopganj Concession Agreement and the Concessionaire has failed to replenish or provide fresh performance security within a cure period of 15 days;

ii. subsequent to the replenishment or furnishing of fresh performance security in accordance with the Abu Road – Swaroopganj Concession Agreement, the Concessionaire fails to cure, within a cure period of 60 days, the Concessionaire Default for which whole or part of the performance security was appropriated;

iii. the Concessionaire abandons or manifests intention to abandon the operation and maintenance of the Abu Road – Swaroopganj Project Highway without the prior written consent of NHAI;

iv. the Concessionaire fails to roll over, renew and furnish new bank guarantee performance security subject to and in accordance with terms of the Abu Road – Swaroopganj Concession Agreement, at least 3 months prior to expiry of subsisting bank guarantee;

v. the Concessionaire is in breach of the Maintenance Requirements or the Safety Requirements;

vi the Concessionaire has failed to make any payment to NHAI within the period specified in the Abu Road – Swaroopganj Concession Agreement;

vii. upon occurrence of a financial default, the lenders' representative has by notice required NHAI to undertake suspension or termination, as the case may be, in accordance with the substitution agreement and the Concessionaire fails to cure the default within the specified cure period;

viii. a breach of any of the project agreements by the Concessionaire causes a material adverse effect;

ix. the Concessionaire creates any encumbrance in breach of the Abu Road – Swaroopganj Concession Agreement;

x. the Concessionaire repudiates the Abu Road – Swaroopganj Concession Agreement or otherwise takes any action or evidences or conveys an intention not to be bound by the Abu Road – Swaroopganj Concession Agreement;

xi. a change in ownership occurs in breach of the provisions of the Abu Road – Swaroopganj Concession Agreement;

xii. there is a transfer, pursuant to law either of the rights and/or obligations of the Concessionaire under any of the project agreements, or of all or part of the assets or undertaking of the Concessionaire, and such transfer causes a material adverse effect;

xiii. an execution levied on any of the assets of the Concessionaire has caused a material adverse effect;

xiv. the Concessionaire is adjudged bankrupt or insolvent, or if a trustee or receiver is appointed for the Concessionaire or for the whole or material part of its assets that has a material bearing on the Abu Road – Swaroopganj Project;

xv. the Concessionaire has been, or is in the process of being liquidated, dissolved, wound-up, amalgamated or reconstituted in a manner that would cause, in the reasonable opinion of NHAI, a material adverse effect;

xvi. a resolution for winding up of the Concessionaire is passed or any petition for winding up of the Concessionaire is admitted by a court of competent jurisdiction and a provisional liquidator or receiver is appointed and such order has not been set aside within 90 days of the date thereof or the Concessionaire is ordered to be wound up by Court except for the purpose of amalgamation or reconstruction; provided that, as part of such amalgamation or reconstruction, the entire property, assets and undertaking of the Concessionaire are transferred to the amalgamated or reconstructed entity and that the amalgamated or reconstructed entity has unconditionally assumed the obligations of the Concessionaire under the Abu Road – Swaroopganj Concession Agreement and the project agreements; and provided that:

a. the amalgamated or reconstructed entity has the capability and operating experience necessary for the performance of its obligations under the Abu Road – Swaroopganj Concession Agreement and the project agreements;

b. the amalgamated or reconstructed entity has the financial standing to perform its obligations under the Abu Road – Swaroopganj Concession Agreement and the project agreements and has a credit worthiness at least as good as that of the Concessionaire as at Appointed Date; and

c. each of the project agreements remains in full force and effect;

xvii. any representation or warranty of the Concessionaire herein contained which is, as of the date of Abu Road – Swaroopganj Concession Agreement, found to be materially false, incorrect or misleading;

xviii. the Concessionaire submits to NHAI any statement, notice or other document, in written or electronic form, which has a material effect on NHAI's rights, obligations or interests and which is false in material particulars;

xix. the Concessionaire has failed to fulfil any obligation, for which failure termination has been specified in the Abu Road – Swaroopganj Concession Agreement;

xx. the Concessionaire commits a default in complying with any other provision of the Abu Road – Swaroopganj Concession Agreement if such default causes a material adverse effect on NHAI;

xxi. an escrow default occurs and the Concessionaire fails to cure the default within a cure period of 15 days;

Termination by Concessionaire

If any of the defaults specified below shall have occurred, and NHAI fails to cure such default within a cure period of 90 days or such longer period as has been expressly provided in the Abu Road – Swaroopganj Concession Agreement, NHAI shall be deemed to be in default of the Abu Road – Swaroopganj Concession Agreement, unless the default has occurred as a result of any breach of the Abu Road – Swaroopganj Concession Agreement by the Concessionaire or due to force majeure:

i. NHAI commits a material default in complying with any of the provisions of the Abu Road – Swaroopganj Concession Agreement and such default has a material adverse effect on the Concessionaire; or

ii. NHAI repudiates the Abu Road – Swaroopganj Concession Agreement or otherwise takes any action that amounts to or manifests an irrevocable intention not to be bound by the Abu Road – Swaroopganj Concession Agreement.

Termination Payments

The termination payment pursuant to the Abu Road – Swaroopganj Concession Agreement becomes due and payable to the Concessionaire by NHAI within 15 days of the Concessionaire furnishing to NHAI an NOC issued by the lenders/ lenders' representative recording/ effecting release/ vacation/ discharge of the charge on Abu Road – Swaroopganj Project receivables (if any) created by Concessionaire for securing repayment of the debt. If NHAI fails to disburse the full termination payment within 15 days, NHAI shall pay interest at a rate equal to 3% above the bank rate on the amount of termination payment remaining unpaid.

Upon termination of the Abu Road – Swaroopganj Concession Agreement by the NHAI on account of occurrence of a Concessionaire Default, the NHAI shall pay the Concessionaire by way of termination payment 70% of the Unexpired Cash Flow.

Upon termination of the Abu Road – Swaroopganj Concession Agreement by the Concessionaire on account of occurrence of an NHAI Default, the Concessionaire shall be entitled to receive from NHAI by way of termination payment a sum equal to 105% of the Unexpired Cash Flow.

5. *Concession Agreement between Concessionaire and NHAI dated March 30, 2021 in respect of the Palanpur Abu Road Project*

The Concessionaire has entered into a concession agreement for operation, maintenance, and management of the Palanpur Abu Road Project Highway (as defined below) on toll, operate and transfer (TOT) basis (the "**Palanpur Abu Road Concession Agreement**"), for a period of 30 years from the Appointed Date (i.e., December 16, 2021) or such date on which the Palanpur Abu Road Concession Agreement is terminated by a termination notice ("**Palanpur Abu Road Concession Period**").

Certain Definitions

"**Palanpur Abu Road Project"** means the operation and maintenance of the Palanpur Abu Road Project Highway in accordance with the provisions of the Palanpur Abu Road Concession Agreement and includes all works, services and equipment relating to or in respect of the scope of the Palanpur Abu Road Project as set forth in the Palanpur Abu Road Concession Agreement;

"**Palanpur Abu Road Project Assets**" means all physical and other assets relating to and forming part of the Site including (a) rights over the Site in the form of licence, Right of Way or otherwise; (b) tangible assets such as civil works and equipment including foundations, embankments, pavements, road surface, interchanges, bridges, culverts, road overbridges, drainage works, traffic signals, sign boards, kilometre- stones, toll plazas, electrical systems, communication systems, rest areas, relief

centers, maintenance depots and administrative offices; (d) all rights of the Concessionaire under the project agreements; (e) security deposits; (f) insurance proceeds; and (g) Applicable Permits and authorisations relating to or in respect of the Palanpur Abu Road Project Highway, but does not include Additional Facilities; and

"**Palanpur Abu Road Project Highway"** means the Site comprising the existing road comprising:

Project Highway	State	Start (Km)	End (Km)	Length
Palanpur/Khemana- Abu Road	Gujarat and Rajasthan	601.000	646.000	45.000

and all Palanpur Abu Road Project Assets.

Grant of Concession

Subject to and in accordance with the terms and conditions set forth in the Palanpur Abu Road Concession Agreement, NHAI has granted to the Concessionaire, and the Concessionaire has accepted the concession for a period of 30 years, including the exclusive right, license and authority during the subsistence of the Palanpur Abu Road Concession Agreement to operate, manage and maintain the Palanpur Abu Road Project Highway.

Subject to and in accordance with the terms and conditions set forth in the Palanpur Abu Road Concession Agreement, the Concessionaire is entitled to undertake the following in accordance with the terms of the Palanpur Abu Road Concession Agreement, applicable laws and applicable permits:

i. Right of Way, access and license to the Site for the purpose of and to the extent conferred by the provisions of the Palanpur Abu Road Concession Agreement;

ii. manage, operate and maintain the Palanpur Abu Road Project Highway and regulate the use thereof by third parties in accordance with the terms of Palanpur Abu Road Concession Agreement;

iii. demand, collect and appropriate the fees from vehicles and persons liable for payment of fees for using the Palanpur Abu Road Project Highway or any part thereof and refuse entry of any vehicle to the Palanpur Abu Road Project Highway if the fee due is not paid;

iv. perform and fulfill all of the Concessionaire's obligations under and in accordance with the Palanpur Abu Road Concession Agreement;

v. bear and pay all costs, expenses and charges in connection with or incidental to the performance of the obligations of the Concessionaire under the Palanpur Abu Road Concession Agreement; and

vi. neither assign, transfer or sublet or create any lien or encumbrance on the Palanpur Abu Road Concession Agreement, or the concession granted thereby, or on the whole or any part of the Palanpur Abu Road Project Highway nor transfer, lease or part possession thereof, save and except as expressly permitted by the Palanpur Abu Road Concession Agreement.

Fees

The Concessionaire is entitled to, during the Palanpur Abu Road Concession Period, levy, collect and appropriate fees from users ("**User Fee**") of the Palanpur Abu Road Project Highway pursuant to and in accordance with the provisions in the Palanpur Abu Road Concession Agreement and the Fee Rules and to appropriate the same. In accordance with the terms of the Palanpur Abu Road Concession Agreement, the Concessionaire shall not collect any fees in relation to exempted vehicles.The fees collected by Concessionaire are being deposited in the escrow account and appropriated in accordance with the relevant provisions of the Palanpur Abu Road Concession Agreement.

Sub Rule 6(6) of the above-mentioned Fee Rules states,

"*(a) The fee shall be collected by the Central Government or the executing Authority as the case may be and for a specified period in accordance with the terms of agreement entered by the Concessionaire.*
(b) The fee as notified as per Concession Agreement shall be leviable till the end of the concession period and after the Concession Agreement is over, the fee shall be collected by the Central Government executing authority at a reduced rate of 40% of the fee on the date of transfer of such section of National Highways, bridge, tunnel or bypass, as the case may be, to be revised annually in accordance with these rules:

Provided that after the recovery of capital cost through user fee realised, in respect of a public funded project, the fee leviable would be reduced to 40% of the user fee for such section of National Highways, bridge, tunnel or bypass as the case may be, to be revised annually in accordance with these rules."

In respect of the above, NHAI has clarified that Rule 6 of the Fee Rules provides that the user fee to be notified by Government as per the format of Schedule M of Concession Agreement shall be leviable till the end of the concession period. Hence, the rate of User Fee shall only be reduced after the concession period is over.

Concession Fees

As consideration for the grant of the Concession, the Concessionaire has paid a concession fee to NHAI equivalent to ₹ 11,465.00 million as a Condition Precedent.

For the purposes of stamp duty payment, concession agreements are generally considered to be agreements which are not lease deeds and stamp duty of ₹ 100.00 is typically paid for such concession agreements. However, stamp duty authorities of certain states in India have issued notices to some concessionaires alleging inadequate stamp duty on the concession agreements executed between the concessionaires and the NHAI. The stamp authorities allege that since concession agreements relate to the letting of tolls to the concessionaires in the form of leases, or as development agreements, such agreements were required to be stamped as lease agreements or development agreements, as applicable. The stamp duty for a lease agreement or a development agreement ranges between 1.0% and 11.0% of the annual rent or premium payable or the market value of the property. Furthermore, stamp duty authorities may impose penalties for payment of inadequate stamp duty, which could extend up to ten (10) times the amount of the stamp duty payable. Accordingly, concession agreements that have not been stamped as such could be considered to be inadequately stamped. The High Courts of Allahabad and Maharashtra have also held that a concession agreement ought to be stamped as a lease agreement and have upheld the imposition of a higher stamp duty on such agreements.

While we have paid stamp duty of ₹ 100.00 on each of our Concession Agreements in accordance with usual practice, if any demand for payment of a higher stamp duty or penalty is imposed, it would increase the costs of the Toll Roads.

In respect of above, NHAI has clarified that:

(i) As on the date of Palanpur Abu Road Concession Agreement, GST is not applicable on Concession Fee. However, if it becomes applicable at a later stage, this shall be considered as change in law.
(ii) There is no requirement of stamp duty in case of Concession Agreements since Fee Rules provided for levy and collection of user fee and not toll tax. In case, in future any such demand arises, it shall be treated as change in law.

Escrow Account

The provisions in relation to the escrow account in the Palanpur Abu Road Concession Agreement are only applicable if the obligations of the Concessionaire under the Palanpur Abu Road Concession Agreement are financed by the Lenders.

The Concessionaire has opened and established the escrow account with the escrow bank and all funds constituting the financing package related to the Palanpur Abu Road Project are being credited to such escrow account. During the Palanpur Abu Road Concession Period all fees and any other revenues including the proceeds of any rentals, deposits, capital receipts or insurance claims from or in respect of the Palanpur Abu Road Project Highway are being deposited therein. In addition, all disbursements or payments by NHAI pursuant to the Palanpur Abu Road Concession Agreement, including, if any, in relation to the change of scope in the Palanpur Abu Road Project are being deposited by NHAI in the escrow account.

Disbursements from Escrow Account

The Concessionaire had given, at the time of the opening of the escrow account, irrevocable instructions by way of an escrow agreement substantially in form set forth in the Palanpur Abu Road Concession Agreement to the escrow bank instructing, *inter alia*, that the deposits into the escrow account shall subject to the provisions of the Palanpur Abu Road Concession Agreement, be appropriated in the following order every month and if not due in a month then appropriated proportionately in such month and retained in the escrow account and paid out therefrom in the month when due unless otherwise expressly provided in the instruction letter:

i. all taxes due and payable by the Concessionaire for and in respect of the Palanpur Abu Road Project Highway;

ii. concession fee;

iii. all payments relating to construction of the Palanpur Abu Road Project Highway, subject to and in accordance with the conditions, if any, set forth in the financing agreements;

iv. operation and maintenance expenses;

v. operation and maintenance expenses and other costs and expenses incurred by NHAI in accordance with the provisions of the Palanpur Abu Road Concession Agreement, and certified by NHAI as due and payable to it;

vi. monthly proportionate provision of debt service payment due in an accounting year;

vii. all payments and damages certified by NHAI as due and payable to it by the Concessionaire; and

vii. balance, if any, in accordance with the instructions of the Concessionaire.

Disbursements upon Termination

Notwithstanding anything to the contrary contained in the escrow agreement and subject to the provisions of the Palanpur Abu Road Concession Agreement, in the case of termination, the amounts standing to the credit of the escrow account shall be disbursed towards:

i. all taxes due and payable by the Concessionaire for and in respect of the Palanpur Abu Road Project Highway;

ii. payment due to the lenders;

iii. all payments and damages certified by NHAI as due and payable to it by the Concessionaire;

iv. retention and payments relating to the liability for defects and deficiencies;

v. incurred or accrued operation and maintenance expenses;

vi. any other payments required to be made under the Palanpur Abu Road Concession Agreement; and

vii. balance, if any, in accordance with the instructions of the Concessionaire.

Change of Scope

NHAI may, notwithstanding anything to the contrary contained in the Palanpur Abu Road Concession Agreement, require the Concessionaire to make alterations/ modifications in the scope of the Palanpur Abu Road Project as contemplated by the Palanpur Abu Road Concession Agreement. If the cumulative costs relating to all the change of scope orders exceed 5% of the concession fee in any continuous period of 3 years immediately preceding the date of such change of scope order or if such cumulative costs exceed 25% of the concession fee at any time during the Palanpur Abu Road Concession Period, NHAI may award any works or services, to any person on the basis of open competitive bidding and the Concessionaire shall be entitled to take part in such competitive bidding with a right to match the first-ranked bid. All such changes shall be made by NHAI by an order issued in accordance with the procedure set forth in the Palanpur Abu Road Concession Agreement.

Termination of the Palanpur Abu Road Concession Agreement

Termination by either party

Either Party may in its discretion terminate the Palanpur Abu Road Concession Agreement by giving a termination notice to the other party if a force majeure event subsists for a period of 120 days or more within a continuous period of 365 days. Before issuing such termination notice, the party intending to issue the termination notice shall inform the other party of such intention and grant 15 days' time to make a representation, and may after the expiry of such 15 days period, whether or not it is in receipt of such representation, in its sole discretion issue the termination notice.

Termination by the NHAI

In the event of any of the defaults specified below have occurred, and if the Concessionaire has failed to cure such breach or default within the period provided for the same in the Palanpur Abu Road Concession Agreement, then NHAI shall be entitled to issue a notice of its intention to terminate the Palanpur Abu Road Concession Agreement, with a copy to the lenders. The following events shall constitute an event of default by the Concessionaire (a "**Concessionaire Default**") unless they have occurred as a result of any breach of the Palanpur Abu Road Concession Agreement by NHAI or due to force majeure:

i. the performance security has been encashed and appropriated in accordance with the Palanpur Abu Road Concession Agreement and the Concessionaire has failed to replenish or provide fresh performance security within a cure period of 15 days;

ii. subsequent to the replenishment or furnishing of fresh performance security in accordance with the Palanpur Abu Road Concession Agreement, the Concessionaire fails to cure, within a cure period of 60 days, the Concessionaire Default for which whole or part of the performance security was appropriated;

iii. the Concessionaire abandons or manifests intention to abandon the operation and maintenance of the Palanpur Abu Road Project Highway without the prior written consent of NHAI;

iv. the Concessionaire fails to roll over, renew and furnish new bank guarantee performance security subject to and in accordance with terms of the Palanpur Abu Road Concession Agreement, at least 3 months prior to expiry of subsisting bank guarantee;

v. the Concessionaire is in breach of the Maintenance Requirements or the Safety Requirements;

vi the Concessionaire has failed to make any payment to NHAI within the period specified in the Palanpur Abu Road Concession Agreement;

vii. upon occurrence of a financial default, the lenders' representative has by notice required NHAI to undertake suspension or termination, as the case may be, in accordance with the substitution agreement and the Concessionaire fails to cure the default within the specified cure period;

viii. a breach of any of the project agreements by the Concessionaire causes a material adverse effect;

ix. the Concessionaire creates any encumbrance in breach of the Palanpur Abu Road Concession Agreement;

x. the Concessionaire repudiates the Palanpur Abu Road Concession Agreement or otherwise takes any action or evidences or conveys an intention not to be bound by the Palanpur Abu Road Concession Agreement;

xi. a change in ownership occurs in breach of the provisions of the Palanpur Abu Road Concession Agreement;

xii. there is a transfer, pursuant to law either of the rights and/or obligations of the Concessionaire under any of the project agreements, or of all or part of the assets or undertaking of the Concessionaire, and such transfer causes a material adverse effect;

xiii. an execution levied on any of the assets of the Concessionaire has caused a material adverse effect;

xiv. the Concessionaire is adjudged bankrupt or insolvent, or if a trustee or receiver is appointed for the Concessionaire or for the whole or material part of its assets that has a material bearing on the Palanpur Abu Road Project;

xv. the Concessionaire has been, or is in the process of being liquidated, dissolved, wound-up, amalgamated or reconstituted in a manner that would cause, in the reasonable opinion of NHAI, a material adverse effect;

xvi. a resolution for winding up of the Concessionaire is passed or any petition for winding up of the Concessionaire is admitted by a court of competent jurisdiction and a provisional liquidator or receiver is appointed and such order has not been set aside within 90 days of the date thereof or the Concessionaire is ordered to be wound up by Court except for the purpose of amalgamation or reconstruction; provided that, as part of such amalgamation or reconstruction, the entire property, assets and undertaking of the Concessionaire are transferred to the amalgamated or reconstructed entity and that the amalgamated or reconstructed entity has unconditionally assumed the obligations of the Concessionaire under the Palanpur Abu Road Concession Agreement and the project agreements; and provided that:

a. the amalgamated or reconstructed entity has the capability and operating experience necessary for the performance of its obligations under the Palanpur Abu Road Concession Agreement and the project agreements;

b. the amalgamated or reconstructed entity has the financial standing to perform its obligations under the Palanpur Abu Road Concession Agreement and the project agreements and has a credit worthiness at least as good as that of the Concessionaire as at Appointed Date; and

c. each of the project agreements remains in full force and effect;

xvii. any representation or warranty of the Concessionaire herein contained which is, as of the date of Palanpur Abu Road Concession Agreement, found to be materially false, incorrect or misleading;

xviii. the Concessionaire submits to NHAI any statement, notice or other document, in written or electronic form, which has a material effect on NHAI's rights, obligations or interests and which is false in material particulars;

xix. the Concessionaire has failed to fulfil any obligation, for which failure termination has been specified in the Palanpur Abu Road Concession Agreement;

xx. the Concessionaire commits a default in complying with any other provision of the Palanpur Abu Road Concession Agreement if such default causes a material adverse effect on NHAI;

xxi. an escrow default occurs and the Concessionaire fails to cure the default within a cure period of 15 days;

Termination by Concessionaire

If any of the defaults specified below shall have occurred, and NHAI fails to cure such default within a cure period of 90 days or such longer period as has been expressly provided in the Palanpur Abu Road Concession Agreement, NHAI shall be deemed to be in default of the Palanpur Abu Road Concession Agreement, unless the default has occurred as a result of any breach of the Palanpur Abu Road Concession Agreement by the Concessionaire or due to force majeure:

i. NHAI commits a material default in complying with any of the provisions of the Palanpur Abu Road Concession Agreement and such default has a material adverse effect on the Concessionaire; or

ii. NHAI repudiates the Palanpur Abu Road Concession Agreement or otherwise takes any action that amounts to or manifests an irrevocable intention not to be bound by the Palanpur Abu Road Concession Agreement.

Termination Payments

The termination payment pursuant to the Palanpur Abu Road Concession Agreement becomes due and payable to the Concessionaire by NHAI within 15 days of the Concessionaire furnishing to NHAI an NOC issued by the lenders/ lenders' representative recording/ effecting release/ vacation/ discharge of the charge on Palanpur Abu Road Project receivables (if any) created by Concessionaire for securing repayment of the debt. If NHAI fails to disburse the full termination payment within 15 days, NHAI shall pay interest at a rate equal to 3% above the bank rate on the amount of termination payment remaining unpaid.

Upon termination of the Palanpur Abu Road Concession Agreement by the NHAI on account of occurrence of a Concessionaire Default, the NHAI shall pay the Concessionaire by way of termination payment 70% of the Unexpired Cash Flow.

Upon termination of the Palanpur Abu Road Concession Agreement by the Concessionaire on account of occurrence of an NHAI Default, the Concessionaire shall be entitled to receive from NHAI by way of termination payment a sum equal to 105% of the Unexpired Cash Flow.

6. *Concession Agreement between Concessionaire and NHAI dated September 26, 2022 in respect of the Agra Bypass*

The Concessionaire has entered into a concession agreement for tolling, operation, maintenance and transfer of Agra Bypass Project Highway (as defined below) on toll, operate and transfer (TOT) basis (the "**Agra Bypass Concession Agreement**"), for a period of 20 years from the Appointed Date (i.e., the date on which all Conditions Precedent have been satisfied) or such date on which the Agra Bypass Concession Agreement is terminated by a termination notice ("**Agra Bypass Concession Period**").

Certain Definitions

"**Agra Bypass Project**" means the operation and maintenance of the Agra Bypass Project Highway in accordance with the provisions of the Agra Bypass Concession Agreement and includes all works, services and equipment relating to or in respect of the scope of the Agra Bypass Project as set forth in the Agra Bypass Concession Agreement;

"**Agra Bypass Project Assets**" means all physical and other assets relating to and forming part of the Site including (a) rights over the Site in the form of licence, Right of Way or otherwise; (b) tangible assets such as civil works and equipment including foundations, embankments, pavements, road surface, interchanges, bridges, culverts, road overbridges, drainage works, traffic signals, sign boards, kilometre- stones, toll plazas, electrical systems, communication systems, rest areas, relief centers, maintenance depots and administrative offices; (d) all rights of the Concessionaire under the project agreements; (e) security deposits; (f) insurance proceeds; and (g) Applicable Permits and authorisations relating to or in respect of the Agra Bypass Project Highway, but does not include Additional Facilities; and

"**Agra Bypass Project Highway**" means the Site comprising the existing road comprising:

Project Highway	State	Start (Km)	End (Km)	Length
Agra Bypass	Uttar Pradesh	0.000	32.800	32.800

and all Agra Bypass Project Assets."

Grant of Concession

Subject to and in accordance with the terms and conditions set forth in the Agra Bypass Concession Agreement, NHAI has granted to the Concessionaire, and the Concessionaire has accepted the concession for a period of 20 years, including the exclusive right, license and authority during the subsistence of the Agra Bypass Concession Agreement to operate, manage and maintain the Agra Bypass. Notwithstanding anything to the contrary in the Agra Bypass Concession Agreement, the parties have expressly agreed that the Concession Period shall not be reduced by more than five years, or shall not be increased by more than ten years on any account or for any reason whatsoever.

Subject to and in accordance with the terms and conditions set forth in the Agra Bypass Concession Agreement, the Concessionaire is entitled to undertake the following in accordance with the terms of the Agra Bypass Concession Agreement, applicable laws and applicable permits:

i. Right of Way, access and license to the Site for the purpose of and to the extent conferred by the provisions of the Agra Bypass Concession Agreement;

ii. manage, operate and maintain the Agra Bypass and regulate the use thereof by third parties in accordance with the terms of Agra Bypass Concession Agreement;

iii. demand, collect and appropriate the fees from vehicles and persons liable for payment of fees for using the Agra Bypass or any part thereof and refuse entry of any vehicle to the Agra Bypass if the fee due is not paid;

iv. perform and fulfill all of the Concessionaire's obligations under and in accordance with the Agra Bypass Concession Agreement;

v. bear and pay all costs, expenses and charges in connection with or incidental to the performance of the obligations of the Concessionaire under the Agra Bypass Concession Agreement; and

vi. neither assign, transfer or sublet or create any lien or encumbrance on the Agra Bypass Concession Agreement, or the concession granted thereby, or on the whole or any part of the Agra Bypass nor transfer, lease or part possession thereof, save and except as expressly permitted by the Agra Bypass Concession Agreement.

Fees

The Concessionaire is entitled to, during the Agra Bypass Concession Period, levy, collect and appropriate fees from users ("**User Fee**") of the Agra Bypass pursuant to and in accordance with the provisions in the Agra Bypass Concession Agreement and National Highways Fee (Determination of Rates and Collection) Rules, 2008 as amended (the "**Fee Rules**") and to appropriate the same. In accordance with the terms of the Agra Bypass Concession Agreement, the Concessionaire shall not collect any fees in relation to exempted vehicles. The fees collected by Concessionaire shall be deposited in the escrow account and appropriated in accordance with the relevant provisions of the Agra Bypass Concession Agreement.

Sub Rule 6(6) of the above-mentioned Fee Rules states,

"*(a) The fee shall be collected by the Central Government or the executing Authority as the case may be and for a specified period in accordance with the terms of agreement entered by the Concessionaire.*
(b) The fee as notified as per Concession Agreement shall be leviable till the end of the concession period and after the Concession Agreement is over, the fee shall be collected by the Central Government executing authority at a reduced rate of 40% of the fee on the date of transfer of such section of National Highways, bridge, tunnel or bypass, as the case may be, to be revised annually in accordance with these rules:

Provided that after the recovery of capital cost through user fee realised, in respect of a public funded project, the fee leviable would be reduced to 40% of the user fee for such section of National Highways, bridge, tunnel or bypass as the case may be, to be revised annually in accordance with these rules."

In respect of the above, NHAI has clarified that Rule 6 of the Fee Rules provides that the user fee to be notified by Government as per the format of Schedule M of Concession Agreement shall be leviable till the end of the concession period. Hence, the rate of User Fee rate shall only be reduced after the concession period is over.

Concession Fees

As consideration for the grant of the Concession, the Concessionaire is required to pay a concession fee to NHAI equivalent to ₹ 10,210.00 million, within 120 days of the date of execution of the concession agreement or any extended date as agreed by NHAI prior to the Appointed Date, as a Condition Precedent. The Concessionaire agrees that payment of the concession fee

constitutes essential condition of the Concession Agreement. Further, as communicated by the Authority by way of a letter dated September 21, 2021, any amount raised from the proceeds of the Issue in excess of the base concession fee (being the aggregate of Concession Fees payable to NHAI in terms of the Additional Concession Agreements) shall be paid to the Authority. For further details, see the section titled "*Objects of the Issue – Details of Utilisation of Issue Proceeds - Infusion of debt into the Project SPV*" on page 63."

For the purposes of stamp duty payment, concession agreements are generally considered to be agreements which are not lease deeds and stamp duty of ₹ 100.00 is typically paid for such concession agreements. However, stamp duty authorities of certain states in India have issued notices to some concessionaires alleging inadequate stamp duty on the concession agreements executed between the concessionaires and the NHAI. The stamp authorities allege that since concession agreements relate to the letting of tolls to the concessionaires in the form of leases, or as development agreements, such agreements were required to be stamped as lease agreements or development agreements, as applicable. The stamp duty for a lease agreement or a development agreement ranges between 1.0% and 11.0% of the annual rent or premium payable or the market value of the property. Furthermore, stamp duty authorities may impose penalties for payment of inadequate stamp duty, which could extend up to ten (10) times the amount of the stamp duty payable. Accordingly, concession agreements that have not been stamped as such could be considered to be inadequately stamped. The High Courts of Allahabad and Maharashtra have also held that a concession agreement ought to be stamped as a lease agreement and have upheld the imposition of a higher stamp duty on such agreements.

While we have paid stamp duty of ₹ 100.00 on each of our Concession Agreements in accordance with usual practice, if any demand for payment of a higher stamp duty or penalty is imposed, it would increase the costs of the Toll Roads.

In respect of above, NHAI has clarified that:

(i) As on the date of Agra Bypass Concession Agreement, GST is not applicable on Concession Fee. However, if it becomes applicable at a later stage, this shall be considered as change in law.

(ii) There is no requirement of stamp duty in case of Concession Agreements since Fee Rules provided for levy and collection of user fee and not toll tax. In case, in future any such demand arises, it shall be treated as change in law.

Escrow Account

The provisions in relation to the escrow account in the Agra Bypass Concession Agreement are only applicable if the obligations of the Concessionaire under the Agra Bypass Concession Agreement are financed by the Lenders.

The Concessionaire shall, prior to the Appointed Date, open and establish the escrow account with the escrow bank and all funds constituting the financing package related to the Agra Bypass shall be credited to such escrow account. During the Agra Bypass Concession Period all fees and any other revenues including the proceeds of any rentals, deposits, capital receipts or insurance claims from or in respect of the Agra Bypass Project Highway shall be deposited therein. In addition, all payments by NHAI pursuant to the Agra Bypass Concession Agreement, including, if any, in relation to the change of scope in the Agra Bypass shall be deposited by NHAI in the escrow account.

Withdrawals from Escrow Account

The Concessionaire shall give, at the time of the opening of the escrow account, irrevocable instructions by way of an escrow agreement substantially in form set forth in the Agra Bypass Concession Agreement to the escrow bank instructing, *inter alia*, that the deposits into the escrow account shall subject to the provisions of the Agra Bypass Concession Agreement, be appropriated in the following order every month and if not due in a month then appropriated proportionately in such month and retained in the escrow account and paid out therefrom in the month when due unless otherwise expressly provided in the instruction letter:

i. all taxes due and payable by the Concessionaire for and in respect of the Agra Bypass;

ii. concession fee;

iii. all payments relating to construction of the Agra Bypass, subject to and in accordance with the conditions, if any, set forth in the financing agreements;

iv. operation and maintenance expenses;

v. operation and maintenance expenses and other costs and expenses incurred by NHAI in accordance with the provisions of the Agra Bypass Concession Agreement, and certified by NHAI as due and payable to it;

vi. monthly proportionate provision of debt service payment due in an accounting year;

vii. all payments and damages certified by NHAI as due and payable to it by the Concessionaire; and

vii. balance, if any, in accordance with the instructions of the Concessionaire.

Withdrawals upon Termination

Notwithstanding anything to the contrary contained in the escrow agreement and subject to the provisions of the Agra Bypass Concession Agreement, in the case of termination, the amounts standing to the credit of the escrow account shall be appropriated in the following order:

i. all taxes due and payable by the Concessionaire for and in respect of the Agra Bypass;

ii. payment due to the lenders;

iii. all payments and damages certified by NHAI as due and payable to it by the Concessionaire;

iv. retention and payments relating to the liability for defects and deficiencies;

v. incurred or accrued operation and maintenance expenses;

vi. any other payments required to be made under the Agra Bypass Concession Agreement; and

vii. balance, if any, in accordance with the instructions of the Concessionaire.

Change of Scope

NHAI may, notwithstanding anything to the contrary contained in the Agra Bypass Concession Agreement, require the Concessionaire to make alterations/ modifications in the scope of Agra Bypass as contemplated by the Agra Bypass Concession Agreement. If the cumulative costs relating to all the change of scope orders exceed 5% of the concession fee in any continuous period of three years immediately preceding the date of such change of scope order or if such cumulative costs exceed 25% of the concession fee at any time during the Agra Bypass Concession Period, NHAI may award any works or services, to any person on the basis of open competitive bidding and the Concessionaire shall be entitled to take part in such competitive bidding with a right to match the first-ranked bid in terms of the selection criteria, either by itself where such work requires tolling, operation and maintenance, or through another company where such work requires construction on any part of the Project Highway, subject to payment of 2% (two per cent) of the bid amount to the Authority, and thereupon securing the award of such works or services. For the avoidance of doubt, it is agreed that the Concessionaire shall be entitled to exercise such option only if the Concessionaire has participated in the bidding process either individually or as a consortium or joint venture with another company and fulfils the eligibility criteria to undertake such work without compromising with its overall liability. All such changes shall be made by NHAI by an order issued in accordance with the procedure set forth in the Agra Bypass Concession Agreement.

Termination of the Agra Bypass Concession Agreement

Termination by either party

Either Party may in its discretion terminate the Agra Bypass Concession Agreement by giving a termination notice to the other party if a force majeure event subsists for a period of 120 days or more within a continuous period of 365 days. Before issuing such termination notice, the party intending to issue the termination notice shall inform the other party of such intention and grant 15 days' time to make a representation, and may after the expiry of such 15 days period, whether or not it is in receipt of such representation, in its sole discretion issue the termination notice.

Termination by the NHAI

In the event of any of the defaults specified below have occurred, and if the Concessionaire has failed to cure such breach or default within the period provided for the same in the Agra Bypass Concession Agreement, then NHAI shall be entitled to issue a notice of its intention to terminate the Agra Bypass Concession Agreement, with a copy to the lenders. The following events shall constitute an event of default by the Concessionaire (a "**Concessionaire Default**") unless they have occurred as a result of any breach of the Agra Bypass Concession Agreement by NHAI or due to force majeure:

i. the performance security has been encashed and appropriated in accordance with the Agra Bypass Concession Agreement and the Concessionaire has failed to replenish or provide fresh performance security within a cure period of 15 days;

ii. subsequent to the replenishment or furnishing of fresh performance security in accordance with the Agra Bypass Concession Agreement, the Concessionaire fails to cure, within a cure period of 60 days, the Concessionaire Default for which whole or part of the performance security was appropriated;

iii. the Concessionaire abandons or manifests intention to abandon the operation and maintenance of the Agra Bypass without the prior written consent of NHAI;

iv. the Concessionaire fails to roll over, renew and furnish new bank guarantee performance security subject to and in accordance with terms of the Agra Bypass Concession Agreement, at least three months prior to expiry of subsisting bank guarantee;

v. the Concessionaire is in breach of the Maintenance Requirements or the Safety Requirements, as the case may be;

vi the Concessionaire has failed to make any payment to NHAI within the period specified in the Agra Bypass Concession Agreement;

vii. upon occurrence of a financial default, the lenders' representative has by notice required NHAI to undertake suspension or termination, as the case may be, in accordance with the substitution agreement and the Concessionaire fails to cure the default within the specified cure period;

viii. a breach of any of the project agreements by the Concessionaire causes a material adverse effect;

ix. the Concessionaire creates any encumbrance in breach of the Agra Bypass Concession Agreement;

x. the Concessionaire repudiates the Agra Bypass Concession Agreement or otherwise takes any action or evidences or conveys an intention not to be bound by the Agra Bypass Concession Agreement;

xi. a change in ownership occurs in breach of the provisions of the Agra Bypass Concession Agreement;

xii. there is a transfer, pursuant to law either of the rights and/or obligations of the Concessionaire under any of the project agreements, or of all or part of the assets or undertaking of the Concessionaire, and such transfer causes a material adverse effect;

xiii. an execution levied on any of the assets of the Concessionaire has caused a material adverse effect;

xiv. the Concessionaire is adjudged bankrupt or insolvent, or if a trustee or receiver is appointed for the Concessionaire or for the whole or material part of its assets that has a material bearing on the Agra Bypass;

xv. the Concessionaire has been, or is in the process of being liquidated, dissolved, wound-up, amalgamated or reconstituted in a manner that would cause, in the reasonable opinion of NHAI, a material adverse effect;

xvi. a resolution for winding up of the Concessionaire is passed or any petition for winding up of the Concessionaire is admitted by a court of competent jurisdiction and a provisional liquidator or receiver is appointed and such order has not been set aside within 90 days of the date thereof or the Concessionaire is ordered to be wound up by Court except for the purpose of amalgamation or reconstruction; provided that, as part of such amalgamation or reconstruction, the entire property, assets and undertaking of the Concessionaire are transferred to the amalgamated or reconstructed entity and that the amalgamated or reconstructed entity has unconditionally assumed the obligations of the Concessionaire under the Agra Bypass Concession Agreement and the project agreements; and provided that:

a. the amalgamated or reconstructed entity has the capability and operating experience necessary for the performance of its obligations under the Agra Bypass Concession Agreement and the project agreements;

b. the amalgamated or reconstructed entity has the financial standing to perform its obligations under the Agra Bypass Concession Agreement and the project agreements and has a credit worthiness at least as good as that of the Concessionaire as at Appointed Date; and

c. each of the project agreements remains in full force and effect;

xvii. any representation or warranty of the Concessionaire herein contained which is, as of the date of Agra Bypass Concession Agreement, found to be materially false, incorrect or misleading;

xviii. the Concessionaire submits to NHAI any statement, notice or other document, in written or electronic form, which has a material effect on NHAI's rights, obligations or interests and which is false in material particulars;

xix. the Concessionaire has failed to fulfil any obligation, for which failure termination has been specified in the Agra Bypass Concession Agreement;

xx. the Concessionaire commits a default in complying with any other provision of the Agra Bypass Concession Agreement if such default causes a material adverse effect on NHAI;

xxi. an escrow default occurs and the Concessionaire fails to cure the default within a cure period of 15 days;

Termination by Concessionaire

If any of the defaults specified below shall have occurred, and NHAI fails to cure such default within a cure period of 90 days or such longer period as has been expressly provided in the Agra Bypass Concession Agreement, NHAI shall be deemed to be in default of the Agra Bypass Concession Agreement, unless the default has occurred as a result of any breach of the Agra Bypass Concession Agreement by the Concessionaire or due to force majeure:

i. NHAI commits a material default in complying with any of the provisions of the Agra Bypass Concession Agreement and such default has a material adverse effect on the Concessionaire; or
ii. NHAI repudiates the Agra Bypass Concession Agreement or otherwise takes any action that amounts to or manifests an irrevocable intention not to be bound by the Agra Bypass Concession Agreement; or
iii. the State commits a material default in complying with the provisions of the State Support Agreement if such default has a Material Adverse Effect on the Concessionaire and the breach continues for a period of 90 (ninety) days from the date of notice given in this behalf by the Concessionaire to the Authority.

Termination Payments

The termination payment pursuant to the Agra Bypass Concession Agreement becomes due and payable to the Concessionaire by NHAI within 15 days of the Concessionaire furnishing to NHAI an NOC, with the necessary particulars, issued by the lenders/ lenders' representative recording/ effecting release/ vacation/ discharge of the charge on Agra Bypass receivables (if any) created by Concessionaire for securing repayment of the debt. If NHAI fails to disburse the full termination payment within 15 days, NHAI shall pay interest at a rate equal to 3% above the bank rate on the amount of termination payment remaining unpaid, provided that such delay shall not exceed 90 days.

Upon termination of the Agra Bypass Concession Agreement by the NHAI on account of occurrence of a Concessionaire Default and in addition to NHAI forfeiting the performance security, the NHAI shall pay the Concessionaire by way of termination payment 70% of the Unexpired Cash Flow.

Upon termination of the Agra Bypass Concession Agreement by the Concessionaire on account of occurrence of an NHAI Default as provided for in the Agra Bypass Concession Agreement, the Concessionaire shall be entitled to receive from NHAI by way of termination payment a sum equal to 105% of the Unexpired Cash Flow.

7. *Concession Agreement between Concessionaire and NHAI dated September 26, 2022 in respect of the Borkhedi Kelapur Project*

The Concessionaire has entered into a concession agreement for tolling, operation, maintenance and transfer of Borkhedi Kelpaur Project Highway (as defined below) on toll, operate and transfer (TOT) basis (the "**Borkhedi Kelapur Concession Agreement**"), for a period of 20 years from the the Appointed Date (i.e., the date on which all Conditions Precedent have been satisfied) or such date on which the Borkhedi Kelapur Concession Agreement is terminated by a termination notice ("**Borkhedi Kelapur Concession Period**").

Certain Definitions

"**Borkhedi Kelapur Project**" means the operation and maintenance of the Borkhedi Kelapur Project Highway in accordance with the provisions of the Borkhedi Kelapur Concession Agreement and includes all works, services and equipment relating to or in respect of the scope of the Borkhedi Kelapur Project as set forth in the Borkhedi Kelapur Concession Agreement;

"**Borkhedi Kelapur Project Assets**" means all physical and other assets relating to and forming part of the Site including (a) rights over the Site in the form of licence, Right of Way or otherwise; (b) tangible assets such as civil works and equipment including foundations, embankments, pavements, road surface, interchanges, bridges, culverts, road overbridges, drainage works, traffic signals, sign boards, kilometre- stones, toll plazas, electrical systems, communication systems, rest areas, relief centers, maintenance depots and administrative offices; (d) all rights of the Concessionaire under the project agreements; (e) security deposits; (f) insurance proceeds; and (g) Applicable Permits and authorisations relating to or in respect of the Borkhedi Kelapur Project Highway, but does not include Additional Facilities; and

"**Borkhedi Kelapur Project Highway**" means the Site comprising the existing road comprising:

Project Highway	State	Start (Km)	End (Km)	Length
Borkhedi-Wadner-Deodhari-Kelapur	Maharashtra	36.600	175.000	138.150

and all Borkhedi Kelapur Project Assets."

Grant of Concession

Subject to and in accordance with the terms and conditions set forth in the Borkhedi Kelapur Concession Agreement, NHAI has granted to the Concessionaire, and the Concessionaire has accepted the concession for a period of 20 years, including the exclusive right, license and authority during the subsistence of the Borkhedi Kelapur Agreement to operate, manage and maintain the Borkhedi Kelapur Project Highway. Notwithstanding anything to the contrary in the Borkhedi Kelapur Concession Agreement, the parties have expressly agreed that the Concession Period shall not be reduced by more than five years, or shall not be increased by more than ten years on any account or for any reason whatsoever.

Subject to and in accordance with the terms and conditions set forth in the Borkhedi Kelapur Concession Agreement, the Concessionaire is entitled to undertake the following in accordance with the terms of the Borkhedi Kelapur Concession Agreement, applicable laws and applicable permits:

i. Right of Way, access and license to the Site for the purpose of and to the extent conferred by the provisions of the Borkhedi Kelapur Concession Agreement;

ii. manage, operate and maintain the Borkhedi Kelapur Project Highway and regulate the use thereof by third parties in accordance with the terms of Borkhedi Kelapur Concession Agreement;

iii. demand, collect and appropriate the fees from vehicles and persons liable for payment of fees for using the Borkhedi Kelapur Project Highway or any part thereof and refuse entry of any vehicle to the Borkhedi Kelapur Project Highway if the fee due is not paid;

iv. perform and fulfill all of the Concessionaire's obligations under and in accordance with the Borkhedi Kelapur Concession Agreement;

v. bear and pay all costs, expenses and charges in connection with or incidental to the performance of the obligations of the Concessionaire under the Borkhedi Kelapur Concession Agreement; and

vi. neither assign, transfer or sublet or create any lien or encumbrance on the Borkhedi Kelapur Concession Agreement, or the concession granted thereby, or on the whole or any part of the Borkhedi Kelapur Project Highway nor transfer, lease or part possession thereof, save and except as expressly permitted by the Borkhedi Kelapur Concession Agreement.

Fees

The Concessionaire is entitled to, during the Borkhedi Kelapur Concession Period, levy, collect and appropriate fees from users ("**User Fee**") of the Borkhedi Kelapur Project Highway pursuant to and in accordance with the provisions in the Borkhedi Kelapur Concession Agreement and the Fee Rules and to appropriate the same. In accordance with the terms of the Borkhedi Kelapur Concession Agreement, the Concessionaire shall not collect any fees in relation to exempted vehicles. The fees collected by Concessionaire shall be deposited in the escrow account and appropriated in accordance with the relevant provisions of the Borkhedi Kelapur Concession Agreement.

Sub Rule 6(6) of the above-mentioned Fee Rules states,

"*(a) The fee shall be collected by the Central Government or the executing Authority as the case may be and for a specified period in accordance with the terms of agreement entered by the Concessionaire.*
(b) The fee as notified as per Concession Agreement shall be leviable till the end of the concession period and after the Concession Agreement is over, the fee shall be collected by the Central Government executing authority at a reduced rate of 40% of the fee on the date of transfer of such section of National Highways, bridge, tunnel or bypass, as the case may be, to be revised annually in accordance with these rules:

Provided that after the recovery of capital cost through user fee realised, in respect of a public funded project, the fee leviable would be reduced to 40% of the user fee for such section of National Highways, bridge, tunnel or bypass as the case may be, to be revised annually in accordance with these rules."

In respect of the above, NHAI has clarified that Rule 6 of the Fee Rules provides that the user fee to be notified by Government

as per the format of Schedule M of Concession Agreement shall be leviable till the end of the concession period. Hence, the rate of User Fee rate shall only be reduced after the concession period is over.

Concession Fees

As consideration for the grant of the Concession, the Concessionaire is required to pay a concession fee to NHAI equivalent to ₹ 13,540.00 million, within 120 days of the date of execution of the concession agreement or any extended date as agreed by NHAI prior to the Appointed Date as a Condition Precedent. The Concessionaire agrees that payment of the concession fee constitutes essential condition of the Concession Agreement. Further, as communicated by the Authority by way of a letter dated September 21, 2021, any amount raised from the proceeds of the Issue in excess of the base concession fee (being the aggregate of Concession Fees payable to NHAI in terms of the Additional Concession Agreements) shall be paid to the Authority. For further details, see the section titled "*Objects of the Issue – Details of Utilisation of Issue Proceeds - Infusion of debt into to the Project SPV*" on page 63.

For the purposes of stamp duty payment, concession agreements are generally considered to be agreements which are not lease deeds and stamp duty of ₹ 100.00 is typically paid for such concession agreements. However, stamp duty authorities of certain states in India have issued notices to some concessionaires alleging inadequate stamp duty on the concession agreements executed between the concessionaires and the NHAI. The stamp authorities allege that since concession agreements relate to the letting of tolls to the concessionaires in the form of leases, or as development agreements, such agreements were required to be stamped as lease agreements or development agreements, as applicable. The stamp duty for a lease agreement or a development agreement ranges between 1.0% and 11.0% of the annual rent or premium payable or the market value of the property. Furthermore, stamp duty authorities may impose penalties for payment of inadequate stamp duty, which could extend up to ten (10) times the amount of the stamp duty payable. Accordingly, concession agreements that have not been stamped as such could be considered to be inadequately stamped. The High Courts of Allahabad and Maharashtra have also held that a concession agreement ought to be stamped as a lease agreement and have upheld the imposition of a higher stamp duty on such agreements.

While we have paid stamp duty of ₹ 100.00 on each of our Concession Agreements in accordance with usual practice, if any demand for payment of a higher stamp duty or penalty is imposed, it would increase the costs of the Toll Roads.

In respect of above, NHAI has clarified that:

(i) As on the date of Borkhedi Kelapur Concession Agreement, GST is not applicable on Concession Fee. However, if it becomes applicable at a later stage, this shall be considered as change in law.

(ii) There is no requirement of stamp duty in case of Concession Agreements since Fee Rules provided for levy and collection of user fee and not toll tax. In case, in future any such demand arises, it shall be treated as change in law.

Escrow Account

The provisions in relation to the escrow account in the Borkhedi Kelapur Concession Agreement are only applicable if the obligations of the Concessionaire under the Borkhedi Kelapur Concession Agreement are financed by the Lenders.

The Concessionaire shall, prior to the Appointed Date, open and establish the escrow account with the escrow bank and all funds constituting the financing package related to the Borkhedi Kelapur Project shall be credited to such escrow account. During the Borkhedi Kelapur Concession Period all fees and any other revenues including the proceeds of any rentals, deposits, capital receipts or insurance claims from or in respect of the Borkhedi Kelapur Project Highway shall be deposited therein. In addition, all payments by NHAI pursuant to the Borkhedi Kelapur Concession Agreement, including, if any, in relation to the change of scope in the Borkhedi Kelapur Project shall be deposited by NHAI in the escrow account.

Withdrawals from Escrow Account

The Concessionaire shall give, at the time of the opening of the escrow account, irrevocable instructions by way of an escrow agreement substantially in form set forth in the Borkhedi Kelapur Concession Agreement to the escrow bank instructing, *inter alia*, that the deposits into the escrow account shall subject to the provisions of the Borkhedi Kelapur Concession Agreement, be appropriated in the following order every month and if not due in a month then appropriated proportionately in such month and retained in the escrow account and paid out therefrom in the month when due unless otherwise expressly provided in the instruction letter:

i. all taxes due and payable by the Concessionaire for and in respect of the Borkhedi Kelapur Project Highway;

ii. concession fee;

iii. all payments relating to construction of the Borkhedi Kelapur Project Highway, subject to and in accordance with the

conditions, if any, set forth in the financing agreements;

iv. operation and maintenance expenses;

v. operation and maintenance expenses and other costs and expenses incurred by NHAI in accordance with the provisions of the Borkhedi Kelapur Concession Agreement, and certified by NHAI as due and payable to it;

vi. monthly proportionate provision of debt service payment due in an accounting year;

vii. all payments and damages certified by NHAI as due and payable to it by the Concessionaire; and

vii. balance, if any, in accordance with the instructions of the Concessionaire.

Withdrawals upon Termination

Notwithstanding anything to the contrary contained in the escrow agreement and subject to the provisions of the Borkhedi Kelapur Concession Agreement, in the case of termination, the amounts standing to the credit of the escrow account shall be appropriated in the following order:

i. all taxes due and payable by the Concessionaire for and in respect of the Borkhedi Kelapur Project Highway;

ii. payment due to the lenders;

iii. all payments and damages certified by NHAI as due and payable to it by the Concessionaire;

iv. retention and payments relating to the liability for defects and deficiencies;

v. incurred or accrued operation and maintenance expenses;

vi. any other payments required to be made under the Borkhedi Kelapur Concession Agreement; and

vii. balance, if any, in accordance with the instructions of the Concessionaire.

Change of Scope

NHAI may, notwithstanding anything to the contrary contained in the Borkhedi Kelapur Concession Agreement, require the Concessionaire to make alterations/ modifications in the scope of the Borkhedi Kelapur Project as contemplated by the Borkhedi Kelapur Concession Agreement. If the cumulative costs relating to all the change of scope orders exceed 5% of the concession fee in any continuous period of 3 years immediately preceding the date of such change of scope order or if such cumulative costs exceed 25% of the concession fee at any time during the Borkhedi Kelapur Concession Period, NHAI may award any works or services, to any person on the basis of open competitive bidding and the Concessionaire shall be entitled to take part in such competitive bidding with a right to match the first-ranked bid in terms of the selection criteria, either by itself where such work requires tolling, operation and maintenance, or through another company where such work requires construction on any part of the Project Highway, subject to payment of 2% (two per cent) of the bid amount to the Authority, and thereupon securing the award of such works or services. For the avoidance of doubt, it is agreed that the Concessionaire shall be entitled to exercise such option only if the Concessionaire has participated in the bidding process either individually or as a consortium or JV with another company and fulfils the eligibility criteria to undertake such work without compromising with its overall liability. All such changes shall be made by NHAI by an order issued in accordance with the procedure set forth in the Borkhedi Kelapur Concession Agreement.

Termination of the Borkhedi Kelapur Concession Agreement

Termination by either party

Either Party may in its discretion terminate the Borkhedi Kelapur Concession Agreement by giving a termination notice to the other party if a force majeure event subsists for a period of 120 days or more within a continuous period of 365 days. Before issuing such termination notice, the party intending to issue the termination notice shall inform the other party of such intention and grant 15 days' time to make a representation and may after the expiry of such 15 days period, whether or not it is in receipt of such representation, in its sole discretion issue the termination notice.

Termination by the NHAI

In the event of any of the defaults specified below have occurred, and if the Concessionaire has failed to cure such breach or default within the period provided for the same in the Borkhedi Kelapur Concession Agreement, then NHAI shall be entitled

to issue a notice of its intention to terminate the Borkhedi Kelapur Concession Agreement, with a copy to the lenders. The following events shall constitute an event of default by the Concessionaire (a "**Concessionaire Default**") unless they have occurred as a result of any breach of the Borkhedi Kelapur Concession Agreement by NHAI or due to force majeure:

i. the performance security has been encashed and appropriated in accordance with the Borkhedi Kelapur Concession Agreement and the Concessionaire has failed to replenish or provide fresh performance security within a cure period of 15 days;

ii. subsequent to the replenishment or furnishing of fresh performance security in accordance with the Borkhedi Kelapur Concession Agreement, the Concessionaire fails to cure, within a cure period of 60 days, the Concessionaire Default for which whole or part of the performance security was appropriated;

iii. the Concessionaire abandons or manifests intention to abandon the operation and maintenance of the Borkhedi Kelapur Project Highway without the prior written consent of NHAI;

iv. the Concessionaire fails to roll over, renew and furnish new bank guarantee performance security subject to and in accordance with terms of the Borkhedi Kelapur Concession Agreement, at least three months prior to expiry of subsisting bank guarantee;

v. the Concessionaire is in breach of the Maintenance Requirements or the Safety Requirements, as the case may be;

vi the Concessionaire has failed to make any payment to NHAI within the period specified in the Borkhedi Kelapur Concession Agreement;

vii. upon occurrence of a financial default, the lenders' representative has by notice required NHAI to undertake suspension or termination, as the case may be, in accordance with the substitution agreement and the Concessionaire fails to cure the default within the specified cure period;

viii. a breach of any of the project agreements by the Concessionaire causes a material adverse effect;

ix. the Concessionaire creates any encumbrance in breach of the Borkhedi Kelapur Concession Agreement;

x. the Concessionaire repudiates the Borkhedi Kelapur Concession Agreement or otherwise takes any action or evidences or conveys an intention not to be bound by the Borkhedi Kelapur Concession Agreement;

xi. a change in ownership occurs in breach of the provisions of the Borkhedi Kelapur Concession Agreement;

xii. there is a transfer, pursuant to law either of the rights and/or obligations of the Concessionaire under any of the project agreements, or of all or part of the assets or undertaking of the Concessionaire, and such transfer causes a material adverse effect;

xiii. an execution levied on any of the assets of the Concessionaire has caused a material adverse effect;

xiv. the Concessionaire is adjudged bankrupt or insolvent, or if a trustee or receiver is appointed for the Concessionaire or for the whole or material part of its assets that has a material bearing on the Borkhedi Kelapur Project;

xv. the Concessionaire has been, or is in the process of being liquidated, dissolved, wound-up, amalgamated or reconstituted in a manner that would cause, in the reasonable opinion of NHAI, a material adverse effect;

xvi. a resolution for winding up of the Concessionaire is passed or any petition for winding up of the Concessionaire is admitted by a court of competent jurisdiction and a provisional liquidator or receiver is appointed and such order has not been set aside within 90 days of the date thereof or the Concessionaire is ordered to be wound up by Court except for the purpose of amalgamation or reconstruction; provided that, as part of such amalgamation or reconstruction, the entire property, assets and undertaking of the Concessionaire are transferred to the amalgamated or reconstructed entity and that the amalgamated or reconstructed entity has unconditionally assumed the obligations of the Concessionaire under the Borkhedi Kelapur Concession Agreement and the project agreements; and provided that:

    a. the amalgamated or reconstructed entity has the capability and operating experience necessary for the performance of its obligations under the Borkhedi Kelapur Concession Agreement and the project agreements;

    b. the amalgamated or reconstructed entity has the financial standing to perform its obligations under the Borkhedi Kelapur Concession Agreement and the project agreements and has a credit worthiness at least as good as that of the Concessionaire as at Appointed Date; and

c. each of the project agreements remains in full force and effect;

xvii. any representation or warranty of the Concessionaire herein contained which is, as of the date of Borkhedi Kelapur Concession Agreement, found to be materially false, incorrect or misleading;

xviii. the Concessionaire submits to NHAI any statement, notice or other document, in written or electronic form, which has a material effect on NHAI's rights, obligations or interests and which is false in material particulars;

xix. the Concessionaire has failed to fulfil any obligation, for which failure termination has been specified in the Borkhedi Kelapur Concession Agreement;

xx. the Concessionaire commits a default in complying with any other provision of the Borkhedi Kelapur Concession Agreement if such default causes a material adverse effect on NHAI;

xxi. an escrow default occurs and the Concessionaire fails to cure the default within a cure period of 15 days;

Termination by Concessionaire

If any of the defaults specified below shall have occurred, and NHAI fails to cure such default within a cure period of 90 days or such longer period as has been expressly provided in the Borkhedi Kelapur Concession Agreement, NHAI shall be deemed to be in default of the Borkhedi Kelapur Concession Agreement, unless the default has occurred as a result of any breach of the Borkhedi Kelapur Concession Agreement by the Concessionaire or due to force majeure:

i. NHAI commits a material default in complying with any of the provisions of the Borkhedi Kelapur Concession Agreement and such default has a material adverse effect on the Concessionaire; or
ii. NHAI repudiates the Borkhedi Kelapur Concession Agreement or otherwise takes any action that amounts to or manifests an irrevocable intention not to be bound by the Borkhedi Kelapur Concession Agreement; or
iii. the State commits a material default in complying with the provisions of the State Support Agreement if such default has a Material Adverse Effect on the Concessionaire and the breach continues for a period of 90 (ninety) days from the date of notice given in this behalf by the Concessionaire to the Authority.

Termination Payments

The termination payment pursuant to the Borkhedi Kelapur Concession Agreement becomes due and payable to the Concessionaire by NHAI within 15 days of the Concessionaire furnishing to NHAI an NOC issued by the lenders/ lenders' representative recording/ effecting release/ vacation/ discharge of the charge on Borkhedi Kelapur Project receivables (if any) created by Concessionaire for securing repayment of the debt. If NHAI fails to disburse the full termination payment within 15 days, NHAI shall pay interest at a rate equal to 3% above the bank rate on the amount of termination payment remaining unpaid.

Upon termination of the Borkhedi Kelapur Concession Agreement by the NHAI on account of occurrence of a Concessionaire Default, the NHAI shall pay the Concessionaire by way of termination payment 70% of the Unexpired Cash Flow.

Upon termination of the Borkhedi Kelapur Concession Agreement by the Concessionaire on account of occurrence of an NHAI Default, the Concessionaire shall be entitled to receive from NHAI by way of termination payment a sum equal to 105% of the Unexpired Cash Flow.

8. *Concession Agreement between Concessionaire and NHAI dated September 26, 2022 in respect of the Shivpuri Jhansi Project*

The Concessionaire has entered into a concession agreement for tolling, operation, maintenance and transfer of Shivpuri Jhansi Project Highway (as defined below) on toll, operate and transfer (TOT) basis (the "**Shivpuri Jhansi Concession Agreement**"), for a period of 20 years from the Appointed Date (i.e., the date on which all Conditions Precedent have been satisfied) or such date on which the Shivpuri Jhansi Concession Agreement is terminated by a termination notice ("**Shivpuri Jhansi Concession Period**").

Certain Definitions

"**Shivpuri Jhansi Project**" means the operation and maintenance of the Shivpuri Jhansi Project Highway in accordance with the provisions of the Shivpuri Jhansi Concession Agreement and includes all works, services and equipment relating to or in respect of the scope of the Shivpuri Jhansi Project as set forth in the Shivpuri Jhansi Concession Agreement;

"**Shivpuri Jhansi Project Assets**" means all physical and other assets relating to and forming part of the Site including (a) rights over the Site in the form of licence, Right of Way or otherwise; (b) tangible assets such as civil works and equipment including foundations, embankments, pavements, road surface, interchanges, bridges, culverts, road overbridges, drainage

works, traffic signals, sign boards, kilometre- stones, toll plazas, electrical systems, communication systems, rest areas, relief centers, maintenance depots and administrative offices; (d) all rights of the Concessionaire under the project agreements; (e) security deposits; (f) insurance proceeds; and (g) Applicable Permits and authorisations relating to or in respect of the Shivpuri Jhansi Project Highway, but does not include Additional Facilities; and

"**Shivpuri Jhansi Project Highway**" means the Site comprising the existing road comprising:

Project Highway	State	Start (Km)	End (Km)	Length
Shivpuri Jhansi	Madhya Pradesh	1305.087	1380.387	75.300

and all Shivpuri Jhansi Project Assets."

Grant of Concession

Subject to and in accordance with the terms and conditions set forth in the Shivpuri Jhansi Concession Agreement, NHAI has granted to the Concessionaire, and the Concessionaire has accepted the concession for a period of 20 years, including the exclusive right, license and authority during the subsistence of the Shivpuri Jhansi Concession Agreement to operate, manage and maintain the Shivpuri Jhansi Project Highway. Notwithstanding anything to the contrary in the Shivpuri Jhansi Concession Agreement, the Parties expressly agree that the Concession Period shall not be reduced by more than five years or shall not be increased by more than ten years on any account or for any reason whatsoever.

Subject to and in accordance with the terms and conditions set forth in the Shivpuri Jhansi Concession Agreement, the Concessionaire is entitled to undertake the following in accordance with the terms of the Shivpuri Jhansi Concession Agreement, applicable laws and applicable permits:

i. Right of Way, access and license to the Site for the purpose of and to the extent conferred by the provisions of the Shivpuri Jhansi Concession Agreement;

ii. manage, operate and maintain the Shivpuri Jhansi Project Highway and regulate the use thereof by third parties in accordance with the terms of Shivpuri Jhansi Concession Agreement;

iii. demand, collect and appropriate the fees from vehicles and persons liable for payment of fees for using the Shivpuri Jhansi Project Highway or any part thereof and refuse entry of any vehicle to the Shivpuri Jhansi Project Highway if the fee due is not paid;

iv. perform and fulfill all of the Concessionaire's obligations under and in accordance with the Shivpuri Jhansi Concession Agreement;

v. bear and pay all costs, expenses and charges in connection with or incidental to the performance of the obligations of the Concessionaire under the Shivpuri Jhansi Concession Agreement; and

vi. neither assign, transfer or sublet or create any lien or encumbrance on the Shivpuri Jhansi Concession Agreement, or the concession granted thereby, or on the whole or any part of the Shivpuri Jhansi Project Highway nor transfer, lease or part possession thereof, save and except as expressly permitted by the Shivpuri Jhansi Concession Agreement.

Fees

The Concessionaire is entitled to, during the Shivpuri Jhansi Concession Period, levy, collect and appropriate fees from users ("**User Fee**") of the Shivpuri Jhansi Project Highway pursuant to and in accordance with the provisions in the Shivpuri Jhansi Concession Agreement and Fee Rules and to appropriate the same. In accordance with the terms of the Shivpuri Jhansi Concession Agreement, the Concessionaire shall not collect any fees in relation to exempted vehicles. The fees collected by Concessionaire shall be deposited in the escrow account and appropriated in accordance with the relevant provisions of the Shivpuri Jhansi Concession Agreement.

Sub Rule 6(6) of the above-mentioned Fee Rules states,
"*(a) The fee shall be collected by the Central Government or the executing Authority as the case may be and for a specified period in accordance with the terms of agreement entered by the Concessionaire.*
(b) The fee as notified as per Concession Agreement shall be leviable till the end of the concession period and after the Concession Agreement is over, the fee shall be collected by the Central Government executing authority at a reduced rate of 40% of the fee on the date of transfer of such section of National Highways, bridge, tunnel or bypass, as the case may be, to be revised annually in accordance with these rules:

Provided that after the recovery of capital cost through user fee realised, in respect of a public funded project, the fee leviable

would be reduced to 40% of the user fee for such section of National Highways, bridge, tunnel or bypass as the case may be, to be revised annually in accordance with these rules."

In respect of the above, NHAI has clarified that Rule 6 of the Fee Rules provides that the user fee to be notified by Government as per the format of Schedule M of Concession Agreement shall be leviable till the end of the concession period. Hence, the rate of User Fee rate shall only be reduced after the concession period is over.

Concession Fees

As consideration for the grant of the Concession, the Concessionaire is required to pay a concession fee to NHAI equivalent to ₹ 4,500.00 million, within 120 days of the date of execution of the concession agreement or any extended date as agreed by NHAI prior to the Appointed Date as a Condition Precedent. The Concessionaire agrees that payment of the concession fee constitutes essential condition of the Concession Agreement. Further, as communicated by the Authority by way of a letter dated September 21, 2021, any amount raised from the proceeds of the Issue in excess of the base concession fee (being the aggregate of Concession Fees payable to NHAI in terms of the Additional Concession Agreements) shall be paid to the Authority. For further details, see the section titled "*Objects of the Issue – Details of Utilisation of Issue Proceeds - Infusion of debt into to the Project SPV*" on page 63.

For the purposes of stamp duty payment, concession agreements are generally considered to be agreements which are not lease deeds and stamp duty of ₹ 100.00 is typically paid for such concession agreements. However, stamp duty authorities of certain states in India have issued notices to some concessionaires alleging inadequate stamp duty on the concession agreements executed between the concessionaires and the NHAI. The stamp authorities allege that since concession agreements relate to the letting of tolls to the concessionaires in the form of leases, or as development agreements, such agreements were required to be stamped as lease agreements or development agreements, as applicable. The stamp duty for a lease agreement or a development agreement ranges between 1.0% and 11.0% of the annual rent or premium payable or the market value of the property. Furthermore, stamp duty authorities may impose penalties for payment of inadequate stamp duty, which could extend up to ten (10) times the amount of the stamp duty payable. Accordingly, concession agreements that have not been stamped as such could be considered to be inadequately stamped. The High Courts of Allahabad and Maharashtra have also held that a concession agreement ought to be stamped as a lease agreement and have upheld the imposition of a higher stamp duty on such agreements.

While we have paid stamp duty of ₹ 100.00 on each of our Concession Agreements in accordance with usual practice, if any demand for payment of a higher stamp duty or penalty is imposed, it would increase the costs of the Toll Roads.

In respect of above, NHAI has clarified that:

(i) As on the date of Shivpuri Jhansi Concession Agreement, GST is not applicable on Concession Fee. However, if it becomes applicable at a later stage, this shall be considered as change in law.

(ii) There is no requirement of stamp duty in case of Concession Agreements since Fee Rules provided for levy and collection of user fee and not toll tax. In case, in future any such demand arises, it shall be treated as change in law.

Escrow Account

The provisions in relation to the escrow account in the Shivpuri Jhansi Concession Agreement are only applicable if the obligations of the Concessionaire under the Shivpuri Jhansi Concession Agreement are financed by the Lenders.

The Concessionaire shall, prior to the Appointed Date, open and establish the escrow account with the escrow bank and all funds constituting the financing package related to the Shivpuri Jhansi Project shall be credited to such escrow account. During the Shivpuri Jhansi Concession Period all fees and any other revenues including the proceeds of any rentals, deposits, capital receipts or insurance claims from or in respect of the Shivpuri Jhansi Project Highway shall be deposited therein. In addition, all payments by NHAI pursuant to the Shivpuri Jhansi Concession Agreement, including, if any, in relation to the change of scope in the Shivpuri Jhansi Project shall be deposited by NHAI in the escrow account.

Withdrawals from Escrow Account

The Concessionaire shall give, at the time of the opening of the escrow account, irrevocable instructions by way of an escrow agreement substantially in form set forth in the Shivpuri Jhansi Concession Agreement to the escrow bank instructing, *inter alia*, that the deposits into the escrow account shall subject to the provisions of the Shivpuri Jhansi Concession Agreement, be appropriated in the following order every month and if not due in a month then appropriated proportionately in such month and retained in the escrow account and paid out therefrom in the month when due unless otherwise expressly provided in the instruction letter:

i. all taxes due and payable by the Concessionaire for and in respect of the Shivpuri Jhansi Project Highway;

ii. concession fee;

iii. all payments relating to construction of the Shivpuri Jhansi Project Highway, subject to and in accordance with the conditions, if any, set forth in the financing agreements;

iv. operation and maintenance expenses;

v. operation and maintenance expenses and other costs and expenses incurred by NHAI in accordance with the provisions of the Shivpuri Jhansi Concession Agreement, and certified by NHAI as due and payable to it;

vi. monthly proportionate provision of debt service payment due in an accounting year;

vii. all payments and damages certified by NHAI as due and payable to it by the Concessionaire; and

vii. balance, if any, in accordance with the instructions of the Concessionaire.

Withdrawals upon Termination

Notwithstanding anything to the contrary contained in the escrow agreement and subject to the provisions of the Shivpuri Jhansi Concession Agreement, in the case of termination, the amounts standing to the credit of the escrow account shall be appropriated in the following order:

i. all taxes due and payable by the Concessionaire for and in respect of the Shivpuri Jhansi Project Highway;

ii. payment due to the lenders;

iii. all payments and damages certified by NHAI as due and payable to it by the Concessionaire;

iv. retention and payments relating to the liability for defects and deficiencies;

v. incurred or accrued operation and maintenance expenses;

vi. any other payments required to be made under the Shivpuri Jhansi Concession Agreement; and

vii. balance, if any, in accordance with the instructions of the Concessionaire.

Change of Scope

NHAI may, notwithstanding anything to the contrary contained in the Shivpuri Jhansi Concession Agreement, require the Concessionaire to make alterations/ modifications in the scope of the Shivpuri Jhansi Project as contemplated by the Shivpuri Jhansi Concession Agreement. If the cumulative costs relating to all the change of scope orders exceed 5% of the concession fee in any continuous period of three years immediately preceding the date of such change of scope order or if such cumulative costs exceed 25% of the concession fee at any time during the Shivpuri Jhansi Concession Period, NHAI may award any works or services, to any person on the basis of open competitive bidding and the Concessionaire shall be entitled to take part in such competitive bidding with a right to match the first-ranked bid in terms of the selection criteria, either by itself where such work requires tolling, operation and maintenance, or through another company where such work requires construction on any part of the Project Highway, subject to payment of 2% (two per cent) of the bid amount to the Authority, and thereupon securing the award of such works or services. For the avoidance of doubt, it is agreed that the Concessionaire shall be entitled to exercise such option only if the Concessionaire has participated in the bidding process either individually or as a consortium or joint venture with another company and fulfils the eligibility criteria to undertake such work without compromising with its overall liability. All such changes shall be made by NHAI by an order issued in accordance with the procedure set forth in the Shivpuri Jhansi Concession Agreement.

Termination of the Shivpuri Jhansi Concession Agreement

Termination by either party

Either Party may in its discretion terminate the Shivpuri Jhansi Concession Agreement by giving a termination notice to the other party if a force majeure event subsists for a period of 120 days or more within a continuous period of 365 days. Before issuing such termination notice, the party intending to issue the termination notice shall inform the other party of such intention and grant 15 days' time to make a representation, and may after the expiry of such 15 days period, whether or not it is in receipt of such representation, in its sole discretion issue the termination notice.

Termination by the NHAI

In the event of any of the defaults specified below have occurred, and if the Concessionaire has failed to cure such breach or default within the period provided for the same in the Shivpuri Jhansi Concession Agreement, then NHAI shall be entitled to issue a notice of its intention to terminate the Shivpuri Jhansi Concession Agreement, with a copy to the lenders. The following events shall constitute an event of default by the Concessionaire (a "**Concessionaire Default**") unless they have occurred as a result of any breach of the Shivpuri Jhansi Concession Agreement by NHAI or due to force majeure:

i. the performance security has been encashed and appropriated in accordance with the Shivpuri Jhansi Concession Agreement and the Concessionaire has failed to replenish or provide fresh performance security within a cure period of 15 days;

ii. subsequent to the replenishment or furnishing of fresh performance security in accordance with the Shivpuri Jhansi Concession Agreement, the Concessionaire fails to cure, within a cure period of 60 days, the Concessionaire Default for which whole or part of the performance security was appropriated;

iii. the Concessionaire abandons or manifests intention to abandon the operation and maintenance of the Shivpuri Jhansi Project Highway without the prior written consent of NHAI;

iv. the Concessionaire fails to roll over, renew and furnish new bank guarantee performance security subject to and in accordance with terms of the Shivpuri Jhansi Concession Agreement, at least three months prior to expiry of subsisting bank guarantee;

v. the Concessionaire is in breach of the Maintenance Requirements or the Safety Requirements;

vi the Concessionaire has failed to make any payment to NHAI within the period specified in the Shivpuri Jhansi Concession Agreement;

vii. upon occurrence of a financial default, the lenders' representative has by notice required NHAI to undertake suspension or termination, as the case may be, in accordance with the substitution agreement and the Concessionaire fails to cure the default within the specified cure period;

viii. a breach of any of the project agreements by the Concessionaire causes a material adverse effect;

ix. the Concessionaire creates any encumbrance in breach of the Shivpuri Jhansi Concession Agreement;

x. the Concessionaire repudiates the Shivpuri Jhansi Concession Agreement or otherwise takes any action or evidences or conveys an intention not to be bound by the Shivpuri Jhansi Concession Agreement;

xi. a change in ownership occurs in breach of the provisions of the Shivpuri Jhansi Concession Agreement;

xii. there is a transfer, pursuant to law either of the rights and/or obligations of the Concessionaire under any of the project agreements, or of all or part of the assets or undertaking of the Concessionaire, and such transfer causes a material adverse effect;

xiii. an execution levied on any of the assets of the Concessionaire has caused a material adverse effect;

xiv. the Concessionaire is adjudged bankrupt or insolvent, or if a trustee or receiver is appointed for the Concessionaire or for the whole or material part of its assets that has a material bearing on the Shivpuri Jhansi Project;

xv. the Concessionaire has been, or is in the process of being liquidated, dissolved, wound-up, amalgamated or reconstituted in a manner that would cause, in the reasonable opinion of NHAI, a material adverse effect;

xvi. a resolution for winding up of the Concessionaire is passed or any petition for winding up of the Concessionaire is admitted by a court of competent jurisdiction and a provisional liquidator or receiver is appointed and such order has not been set aside within 90 days of the date thereof or the Concessionaire is ordered to be wound up by Court except for the purpose of amalgamation or reconstruction; provided that, as part of such amalgamation or reconstruction, the entire property, assets and undertaking of the Concessionaire are transferred to the amalgamated or reconstructed entity and that the amalgamated or reconstructed entity has unconditionally assumed the obligations of the Concessionaire under the Shivpuri Jhansi Concession Agreement and the project agreements; and provided that:

    a. the amalgamated or reconstructed entity has the capability and operating experience necessary for the performance of its obligations under the Shivpuri Jhansi Concession Agreement and the project agreements;

b. the amalgamated or reconstructed entity has the financial standing to perform its obligations under the Shivpuri Jhansi Concession Agreement and the project agreements and has a credit worthiness at least as good as that of the Concessionaire as at Appointed Date; and

c. each of the project agreements remains in full force and effect;

xvii. any representation or warranty of the Concessionaire herein contained which is, as of the date of Shivpuri Jhansi Concession Agreement, found to be materially false, incorrect or misleading;

xviii. the Concessionaire submits to NHAI any statement, notice or other document, in written or electronic form, which has a material effect on NHAI's rights, obligations or interests and which is false in material particulars;

xix. the Concessionaire has failed to fulfil any obligation, for which failure termination has been specified in the Shivpuri Jhansi Concession Agreement;

xx. the Concessionaire commits a default in complying with any other provision of the Shivpuri Jhansi Concession Agreement if such default causes a material adverse effect on NHAI;

xxi. an escrow default occurs and the Concessionaire fails to cure the default within a cure period of 15 days;

Termination by Concessionaire

If any of the defaults specified below shall have occurred, and NHAI fails to cure such default within a cure period of 90 days or such longer period as has been expressly provided in the Shivpuri Jhansi Concession Agreement, NHAI shall be deemed to be in default of the Shivpuri Jhansi Concession Agreement, unless the default has occurred as a result of any breach of the Shivpuri Jhansi Concession Agreement by the Concessionaire or due to force majeure:

i. NHAI commits a material default in complying with any of the provisions of the Shivpuri Jhansi Concession Agreement and such default has a material adverse effect on the Concessionaire; or
ii. NHAI repudiates the Shivpuri Jhansi Concession Agreement or otherwise takes any action that amounts to or manifests an irrevocable intention not to be bound by the Shivpuri Jhansi Concession Agreement; or
iii. the State commits a material default in complying with the provisions of the State Support Agreement if such default has a Material Adverse Effect on the Concessionaire and the breach continues for a period of 90 days from the date of notice given in this behalf by the Concessionaire to the Authority.

Termination Payments

Upon termination of the Shivpuri Jhansi Concession Agreement by the Concessionaire on account of occurrence of an NHAI Default, the Concessionaire shall be entitled to receive from NHAI by way of termination payment a sum equal to 105% of the Unexpired Cash Flow.

The termination payment pursuant to the Shivpuri Jhansi Concession Agreement becomes due and payable to the Concessionaire by NHAI within 15 days of the Concessionaire furnishing to NHAI an NOC with the necessary particulars issued by the lenders/ lenders' representative recording/ effecting release/ vacation/ discharge of the charge on Shivpuri Jhansi Project receivables (if any) created by Concessionaire for securing repayment of the debt. If NHAI fails to disburse the full termination payment within 15 days, NHAI shall pay interest at a rate equal to 3% above the bank rate on the amount of termination payment remaining unpaid, provided that such delay shall not exceed 90 days.

Upon termination of the Shivpuri Jhansi Concession Agreement by the NHAI on account of occurrence of a Concessionaire Default and in addition to the Authority forfeiting the Performance Security, the NHAI shall pay the Concessionaire by way of termination payment 70% of the Unexpired Cash Flow.

Technical Clarifications on the Concession Agreements

The Concession Agreements shall be read with technical clarifications received from NHAI in relation to the respective concession agreements.

Differences between the Initial Concession Agreements and Additional Concession Agreements

The significant differences between the Initial Concession Agreements and Additional Concession Agreements are provided below:

Category	Initial Concession Agreements	Additional Concession Agreements
Concession Period	30 years	20 years
Capacity Augmentation	The Sponsor shall not compensate the relevant Concessionaire on a quarterly basis for any reduction in toll rates due to capacity augmentation.	The Sponsor shall compensate the relevant Concessionaire on a quarterly basis for any reduction in toll rates due to capacity augmentation.
	The EPC contractor, undertaking capacity augmentation, shall be liable for all the defects and deficiencies for the Defect Liability Period (as defined in the relevant Concession Agreements).	The EPC contractor, undertaking capacity augmentation, shall additionally be liable for maintenance and other operational responsibilities such as incident management, traffic management, routine maintenance etc. for the Defect Liability Period.
	The Detailed Project Report (as defined in the relevant Concession Agreements) may be commenced once the average daily traffic exceeds the target traffic and continues to exceed the designed capacity for three consecutive accounting years following thereafter.	The Detailed Project Report (as defined in the relevant Concession Agreements) may be commenced immediately once the average daily traffic has met the target traffic.

Annexure III

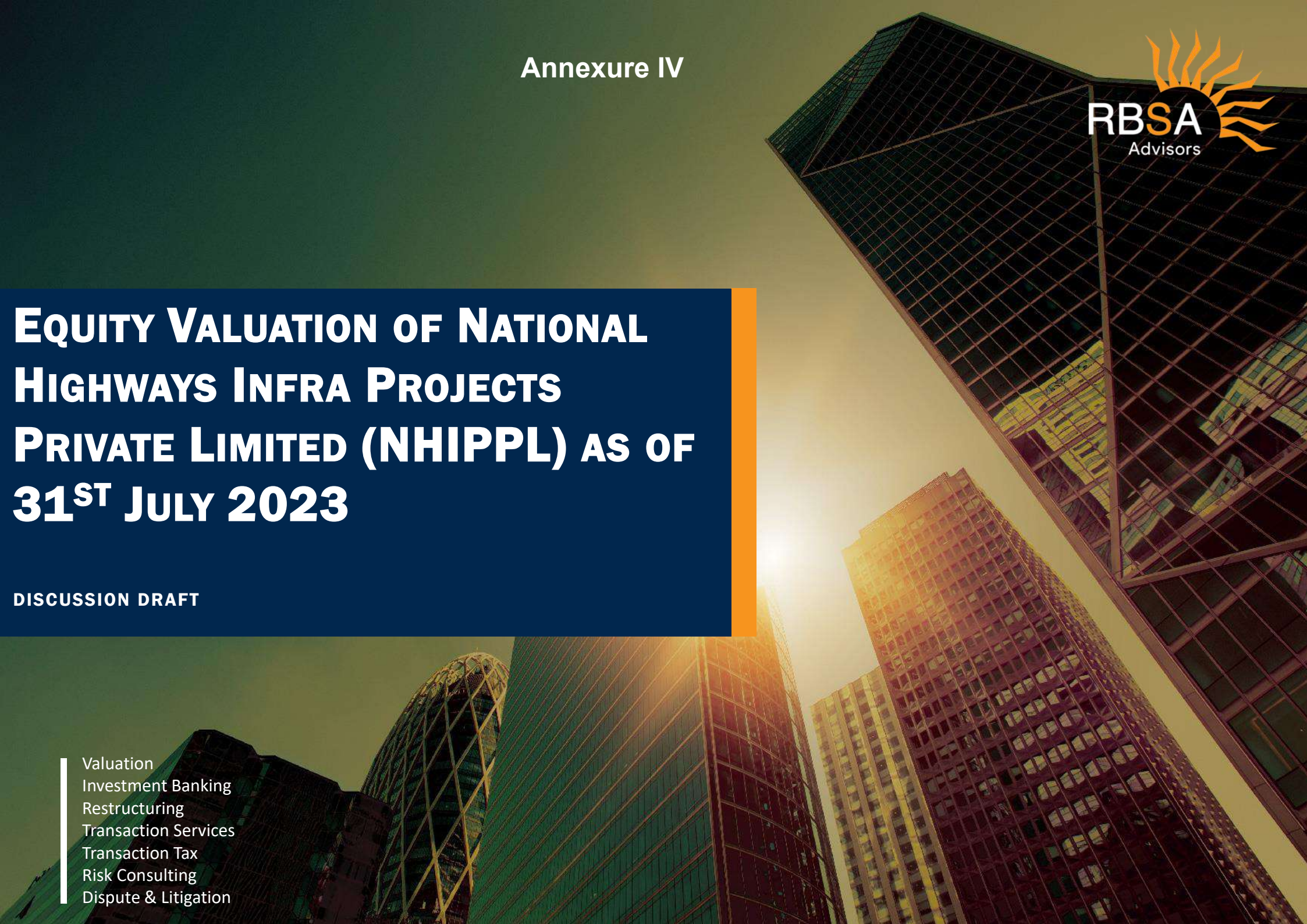
Project Wise Details of Toll Revenue **Rs. in Crore**

Projects	FY 2021-22 (w.e.f. 14.12.2021)	FY 2022-23	FY 2023-23 (Upto Sept 2023)
Abu Road Swaroopganj	17.77	65.56	33.13
Palanpur Aburoad	22.21	92.34	46.93
Kothakota Kurnool	38.73	171.47	95.05
Belgaum-Kagal	34.63	128.74	55.45
Chittorgarh Kota	26.27	93.35	49.27
Agra Bypass	0	37.70	49.92
Shivpuri Jhansi	0	28.69	39.08
Borkhedi Wadner	0	69.33	96.74
Total	**139.61**	**687.17**	**465.57**

Annexure IV

Equity Valuation of National Highways Infra Projects Private Limited (NHIPPL) as of 31st July 2023

DISCUSSION DRAFT



Valuation
Investment Banking
Restructuring
Transaction Services
Transaction Tax
Risk Consulting
Dispute & Litigation

Equity Valuation of NHIPPL (R1 + R2)

RBSA Advisors

Equity Valuation of National Highways Infra Projects Private Limited (NHIPPL)

	31st July 2023 INR Crore	31st March 2023 INR Crore
Enterprise Value	**11,270.8**	11,260.2
Less: Debt	(9,520.9)	(9,372.9)
Less: Debt Like	(0.1)	(1.5)
Add: Cash	95.8	70.4
Equity Value	**1,845.6**	**1,956.2**
Weighted Average Cost of Capital	**10.50%**	**10.50%**

EQUITY VALUATION OF NHIPPL (R1 + R2)

Weighted Average Cost of Capital		
	31st July 2023	31st March 2023
Cost of Equity (Ke)		
Risk Free Rate (Rfr)	7.13%	7.17%
Equity Risk Premium	7.00%	7.00%
Levered Beta	~ 0.89	~ 0.87
Company Specific Risk	~ 1.00%	~ 1.00%
Cost of Equity (Ke)	**~ 14.34%**	**~ 14.30%**
Cost of Debt (Kd)		
Pre Tax - Cost of Debt (Kd)	# 8.21%	8.29%
Effective tax rate	~ 17.7%	~ 18.18%
Post Tax - Cost of Debt (Kd)	**6.76%**	**6.78%**
Debt / Equity	1.00	1.00
WACC (Rounded-off)	**10.50%**	**10.50%**

 # After considering Management's expectation of reduction in the annual interest rate on SBI Term Loan from 8.65% to ~8%, based on ongoing negotiations between SBI and the Trust

Enterprise Valuation of NHIPPL

Key updates in vis-à-vis March 2023

- Revised Traffic study: Revision in volume and near term WPI, leading to reduction in projected revenue

- Reduction in capital expenditure for R1 and R2 considering inter-alia actual contracts awarded so far, actual bids and Management's estimate

Annexure II

Computation of Equity Value at SPV level 31st July 2023

July 2023 Equity Value at SPV Level	As per Valuation Report (Based on Fin. Stat.)	NDCF Approved by Board – (amount would be paid to Trust from cash available)	No change in Adjusted Equity Value
Enterprises Value - **A**	11270.8		11270.8
Less:- Debt	9521.0	-46.4	9474.6
Add:- Cash	95.8	-46.4	49.4
Net Debt - **B**	9425.2		9425.2
Equity Value (A-B)	**1845.6**		**1845.6**

Computation of NAV at Trust level 31st July 2023

July 2023 Net Asset Value at Trust Level	As per Valuation Report (Based on Fin. Stat.)	NDCF Approved by Board – (amount would be received from SPV)	No change in Adjusted Net Asset Value
Value of Investment in SPV	1845.6	-	1845.6
Add:- Cash	158.6	46.4	204.9
Add:- Debt Recoverable from SPV	9521.0	-46.4	9474.6
Add:- Other Assets	114.9	-	114.9
Less :- Liabilities	2975.3	-	2975.3
Less:- Distribution Declared for Q1	127.4	-	127.41
Net Asset Value	**8537.4**	**-**	**8537.4**
NAV Per Unit	**117.53**		**117.53**

Market Intelligence
& Analytics

Annexure V

CRISIL
An S&P Global Company

Roads and Highways

2023



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Research

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1.0 Our view: Summary

Policy push aimed at improving private participation in national highways

The following are the recent policy changes that the MoRTH and NHAI have undertaken to improve private participation in the sector and increase competition (more details in National Highway and Competition chapters):

- Technical and financial bidder eligibility criteria reduced for HAM and EPC projects, which would promote the entry of smaller players
- Changes in the hybrid-annuity model (HAM) concession agreement aimed at protecting developers' returns and easing their cash flows during the construction period
- Changes in the Build-Operate-Toll (BOT) concession agreement to reinstate developer interest in the model

Apart from this, the government has taken various steps under the Atmanirbhar package to mitigate the impact of Covid-19 on the sector:

- Extension of time (EOT) of up to 3-6 months for all projects and relaxation of milestone achievement
- Monthly payment mechanism, instead of milestone-based payments
- Reduction in performance security from 5% to 3%, release of retention money to the extent of work done
- Additionally, Covid-19 emergency loan facilities and moratorium on loan repayment up to August 2020
- Extension of concession period for BOT-toll operators, due to toll suspension and restriction in movement during lockdowns

Strong government thrust likely to deliver steady growth in fiscal 2024

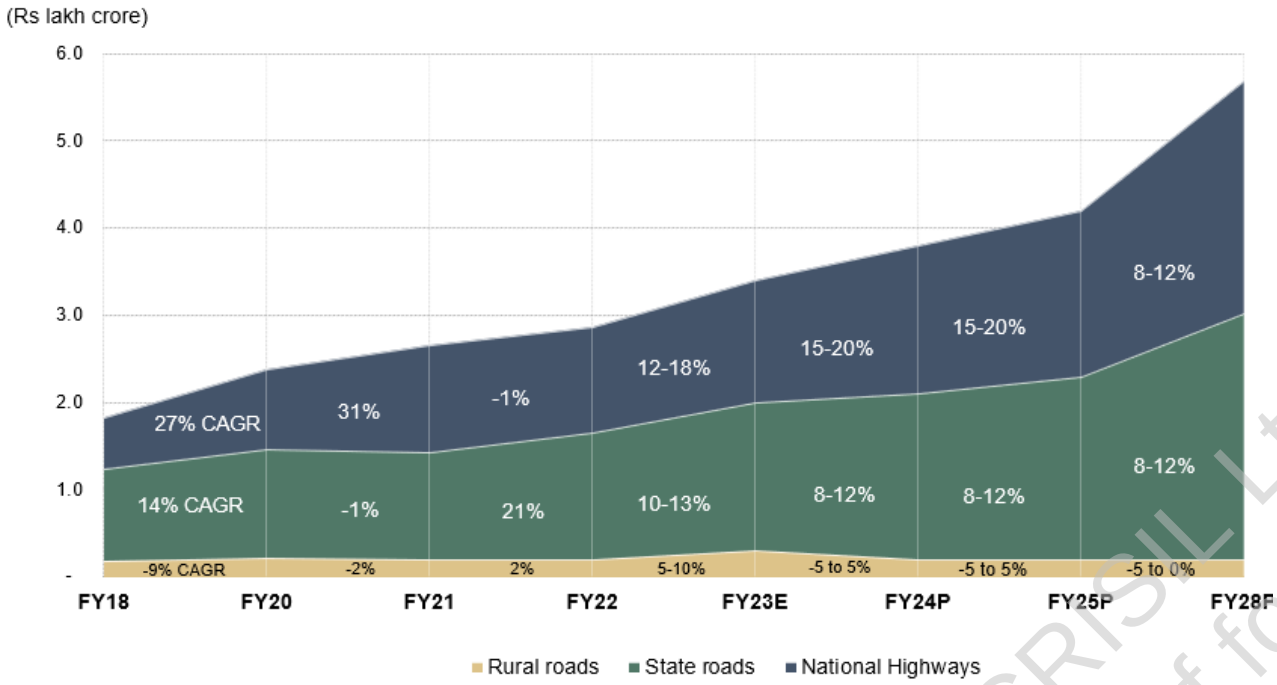
Overall road sector capex, comprising of National Highways, State Highways & rural roads is estimated to have grown at a CAGR of 14% between fiscals 2018 & 2023. This growth, driven by Bharatmala and increased state spends on roads has been achieved despite brief hiccups such as the pandemic and hampered construction due to elongated monsoons. The outlook of the sector also remains firm supported by higher awarding of previous fiscals, Bharatmala, NIP pipeline of DPR ready projects and steady state capex.

The NH segment contributes around 40-45% of the overall capex. While the execution remained flattish in fiscal 2023 vis--vis fiscal 2022, capex grew by 12-18% due to a rise in construction of high value projects and high commodity prices. In fiscal 2024, we expect the national highway capex to grow by 15-20% driven primarily by increased execution.

On the low base of fiscal 2021, the state spends grew by 21% in fiscal 2022 and are estimated to have grown further by 10-13% in fiscal 2023 largely in line with the growth in budgetary outlay. In fiscal 2024, state spends are expected to go up further by 8-12% as their percentage achievement of budgetary allocations are expected to be largely in line with historical average.

Momentum to continue, supported by Bharatmala and NIP pipeline

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Note: Capex excludes the land-acquisition costs

Source: NHAI, MoRTH, State budget documents, PMGSY, CRISIL MI&A Research

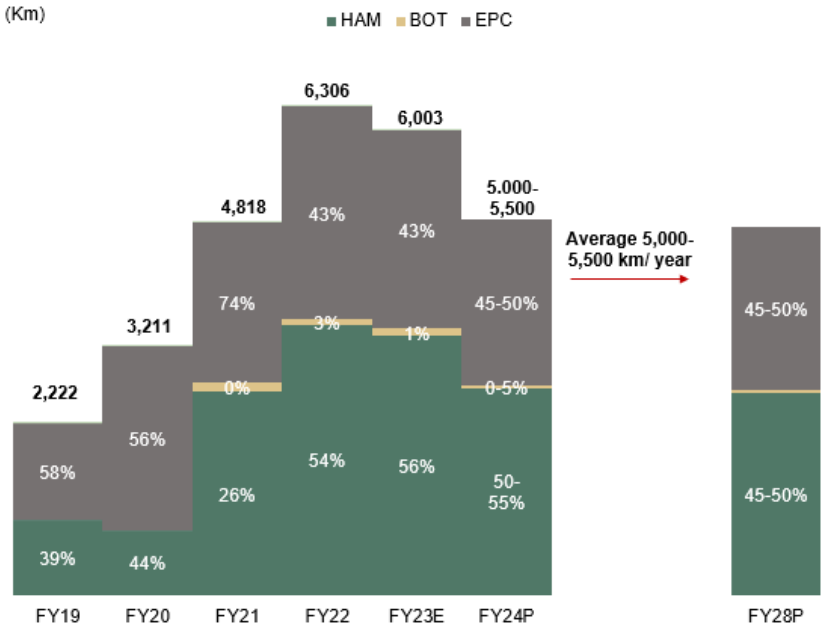
NHAI awarding to moderate in fiscal 2024, share of HAM likely to remain stable

National Highways Authority of India (NHAI) awarding has witnessed a rise from merely 2,222 km in fiscal 2019 to 6,003 km in fiscal 2023. Fiscal 2021 was a pivotal year since despite the COVID-induced disruptions, the NHAI awarded 4,818 kms in which was a three fiscal high back then. Additionally, favorable changes in the BOT and HAM agreements, and relaxation of bidder eligibility criteria not only indicated a clear policy shift to improve private-sector participation but also aided the spurt in the HAM awards. In fiscal 2022, the awarding momentum continued unabated as the NHAI awarded 6,306 kms in the fiscal year. The share of HAM and EPC in the awarding stood at 54% and 43% respectively while projects under the BOT model accounted for only a paltry 3%. In fiscal 2023, while the awawrding momentum dipped slightly, the awarding volume was still above the 6,000 km mark as the NHAI awarded 6,003 km during the fiscal.

In fiscal 2024, as per CRISIL MI&A estimates, NHAI awarding is expected to slow down to ~5,000-5,500 kms while the respective shares of HAM, EPC and BOT in the total awarding are expected to remain at similar levels vis--vis fiscal 2023. A limited rise in budgetary support coupled with the higher capex for 70% of high-value expressways currently under construction, could defer NHAI awards under Bharatmala Phase 1 beyond fiscal 2024 the year construction was originally scheduled to be completed. Over the medium term, it is expected that the NHAI would continue to award ~5,000-5,500 kms per year on an average between fiscals 2024 and 2027. Furthermore, the shares of HAM, EPC and BOT in the awarding are expected to remain largely stable without any significant deviations.

56% of projects awarded under HAM in FY23, share to remain similar

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Source: NHAI, CRISIL MI&A Research

Revenue growth to moderate, margins to recover by 50-100 bps

Due to high awarding in the last few fiscals, the order books of the road developers had swelled. The superior execution capabilities of the developers also enabled them to leverage their order books and increase their construction volumes. Furthermore, the share of high-value expressways in their construction also went up. Consequently, their revenue is estimated to have grown by 16-18% in fiscal 2023. Furthermore, due to their healthy order book positions, their revenue is further expected to grow by another 10-12% in fiscal 2024.

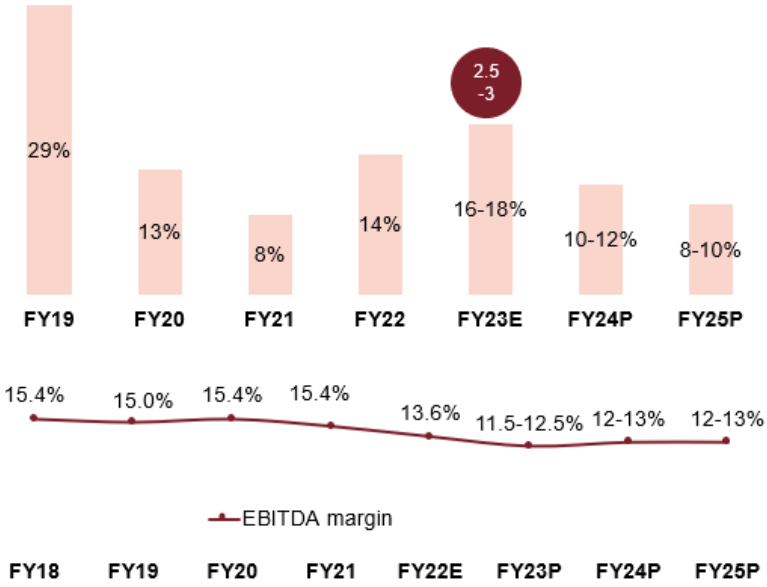
On the other hand, the profitability margins of the players were impacted in fiscal 2023 due to exorbitant raw material prices. Lower bid premiums in awarded HAM projects due to intense competition also negatively impacted margins. Consequently, margins dipped by 150-200 bps and hovered around 11.5-12.5% in fiscal 2023.

Since the key commodity prices cooled off, margins are likely to have bottomed out even though the negative impact of low bid premiums due to intense competition still remain. Nonetheless, the margins of the road developers are expected to recover by 50-100 bps in fiscal 2024.

Healthy orderbook to drive revenue growth, margins to recover due to softer commodity prices

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Revenue growth and Order book to Sales



Note: Standalone financials of 130 road EPC players considered

Source: Company reports, CRISIL MI&A Research

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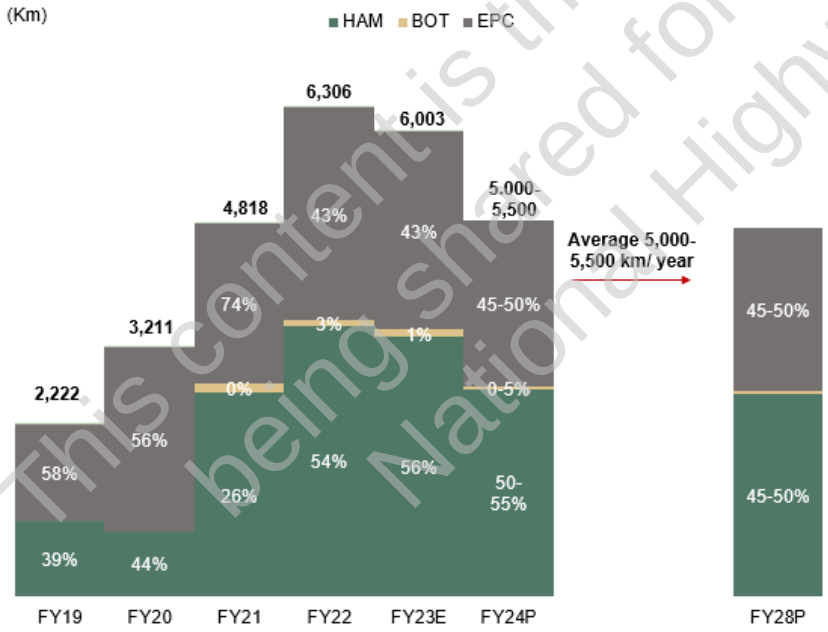
2.0 Investments: National highways

NHAI awarding to moderate in fiscal 2024, share of HAM likely to remain stable

National Highways Authority of India (NHAI) awarding has witnessed a rise from merely 2,222 km in fiscal 2019 to 6,003 km in fiscal 2023. Fiscal 2021 was a pivotal year since despite the COVID-induced disruptions, there was a healthy growth in awarding. The NHAI awarded 4,818 kms in the fiscal 2021 which was a three fiscal high back then. Additionally, favorable changes in the BOT and HAM agreements, and relaxation of bidder eligibility criteria not only indicated a clear policy shift to improve private-sector participation but also aided the spurt in the HAM awards. In fiscal 2022, the awarding momentum continued unabated as the NHAI awarded 6,306 kms in the fiscal year. The share of HAM and EPC in the awarding stood at 54% and 43% respectively whereas projects under the BOT model accounted for only a paltry 3%. While the awarding momentum dipped slightly in fiscal 2023, the awarding volume still remained above the 6,000 km mark with the NHAI awarding 6,003 km during the fiscal year. The share of HAM in awarding increased slightly to 56% while that of EPC remained unchanged.

In fiscal 2024, as per CRISIL MI&A estimates, NHAI awarding is expected to moderate to ~5,000-5,500 kms while the respective shares of HAM, EPC and BOT in the total awarding are expected to remain at similar levels vis--vis fiscal 2023. A limited rise in budgetary support coupled with the higher capex for high-value expressways currently under construction, could defer NHAI awards under Bharatmala Phase 1 beyond fiscal 2024 the year construction was originally scheduled to be completed. Over the medium term, it is expected that the NHAI would continue to award ~5,000-5,500 kms per year on an average between fiscals 2024 and 2027. Furthermore, the shares of HAM, EPC and BOT in the awarding are expected to remain largely stable without any significant deviations. Additionally, going forward, developers are also likely to free up capital and deleverage their balance sheets through stake sales supported by the strong pipeline of projects under Bharatmala and the NIP.

56% of projects awarded under HAM in FY23, share to remain similar

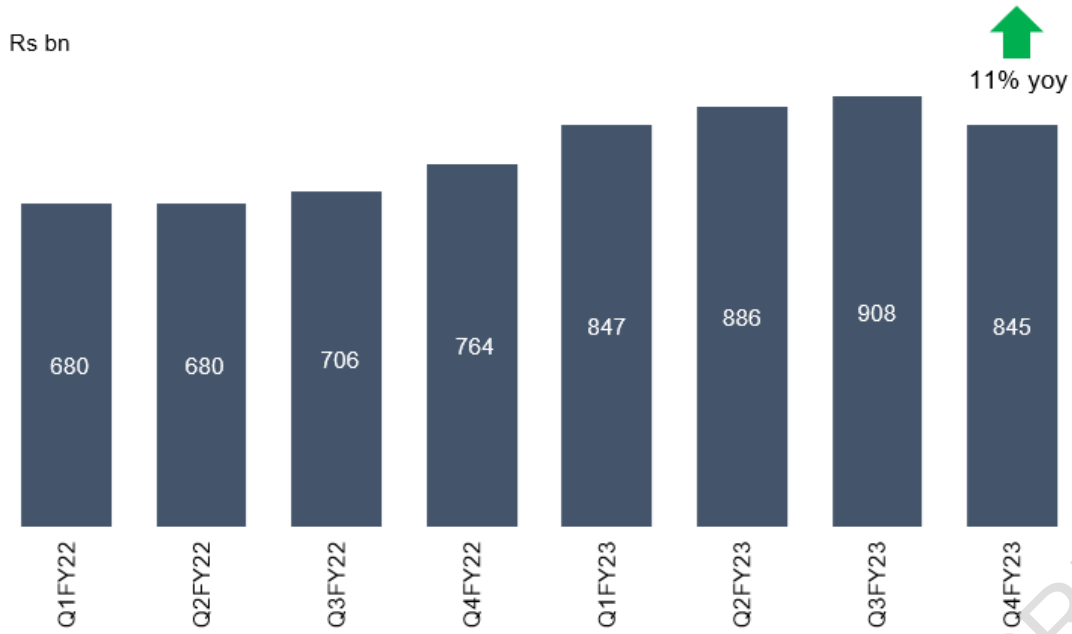


Source: NHAI, CRISIL MI&A Research

The high awarding volumes have augured well for the order book of large-sized road developers despite intense competition. The cumulative orderbook of these key players has grown by 11% on-year as of Q4 of fiscal 2023. This is a key positive for the sector as it provides good revenue visibility for the incumbent developers. **Orderbooks have also seen a steady growth due**

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to high awarding



Note: Data on order book is based on 5 key road players Ashoka Buildcon, Dilip buildcon, KNR construction, IRB infra, PNC Infratech.

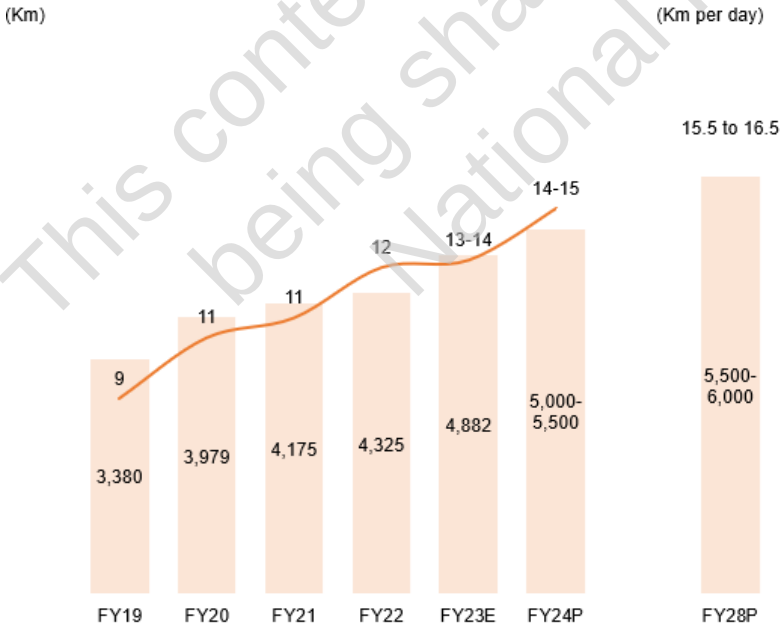
Source: Company filings, CRISIL MI&A Research

NHAI execution is also rising steadily with focus on swifter execution

Even though overall national highways construction at the MoRTH level remained flattish in fiscals 2022 and 2023, NHAI execution witnessed strong momentum. NHAI execution sequentially rose from 4,175 km in fiscal 2021 to 4,882 km in fiscal 2023. Acceleration in project awards, sharper focus on resolving land acquisition issues, and the Atmanirbhar Bharat initiatives to ease liquidity (monthly milestone payments, release of rentention money, reduction in performance secuirty & extension of 3-6 months in milestones & SCODs) for EPC road players augured well for the pace of construction during this period even though issues such as exorbitant commodity prices and elongated monsoons acted as headwinds.

CRISIL MI&A expects fiscal 2024 NHAI construction to be in the range of 5,000-5,500 kms on the back of higher awarding witnessed in the previous fiscals and many of those projects receiving appointed dates only towards the fag end of fiscal 2023. Over the medium term, the pace of construction is expected to rise steadily to reach ~16 km per day by fiscal 2028.

NHAIs pace of construction rising steadily with continued focus on swifter execution



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Source: NHAI, CRISIL MI&A Research

Policy push for HAM enabled higher share in awarding

NHAI awards roads & highway projects under:

- EPC
- BOT
- HAM

The Ministry and NHAI, post multiple suggestions from various stakeholders have ammended the HAM Model Concession Agreement across the below mentioned paramters in Oct 2020. These are largely aimed to protect developers' returns and ease their liquidity.

Recent changes in HAM MCA incorporate developers' concerns

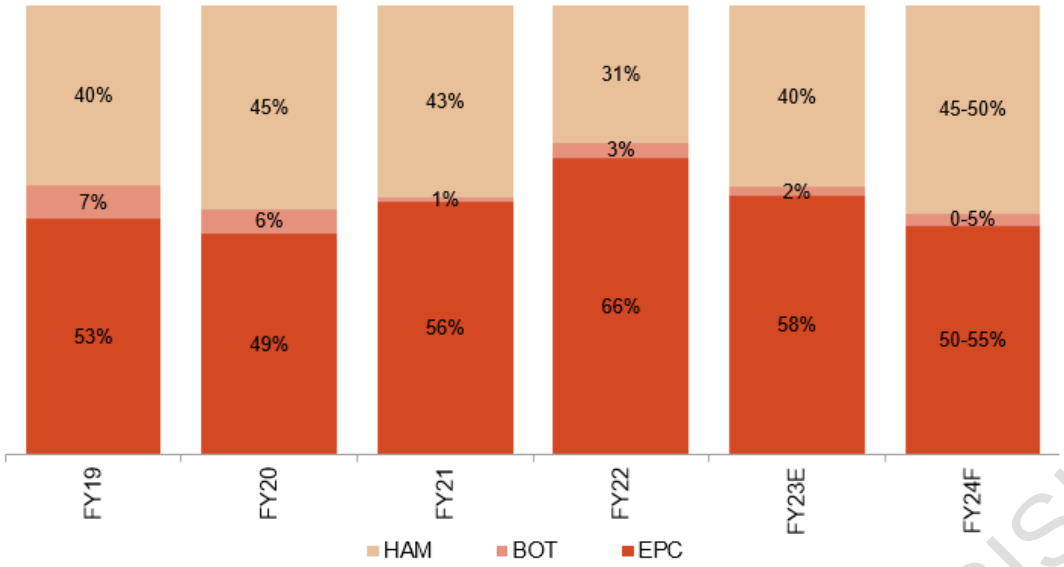
	Old Clause	Revised Clause	Impact
Annuity Payments	Interest on annuity payment linked to **RBI determined Bank Rate + 3%**	Interest on annuity payment linked to **average of one year MCLR of top 5 Scheduled Commercial Banks + 1.25%**	Differential between cost of borrowing and interest on annuity reduced thus preventing erosion of developers' returns due to RBI repo rate changes
Milestone Payments	**5** instalments, each equal to **8%** of the Bid Project Cost	**10** instalments, each equal to **4%** of the Bid Project Cost	Quicker payments helping developers' liquidity
Change in ownership	Original sponsor/ concessionaire shall hold at least 26% of equity during construction period and **2 years thereafter**	Original sponsor/ concessionaire shall hold at least 26% of equity during construction period and **6 months thereafter**	Quicker stake sell-off would ease up developers' balance sheets to bid for new projects
Financial Closure	No clarity on amount on FC	FC to be undertaken for an amount no lower than either: 1. Total Project Cost (60% of BPC); or 2. 10% less than (Estimated Project Cost minus 40% of Bid Project Cost)	Would likely prevent termination of projects due to inadequate financing
Dispute resolution board	In case of a dispute, either party may call upon the Independent Engineer to mediate.	Failing mediation by the IE, either party may require such dispute to be referred to the **Dispute Resolution Board (DRB).**	Quicker dispute resolution mechanism to prevent stuck projects.
Others	Interest mobilization advance linked to bank rate. Termination payments based on previous milestone payments.	Interest on mobilization advance linked to MCLR. Termination payments based on new milestone payments.	NA

On the back of the higher HAM awarding, CRISIL MI&A's estimates of split for the NHAI capex mix indicates that the share of HAM in NHAI capex is expected to rise. However, given that EPC has also cornered a large share in awarding in the previous fiscals, its share in NHAI capex is expected to remain at ~50-55% in fiscal 2024. Overall, the share of public funds in NHAI investments is likely to hover around the 70% range. Therefore, NHAI funding would remain critical to sustain the sector forward.

As capex under EPC and HAM remains high, burden falls on public funds

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(NHAI Capex Mix)

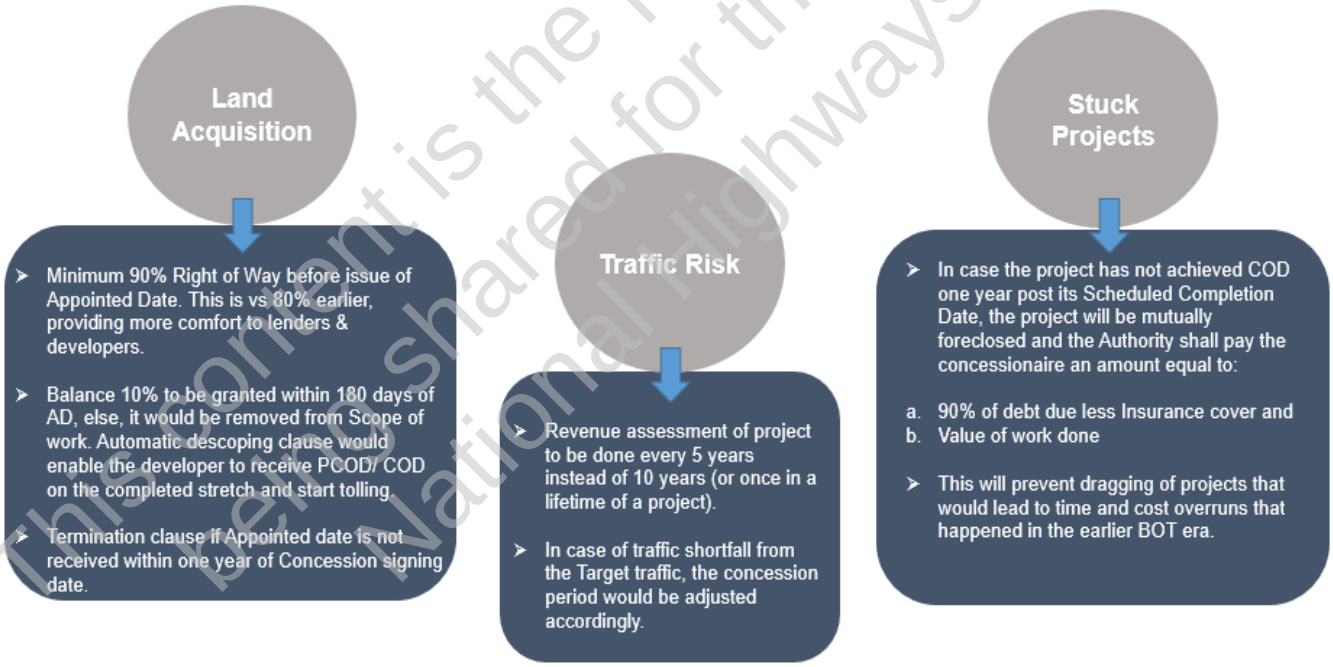


Source: NHAI, CRISIL MI&A Research

Changes in BOT MCA were also introduced

In order to improve private participation via the BOT-toll mode, NHAI & the ministry also introduced changes to the BOT MCA aimed at key issues such as land acquisition, revenue assessment in case of traffic shortfall and stuck projects. Despite these changes, we don't expect any BOT awarding this fiscal due to the uncertainty in traffic growth on account of COVID-19 restrictions and muted economic activity this fiscal.

BOT MCA revamped to reinstate interest in the model



Source: MoRTH, NHAI, CRISIL Research

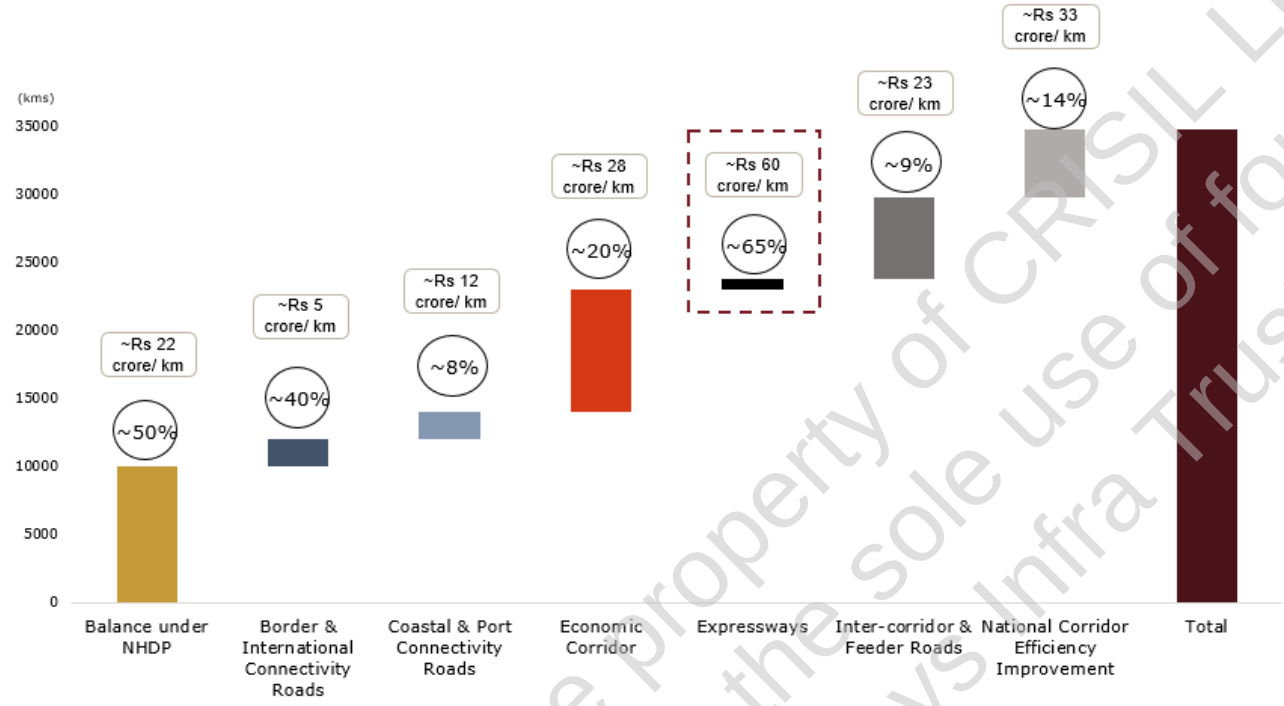
Bharatmala phase-1 awarding focused on expressways; likely to stretch till fiscal 2025

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Bharatmala Pariyojana is an umbrella project of the central government since 2015, that aims to improve efficiency in the roads sector. It is expected to supersede the National Highways Development Project (NHDP) and envisages the construction of 65,000 km of highways under the following categories: national corridor (north-south, east-west, and golden quadrilateral), economic corridor, inter-corridor roads, and feeder roads. As per the ministry, Bharatmala, along with the schemes currently undertaken, could require a total outlay of Rs 6.9 trillion.

Phase-I of the scheme envisages development of about 24,800 km length of national highways/roads, plus residual 10,000 km of NHDP between fiscals 2018 and 2022. Awarding under Bharatmala has begun from fiscal 2018 and we believe it will stretch till fiscal 2025 for Phase 1.

Cost per km for expressways are highest



Source: NHAI, CRISIL MI&A Research

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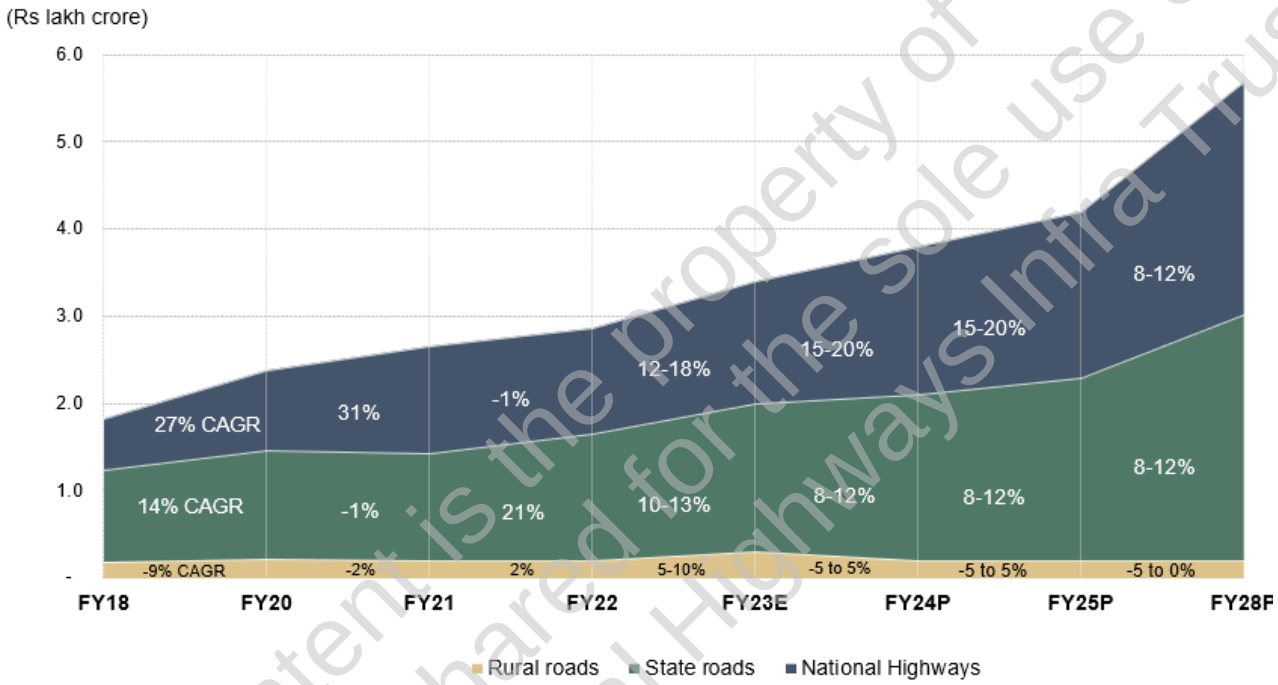
3.0 Investments: State roads

State road capex to continue its growth this fiscal, albeit at a slightly lower pace

CRISIL MI&A's analysis of state road budgets indicates that state road capex forms 45-50% of the sector. State capex on roads & highways sector remained flattish in fiscal 2021 due to constrained state funds. On this low base, it grew by 21% in fiscal 2022 and is estimated to have further grown by 10-13% in fiscal 2023 largely in line with the growth in budgetary outlay. Subsequently, growth is expected to moderate slightly to 8-12% over the next 2 years.

Our interactions with market participants indicate that state road projects funded by external agencies such as World Bank or ADB or have private/bank funding such as Expressways under UPEIDA have not had much impact due to COVID-19, as compared to state-funded projects.

State road capex to witness slight moderation in growth on the high base of last fiscal



Source: State budget documents, CRISIL Research

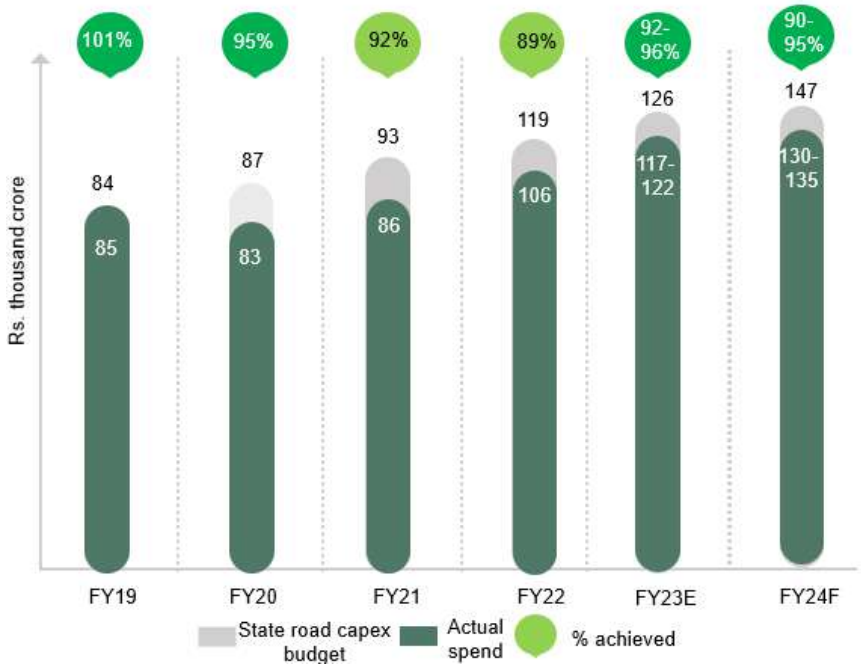
State roads, which include highways, major district roads and rural roads that do not come under the purview of the Pradhan Mantri Gram Sadak Yojana, constitute over 20% of the country's road network and handle ~40% of road traffic. These play an important role in the economic development of mid-sized towns and rural areas, and aid industrial development by enabling the movement of raw materials and products to and from the hinterland.

As per CRISIL MI&A's analysis of the budgets of top 15 states that account for 85% of state road capex, in fiscal 2024, the budgeted capital outlay on roads is higher by 9% vis--vis the revised estimated (RE) of fiscal 2023 while it is 17% higher than the fiscal 2023 budgeted estimates (BE).

The average achievement ratios, i.e. actual spends over the Budgeted Estimates, is in the range of 90-95%. Fiscal 2023 achievement ratio is likely to be largely in line with historical trend and hence, the actual spend is likely to be in the range of Rs 117-120 thousand crores. Due to the higher budgeted expenditures on roads in fiscal 2024, the actual expenditure is expected to go up to Rs 130-135 thousand crores. However, given the high fiscal deficits of some of the constituent states, there is a downside risk to this estimate.

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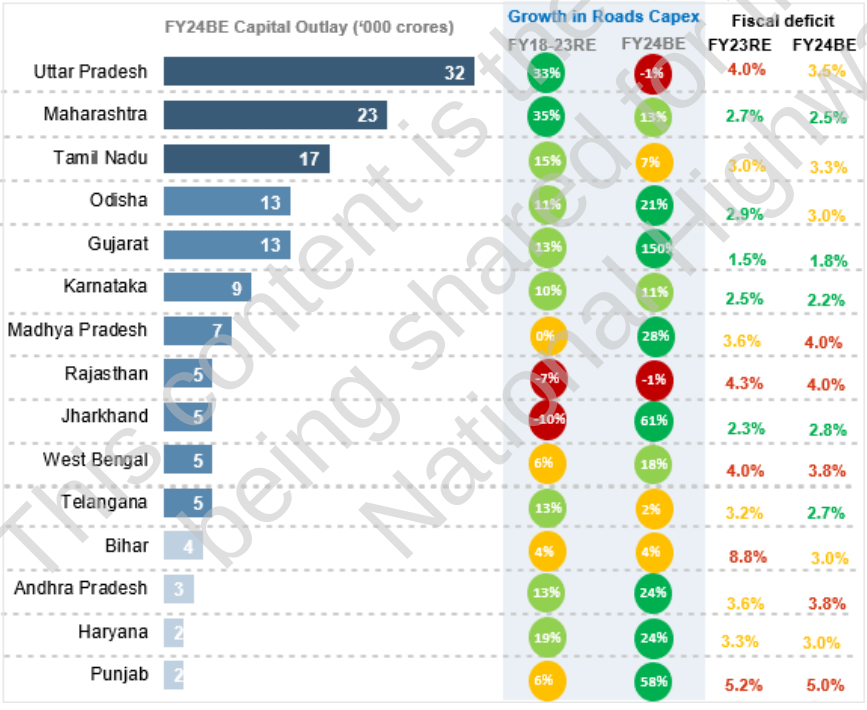
FY24 budgets for top 15 states at 17% on-year, even on the high base of last year



Note: State budget data for 15 states that account for 85% of total state road capex outlay

Source: State budget documents, CRISIL MI&A Research

Parallelly, CRISIL MI&A compared the 5 year CAGRs of state spends and state fiscal deficits. As is evident from the data, states having a strong fiscal deficit profile and especially the states that have been laggards in road spends in the past few years have budgeted for a sharp growth in road capital expenditure in fiscal 2024. As can be construed from the chart, states like Gujarat, Jharkhand, Orissa are some of the prominent states that fall in this basket. Consequently, these states are likely to see a spurt in investment opportunities in the roads & highways sector. Furthermore, given their relatively comfortable fiscal deficit profiles, the downside risk to the budgeted capital expenditure is also limited. **Laggard states with superior fiscal deficit profiles have typically budgeted for higher road spends this fiscal**



Note: Fiscal deficit: <3% green, 3-3.6% yellow and >3.6% red

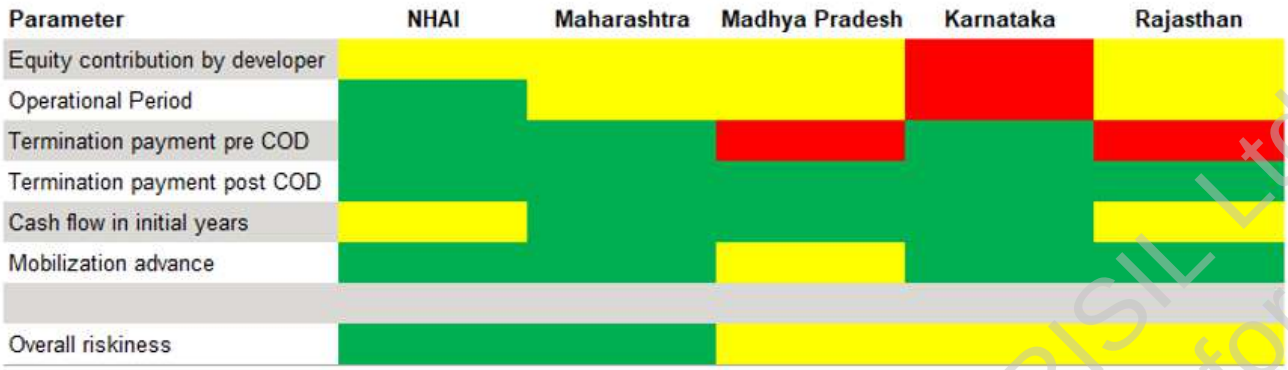
Source: State budget documents, CRISIL MI&A Research

NHAI vs State HAM

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Few states such a Maharashtra, Madhya, Karnataka and Rajasthan have implemented the HAM model in awarding of state highway projects. Maharashtra's model is similar to that of NHAI, while those of Madhya Pradesh, Karnataka & Rajasthan.

Maharashtras HAM model similar to NHAI's



Source: State Budget documents, CRISIL MI&A Research

Budgetary support and lender comfort - key success factors for the state:

	NHAI	Maharashtra	Madhya Pradesh	Karnataka	Rajasthan
Number of bidders	5-6 bidders	6-7 bidders	4-5 bidders	2-3 bidders	2-3 bidders
Bid Project Cost vs Authority Cost	10-15% above	Almost at par	Almost at par	15-20% above	8-10% above
Awarded projects (kms) till date	>7000	~10000	280	420	750
Average size of Project	~Rs 1,100 crore	~Rs 200 crore	~Rs 150 crore	~Rs 1,000 crore	~Rs 500 crore
Cost per km	Rs 20 crore per km	Rs 2.5-3 crore per km	Rs 3-3.5 crore per km	Rs 7 crore per km	Rs 2-2.5 crore per km
Key players	Dilip Buildcon, Ashoka Buildcon, PNC Infratech, Sadbhav, IRB	Rajpath Infra, SB Deshmukh, Harsh Construction, Welspun,	Ravi Infra, Shreeji, Path, RCL	Sadbhav, KNR	Dineshchandra R Agarwal, GR Infra, Gawar Construction
	Awarding began in FY16	Awarding began in FY18, future pipeline in line with Govt. budget allocation	Awarding began in FY20, future pipeline of ~1300 kms	Awarded in FY19, no future pipeline	Awarded in FY18, future awarding potential of 750 kms in FY21
Funding	Budgetary allocation + IEBR	Budgetary allocation of Rs 30-35 billion per year	$ 490 mn from ADB	$ 346 mn from ADB approved for KSHIP	$ 190 mn from ADB
Key findings		GoM deposits 50% of its grant in escrow account maintained by bank to ensure no delayed payments	Awarded in Jan 2020 after approval for ADB loan	Land acquisition & funding issues due to change in Govt. Projects awarded in June 2018 have only now achieved FC. Appointed date given with 65% land to KNR	750 kms awarded in FY18 under RSHIP-1 with ADB funding. RSHIP Tranche-2 now approved

Source: State Budget documents, CRISIL MI&A Research

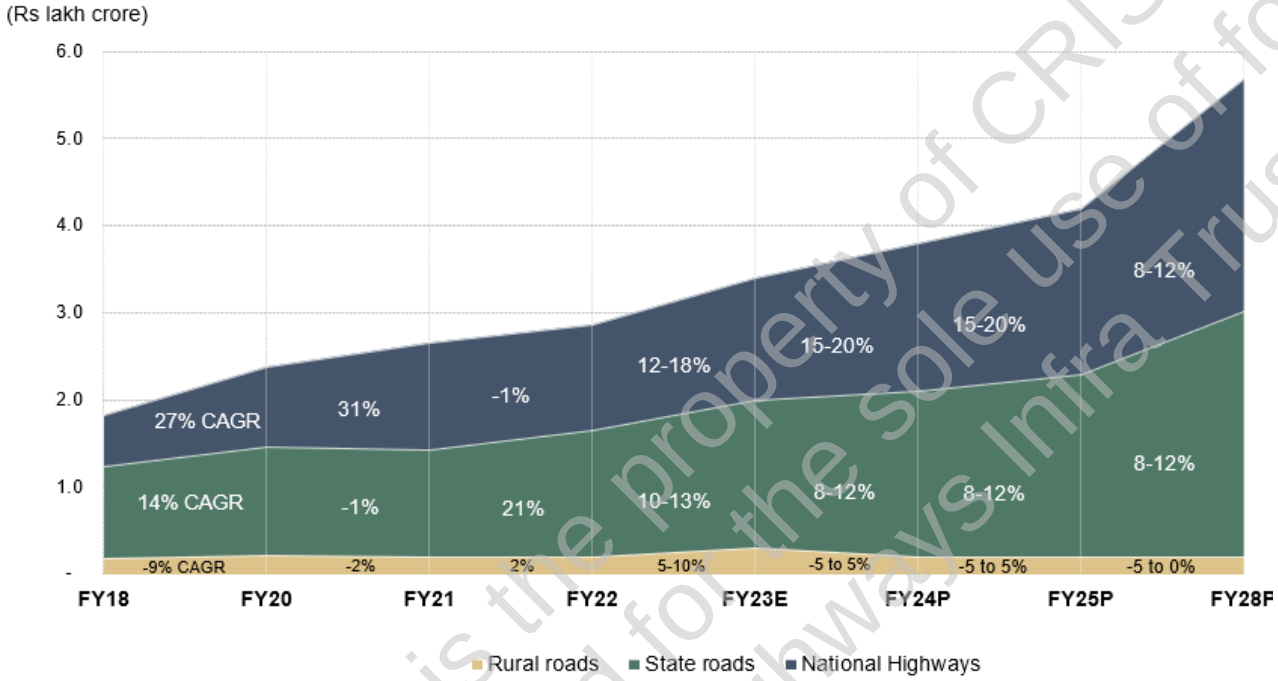
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4.0 Investments: Rural roads

Rural roads construction and expenditure to remain muted

Given lower construction targets under PMGSY III, the rural road construction was already on a decline in fiscal 2020. Despite the corona virus pandemic spread in India, kms constructed were up by 34% in fiscal 2021 with a ramp up in Q4 on the low base. In fiscal 2022, ~42,000 kms of rural construction under PMGSY was witnessed. Given that only few kms are pending under PMGSY targets, in fiscal 2024 adn 2025, we expect flattish rural road construction which would be largely in the northern and eastern parts of the country

Expenditure on rural roads to decline in fiscal 2024

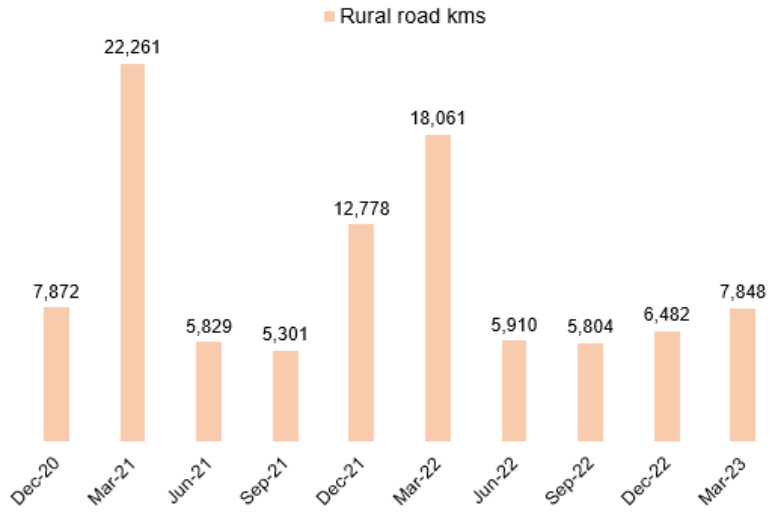


Source: PMGSY, CRISIL MI&A Research

Rural road construction (in kms) was almost half in fiscal 2020 at ~27,000 kms construction, as compared with ~49,000 kms in the previous year. Fiscal 2021, saw construction of ~37,000 kms, while fiscal 2022 construction was ~42,000 kms. In fiscal 2023, rural road construction remained muted and failed to achieve the year's target. In fiscal 2024, the target for rural road construction has been slashed to 38,000 km.

Rural road construction remained muted in fiscal 2023

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Source: PMGSY, CRISIL Research

After fiscal 2017, budgetary allocation by the Central government to the scheme was kept at Rs 190 billion, budgetary allocation for FY23 has been increased to Rs 195 billion. The actual expenditure has been lower than the allocation, achievement ratio has slipped to 74% from 81% in fiscal 2019. Total investment in PMGSY, both state and Centre, was Rs 234 billion in fiscal 2019, up 35% from Rs 173 billion in fiscal 2018, because of an uptick in length being constructed as well as higher cost per km.

About the scheme:

Pradhan Mantri Gram Sadak Yojana (PMGSY) is a one-time special intervention to provide rural connectivity, by way of a single all-weather road, to the eligible unconnected habitations in the core network with a population of 500 persons and above (Census 2001) in plain areas.

The Pradhan Mantri Gram Sadak Yojana (PMGSY) phase 1 was launched in 2000. Under the scheme, the Centre recognised 178,184 habitations as requiring all-weather roads, of which 97% of the eligible and feasible habitations have been connected as of November, 2019.

Further, the Government launched a new intervention in the scheme namely PMGSY-II in the year 2013-14 for consolidation of total 50,000 km existing Rural Road Network to improve its overall efficiency as a provider of transportation services for people, goods and services. 41,434 kms of rural roads are sanctioned under PMGSY-II as of date, of which, 75% have been completed.

The umbrella scheme involves construction/upgradation of over 800,000 km of rural roads.

In PMGSY-I, 97% of target has been achieved. In PMGSY-II, 75% of the target has been achieved. PMGSY III target km are lower by 40% as compared to roads constructed over the last 5 fiscals.

PMGSY-III was announced in Budget 2020

Under the PMGSY-III scheme, announced in the Union Budget 2019-20, it is proposed to consolidate 125,000 km road length in states over the next five years. The scheme will also include 'through routes' and 'major rural links' that connect habitations to Gramin Agricultural Markets (GrAMs), higher secondary schools and hospitals.

It will entail an estimated cost of Rs 80,250 crore (Central share Rs. 53,800 crore, states' share Rs 26,450 crore).

The road length in km to be constructed under PMGSY-III is significantly lower than the 218,000 km constructed under the umbrella scheme between fiscals 2015 and 2019. CRISIL Research expects investments in rural roads to slow down by ~10%

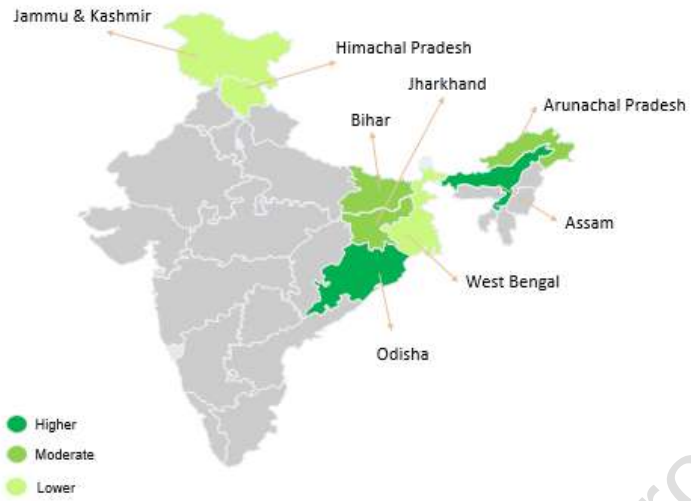
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over the next five years, due to the lower targets.

PMGSY targeted construction largely in Eastern and Northern states

Residual construction target under PMGSY II and future targets under PMGSY III are largely concentrated in nothern and eastern states in the country. CRISIL Research believes, Odisha would see 15-20% of targeted rural road construction under PMGSY. Followed by Assam, which would see 9-11% of the total PMGSY target construction. Arunachal Pradesh, Bihar and Uttarakhand would each see 5-10% of the total construction under PMGSY. Other states such as West Bengal, Jammu and Himachal Pradesh also have potential for rural road construction under the scheme.

Odisha and Assam have highest potential for construction of rural roads under PMGSY



Source: Ministry of Rural Development, Crisil Research

States share in PMGSY to be monitorable

In the Union Budget 2016-17, the government advanced the target date for the completion of PMGSY-I by three years, from fiscals 2022 to 2019. To support this ambitious goal, it increased allocation substantially in fiscals 2016 and 2017 and maintained the budget allocation for fiscals 2018 and 2019. Nearly 75% of the funding needed for the scheme is to be met through cess funds and the rest through external borrowing.

At the same time, the ratio of Central-to-state spending was revised from 70:30 to 60:40 for most states (the ratio remains 90:10 for the eight north-eastern and the three Himalayan states). Hence, the ability of states to provide funds in proportion to the Centre's contribution is critical to meet the envisaged targets. However, the share of Centre and states has been at an average of 70:30 over the past three years.

Question mark on maintenance continues

PMGSY is a one-time special scheme undertaken by the Central government to boost infrastructure in rural parts of the country, but maintenance of these roads remains a state subject. All PMGSY roads are covered by five-year maintenance contracts. Maintenance funds to service the contract are to be budgeted by the state government.

With effect from fiscal 2017, financial incentives are given to best-performing states, which show higher achievement on the basis of set parameters. Financial incentives amounting to Rs 10.8 billion and Rs 8.4 billion were awarded in fiscals 2017 and 2018, respectively, for periodic maintenance to best-performing states.

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In fiscal 2017 alone, Rs 5.4 billion was credited to the accounts of 20 state rural-road development agencies for carrying out maintenance on these roads, of which only Rs 3.33 billion was spent. In fiscal 2018, Rs. 9.4 billion was spent on maintenance. Thus, eventhough execution of new roads under PMGSY is on track, their maintenance remains a key monitorable.

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5.0 Financing: Public funding

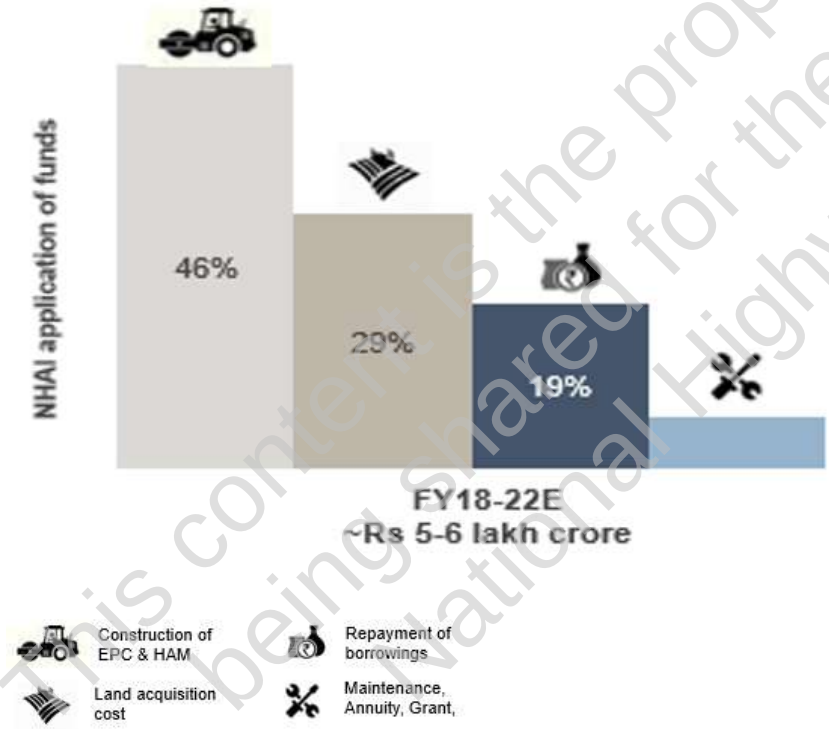
Asset monetisation critical to meet aimbitious Bharatmala targets

CRISIL MI&A estimates Rs 17-19 trillion will be invested in national highways between fiscals 2023 and 2027, with public funds dominating the overall spending. With the National Highways Authority of India (NHAI) awarding more projects under the hybrid annuity model (HAM) and on cash-contract basis, it is now relying more on external borrowings and asset monetisation. While asset monetisation via TOT and now the InVIT route is challenging in itself, raising external funds is increasing the debt to equity of the authority and repayments now form a large outflow for NHAI. Timely asset monetisation is critical for NHAI to meet its aimbitious Bharatmala targets.

Due to higher awarding under EPC & HAM, NHAI's outflow toward milstone payments formed ~46% of total met through market borrowings

Out of the Rs 5-6 lakh crore spent over the 5 years (FY18-FY22E), 46% were toward milestone payments for EPC and HAM (40% of HAM) projects. ~29% were toward land acquisition expenditures and 19% toward interest and repayment of borrowing.

NHAI application of funds: 46% of NHAI outflows towards construction



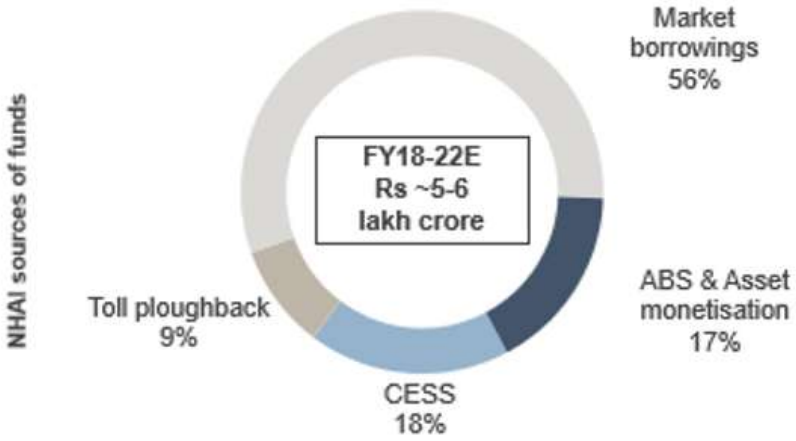
Source: NHAI, CRISIL Research

Looking at the sources, while toll plough back and CESS (budgetary allocation) contributed 18% and 9% respectively to the sources, market borrowings is where the maximum amount (56%) of NHAI's funding came from. Additional Budgetary Support and Asset Monetisation were 17% of total.

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With NHAI's requirement expected to increase with aimbitious construction targets, additional support via monetisation are critical for its future requirements.

NHAI sources of funds: Market borrowings accounted 56%

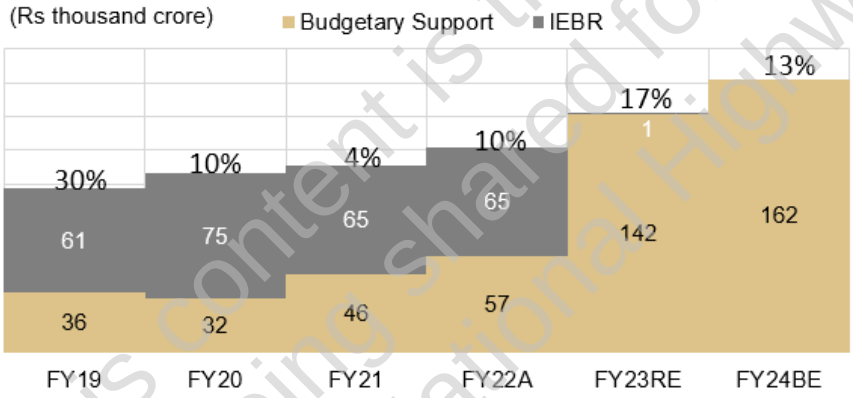


Source: NHAI, CRISIL Research

With the high dependence on market borrowings to fund EPC and HAM projects, NHAI's debt to equity had risen to 1.2 times by FY21.

To limits the rise in borrowings, NHAI's budgetary support in the form of CESS & toll ploughback was increased by 106% for fiscal 2023 (budgeted) and its IEBR had been kept at nil. The trend has continued in fiscal 2024 wherein the IEBR has continued to remain absent in the budgeted estimates for fiscal 2024. The overall support to NHAI has marked a 13% increase over FY23RE.

Budgetary support to NHAI up by 14% vis-a-vis FY23RE, IEBR remains absent in FY24 budget as well

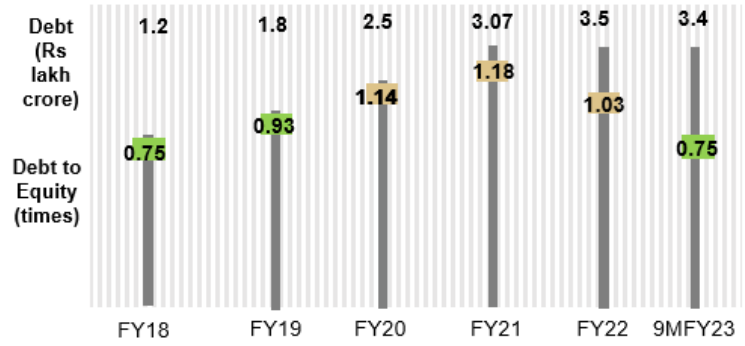


Source: Union budget, CRISIL Research

Due to the reduction in dependence on external borrowings, NHAI's leverage position has seen a sharp improvement. The entity's debt-to-equity ratio has climed down from 1.2 in fiscal 2021 to 0.75 (as of Dec-22).

Reduction in IEBR led to improvement in NHAI's leverage

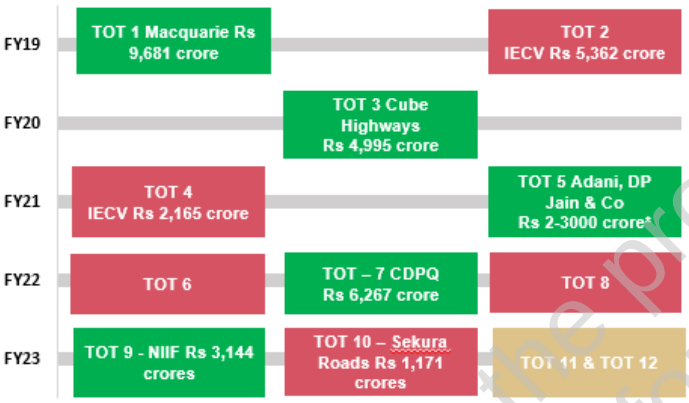
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Source: NHAI, CRISIL MI&A Research

Other modes of funding such as TOT have seen only limited success. With the implementation of Fastags, TOT becomes more attractive as its able to eliminate cash handling and plug leakaged in the system. However, of late, the awarding of TOT bundles have encountered impediments with certain TOT bundles like TOT-6, TOT-8 and TOT-10 getting cancelled due to low bids. NHAI has already invited bids for TOT 11 and TOT 12 and the progress in the same remains to be seen. The convergence of the expectations of the government authorities and the private bidders remain a key monitorable as well as a major requirement for this mode of funding to become truly succesful.

Success of TOT critical to meet ambitious Bharatmala targets



Source: NHAI, CRISIL Research

The authority has also tied up debt via SPV level funding for the Delhi-Mumbai expressway where it has already raised Rs 9,731 crores.

InVITs & SPV level financing



Source: NHAI, CRISIL Research

NHAI focuses on clearing land acquisition issues:

Historically cess was allocated towards land acquisition expenditure incurred by the NHAI. This gap had widened with after the implementation the new act related to rehabilitation and resettlement. However, with the authority's focus on clearing these issues coupled with focus on new greenfield alignments, have reduced the burden on land acquisition.

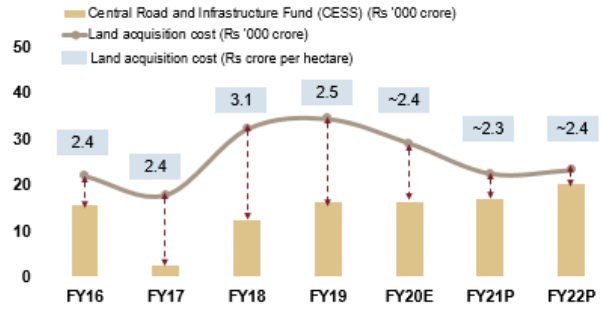
In the Union Budget for fiscal 2019, road cess was replaced by road and infrastructure cess (CRIF). Previously, road cess used

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to be split for national highway construction, maintenance, railways, Pradhan Mantri Gram Sadak Yojana, etc., based on a fixed formula. So far, there has been no change in the split. However, going forward, the share of cess to the roads sector could reduce given the increase in the overall scope from roads to roads and infrastructure, increasing dependence on borrowings.

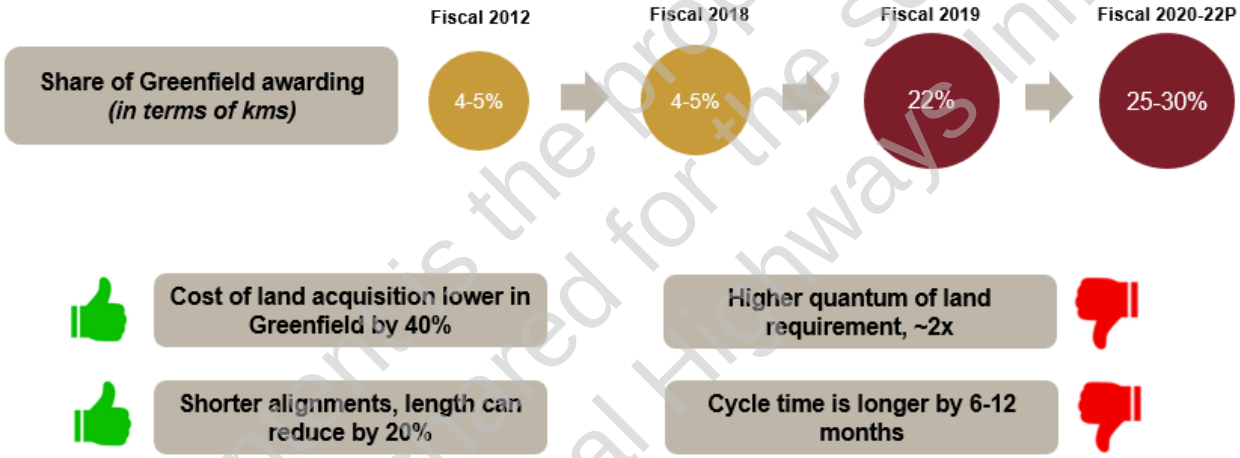
The compensation policy under the current land acquisition bill requires the NHAI to pay four times the market value of rural land and two times that of urban land. This, coupled with new laws related to rehabilitation and resettlement, has almost tripled land acquisition costs. In fiscal 2014, the average cost for acquiring land was Rs 9 million/hectare. It increased to about Rs 30-32 million/hectare in fiscal 2019 and has tapered to Rs 24-25 million/hectare in fiscal 2020.

Cost for Land acquisition for the authority has come down since FY20:



Source: NHAI, CRISIL Research

Green field projects offer suppport:



Source: NHAI, CRISIL Research

The share of greenfield road projects in awarding has been increasing consistently in the past few years driven by Bharatmala. As per CRISIL MI&A estimates, the share of greenfield projects in awarding was above 25% in the last few fiscals. The increase in the share of greenfield projects lowers the cost of land acquisition by 40%, compared with brownfield projects. Also, these greenfield projects come with shorter alignments and 20% shorter length. That said, a key drawback of greenfield projects is the cycle time, which is longer by 6-12 months, compared with brownfield projects, because of higher design time.

State roads financed by state governments, private participation via HAM in states is monitorable

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State roads are largely financed through budgetary allocations by respective state governments. These are supplemented by funds from the National Bank for Agriculture and Rural Development (Nabard), Housing and Urban Development Corporation Ltd, Rural Infrastructure Development Fund, and the state's portion of CRF.

State governments will finance most state road projects (via budgetary allocation, external assistance, and CRF). Some states have a favourable policy framework to attract private participation. Going forward, the share of private participation in state roads is expected to be at 12-15% as the success of the HAM projects introduced across various states are monitorable.

Rural roads to continue to be funded by central, state governments, no private participation in sight

CRISIL Research expects ~ Rs 80 billion to be invested in rural roads under the PMGSY over the next five years under the PMGSY-III. Rural roads under the yoajan are entirely funded by the central and state governments. The Centre's contribution is mostly through CRF and through loans from the Nabard, World Bank, Asian Development Bank, etc.

Other than the PMGSY, certain states have their own programmes to develop rural roads, which are funded completely by their governments.

The Ministry of Rural Development has put forward a proposal to implement the PPP model under the PMGSY. However, given the low-ticket size of contracts and questions over users' ability to pay toll/usage charges, we do not foresee the PPP mode picking up in rural road projects.

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6.0 Financing: Private funding

Investments by private sector to grow 3x times over the next 5 years

CRISIL MI&A expects private construction investments in national highways to increase 2x to Rs 2.7 trillion over fiscals 2024 to 2028 compared with the previous five years. This is expected to be mainly through the hybrid annuity model (HAM) mode, as the build-operate-transfer (BOT) toll mode may have only a few takers.

A policy push in the form of changes in Model Concession Agreements (MCA) for HAM and BOT projects and reduction in bid eligibility criteria across all national highway projects would bode well for private participation. However, the share of HAM in total awarding is constrained by the cautious approach employed by banks in lending to HAM projects.

Amidst the COVID-19 pandemic, NHAI and the ministry have taken various steps under the Atmanirbhar package to ease issues faced by developers. Releasing monthly payments, instead of milestone based payments; extension of timelines for completion of projects, etc have sustained private participation in the sector. While these have been extended till Oct 2020, they are likely to fade from next fiscal onwards.

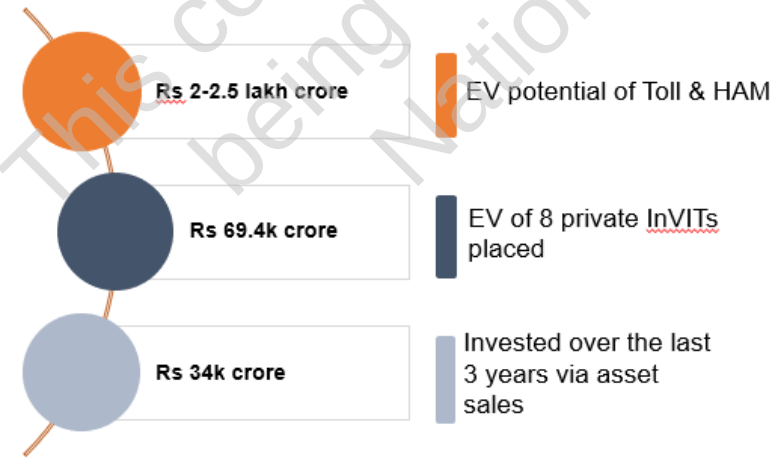
Asset monetisation, equity infusion key to support private investment in the long run

Currently, there are two broad drivers of asset sales in the roads sector - rationalisation of financial position to improve balance sheet strength and asset churning to be able to participate in the upcoming projects. The erstwhile major BOT players are selling off assets to reduce their debt burden and free up equity, which can be infused in under-execution projects.

The players present in HAM are currently selling off HAM assets to participate further in upcoming HAM projects. Some players intend to sell off under-construction projects to financial investors with projects being executed by the same player. Thus, they are able to convert HAM projects to EPC without facing the cut-throat competition they deal with currently in the EPC mode. This will help them retain margins.

About Rs 70,000 - 80,000 crore has already been invested through these modes. CRISIL's analysis of BOT and HAM projects indicates a potential of ~Rs 2-2.5 lakh crore in terms of Enterprise Value.

Asset monetisation has a lot of potential to free up developers' balance sheets



Source: Industry, CRISIL MI&A Research

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InvITs to deleverage balance sheets and enable capital recycling

Infrastructure investment trusts (InVITs) will help free up capital of players by divesting stake in operational assets and help recycle this capital to deleverage balance sheets for creating new assets.

Developments in InVITs:

Name	Sponsor	Structure	AUM (Rs crore)*	Ratings	Month-Year of launch	Assets
IRB InvIT Fund	IRB	Public listed InvIT	6,500	IND AAA/ Stable	May-17	6 operating toll road assets
Indinfravit Trust	L&T IDPL	Private listed InvIT	10,500	CRISIL AAA/ Stable	Mar-18	11 BOT-toll from L&T IDPL and Sadbhav, 2 operational BOT annuity (1 pending)
Oriental Infratrust	Oriental group	Private listed InvIT	11,000	CRISIL AA+/Provisional CRISIL AAA/Stable	Jun-19	5 operational assets
IRB Infrastructure Trust (IRB InVIT II)	IRB	Private unlisted InvIT	22,500	ACUITE AAA	Feb-20	9 BOT-toll projects
Total			**50,500**			

Source: Industry, CRISIL Research

InvITs, as envisaged in Union Budget 2014-15, will own and manage income-generating infrastructure projects. As per regulations, these trusts will be allowed to make only 20% of their investments in under-construction projects. The rest will have to be invested in completed, revenue-generating infrastructure projects. Such trusts are expected to help unlock tied-up capital of developers and attract foreign capital.

In Union Budget 2015-16, the finance minister exempted the capital gains tax on sponsors at the time of listing of units of InvITs. In Union Budget 2016-17, distributions made from special purpose vehicles to InvITs were exempt from the dividend distribution tax.

Additionally, the Union budget (FY21) announcement of scraping dividend distribution tax (DDT) and shifting the taxation of such payouts to investors would prove to be a negative for InvITs. Our interactions with market participants, however, indicate that given this could hurt asset monetisation plans esp. in the roads sector, the government may create a carveout for InvITs to allow them to continue with the earlier regime.

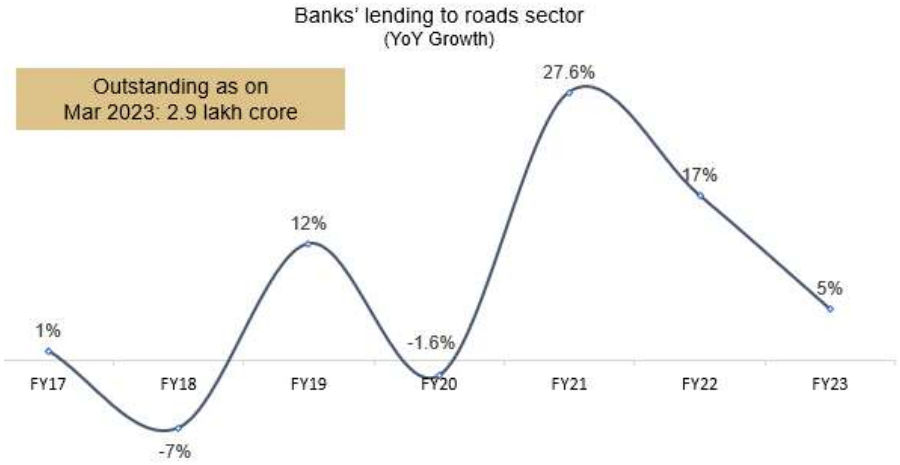
Improvement in bank credit growth led by higher HAM execution

After a dip in fiscal 2020, bank lending to the roads sector staged a healthy recovery and grew by 27% yoy owing to higher awarding and higher construction. The traction continued in fiscal 2022 as well with lending to the sector witnessing a robust growth of 17% yoy. In fiscal 2023, the growth momentum has moderated due to the high base with the on-year growth rate for the year standing at 5%. At the end of fiscal 2023, the outstanding bank credit to the roads & highways sector stood at Rs 2.9 lakh crores.

For projects that were awarded in fiscal 2012, banks approved costs that were much higher than those approved by the National Highways Authority of India (NHAI). As a result of the problems faced in these projects, bankers are now very cautious while evaluating projects, and are estimating project costs much closer to the NHAI estimates. They demand that at least 80% land acquisition should be completed and all clearances must be obtained at the beginning. While this has increased the time taken by players to achieve financial closure, it will ensure participation only by serious players. However, viable projects and those that have not gone through aggressive bidding should achieve financial closure quite smoothly.

Bank credit growth to the roads sector moderated in fiscal 2023 due to the high base

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Source: RBI, CRISIL MI&A Research

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7.0 Our view: Profitability

Revenue growth to moderate, margins to recover by 50-100 bps in fiscal 2024

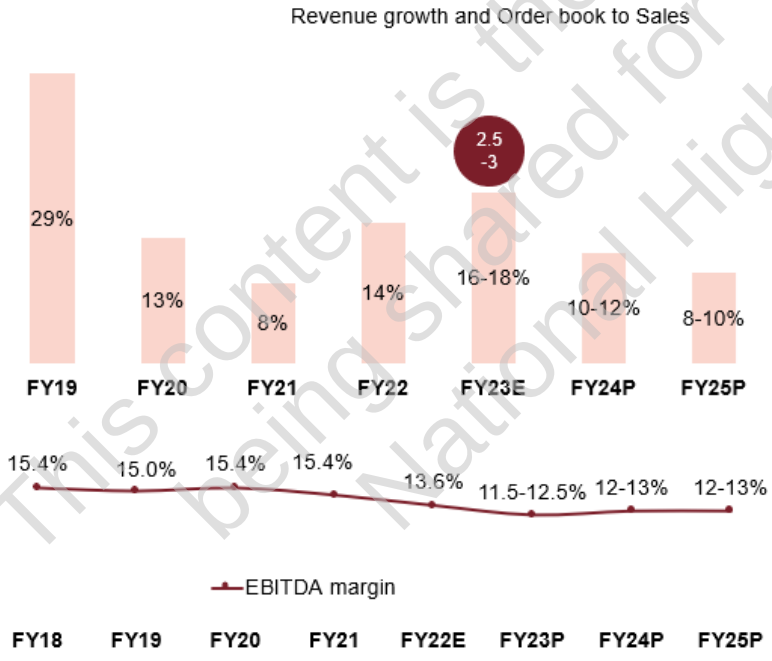
Owing to the high awarding in the previous fiscals, the orderbook of the road developers had swelled. Furthermore, their superior execution capabilities enabled them to leverage their robust orderbook positioning and ramp up construction despite headwinds such as exorbitant raw material prices and elongated monsoons. Simultaneously, the share of high-value expressways in the construction by these players also went up which further boosted their revenues. As a result, the revenue of the road players is estimated to have grown by 16-18% in fiscal 2023. Given the existing order book positions, the revenue of the road EPC players are further expected to go up by 10-12% in fiscal 2024.

The profitability margins for the road players were impacted in fiscal 2023 due to abnormally high prices of key raw materials such as bitumen, cement and long steel. Furthermore, lower bid premiums in projects due to intense competition also contributed to the fall in margins. Consequently, the margins fell by 100-200 bps in fiscal 2023 are estimated to have been in 11.5-12.5% range.

Given that the prices of the key commodities have cooled off, the margins are expected to have bottomed out in fiscal 2023. However, the negative impact of projects being won at low bid premiums are expected to continue. Nonetheless, as per CRISIL MI&A estimates, margins are expected to grow up by 50-100 bps in fiscal 2024 and stay in the 12-13% range.

On account of equity commitment requirements in HAM projects and working capital needs, road players are likely to increase their debt drawdown slightly. Consequently, their TOL/TNW is expected to go up while ISCR is expected to inch down slightly. Nonetheless, they are still expected to remain at comfortable levels and the credit profile of the road EPC players are expected to remain strong.

Healthy orderbook provide revenue growth visibility, margins to recover due to cooling prices

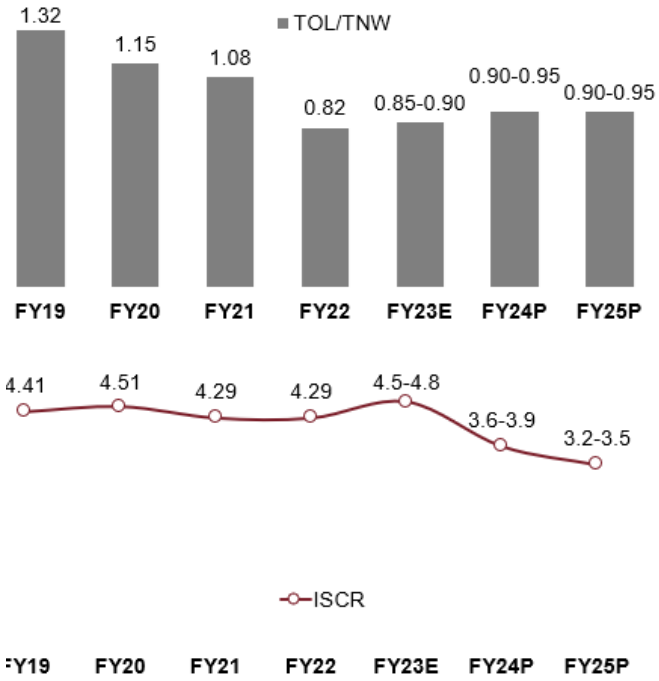


Note: Standalone financials of 130 EPC road companies considered

Source: Company reports, CRISIL MI&A Research

TOL/TNW and Interest coverage likely to remain comfortable

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Note: Standalone financials of 130 EPC road companies considered

Source: Company reports, CRISIL MI&A Research

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8.0 Our view: Competition

Relaxations in bid eligibility criteria have enhanced competitive intensity in national highway projects Since fiscal 2021, when the financial threshold to bid was reduced, NHAI awarding peaked. Package sizes reduced by 30% over 2016-20 levels, to fast-track construction by awarding to a larger pool of players. All this led to intensified competition, with nearly 15 bidders per project in the HAM space. Bid premiums nosedived to as low as ~4% from ~16% on average earlier. Instances where even large players bid aggressively increased and one-third of projects were awarded at discounts. Interestingly, mid-sized regional players won ~45-50% of HAM awards in fiscal 2022, vis--vis 25% in the earlier period that is over fiscals 2016-20. The share of the mid-sized players remained at similar levels in fiscal 2023 as well.

EPC is witnessing even higher competition with almost 20-30 bidders per project, with bid discounts as low as 15-20%.

Smaller players to start participating in National Highway projects, remains to be a key monitorable:

	EPC	HAM	BOT
Financial Capacity	Threshold capacity reduced to <Rs 100 crore projects: 0.75x of EPC >Rs 100 crore projects: 1x of EPC	Old: Min Net Worth of 25% of EPC cost New: Min Net Worth of 15% of EPC cost	NA
Technical Capacity	Bidders' core sector expanded to experience in other sectors such Hospitals, Hotels, Warehouses, Smart City etc.		

Source: MoRTH, NHAI, CRISIL Research

HAM saw intense competition continue in fiscal 2023, mid-sized players retained their share in awarding

CRISIL Research's analysis of NHAI HAM projects show that though HAM projects were earlier awarded to large developers with strong balance and execution capabilities. Since fiscal 2021, in light of the relaxed bidder eligibility criteria, the average number of bidders per HAM projects increased sharply from only 4-8 in FY16 to around 10-15 in fiscal 2022. Consequently, the average bid premiums tumbled to 3-5% in the fiscal.

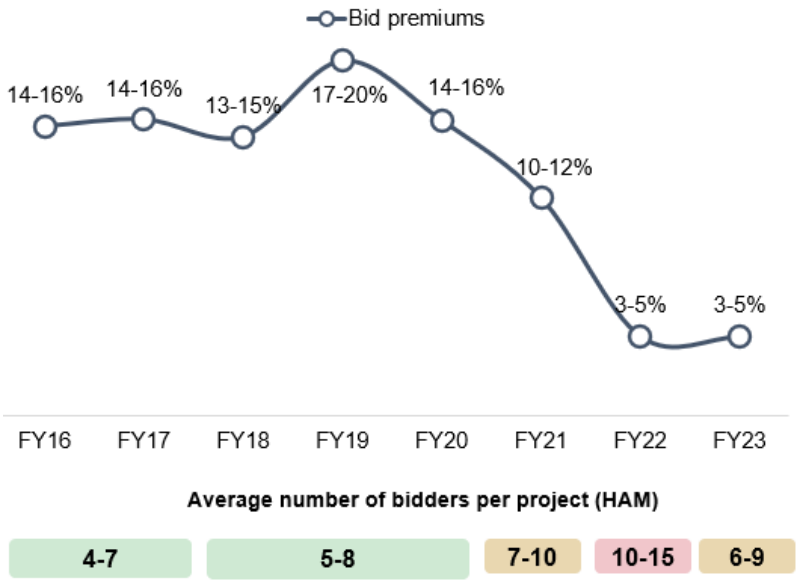
There was slight recovery in first half of fiscal 2023 due to many project winners having exhausted their balance sheet capabilities and awarding of complex projects. However, due to the re-emergence of competitive bidding in the latter part of the fiscal, the bid premiums remained largely similar to what we observed in fiscal 2022.

Simultaneously, since fiscal 2021, the share of mid-sized developers have also surged. However, despite that, 72% projects awarded in fiscal 2022 have already achieved Financial closure, thereby mitigating the funding and execution risk to an extent.

Furthermore, BBB was recently set as the minimum rating requirement for bidders of HAM projects. In case the rating is below this threshold, a comfort letter from banks/financial institutions is required to guarantee credit facilities. This is likely to minimize the risks associated with project implementation and defaults by developers with lower ratings.

Higher number of bidders led to reduced premiums in HAM projects

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Source: NHAI, Industry, CRISIL Research Roads Projects database

Low-ticket projects making EPC highly competitive

EPC projects being bid out are smaller in terms of both size and cost than HAM projects by almost half. The average length of EPC projects awarded was 22 kms as compared with HAM projects whose average length was 46 kms. Similarly, when comparing costs, average size of EPC projects in terms of cost, was Rs 3750 million as compared with HAM which was more than Rs 7000 million.

For EPC projects, a developer is eligible to bid if its bid capacity is more than the bid value. Bid capacity is calculated based on the highest annual revenue earned through EPC projects in any of the previous five years. Thus, a lower bid value ensures more eligible bidders, increasing the competitive intensity of the project.

Also, many road developers are now focused on bidding for only EPC projects owing to their poor financial health as well as overhang of past issues with regard to delays in land acquisition, clearances, and mismatch in traffic projections.

With the recent reduction in bidder eligibilty EPC have witnessed even more stiff competition with even 30-35 contractors bidding per project.

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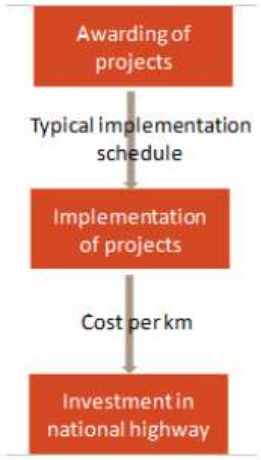
9.0 Our view: Methodology

Methodology

To estimate the number of projects being awarded, CRISIL Research has prepared a list of upcoming projects in various NHDP phases and Bharatmala component-wise, along with the length and location (state) of the project. Projects have been bucketed year-wise, based on their likelihood of being awarded, which, in turn, depends on how attractive the project is in terms of location.

Projects that are more attractive are expected to be awarded first. However, for estimating projects to be awarded this fiscal, tenders released by the NHAI on its website have been factored in, as this will help us arrive at a more accurate figure on phase-wise length. The final numbers arrived at for the next five years have been vetted by the NHAI and developers to determine if the estimate is realistic and achievable.

Steps in estimating NHAI investments:



Source: CRISIL MI&A Research

To arrive at the length to be executed over the next five years, we have assumed a typical implementation schedule of 3-4 years from the time of award. The implementation schedule has been calculated based on the projects completed in the recent past and interactions with industry participants.

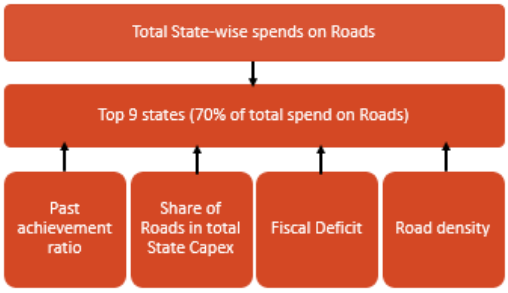
Finally, for estimating investments required over the next five years, the length to be executed in each NHDP phase has been multiplied by the phase-wise cost per kilometer (taken as average cost per kilometer for recently completed projects). This has been cross-checked with NHAI and developers.

Methodology for estimating state investments

To estimate investments in State Roads, Crisil Research has analyzed budgeted and actual spend on Roads & Bridges in each state. Further, we have deep dived in to the top 9 states that contribute ~70% of the total spend. Our forecasts are based on historical trends in achievement ratios, states ability to spend given their fiscal deficits, road density & share of unsurfaced roads in these states. We also looked at the major road projects in the states, financial health of implementing agencies and private participation.

Steps in estimating State investments:

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Source: CRISIL MI&A Research

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10.0 Overview: Road network in India

Roads network in India

Extensive road network

India has the second largest road network in the world, aggregating 6.2 million km. Roads are the most common mode of transportation and account for about 86% of passenger traffic and close to 67% of freight traffic.

In India, national highways, with a length of close to 136,440 km, constitute a negligible percentage of the road network but carry about 40% of the total road traffic. On the other hand, state roads and major district roads are the secondary system of roads; they carry another 60% of traffic and account for nearly the entire road length.

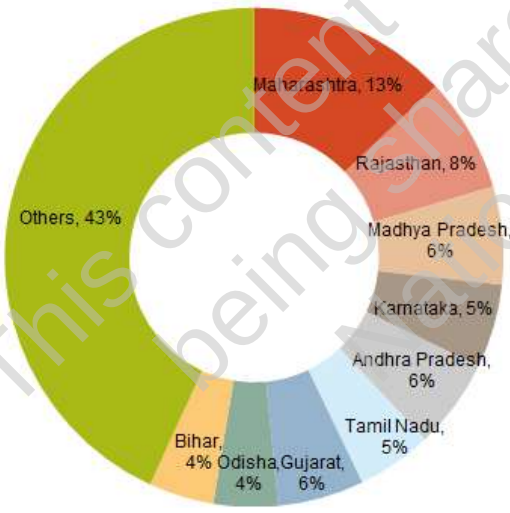
The road network in India can be divided into the following categories:

Road network in India as in fiscal 2022

Road network	Length (km)	Percentage of total		Connectivity to
		Length	Traffic	
National highway	140,995	2	40	Union capital, state capitals, major ports, foreign highways
State highway	171,039	3	60	Major centres within the states, national highways
Other roads	6,059,813	95		Main roads, rural roads, production centres, markets
Total	6,371,847	100.0	100.0	

Source: MoRTH Annual report 2020-2021, CRISIL Research

State-wise length of National Highways in India as in fiscal 2022



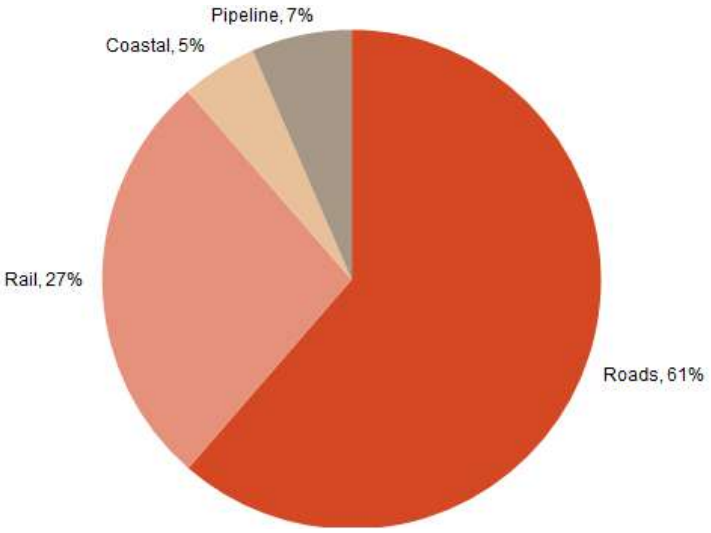
Source: MoRTH, CRISIL Research

Roads account for 67% of total freight traffic

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Road transport is the most frequently used mode of transport for both freight and passengers. For fiscal 2021, it is estimated that ~67% of total freight (in terms of BTKM) will be carried by roads when compared with railways. In 2009-10, roads accounted for approximately 58% of the total freight traffic.

Proportion of freight traffic across modes of transport - Fiscal 2022



Source: CRISIL Research

Note: For details, kindly refer to CRISIL Research's coverage on Domestic Freight Transportation Services industry

Higher passenger traffic on roads than railways

Passenger traffic - Roads v/s railways



Note: FY13 is the latest available data

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Source: Working Group Report on Road Transport for Eleventh Five-Year Plan, Industry

Since 1950-51, passenger traffic for railways has come down from 85% to 13% while passenger traffic for roads has consistently grown from 15% in 1950 -51 to 87% in 2012-1.

Preference for road transport for freight movement is primarily on account of large capacity expansions carried out by fleet operators, flexibility and door-to-door movement. Further, there are many players in road transport while Indian Railways is the only player in railways.

Upgradation of highways from two lane to four lanes

There has been an upgradation in terms of lanes in national highways, which has gone from being one lane and two lanes to four lanes. Single lane roads decreased from 32% in 2014-15 to ~21% currently. Two lane roads increased from 47% to 52%, while four lane roads increased from 12% to 27% during the same period. As of March 2022, 94% of the targeted 2,706 kms of expressways have been awarded while 29% have been completed.

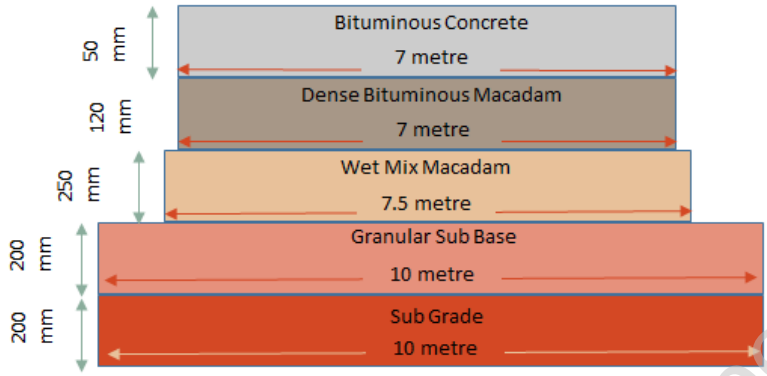
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11.0 Road construction Process: Bituminous road

Flexible or bituminous pavement

The bituminous or flexible pavement comprises of five layers after the Earthwork:

1. Sub grade
2. Granular sub-base (GSB)
3. Wet mix macadam (WMM)
4. Dense bituminous macadam (DBM)
5. Bituminous concrete (BC)



Note: Dimensions mentioned are average values for a two lane road, which can vary within a band for different roads

Source: Industry, CRISIL Research

Cost break-up across layers

Components	% of total cost
Bituminous Concrete	12%
Dense Bituminous Macadam	24%
Wet Mix Macadam	13%
Granular Sub Base	12%
Sub Grade	5%
Earthwork , Shoulders & coats	33%

Note: Cost is for two-lane road without structures

Source: CRISIL Research

Earthwork

Earthwork involves removal of vegetation, excavation and disposal of topsoil, uneven stones and rocks. Excavation is done in a manner that the alignment (width and shape) of the road conforms to the planned design. It is carried out with the help of equipments such as Excavators, Tractors, Cranes etc. The depth of this layer may vary from 250 mm to 500 mm.

Sub grade

It forms the bottom layer of a flexible pavement and involves leveling of the ground surface. Materials used in leveling the ground surface are aggregates (soil, rocks and clays), which constitute over 40% of the total cost involved in constructing this road layer. The cost of aggregates is also significantly influenced by the lead distance from the quarry to the project site. In case of elevated roads, compaction of the material also needs to be carried out. Subgrade accounts for about 5% of the total

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cost incurred in constructing the road. The cost of this layer varies from Rs 200 to 250 per cubic metre. The thickness of this layer is highest at around 500 mm with a width of around 10 m for a two lane road.

Granular sub-base

The GSB layer is laid after the subgrade. It consists of laying and compacting aggregates such as stones, soil, sand, small size metals, etc. This layer is built to provide strength to the road and bear the load of the traffic. The thickness of this layer may vary between 100mm - 250mm depending upon the level of traffic for which the road is designed. The cost of this layer varies from Rs 1,000-1,750 per cubic metre. Out of the total cost involved in this layer, around 90% constitutes aggregate cost, around 3% labour cost and the rest 7% towards machinery. Cost of constructing the GSB layer is 12% of the total cost of constructing a bituminous road.

The cost and composition of the sub grade and GSB layers is similar in both bitumen and cement pavement roads.

Wet mix macadam

WMM layer is laid over the GSB layer. Within this layer, various materials such as stone aggregates, moorums, dust and sand are bound using some water and bitumen. The thickness of this layer varies from 200 mm-300 mm, and costs Rs 1,500-2,000 per cubic metre. The main cost component in this layer is aggregate cost, contributing more than three fourth of the total cost of the layer. Other costs include labour and miscellaneous costs. Cost of constructing this layer is 13% of the total cost of constructing a bituminous road.

Dense Bituminous Macadam

DBM comprises coarse aggregates and bitumen. Presence of bitumen in layers reduces the permeability of roads. It also provides the road some flexibility when subjected to weight. The purpose of this layer is to provide strength to the road and provide coarse surface which can hold the fine aggregates laid on the top layer. The thickness (depth) of the layer varies between 50mm - 200mm but is always greater than or equal to the top layer i.e. Bituminous Concrete.

Cost of this layer is around Rs 8,000 per cubic metre. The major component of the cost of this layer is bitumen (68%); followed by aggregates (14%), and others such as machinery, labor, cement and miscellaneous.

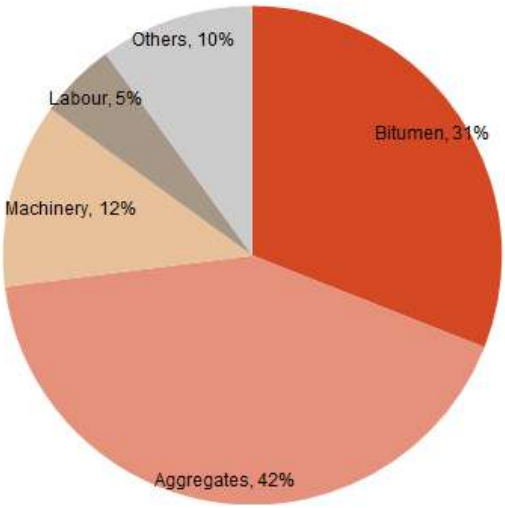
Bituminous Concrete

BC is the top-most layer in a flexible pavement. It consists of fine aggregates and bitumen. The thickness of this layer also, varies from 50 to 200 mm, depending upon the design of the pavement. This layer has higher proportion of bitumen as compared to DBM. High cost of bitumen as compared with other inputs makes BC as the most expensive layer of a flexible pavement.

The major component of the cost of this layer is bitumen (61%); followed by aggregates (19%), and others such as machinery, labor, cement and miscellaneous.

Cost break up of bitumen pavement

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Source: Industry, CRISIL Research

Cement Pavement is costlier than Bitumen pavement

Cost of cement pavement is around 20-25% higher than the cost of bituminous pavement for a two-lane greenfield road (with earthwork) with earthen shoulders.

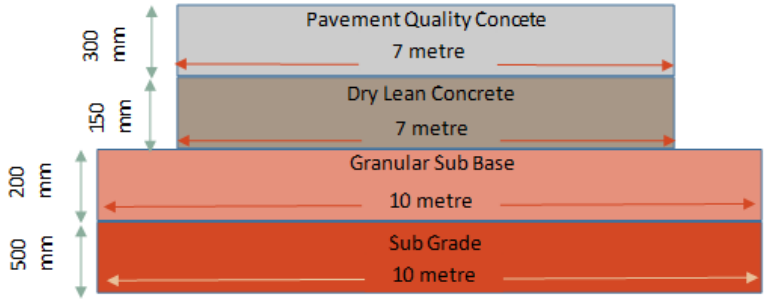
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12.0 Road construction Process: Cement road

Rigid or cement pavement

The rigid or cement pavement is made up of four layers after Earthwork:

1. Sub grade
2. Granular Sub base (GSB)
3. Dry lean concrete (DLC)
4. Pavement quality concrete (PQC)



Note: Dimensions mentioned are average values for a two lane road, which can vary within a band for different roads.

Source: Industry, CRISIL Research

Cost break- up across layers

Components	% of total cost
Pavement Quality Concrete	46%
Dry Lean Concrete	13%
Granular Sub Base	10%
Sub Grade	4%
Earthwork and Shoulders	27%

Note: Cost is for a two-lane road without structures

Source: Industry, CRISIL Research

Earthwork

Earthwork involves removal of vegetation, excavation and disposal of topsoil, uneven stones and rocks. Excavation is done in a manner that the alignment (width and shape) of the road conforms to the planned design. It is carried out with the help of equipments such as Excavators, Tractors, Cranes etc. The depth of this layer may vary from 250 mm to 500 mm.

Sub grade

It forms the bottom layer of a rigid pavement. Materials used in leveling the ground surface are aggregates (soil, rocks and clays), which constitute over 40% of the total cost involved in constructing this road layer. In case of elevated roads, compaction of the material also needs to be carried out. Subgrade accounts for about 4% of the total cost incurred in constructing all the layers. The cost of this layer varies from Rs 200 to 250 per cubic metre. The thickness of this layer is highest at around 500 mm with a width of 10 m.

Granular sub-base

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The GSB layer is laid after the subgrade. It consists of laying and compacting aggregates such as stones, soil, sand, small size metals, etc. This layer is built to provide strength to the road and bear the load of the traffic. The thickness of this layer may vary between 100mm - 250mm depending upon the level of traffic for which the road is designed. The cost of this layer varies from Rs 1,000-1,750 per cubic metre. Out of the total cost involved in this layer, 90% constitutes aggregate cost, 3% labour cost and 7% towards machinery. Cost of constructing this layer is 10% of the total cost of construction of a cement road.

The cost and composition of the sub grade and GSB layers is similar in both, bitumen and cement pavement roads.

Dry lean concrete

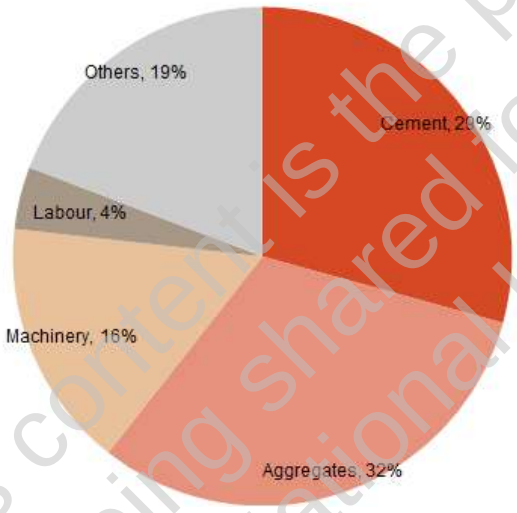
This layer consists of coarse aggregates, fine aggregates, water and cement. The proportion of the ingredients depends upon the design mix used, based on the specifications and design of the stretch. The thickness of the layer varies between 150-300 mm depending on the topography. Generally, a thick polyethene sheet is spread over this layer to avoid the moisture loss. Cost of constructing this layer is 13% of the total cost of construction of a cement road.

The cost of this layer varies from Rs 3,000 to Rs 6,000 per cubic metre. Out of the total cost involved in this layer, cement contributes around 33%. The remaining cost is shared by aggregates (28%), machinery, labour and miscellaneous.

Pavement Quality Concrete

DLC layer is covered by the PQC layer, which forms the top-most layer of a rigid pavement. The thickness of this layer varies from 150mm - 300 mm. This layer is generally thicker than DLC. Cost of developing this layer varies from Rs 4,600 to Rs 7,600 per cubic metre. Cement cost accounts for about 40% of the total cost of a PQC layer followed by labour, aggregates, machinery and miscellaneous. High proportion of cement in the PQC layer makes it costlier than the other layers such as DLC and GSB. As a result, the PQC layer contributes around 46% to the total cost of a rigid pavement.

Cost components of Rigid pavement



Source: Industry, CRISIL Research

Cement pavement is costlier than Bitumen pavement

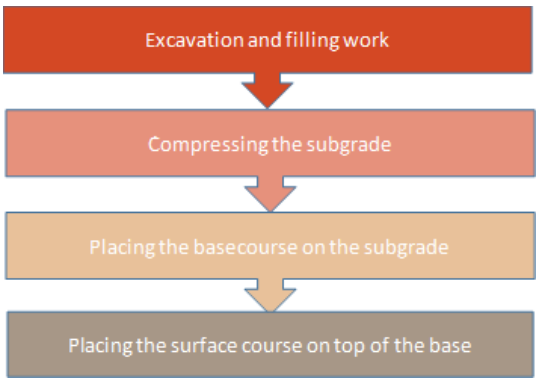
Cost of cement pavement is around 20-25% higher than the cost of bituminous pavement for two-lane greenfield road (with earthwork) with earthen shoulders.

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13.0 Road construction Process: Construction equipments

Road construction process

Stages in road construction



Source: CRISIL Research

Excavation and filling work

Geographic obstacles need to be cleared to create a continuous right-of-way and levelled surface to ensure better traffic and pedestrian movement. After this, the process of removing the earth and rock commences by digging or blasting. This stage also involves construction of embankments, bridges, and tunnels and removal of vegetation. The depth of this layer may vary from 250 mm to 500 mm. Motor graders, excavators, scrapers etc are used for this process.

Sub grade

It forms the bottom layer of a flexible or rigid pavement and involves levelling of the ground surface by compacting the native soil. Weak soil may be stabilised with additives such as Portland cement and quicklime, or dug out and replaced with imported soil. Soil is stabilised using mobile plants which produce the homogenous mixture. The thickness of this layer is highest at around 500 mm with a width of 10 m.

Sub base

This layer is laid on sub grade to provide strength to the road as it bears the load of the traffic. The process involves laying and compacting aggregates such as stones, soil, sand, small size metals, etc with the help of heavy equipment such as dumpers, road rollers, etc. The thickness of this layer may vary from 100 mm to 250 mm depending upon the level of traffic expected on the stretch.

Base course

After laying the sub base, a base of even-sized gravel is laid, followed by a layer of crushed stone over it. Constituents of this layer and subsequent layers are mixed with cement, limestone, bitumen, tar, etc depending upon the type of road to be constructed. The mix is prepared by mobile batching mixers, silos, etc. This layer provides additional load distribution and contributes to drainage and frost resistance.

Cement pavement (rigid) - It has a layer of mixture consisting of coarse aggregates, fine aggregates, water and cement as a base course. This layer is called ***Dry Lean Concrete (DLC)***. Its thickness varies from 150 mm to 300 mm depending on the

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topography.

Bitumen pavement (flexible) - It has two layers of base course:

- ***Wet mix macadam (WMM)*** - It consists of stone aggregates, moorums, dust and sand, bound using some water and bitumen. The thickness of this layer varies from 200 mm to 300 mm.
- ***Dense bituminous macadam (DBM)*** - It consists of coarse aggregates and bitumen. More bitumen is used in this layer than in the WMM layer to give it a smooth finish. Its thickness varies from 50 mm to 200 mm.

Surface course

It refers to the topmost layer of the road, which strengthens the pavement structure by spreading out the vehicle load and also protects the pavement from wear and tear. This layer is made up of bound fine aggregates which ensures that the road has a smooth surface.

Cement pavement (rigid) has a surface layer called ***Pavement Quality Concrete (PQC)***, laid over the DLC layer. It consists of fine aggregates mixed with greater proportion of cement than DLC. Its thickness can vary from 150 mm to 300 mm.

Bitumen pavement (flexible) has a surface layer called Bituminous Concrete (BC), laid over DBM and WMM. It consists of fine aggregates mixed with a greater proportion of bitumen than in the DBM and WMM layers. The thickness of this layer can vary from 50 mm to 200 mm.

Construction equipment used in roads

A contractor has the option of meeting his equipment requirements either by buying them or hiring the equipments on a lease or rental basis. Smaller players, on account of lack of funds, often have to meet their requirements by either buying second-hand equipment or by hiring equipment on rental basis from equipment banks.

In this section, we have put together various types of road equipments, along with their main functions that are used in roads construction in India.

Soil stabilisation plants

These plants are used for producing a homogenous mixture of sand, cement and water with aggregates. This mixture is used for preparing sub grade and sub base layers of a road. These plants can be both large and small with capacity ranging from 60 TPH (tonne per hour) to 200 TPH. Generally, these plants are assembled at the construction site and disintegrated when they need to be moved.

Batching plants

These are the mobile plants which are used to produce the base course and surface course for the roads. Broadly, these plants are of two types:

Concrete batching plants: These plants are used to produce a homogeneous mix of aggregates, sand, cement, water and other additives. They are suitable for preparing cement-based macadam and thus, are used while construction of cement roads.

Asphalt mix plants: These plants are used to prepare a bitumen-based homogenous mix of aggregates, sand and fillers such as stone dust. Since these are bitumen-based plants, they have a heating capacity of upto 200 degree Celsius which helps to prepare a good mix.

Crawlers, excavators and tractors

These are mainly used in earth moving and excavation. An excavator is generally used for digging trenches, holes, foundations. It is also used at times for carrying out demolitions and at other times for general grading/landscaping. Excavators

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are usually employed together with loaders and bulldozers. Excavators typically come in different sizes to meet the requirements of the contractor. The crawler excavator and tractors have common uses. However, excavators are generally used in difficult terrain where a substantial earth-moving process is involved, whereas tractors are more likely to be used in flat terrain regions.

Loaders

Loaders are mainly used for trenching, ditch cleaning, uploading materials into trucks, clearing rubble, and digging. A loader (front loaders), though used for digging, cannot replace the excavating machines as it cannot dig below the level of its wheels. Therefore, loaders are not classified as earthmoving machinery. They can be easily transported as they are tyre-mounted, unlike tracked excavators, which have to be dissembled and reassembled. There is one distinct variant of the loaders family, called backhoe loader. Backhoe loaders can be used for activities such as digging holes/excavating, breaking asphalt, and paving roads.

Tippers / dumpers

These are new generation trucks that carry materials, sand, aggregates, etc and dump them at the desired location. Tippers and dumpers perform the same functions. Usually dumpers have a larger carrying capacity (35-50 tonnes) than tippers that carry weights between 5 to 10 tonnes.

Pavers

A paver is an engineering vehicle used to prepare and lay asphalt on roadways. It heats up the aggregate asphalt mix to 300 degree Celsius, churns and lays it evenly on the road. A roller may or may not be subsequently used to press the hot asphalt mix, resulting in a smooth, even surface.

Road roller

These equipment are used to compact dirt, gravel, concrete, and asphalt in construction of roads and foundations. Road rollers are also used in landfill compaction. The most commonly used rollers are pneumatic rollers, single drum rollers and tandem rollers.

Motor graders

It is a motor-operated grader which has a long inclined vertically adjustable steel blade used to throw earth and other surface material from the side to the centre of a road. Alternatively, they are used to spread the surface material and gravel to create a base for the road. Graders are typically used in road construction to prepare the base course to create a wide flat surface for the asphalt to be placed on. Motor graders can have upto three blades each in the front, rear and middle of the machine. The first blade removes the crowns in the road, the middle blade mixes large pieces of gravel with fines, and the rear blade lays the material so prepared evenly.

Scrapers

It is a kind of grader where one blade has extended reach. They are used in cut-and-fill sites where earth (material) is to be excavated from a different location, crushed and carried to a destination over a short haul. Alternatively, a heavy truck can be used to carry the earth excavated by scrapers. Any other debris left behind by the scraper is then taken away by a front loader.

Lifting Machinery

These cranes are widely used as they can move easily on roads. These equipments are used to lift heavy objects and materials on construction sites. They are available in varying types depending on the height of lifting and the object to be lifted.

Tractor Crane

They are used for lifting and carrying heavy materials on the construction site and they can move about freely because of their

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compact structure.

Truck-Mounted Crane

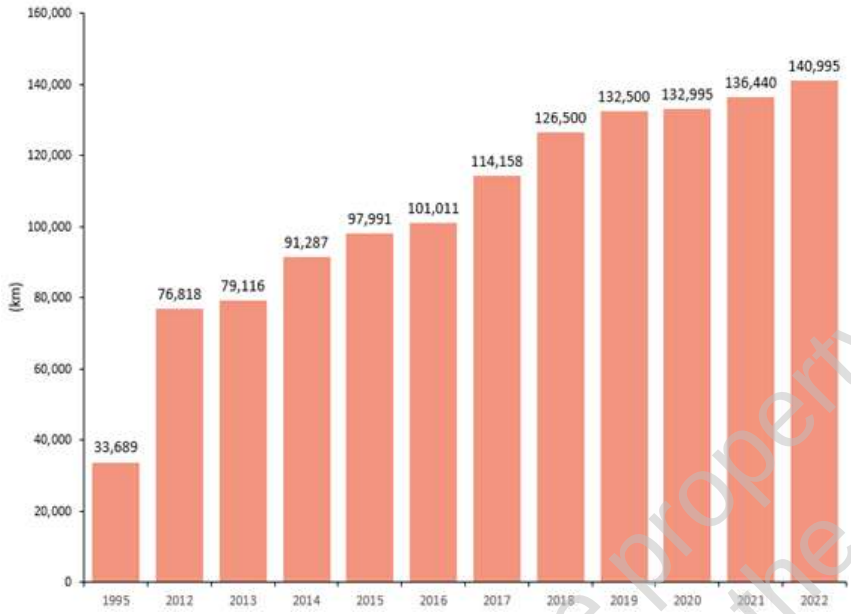
These cranes are mounted on a rubber tire truck to provide better mobility. Outriggers that extend vertically or horizontally are used to level and stabilize the crane during hoisting.These cranes are widely used as they can move easily on the roads.

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14.0 Overview: National highways

As of fiscal 2019, National highways constitute around 2% of the country's road network, but carry about 40% of the total road traffic. The National Highways Authority of India (NHAI), the nodal agency under the Ministry of Road Transport & Highways (MoRTH), is responsible for building, maintaining and upgrading NHs. To develop the NH network, the NHAI launched the National Highways Development Project (NHDP) in December 2000, which is not superceded by the Bharatmala Pariyojana where awarding began from fiscal 2018.

National-highway network



Source: Ministry of Road Transport & Highways

National Highways Development Project

The NHDP encompasses building, upgradation, rehabilitation and broadening of existing NHs. The project is executed by the NHAI, in coordination with the public works departments of various states. The NHAI also collaborates with the Border Roads Organisation for the development of certain stretches. The NHDP is being implemented in seven phases.

NHDP projects are awarded to private players either on EPC (cash) or build-operate-transfer (BOT) basis, and now on the newly introduced hybrid annuity model (HAM). NHDP cash contracts are mainly financed through budgetary allocations from the Central Road Fund, negative grants/premium received, and toll revenue. Loans and grants are also received from the World Bank and the Asian Development Bank.

Projects under existing the NHDP phases of 5,000-5,500 km to be awarded completely by fiscal 2021. These residual projects would dominate 50% of investments over the next five years. According to CRISIL estimates, Bharatmala awarding was ~5,500-6,000 km over fiscals 2018 and 2019. Investments under Bharatmala would be slow to pick up and contribute ~30% of total investments. As projects awarded under Bharatmala are 60% EPC and 40% HAM, NHAIs ability to raise funds to execute these projects would be a key monitorable.

Bharatmala Pariyojana

Bharatmala Pariyojana (BMP) is the new umbrella scheme, which supersedes the existing National Highways Development

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Programme (NHDP). The programme envisages to construct about 65,000 km of highways, under the following categories: National Corridor (North-South, East-West and Golden Quadrilateral), Economic Corridors, Inter corridor roads, Feeder roads, International connectivity, Border roads, Coastal roads, Port connectivity roads and Expressways. This will include existing NHDP programme as well. Some projects awarded in FY18 and YTD FY19 under Bharatmala are actually part of NHDP.

The Government of India had approved Bharatmala Pariyojana Phase-I in October, 2017 with an aggregate length of about 34,800 km (including 10,000 km residual NHDP stretches) at an estimated outlay of Rs. 5,35,000 crore for development of about 9,000 km length of Economic corridors, about 6,000 km length of Inter-corridor and feeder roads, about 5,000 km length of National Corridors Efficiency improvements, about 2,000 km length of Border and International connectivity roads, about 2,000 km length of Coastal and port connectivity roads, and about 800 km length of Expressways. Total of 255 road projects with an aggregate length of about 10,699 km have been approved till October, 2019 under Bharatmala Pariyojana with total Cost of Rs. 2,64,916 crore approximately. Bharatmala Pariyojana Phase-I is targeted for completion by 2021-22.

Components of Bharatmala Pariyojana (Phase -I)

Category	Description	Total Length (Km)	Length Completed (km)
Economic Corridors	Connecting of economically important production & Consumption centres	9,000	1,557
Inter Corridors & Feeder Roads	Inter- Connection between economic corridors, first mile & last mine connectivity	6,000	562
National Corridor Efficiency Improvement	Lane expansion,De-congestion of existing National corridor	5,000	1,012
Border & International Road Connectivity	Connectivity to border areas and boosting trades with neighbouring countries	2,000	1,120
Coastal & Port Connectivity Roads	Connectivity to coastal areas to enable port-led economic development	2,000	52
Expressways	Greenfield expressway	800	449
Subtotal		**24,800**	**4,752**

Source: NHAI, CRISIL Research

Award of Projects under Bharatmala Pariyojana

Out of the 24,800 km approved under Bharatmala Pariyojana Phase-I, a total of 447 projects of length 14,519 km have been awarded by NHAI, post the approval of Bharatmala Pariyojana in the FY 21-22. Similarly, out of the 10,000 km approved under residual NHDP in Bharatmala Phase-I, a total of 127 projects of length 5,407 km have been awarded post the approval of Bharatmala Pariyojana in FY 21-22.

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SR No.	Types of Corridor	No. of Projects	Awarded Length (Km)
1	Economic Corridors	188	5,848
2	Inter Corridor Routes	51	1,936
3	Feeder Routes	19	669
4	National Corridor	59	1,552
5	National Corridor Efficiency Improvement	25	705
6	Expressway	81	2,265
7	Border Roads & International Connectivity	14	1,282
8	Coastal Roads	2	77
9	Port Connectivity	8	187
	Bharatmala Total	**447**	**14,519**
10	NHDP	127	5,407
	Grand Total	**574**	**19,926**

Soure: NHAI, CRISIL Research

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15.0 Overview: State roads

State roads constitute around 20% of the country's total road network, handling about 40% of the total road traffic. State roads comprise state highways (SHs), major district roads (MDRs), other district roads (ODRs) and rural roads - which do not come under the purview of the Pradhan Mantri Gram Sadak Yojana (PMGSY). State roads represent the secondary system of road transportation in the country. They provide linkages with national highways, district headquarters of the state and important towns, tourist centres and minor ports.

Overview

State roads come under the jurisdiction of the respective state governments. However, the Central government may provide financial assistance to state governments through various schemes for the development of the road network.

The responsibility of awarding contracts for road development is entrusted with two state government divisions, namely the public works department (PWD) and road development corporation (RDC). Generally, cash contracts are awarded by the state PWD, while BOT-annuity and BOT-toll contracts are typically awarded by state RDCs.

(*Please refer to Data & Statistics section for data on state government capital expenditure on state roads.*)

Central assistance

The Central government has set up the Central Road Fund (CRF) to provide financial assistance to state governments for road development and railway safety works within the states.

Central Road Fund

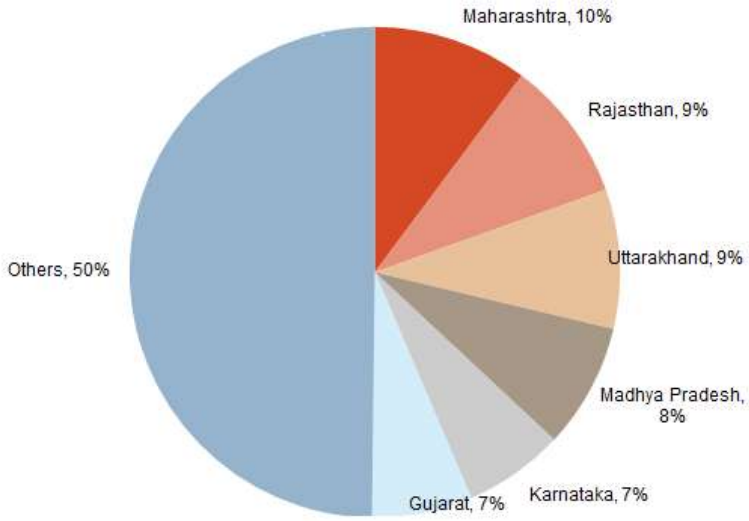
The CRF is funded from the cess collected on the sale of petrol and high-speed diesel (HSD). On every litre of petrol and HSD that is sold, a cess of Rs 6 is collected (since 2015-16; previously cess of Rs 2 was collected). The fund provides assistance to states for the development and maintenance of state roads, rural roads, national highways, under- and over-bridges and safety works at unmanned railway crossings. About 11% of the cess collected on HSD and 30% on petrol is allocated towards maintenance of state roads.

Funds allocated for 2014-15, 2015-16 and 2016-17 (revised estimates) were Rs 26.5 billion, Rs. 28.8 billion and Rs 71.8 billion.

About 476 projects, amounting to Rs 98.6 billion, were sanctioned under the scheme in 2017-18, compared with 1093 projects costing Rs 123 billion in 2016-17.

State-wise release of funds under CRF in 2022-23

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Source: Lok Sabha questions, CRISIL Research

In Union Budget 2018-19, the road cess was replaced by the road and infrastructure cess. Previously, the road cess used to be split for NH construction, maintenance, railways, Pradhan Mantri Gram Sadak Yojana, etc, based on a fixed formula. So far, there has been no change in the split. However, going forward, the share of cess to the roads sector could reduce given the increase in the overall scope from roads to roads and infrastructure, increasing dependence on borrowings.
Out of the amount collected under CRF for state roads, 10% is reserved for the development of roads under the following schemes:

Inter-State Connectivity (ISC)

Under this scheme, 100% funding (not a loan) is provided by the central government. ISC typically encompasses the development of:

- Inter-state roads
- Roads connecting national highways

Economic Importance (EI)

Under this scheme, projects are funded to the extent of 50% by the central government. The state government contributes the rest of the project cost. This scheme is mainly focused on the development of:

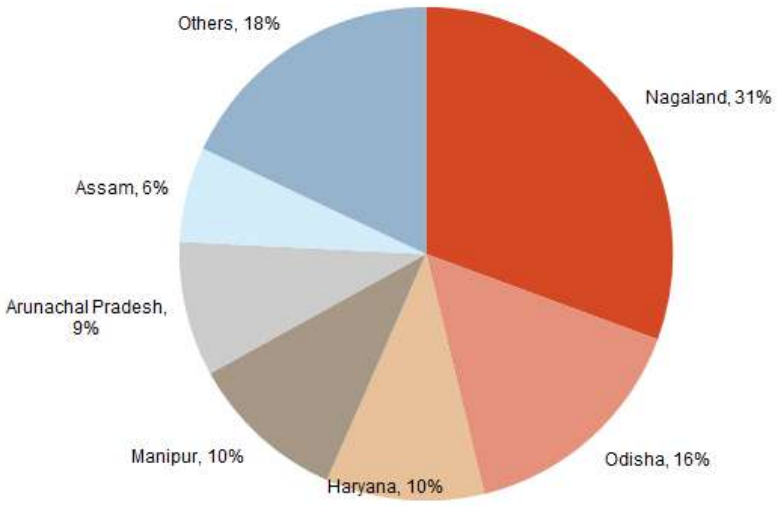
- Roads facilitating connectivity to remote industrial and economic areas
- Roads facilitating the development of remote residential areas, such as roads connecting hilly regions to plains

Funds allocated together under ISC and EI in 2014-15, 2015-16 and 2016-17 were Rs 2.39 billion, Rs 3.55 billion and Rs 4.15 billion, respectively. In 2017-18, about 19 projects, amounting to Rs 6.6 billion, were approved under ISC and EI. In 2018-19, about 18 projects, amounting to Rs 4.74 billion, were approved under ISC and EI.

During the year 2018-19 a sum of Rs 500 crore has been earmarked for the state roads under Inter State Connectivity and Economic Importance (ISC&EI) and 34 proposals involving cost of Rs. 447.34 crore have been sanctioned for improvements.

State-wise expenditure under EI and ISC Schemes in 2022-23

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Source: Lok Sabha questions, CRISIL Research

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16.0 Overview: Rural roads

Rural roads

Pradhan Mantri Gram Sadak Yojana (PMGSY) is a one-time special intervention to provide rural connectivity, by way of a single all-weather road, to the eligible unconnected habitations in the core network with a population of 500 persons and above (Census 2001) in plain areas. The Pradhan Mantri Gram Sadak Yojana (PMGSY) phase 1 was launched in 2000. Under the scheme, the Centre recognised 172,769 habitations as requiring all-weather roads, of which 99% of the eligible and feasible habitations have been connected as of FY21.

Further, the Government launched a new intervention in the scheme namely PMGSY-II in the year 2013-14 for consolidation of total 50,000 km existing Rural Road Network to improve its overall efficiency as a provider of transportation services for people, goods and services. 49,429 kms of rural roads are sanctioned under PMGSY-II as of date, of which, 93% have been completed.

The umbrella scheme involves construction/upgradation of over 800,000 km of rural roads. Since inception to December 2021, 762,937 Km road length has been sanctioned under various interventions/verticals of PMGSY and 6,82,341 Km road length has been completed. The target for fiscal 2021 was 43,856 km, of which 80% has been achieved.

After fiscal 2017, budgetary allocation by the Central government to the scheme has been kept at Rs 190 billion. The actual expenditure has been lower than the allocation. However, the total investment in PMGSY has steadily increased.

PMGSY-III announced in Budget 2020

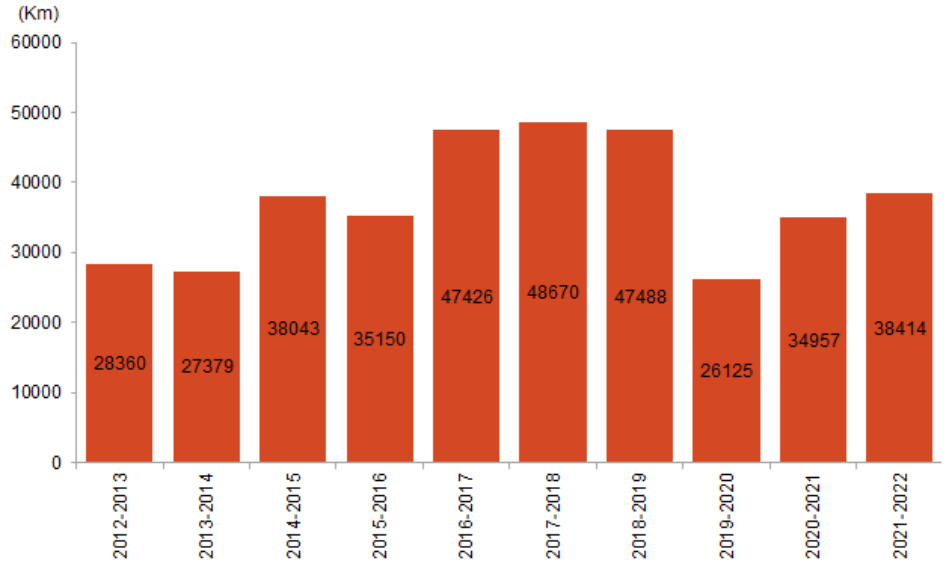
Under the PMGSY-III scheme, announced in the Union Budget 2019-20, it is proposed to consolidate 125,000 km road length in states over the next five years. The scheme will also include 'through routes' and 'major rural links' that connect habitations to Gramin Agricultural Markets (GrAMs), higher secondary schools and hospitals.

It will entail an estimated cost of Rs 80,250 crore (Central share Rs. 53,800 crore, states' share Rs 26,450 crore).

The road length in km to be constructed under PMGSY-III is significantly lower than the 218,000 km constructed under the umbrella scheme between fiscals 2015 and 2019. CRISIL Research expects investments in rural roads to slow down by ~10% over the next five years, due to the lower targets.

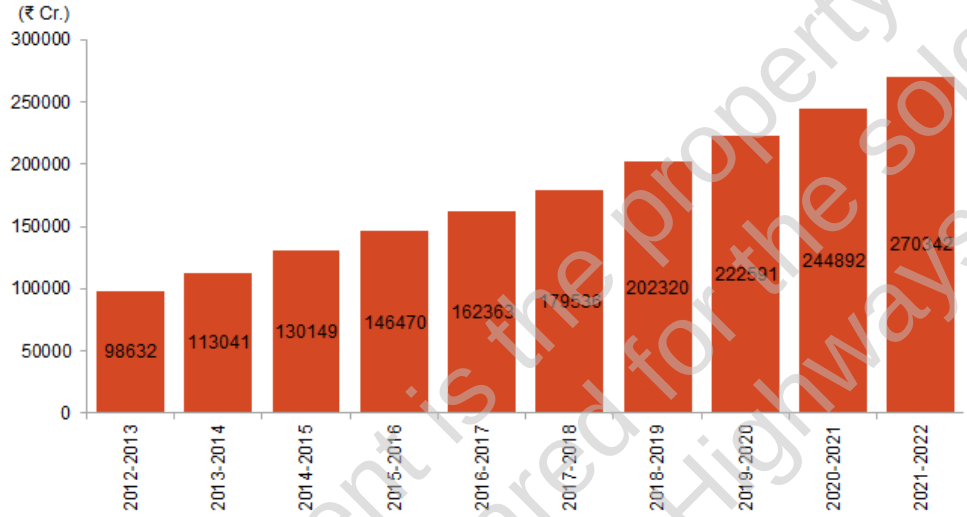
PMGSY - Year-wise road length constructed (Km)

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Source: Ministry of Rural Development

PMGSY - Year wise expenditure

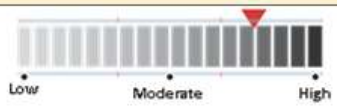
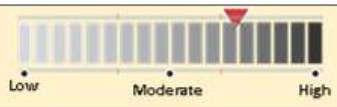


Source: Ministry of Rural Development

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17.0 Risk profile factors

Key risk factors

Risk factor	Impact
Policy Risk	
Construction Risk	
Traffic Risk	
Environmental Risk	
Input related Risk	
Interest Rate Risk	
Competetiveness	

Source: CRISIL Research

Policy Risk

The concession period for PPP projects in India is 15-20 years. During this period, policies from different governmental agencies are in play. Policy risk is higher during the operations and maintenance (O&M) period as many policies can negatively affect the traffic flow for projects in which a developer takes the traffic risk. Heres an example: because of ban on mining iron ore in Goa and in some parts of Odisha, the road stretches which were dependent on the traffic generated by these mines had to take a hit. GST is another example of such a policy risk. GST brings in the need for formalisation of the entire value chain, which will take time. Until then, road construction players have to shoulder the burden of increased working capital. For some contractors, this could hamper their ability to infuse more money required for project execution.

Construction risk

Road projects (EPC/BOT/HAM) involving construction are long term in nature (two-three years minimum) . All long-term projects are exposed to inherent risks such as construction delays owing to lack of funds, material shortages, unanticipated cost increases, cost overruns, inability to negotiate satisfactory arrangements with joint venture partners, and arbitrations.

Traffic risk

The financial flexibility of an entity which takes up the traffic risk depends substantially on accuracy of traffic estimates. Decrease in actual traffic volume and the forecasted numbers can adversely impact a company financially (cash flow crunch) and operationally. In HAM and BOT annuity models, the traffic risk is taken by the government. However, in BOT toll, operate-maintain-transfer (OMT) and toll-operate-transfer (TOT) models, the traffic risk is taken by the private entity.

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Environmental risk

Risk of natural calamities on road infrastructure is uncontrollable. It impacts road infrastructure, sometime rendering it inaccessible. The concession agreements of PPP projects peg the cost on both private party and government authority.

Input-related risk

- Land is one of the most important components for the industry. The land acquisition process is time consuming. Thus, the status of land acquisition during awarding of a project and within a particular period after the project has been awarded is crucial, as a small portion of unacquired land can render investment in the remaining part of the project futile.
- Cost of raw materials such as bitumen depends on the international market for oil. Change in oil prices affects the overall cost of a project.
- The risk of cost escalation or raw material shortage is company specific depending on the companys procurement policies, especially in some states such as Karnataka, where sand availability is an issue and has to be imported.
- Funding for PPP projects awarded under HAM and BOT toll model. Depending on the competitiveness of the bid, policies on the roads sector and the scenario of the banking sector, availability of funding could be limited to some players or some projects.

Interest rate risk

The concession period of a PPP project is as long as 20 years. Thus, one of two parties involved in the agreement has to bear the interest risk on funds borrowed for construction. In case of BOT toll projects, the concessionaire takes the interest rate risk. However, in case of HAM, the government agency makes a payment along with annuity payments, which is linked to the prevalent bank rate, thus reducing interest rate risk by a considerable amount.

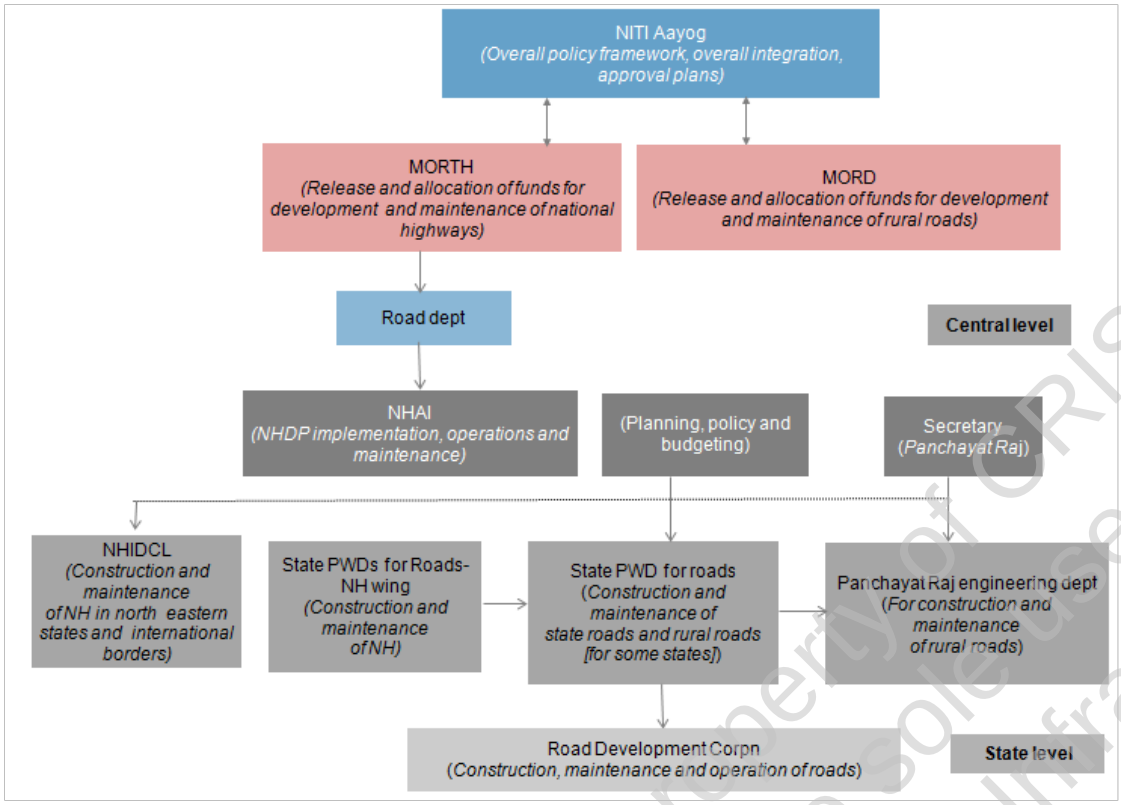
Competitiveness

The ability of a bidder to quote a particular margin while bidding for projects depends on the intensity of competition for the project. Apart from construction of road in hilly terrains and interior parts of the country, where resource mobilisation is tough, the developer does not need to possess major technological capabilities. Thus, the entry barrier to the sector is low. However, the ability to bid for a BOT toll or a HAM project is limited to few players as it requires financial capacity along with execution track record. Thus, the level of competition could be different for different project models, with EPC generally attracting the highest intensity as it doesnt require capital infusion from the company.

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18.0 Regulatory Framework: Institutional framework

Institutional framework Road sector - Institutional arrangement at the Central and State level



Note:NHIDCL stands for National Highways and Infrastructure Development Corporation ***Source: CRISIL Research***

In January 2015, the NDA government replaced the Planning Commission with NITI (National Institution for Transforming India) Aayog, a multi tiered structure that will provide strategic and technical advice to the Central and state governments. At the Central government level, several line ministries will handle transport planning, coordination and policy setting; overall coordination is by NITI Aayog.

At the Central level, NITI Aayog in consultation with the Ministry of Road Transport and Highways (MoRTH) and the Ministry of Rural Development (MoRD) is responsible for overall policy, programme development and resource planning. MoRTH's duties relate to policies on road transport and development and maintenance of national highways.

National Highway Authority of India (NHAI) is the implementing agency for implementation, operation and maintenance of national highways. NHAI was constituted and operationalised in February 1995; it was given the status of an autonomous corporate body under the control of the road transport ministry. However, the Central government has powers to divest NHAI of its responsibilities.

At the state level, the overall policy, programme development and resource planning is done by the state planning cell in consultation with the Centre (NITI Aayog) and the state ministry of roads.

National Highways and Infrastructure Development Corporation (NHIDCL) was incorporated in July 2014. NHIDCL is a fully owned company of MoRTH. Its mandate is to design, build, operate and maintain national highways and roads in the north-eastern region and other parts of the country that share international boundaries with neighbouring countries.

State public works departments (PWDs) and road development corporations are implementing agencies at the state level implementing, operating and maintaining the state highways, major district roads and rural roads in some states.

MoRD is responsible for policy development as well as monitoring and coordination of rural roads. Apart from state PWDs, the

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Panchayati Raj ministry also constructs and maintains rural roads. Allocation for Pradhan Mantri Gramsadak Yojana (PMGSY), which is focussed on rural roads, is provided by MoRD.

The ministries allocate and release funds, for the development of roads, to the respective implementing agencies.

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19.0 Regulatory Framework: Policy Framework

Policy framework

Budget 2022

The FY23 capital allocation for MoRTH stood at Rs 1,99,107.71 crore, which is the highest-ever for the ministry. In FY22, this stood at Rs 1,08,230 crore. The total allocation, including revenue expenditure, for FY22 stood at Rs 1,18,101 crore, up from Rs 1,01,823 crore in FY21.

Of the total allocation, the National Highways Authority of India (NHAI) will get 1,34,015 crore (~67%), up from Rs 57,350 crore (revised estimate) in FY22. Between 2017-18 and 2021-22, NHAI has been borrowing an average of Rs 63,300 crore per year.

Impact

The increase in allocation is expected to improve road connectivity across the country, and will have favourable spillover effects on allied sectors such as construction-focused companies as well as boost demand for steel and cement.

Key policy measures for private participation

In order to encourage and facilitate private sector investment and participation in the roads sector, the central government has undertaken certain policy measures and provided certain fiscal incentives within the sector. The most significant policy reforms in recent times are discussed below.

Amendments to Build-Operate-Toll (BOT) Model Concession Agreement (MCA), Aug 2020

Land Acquisition:

1. The Authority shall grant vacant access and Right of Way for minimum **90%** of the construction zone before the Appointed date as opposed to **80%** previously.

2. The **balance 10% land** should be granted within **180 days** of the Appointed date and in the event of delay beyond the said 180 days, the balance RoW would be r**emoved from the scope of work.** The descoping clause was not present in the earlier agreements. **Automatic descoping** enables the developer to receive PCOD/ COD on the completed stretch and start tolling.
3. If Appointed Date is not received within the first anniversary of the Date of Signing the Concession Agreement (or extended period), the project would be deemed to be **terminated.** This termination clause was not present in earlier agreements, it was introduced in HAM and is similar in the new BOT agreement.

Traffic Risk:

5. Another major change in the MCA is the provision of assessing the **revenue of a project every five years** instead of 10 years or once in a lifetime of the project. In case of traffic shortfall from the Target traffic, the concession period would be adjusted accordingly.

6. The new clause states that in the event the Actual Average Traffic has fallen short of the Target Traffic by more than **5%** , then for every 1% shortfall, the remaining concession period will be increased by 1%. But shall not exceed 20% of the concession period..

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Additional Clause for Stuck projects:

8. In case the **project has not achieved COD one year post its Scheduled Completion Date** and proceedings have been started against the Concessionaire before the NCLT the project will be mutually foreclosed and the Authority shall pay the concessionaire an amount equal to:
    a. 90% of debt due less Insurance cover and
    b. b. Value of work done
9. This will prevent dragging of projects that would lead to time and cost overruns that happened in the earlier BOT era.

Impact of the policy

- The automatic descoping as well as making 90% land available before the Appointed Date would nullify land acquisition issues that were prevalent in earlier BOT projects. Plus, the clause to terminate the project if Appointed Date is not achieved within a year, would also weed out unviable projects and avoid cost and time overruns.
- Revenue assessment based on Target traffic every 5 years instead of 10 years, makes it more viable for developers to bid for BOT projects and maintain their IRRs.
- The additional clause on stuck projects, especially due to developers default, would also enable NHAI to weed them out and rebid them viably.

Amendments to Engineering, Procurement and Construction (EPC) Model Concession Agreement (MCA)

The key changes made to the EPC MCA are:

- Right of way: Deadline reduced from 240 days to 180 days for approval/ clearances for area under forest or sanctuary.
- If Appointed date is not received within 90 days of signing the agreement, contract may be terminated. Authority will pay contractor damages = 1% of the contract price to contractor for each day of delay
- If project is not completed within 90 days of Schedule completion date, contractor would be ineligible to bid for future projects till such is complete.
- Lower compensation and higher tenure for maintenance obligations of contractor. Defect liability period increased from 4 years to 10 years.
- Increased interest on mobilization advance paid to authority. Earlier recovery of mobilization advance by the authority. Release of retention money against bank guarantees discontinued.

Impact

- Authoritys obligations increased to enable quicker land acquisition
- Developers working capital needs increased; also responsible for timely completion of project

Introduction of the Hybrid Annuity Model (HAM)

The broad contours of the policy are:

- 40 per cent of total project cost to be funded by the government and the remaining by the developer.
- The project cost will be linked to inflation
- The 'Construction Support' is to be disbursed in five equal installments of 8% each and the timing of each such payment shall be linked to percentage of project cost spent by the concessionaire.
- Traffic risk will be borne by the government with developers receiving fixed annuities
- Annuities will be linked to bank rate plus 3%
- 80% of land to be provided prior to appointed date

Impact of the policy

- With land being acquired and other clearances already in place before appointed date, construction risk is expected to be

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lower.

- Lenders will be assured a steady stream of inflows as traffic risk will entirely be borne by the government.
- The low risk and lower capital requirements is expected to entice private players as well as bankers towards these projects and gradually help increase private participation in the sector

(For more details, please refer to Impact Analysis: Hybrid Annuity Model)

Recent policy amendments related to HAM projects:

Operation & Maintenance (O&M) bids have been removed as an award criteria since many players were quoting excessively low O&M bids in order to win projects. Furthermore, additional performance security is now required for abnormally low bids below 20%. Additionally, the government has also contemplated adjusting the calculation of net worth calculation by deducting balance equity commitments from the actual net worth before awarding projects.

Impact of the policy

These measures are likely to reduce the bidding intensity and prevent projects being awarded at abnormally low quotes to developers not possessing sufficient resources to complete the projects.

GST on HAM projects:

The GST council has made 12% GST applicable on annuity payments for HAM projects received during the operations period.

Amendments to Model Concession Agreement (MCA) of DBFOT: Toll

Key changes include:

- Back ending of premium payment
- Redefinition of project milestones
- Lenders receive first charge on all rec
- Deemed termination of projects
- Maintenance obligations
- Toll fee notifications

Impact

The amendment to allow premium payment to begin only in the fourth year of completion will give the developers and lenders a great level of comfort as interest payments are high in the first 3 years of operations. The deemed termination of projects will ensure that troubled projects are terminated without delay, thereby avoiding problems that previously existed with prolonged delay of projects. The amendments with regard to toll fees and maintenance of national highways will provide better protection to the users of highways.

(For more details, please refer to Impact Analysis: Amendments to MCA: DBFOT Toll)

Exit policy

On August 26th 2015, the Cabinet Committee on Economic Affairs (CCEA) amended its earlier approval dated 13th May, 2015 to allow 100 per cent equity divestment after two years of completion for all BOT projects, irrespective of year of award. The previous policy allowed such divestments only for projects awarded prior to September 30th, 2009. While the previous policy allowed the funds obtained through such divestments to be used only for completion of the concessionaire/promoter's other pending BOT road projects, the new policy allows the proceeds to be used to complete any highway projects, any power sector projects or also to retire their debt in any other infrastructure projects.

Impact

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This move will help closing of stake sale transactions announced in the last one year. Thus, helping free up capital of developers which can be used to repay debt or invest in new projects.

NHAI Fund Infusion

On May 13, 2015, the CCEA permitted NHAI to infuse funds in projects stuck in advanced stages of completion. Below are the broad contours of the policy announced:

- Government to look at one time fund infusion in stalled projects, where 50% work has already been done.
- NHAI to have the first charge on toll revenues

Impact

This policy will improve developers' cash flows through toll collections and also improve their debt servicing ability. However, as NHAI will have the first charge on the receivables, the lenders are hesitant in allowing for such a fund infusion and hence this policy may not have significant impact in the near future.

Premium rescheduling

In March 2014 premium rescheduling was announced for projects with delays or lower than expected traffic were allowed premium rescheduling. This helped players to manage cash flow mismatches especially at a time when loans tenors were significantly lower than project life thus resulting in cash flow issues. It also helped specifically for aggressively bid projects where premium payments amounted for a very large portion of the total cost.

Substitution

In January 2014, the Cabinet Committee on Economic Affairs approved the proposal to facilitate substitution of concessioners in ongoing and completed national highways project. As per the proposal, the existing concessioners are permitted to divest their equity in totality in on-going or completed projects. However, subsequent to the substitution, the leading substituting entity will be required to maintain at least 51 percent equity holding in the project SPV. The decision to permit substitution will be taken by lenders in consent with NHAI.

De-linking of Forest and Environmental clearances

In March 2013, the supreme court approved to de-link forest and environmental clearances. This de-linking of the two clearances is valid only for road widening projects. In a notification in 2011, the Environment and Forest ministry has asked for forest clearances before seeking environmental approval. This led to a lot of road projects to be stalled in the first stage itself. This judgment allows companies to start the road widening work with just environmental clearances without waiting for forest clearances. However, forest clearances will be necessary for stretches that fall in the forested areas.

Relaxation on green nod norms for road widening projects up to 100 km

In June 2013, the Environment Ministry cleared a proposal allowing expansion of highways up to 100 km without environmental clearances. Earlier, environmental approval was not required for road expansion up to 30 km. The relaxation will also be applicable on existing highways which require additional 40 meters of land for widening. This limit was earlier 20 meters.

Repayment of 75% of Arbitration Claims

In August 2016, ministry introduced a policy with regards to payment of 75% of arbitration claims to the concessionaires. According to it, if an arbitration claim has been awarded in favor of a private concessionaire in a lower court/tribunal and the government agency has appealed against it in a higher court/tribunal, then the private player can receive 75% of the claimed amount. It will have to provide to the authorities a Bank Guarantee of an equivalent amount to the government agency.

Impact

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This policy will help the private players facing financial problems and having substantial amount of claims pending with NHAI. This is expected to help kick-start stalled projects on account of fund infusion by developer as well as provide some relief to the lenders on account of loan repayment.

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20.0 Working capital analysis

Working capital analysis

	FY20	FY21	FY22
Working Capital Days	20	-1	24
Inventory Days	65	69	95
Receivable Days	81	88	82
Payable Days	126	159	153

Note: Aggregate standalone numbers for Ashoka Buildcon, Dilip Buildcon, KNR Constructions, PNC Infratech, IRB Infrastructure Developers have been considered

Source: CRISIL Research

- Working capital in fiscal 2022 was the highest due to an increase in the inventory days. The increase in inventory days can be attributed to lower construction activity during the fiscal because of elongated monsoons. As a result, multiple projects were delayed during the year and thereby negatively impacted the inventory days of the road players.
- After a spike in fiscal 2021, receivable days reverted back to fiscal 2020 levels for the top road developers. This trend was facilitated by timely payment of dues by the NHAI and introduction of relief measures under the atmanirbhar package introduced during the COVID-19 pandemic.
- However, many of these companies have sizeable presence in the irrigation sector where there have been severe issues regarding the timely payments of dues by the concerned authorities. This was one of the key reasons behind the increase in receivable days of the players in fiscal 2021. As a result, the benefits from NHAI's favorable measures have been negated somewhat.
- Payable days for the players have also increased in the last 3 fiscals as the larger players have been able to negotiate more favorable terms for their credit and prolong the allowed duration for their payables.

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21.0 Company profiles:

Company overview/background

Sadbhav Engineering Ltd (SEL) was established by Shri Vishnubhai M Patel. It was incorporated as a private company October, 1988. The company is a leading engineering, procurement and construction (EPC) and infrastructure development company based in Ahmedabad. SEL is present in the roads and highways, irrigation and mining sectors. Through its subsidiary, Sadbhav Infrastructure Project Limited (SIPL), SEL is one of the largest build-operate-transfer players in India with 12 BOT projects of which eleven are fully operational and one is partially operational. operational projects in its portfolio. The company has successfully constructed 9,283 lane kms as of March 2019. SIPL went public in 2015.

Content

- Key/recent developments
- Portfolio mix

Key/recent developments

- In August 2021, the Adani Road Transport Limited (ARTL), a Wholly-owned Subsidiary of Adani Enterprises Limited has signed a definitive agreement with Sadbhav Infrastructure Project Limited (SIPL) to acquire 49% stake in Maharashtra Border Check Post Network Limited (MBCPNL) at an enterprise value of Rs1,680cr.
- In January 2021, the company bagged a Rs 779.73 crore contract from Gujarat Metro Rail Corporation (GMRC). The project includes construction of 11.6 km elevated viaduct from Kadarsha Ni Nal to Dream City deadend including a ramp for depot entry near Dream City and 10 stations for Surat Metro Rail project.
- Most of Sadbhav's Hybrid Annuity Model projects are facing delays by ~9 months attributable to various issues such as elongated monsoons and delinking and/or descoping approvals due to land acquisition issues.
- Three of its HAM projects - Vizag Port road, Bhimasur-Bhuj and Tumkur-Shivamogga Package -III were terminated due to land acquisition issues.

Capital expenditure plans

Equity infusion done/plan

- In March 2021, the company informed the exchanges that the Finance and Investment Committee has approved allotment of 1,600 senior, secured, unrated, unlisted, redeemable, Nonconvertible Debentures (NCDs) to the applicants totally aggregating to Rs16 crore having a face value of Rs 1 lakh each on a Private Placement basis.
- In April 2021, the Finance and Investment Committee of the company approved allotment of 2,500 Senior, Secured, Unrated, Unlisted, Redeemable, Nonconvertible Debentures (NCDs) to the Applicants totally aggregating to Rs25 crore having face value of Rs 1 lakh each on Private Placement basis.

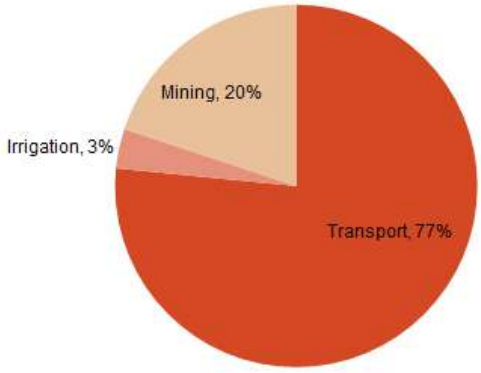
Operational Performance

List of active HAM projects

Source: CRISIL Research

Portfolio mix

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Note: This is as per the latest available information

Source: CRISIL Research

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22.0 Company profiles:

Overview/Background

Established in 1924 by HP Lancaster of the UK and taken over by M D Mundhra in 1947, Simplex Infrastructures Ltd is primarily engaged in engineering, procurement and construction (EPC) business.It is a diversified company with presence across construction verticals, namely ground engineering, industrial, building and housing. It also undertakes power, marine port, road, railway, bridge, elevated road and rail corridor, and urban infrastructure airport, metro rail, sewerage and utilities - projects.
It also has exposure in the overseas market, especially in the Middle East, South Asia and parts of Africa.

Content

- Operational Performance

Key Developments

Business Profile
Capital expenditure plans
Capital market information
Other Details
Details of new initiatives

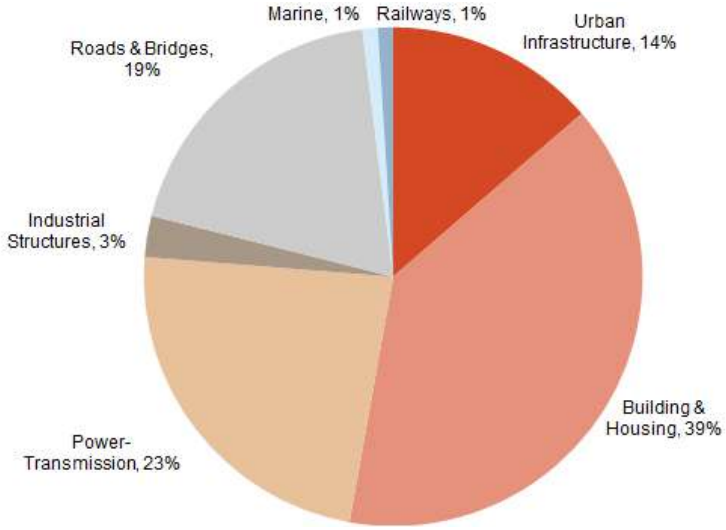
- Swan has agreed to acquire controlling stake in the company through a preferential allotment of equity shares and warrants under Regulation 164A of SEBI (ICDR) Regulations, 2018. As a part of transaction, the total deal value is approx. Rs. 8664 crores.
- As of August 2020, the Adani Group was in talks with promoters of Simplex Infrastructures to take equity exposure in the latter through a fresh share sale. A couple of private equity investors have also expressed interest in Simplex Infra, which has started defaulting bank loans owing to liquidity squeeze on delay on payment from government agencies
- The resolution plan, being worked upon in consultation with lenders, includes restructuring of the existing loans and capital raising through Qualified Institutional Placement (QIP) or private placement of equity shares. At the end of January the company had outstanding borrowing of Rs 3,600 crore from a United Bank of India-led consortium of 28 lenders.

Capital Infusions

- In April 2022, the company planned to issue 5,75,11,000 equity shares of Rs 2 each at a price of Rs 56.61 per share for a cumulative amount of Rs325,56,97,710 (Rs 325.57 crore). For the rest of the consideration, the company has approved the issuance of 1,70,00,000 warrants each carrying a right to subscribe 1 equity share at a price of Rs 56.61, aggregating to Rs 96,23,70,000 (Rs 96.24 crore) totalling to Rs 421.81 crores.

Operational Performance Order Book as on March 2022

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Source: CRISIL Research

Financial performance

During the year under review, on standalone basis, revenue from operations were Rs.55.81 Billions as against Rs.58.77 Billions in the previous year. Profit before tax stood at Rs. 1.34 Billions as against Rs. 1.5 Billions in the previous financial year and net profit for the year after tax stood at Rs.1.34 Billions as against Rs.1.05 Billions in previous financial year, registering an increase of 13.4 %. Other Comprehensive income for the year (net of tax) is Rs. -133 Millions as against Rs.247 Millions in the previous year. After considering other comprehensive income, total Comprehensive income stood at Rs.1070 Millions as against Rs.1308 Millions in the previous year.

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23.0 Company profiles:

Overview/Background

Hindustan Construction Company (HCC) was established by industrialist Seth Walchand Hirachand in 1926. The standalone company executes road, power, water, and urban infrastructure projects as an engineering, procurement, and construction (EPC) contractor.

HCC Infrastructure (a wholly owned subsidiary of HCC) undertakes build-operate-transfer (BOT) projects, mainly roads. It functions as a developer-cum-contractor where special purpose vehicles (SPVs) have been created, with HCC being a majority shareholder. HCC Infrastructure executes the projects through another step-subsidiary, HCC Concessions.

HCC's projects are across India and, to an extent, in Bhutan. In May 2010, the company diversified into Europe by acquiring a 66% stake in Steiner AG (Switzerland) through a wholly owned subsidiary, HCC Mauritius Enterprises Ltd. In fiscal 2014, HCC acquired the balance 34% stake in Steiner AG, completing the acquisition. Steiner AG specializes in turnkey construction and offers real estate development services in Europe.

Content

- Recent/Key Developments
- Operational Performance

Recent/Key Developments

- In March 2022, the company has won orders worth Rs609 crore by the Public Health Engineering Department, Govt of Rajasthan, for the construction of the Nokha Water Supply Project to provide Functional Household Tap Connection (FHTC) in Bikaner District. The company has won this order in consortium with Om Infra Ltd, with a 50% share in the Joint Venture.
- In November 2021, the company in consortium with KEC International Ltd, bagged a 1,309 crore contract from Chennai Metro Rail Limited for the construction of a 11.61-km elevated viaduct section and eleven elevated stations on Corridor 5 of phase II of the Chennai Metro.
- In September 2021, the joint venture between Hindustan Construction Company and KEC International Ltd. won the Rs 1122 crore civil contract for Corridor 5 of Chennai Metro Project.
- In May 2021, the company's board approved a debt resolution plan in a bid to reduce its debt worth over Rs 10,000 crore. Under the plan, HCC will transfer up to Rs 4,000 crore worth of liability to subsidiary Prolific Resolution Pvt Ltd. It will also transfer the economic interest, that is, awards of up to Rs 2,749 crore and claims of up to Rs 2,136 crore, to the arm.

Equity Infusion

- In September 2018, the board of directors of the company approved issue of equity shares of the company of face value Re. 1 each by way of a rights issue to the existing shareholders of the company for Rs. 5 billion.
- In March 2018, the ESOP compensation committee approved a grant of 3,00,000 options to the eligible employee(s) under the HCC Employee Stock Option Scheme of the company.

Business Profile

Capital expenditure plans

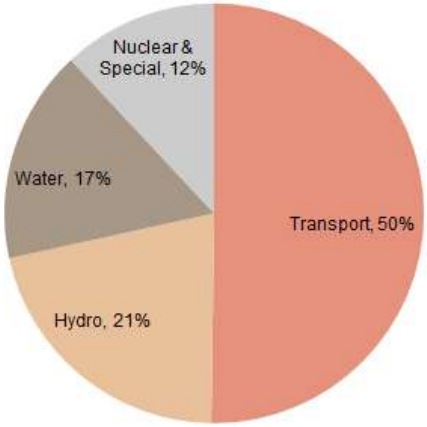
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Capital market information

Other Details

Operational Performance

Order book as of March 2022



Source: CRISIL Research

Financial performance

In terms of revenue performance of company its FY17 revenue stands at Rs.93.46 against Rs.80.36 Billion , the PAT and Net margin have fallen. HCC several projects came on-stream in the recent past, a large number remain stalled or considerably delayed, which has contributed to construction companies making unproductive capital outlays and facing a severe liquidity crunch. And as the Gearing number for the last two years says that it has fallen.

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24.0 Company profiles:

Overview/Background

IVRCL Infrastructure and Projects Ltd, founded in 1987, is engaged in the business of development and execution of engineering, procurement, construction and commissioning (EPCC) and lump sum turnkey (LSTK) facilities in various Infrastructure projects and provides construction and civil engineering services. Its business units include water and environmental projects, transportation, buildings and industrial structures, power transmission projects, mining, overseas forays, and technical services and solutions.

It operates across verticals such as water and environment, irrigation, transportation, buildings and industrial structures, power and transmission, operations and maintenance, and mining.

IVRCL applied for corporate debt restructuring (CDR) in January 2014 owing to high level of debt and declining profitability. CDR to the tune of about Rs 73.5 billion was approved in June 2014. In November 2015, the company's joint lenders' forum invoked strategic debt restructuring (SDR), which allows lenders to convert debt into equity, effectively acquiring management control of the company. The lenders held around 60.77% of paid-up share capital of the company as of March 2016. The company in June 2018, allotted 6,46,810 equity shares to Bank of Nova Scotia under SDR at a price of Rs 8.765 per share. .

Content

- Recent/Key Developments

Recent/Key Developments

- In June 2022, The company resolved under IBC, lenders set to recover dues. The company's lenders are set to finally recover a part of their dues, almost five years after the Reserve Bank of India (RBI) prodded banks to refer the debt laden company to the insolvency tribunal. The dues will be settled in six tranches
- In Dec 2021, the company that went into liquidation, is set to be acquired by Hyderabad businessman Ponguleti Prasad Reddy along with consortium members for Rs 1200 crore.
- In September 2021, a consortium of lenders led by IDBI Bank sought expressions of interest for acquiring its Rs 804 crore exposure in a road asset developed by IVRCL.
- In September 2019, the National Company Law Tribunal (NCLT) announced a move to invite Expression of Interest (EoI) for the sale of the company as going concern. The company faced number of petitions for recovery, had to undergo process of insolvency under IBC, 2016, wherein it was ordered to be liquidated.

Equity Infusion

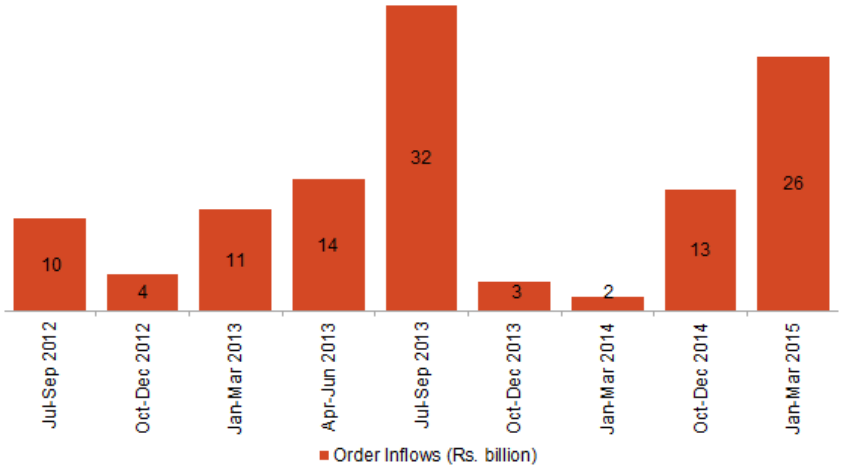
- In June 2018, the company made an allotment of 6,46,810 equity shares at a price of Rs. 8.765 each to Bank of Nova Scotia.
- In May 2018. the company made an allotment of 2,29,52,029 equity shares at a price of Rs. 24.39 each and 3,06,15,483 equity shares at a price of Rs. 8.765 each, to the lenders.

Business Profile
Capital expenditure plans
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Other Details

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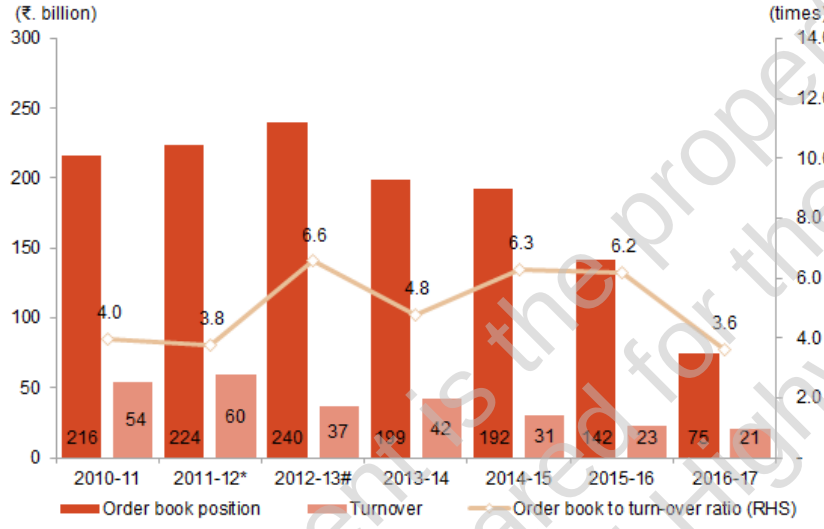
Operational Performance

Order Inflow - Rs.Billion



Source : CRISIL Research

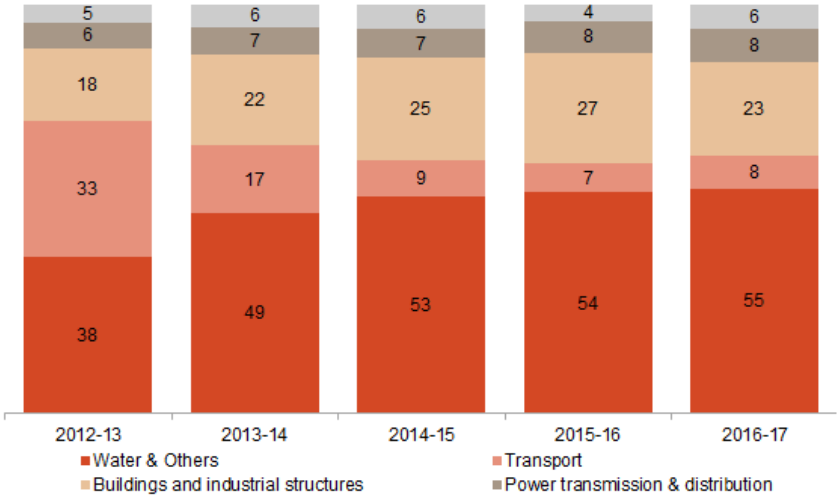
Order Book to turnover ratio



Source: CRISIL Research

Order Mix

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Source: CRISIL Research

Financial performance

The Company achieved a net turnover of Rs.25.22 billion for the financial year ended March 31, 2017, which is 12.7% lower than the turnover for the previous financial year. The major factor for reduction in turnover due to liquidity crunch in the system and unavailability of additional fund by banks. The Companys operations, execution of projects got adversely affected due to unavailability of liquid fund and resulted in lower turnover.

The Company maintained gross margin of 12.6% in spite of lower income from operations. However, EBITDA level was negative due to higher percentage of administrative cost primarily by way of provision for doubtful debts. The negative net margin (PAT) is reduced to Rs.85,110 million as compared to Rs.1,49,894 million in the previous year primarily because the Company accounted for deferred tax asset in the current financial year.

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25.0 Company profiles:

Overview/Background

NCC Ltd. was established in 1978, as a partnership firm and converted into a limited company in 1990. The company undertakes civil construction in segments such as buildings, water, roads, irrigation, power, electrical, railways, metals, mining. It also has a presence in the Middle East where it undertakes works in roads, buildings, and water segments. NCCs business divisions include buildings and housing, roads, electrical, water and environment, irrigation, railways, power, metals, mining.

Content

- Recent/Key Developments
- Operational Performance

Recent/Key Developments

- The company clocked three orders worth Rs 6,388 cr in May 2022. All three orders are received under buildings division, the company stated.
- In March 2022, the company announced to sell its urban infra arm in Visakhapatnam, NCC Vizag Urban Infrastructure Ltd, to Bengaluru-based GRPL Housing for around Rs 200 crore.
- The company bagged five new orders worth Rs 1,898 crore in December 2021. Three orders worth Rs 988 crore pertain to the building division and the remaining two orders of Rs 910 crore pertain to the water division
- In September 2021, BMRCL announced that the company had emerged the lowest bidder to construct all three packages of Bangalore Metros 37 KMs Airport Line (Blue Line), which will link Bengalurus Kempegowda International Airport (KIA) to K.R. Puram.

Capital Infusion

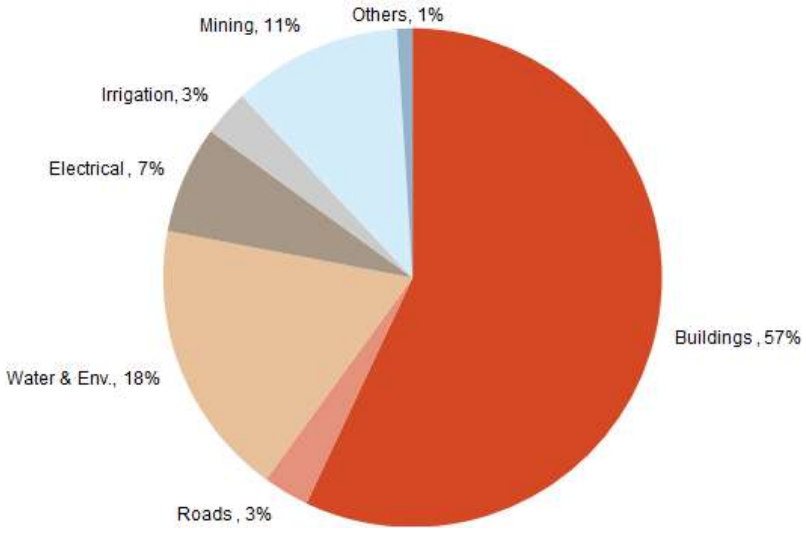
- In August 2018, the company allotted 9.2 million convertible warrants to M/s. A V S R Holdings Pvt. Ltd., one of the promoters of the company on preferential basis and received 25% of the total consideration payable towards the aforesaid warrants.

Business Profile
Capital expenditure plans
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Other Details

Operational Performance

Order mix as on June 2022, buildings account for Rs 22435 crore

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Source: Company reports, CRISIL Research

Financial performance

Financial Data

		2014	2015	2016	2017
Net Sales	Rs. Lakhs	725694	928169	915720	865665
Operating Profit	Rs. Lakhs	74607	96775	100570	69477
Operating Margin	Percentage	10.26	10.41	10.88	7.99
Profit After Tax	Rs. Lakhs	-900	3288	8161	840
Net Profit Margin	Percentage	-0.12	0.35	0.88	0.10
Net Worth	Rs. Lakhs	270614	334542	305871	372213
Total Debt	Rs. Lakhs	391447	338967	320801	257192
Debt-Equity Ratio	Times	1.45	1.01	1.05	0.69
RoCE	Percentage	10.01	12.20	12.52	9.07
Interest coverage	Times	1.29	1.51	1.70	1.64
Asset turnover ratio	Times	0.62	0.76	0.79	0.80
Current ratio	Times	0.99	1.09	1.15	1.26

Source : Crisil Research

Company posted a turnover of Rs.85.16 Billion (inclusive of other income) for the year ended 31st March, 2017 as against Rs.91.57 Billion (inclusive of other income) in FY-2015-16. Operating margin of the company shrink by almost 300 basis points to 7.9% in FY 2016-17 as compared to 10.8% in FY 2015-16. And also in terms of profit earning in FY 2016-17 has decline Rs.(8.9) crore as compared to Rs.32.88 crore in FY 2015-16.

The demonetization announced by the Union Government in November, 2016 and the consequent slowdown in the economy in the second half of the Financial Year have resulted in decrease in the turnover posted and the net profit earned by the Company as compared with the previous year. Your Board is optimistic that the Company will post improved performance in the coming years

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26.0 Company profiles:

Overview/Background

Patel Engineering Ltd. (PEL), founded in 1949, is one of the major infrastructure and construction services company in India. PEL contracts and executes projects across various sectors such as roads, water, railways, power, and real estate and has a strong presence in the hydro power and irrigation segments. It has also executed projects in oil refining, steel manufacturing, mining and heavy machine building, and tool plants. It has presence across 11 countries including United States of America, Singapore and Australia. It undertakes engineering, procurement and construction (EPC) contacts for water, railway, and power projects as well as build, operate and transfer (BOT) contracts for some of its road projects. PEL also develops real estate projects through its subsidiaries.

Content

- Recent/Key Developments
- Operational Performance

Recent/Key Developments

- In May 2022, the company has announced that it has bagged a Rs 2,461 crore contract for the works of Construction of Diversion Tunnel, Concrete Gravity Dam, Intake, Pressure Shafts, Underground Power House & Tailrace Tunnel (Lot 1) for Kwar HE Projects in District Kishtwar, J & K, India (Kwar HE Project).
- In April 2022, the company has announced that it has bagged a Rs 419.70 crore contract with Municipal Corporation of Greater Mumbai (MCGM) for the work of Construction of Tunnel from Powai to Ghatkopar High Level Reservoir and further up to Ghatkopar Low Level Reservoir.
- In January 2022, the company implemented hydroelectric power projects worth Rs 6,000 cr in 4 states
- In September 2021, the company bagged a work order for 500 MW Teesta-VI hydropower project in Sikkim from Lanco Teesta Hydro Power.

Equity infusion

- In Sep 2019, the company approved Rs 207 cr rights issue. The board has approved an issue of 22.99 cr equity shares of face value Re 1 each on rights basis to the eligible equity shareholders in the ratio of seven shares for every five shares held by them as on September 18, 2019. The company has fixed the issue price at Rs 9/share.

Details of new initiatives

- In August 2018, the company bagged two hydro projects and a tunnel project from Tamil Nadu Generation and Distribution Corporation Ltd (TANGEDCO) and Municipal Corporation of Greater Mumbai (MCGM) respectively for an aggregate value of Rs. 24 billion.

Business Profile

Major subsidiaries

ASI Inc.

It is a civil contracting company involved in construction and rehabilitation of dams, spillways, and water resource projects. ASI has a fully owned subsidiary, HCP Constructors Inc, which is also a water transmission contractor specialising in water and

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infrastructure projects.

Michigan Engineering Pvt Ltd

It is involved in executing engineering projects such as micro tunneling, pipe ramming and jacking, underwater drilling etc.

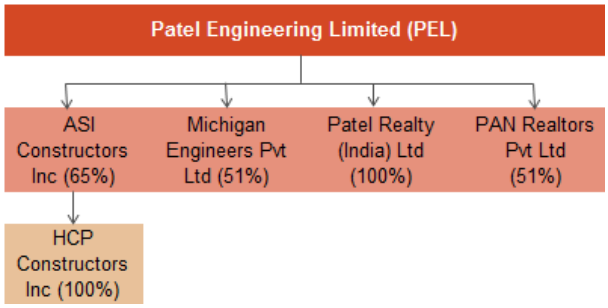
Patel Realty

It is a fully owned subsidiary of PEL, involved in development of commercial and residential projects. It has executed four commercial and eight residential projects. The company has projects spread across Mumbai, Bengaluru, Noida, and Hyderabad. It also has one residential and one commercial project in Mauritius.

PAN Realtors Pvt Ltd

It is a joint venture (between Patel Engineering, Amrapali group and Nirala Developers) to build premium residential apartments. This venture is currently developing a residential project in Noida in National Capital Region.

Major subsidairies of PEL



Source: Crisil Research

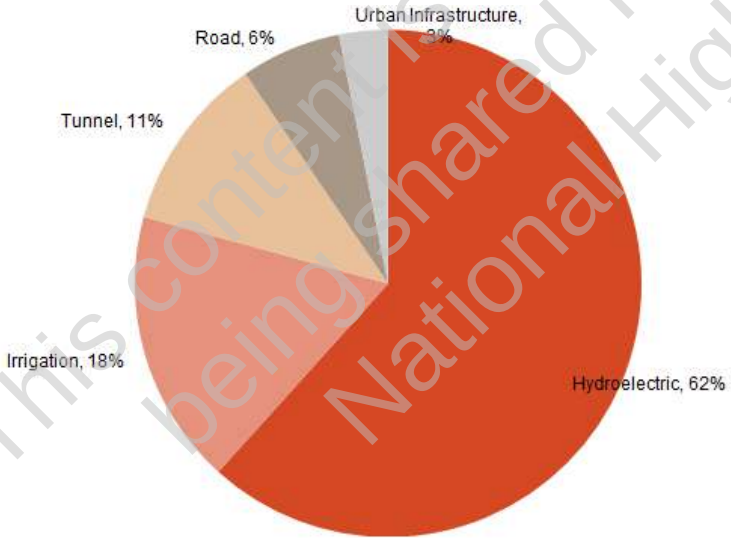
Capital expenditure plans

Capital market information

Other Details

Operational Performance

Total Orderbook size: Rs 15011.50 crore as of March 2022



Source: Company reports, CRISIL Research

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Financial performance

The company standalone stands at Rs.27.14 billion in FY 2016-17 against Rs.20.6 Billion which indicates the strong performance took place in the execution activity mainly on the EPC side segment. The company is already L1 with Rs.3,500 crore of work, which is expected to turn into firm orders and now the focus of the Company shall be to double the current order book of Rs.7,415 crore by end of FY 18-19. PBT of the company stood at Rs.107.31 crore in FY 17 as compared to Rs.(39.1) crore in FY 16. PAT of the company for FY 17 was Rs.41.83 crore against a loss of Rs.(29.91) crore in FY 16.

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27.0 Company profiles:

Overview/Background

Incorporated in 1929, Reliance Infrastructure Limited is a part of the Reliance Group, with presence in power, roads, construction and cement businesses. It also provides engineering, procurement and construction (EPC) services to develop power and road projects. Besides, its portfolio includes infrastructure BOT (build-operate-and-transfer) projects relating to roads and highways, metros, airports, etc.

Content

- Recent/Key Developments
- Operational Performance

Recent/Key Developments

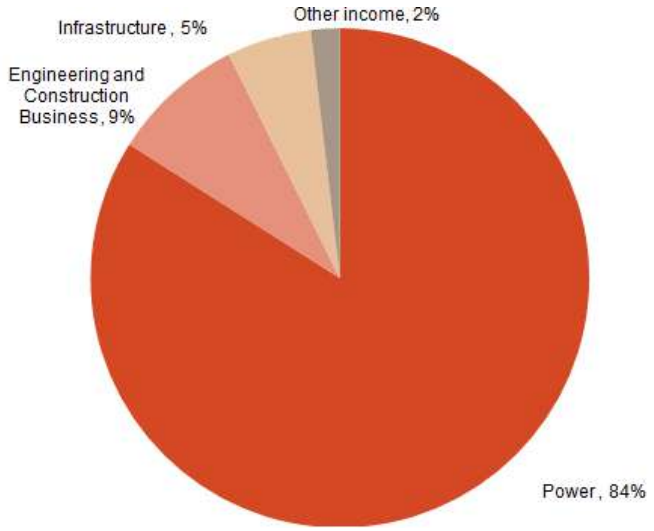
- In September 2022, the company filed an arbitration claim of 134 billion rupees ($1.7 billion) in relation to a deal to sell its Mumbai power-distribution business to Adani Transmission Ltd.
- In August 2022, the company planned to raise $400 million through Foreign Currency Convertible Bonds (FCCBs). The FCCBs shall be convertible into equity shares of 10 each as per the FCCBs term, at 123 per equity share.
- Reliance Infrastructure Limited (Reliance Infra) is set to receive a sum of Rs 595 crore from Damodar Valley Corporation (DVC) by July 31, 2022.
- In March 2022, Anil Ambani has stepped down as director of Reliance Power and Reliance Infrastructure, following the Securities and Exchange Board of India's (SEBI) order restraining him from trading in securities or being associated with any listed companies.
- In September 2021, the company's board approved raising up to Rs 750 crore by issuing foreign currency convertible bonds (FCCBs) on a private placement basis.
- In September 2021, the company said it would receive Rs 7,100 crore from the Delhi Metro Rail Corporation. The funds would be utilised to repay the debt of Reliance Infrastructure and the company would become debt free.

Business Profile
Capital expenditure plans
Capital market information
Other Details

Operational Performance

Revenue mix (fiscal 2022)

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Source: Company reports, CRISIL Research

Financial performance

The Companys total income for the year ended March 31, 2017 was Rs.224.67 Billion as compared to Rs.239.37 Billion in the previous financial year. The total income includes earnings from sale of electrical energy of Rs.224.75 Billion as compared to Rs.239.65 crore recorded last year. During the year, interest expenditure increased to Rs.56.50 Billion as compared to Rs.50.26 Billion in the previous year. The company earned a Profit of Rs.6.05 Billion in FY 2017 as compared to Rs.(2.1) Billion in FY 2016, as the company segment performed really well in terms of Revenue & Profitability specially such as Roads and Metro.

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28.0 Company profiles:

Overview/Background

Punj Lyod Limited (PLL) commenced operations as a pipeline-laying company in 1989, in the engineering, procurement and construction (EPC) segment. The acquisition of Singapore-based Sembawang Engineers and Constructors (SEC) and UK-based Simon Carves Ltd/in 2006-07 helped Punj Lloyd expand its global footprint. PLL has presence in south and Southeast Asia, the Middle East, the Caspian region, Asia-Pacific region and Africa. The company mainly operates in oil and gas, petrochemicals, infrastructure and power. It also operates in defence and tankers, and terminals segments through strategic alliances with ST Kinetics and Technodyne International Ltd respectively.

Content

- Recent/Key Developments
- Operational Performance

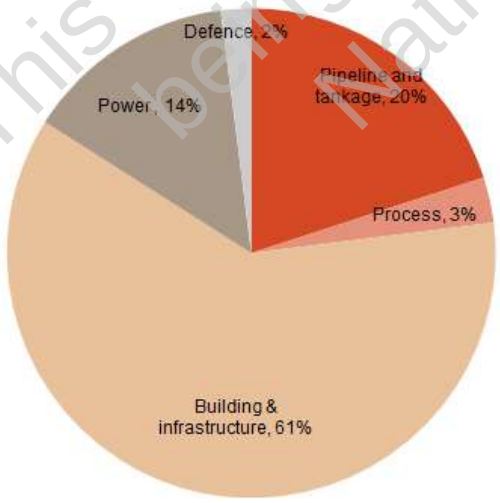
Recent/Key Developments

- In Jun 2022, the company went into liquidation as lenders reject bid
- As of March 2021, the company's lenders have rejected a resolution plan.
- As of Sept 2020, State Bank of India is seeking to invoke personal gaurantees worth Rs 3000 crore that it claims Punj Llyod's founder Atul Punj provided the Bank for loans taken by his company
- In March 2020, Prudent ARC and a US-based company has bid to take over Punj Lloyd, setting the acquisition process in motion. The US company is reportedly backed by a group of engineering firms.

Business Profile
Capital expenditure plans
Capital market information
Other Details

Operational Performance

Order Book as on December 2018 (Rs 64.67 bn): latest available data



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Note: This is latest available information

Source : CRISIL Research

Financial performance

The consolidated revenue of the company has fallen sharply, if you look at the last four year trend as it was Rs.108.21 Billion in FY 2014 and fallen to Rs.47.93 Biilion, as there has been no significant improvement in the execution rate and the toll revenue collection. Operating Margin of the company shows the negative value at (18.42) in FY 2017. As there has been no significant gain in the topline, so the company struggled in terms of gaining profits, as there the profit shows at (8.70) Billion at FY 2017. as the data for last 4 years does not show a good picture in terms of profit achievement.

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29.0 Company profiles:

Overview/Background

Established in 2000 as a wholly-owned subsidiary of Infrastructure Leasing & Financial Services Limited (IL&FS), IL&FS Transportation Networks Ltd (ITNL) is a major BOT (build-operate-transfer) road asset owner in India. Through its wholly-owned international subsidiaries, including Elsamex SA and ITNL International Pte. Ltd. (IIPL), the company provides maintenance services, primarily for highways, roads and gas stations across Asia, Europe, Africa and the Americas.

Content

- Recent/Key Developments
- Operational Performance

Recent/Key Developments

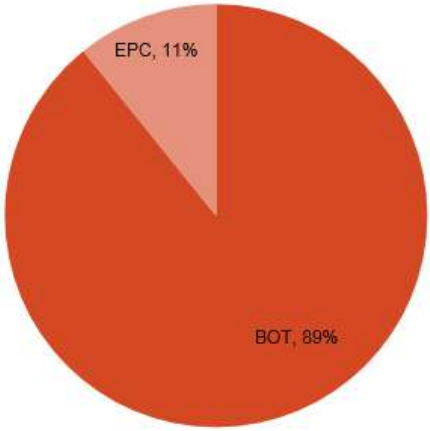
- In March 2022, IL&FS Transportation Networks sells subsidiary for 375 crore. The company entered into a share purchase agreement with Axis Trustee Services (as the trustee of Roadstar Infra Investment Trust) and others to sell 100 percent equity of Sikar Bikaner Highways, a wholly-owned subsidiary of the company for 375 crore.
- In June 2022, The National Highways Authority of India (NHAI) paid more than Rs 891 crore to the company as compensation for the termination of Khed-Sinnar Expressway road project that is part of the Delhi-Mumbai industrial corridor.
- In March 2022, the new management of the company so far resolved debt worth Rs 55,000 crore, which is over half of its total outstanding of Rs 99,000 crore as of October 2018.
- In April 2021, the company received a settlement amount of Rs 673 crore for Kiratpur Ner Chowk Expressway (KNCEL) and Rs 20 crore towards claims for Chenani Nashri Tunnelway (CNTL), from the National Highways Authority of India (NHAI).
- In Sept 2020, IL&FS received a nod from SEBI to float an InVIT for 10 of its road assets and help resolve debt of nearly Rs 13,000 crore.

Business Profile
Capital expenditure plans
Capital market information
Other Details

Operational Performance

Order mix as on June 2018: As per latest available data

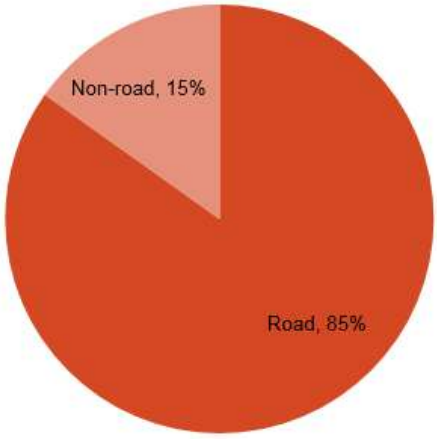
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Note: As per the latest available data

Source: CRISIL Research

BOT Portfolio



Note: As per the latest available data

Source : CRISIL Research

Financial performance

During FY 2016-17, the consolidated revenues stood at Rs.64.29 Billion as compared to Rs.71.27 Billion compared to the previous year. The EBIDTA increased to Rs.26.34 Billion in 2016-17 compared to Rs.17.78 Billion in 2015-16, which is 52% escalation due to higher construction margins. Financing cost increased by Rs.512.37 Crore during 2016-17 due to debts availed by project companies to fund construction activities, increase in borrowing for investments in project companies and working capital requirements. The Debt equity ratio as at March 31, 2017 on a consolidated basis stood at 7.33. Profit before tax increased from Rs.72.31 Crore in 2015-16 to Rs.124.89 Crore in 2016-17, a 73% increase over the previous year. Profit after tax attributable to owners of the Company increased by 22% from Rs.0.80 in 2015-16 to Rs.142.73 Crore in 2016-17.

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30.0 Company profiles:

Company overview/background

GMR Group was founded in 1978 by Grandhi Mallikarjuna Rao, it is headquartered in Bangalore, and has a presence across airports, energy, transportation, and urban infrastructure development. GMR primarily executes build-operate-transfer (BOT) projects in power, road and airport segments, with minor presence in engineering, processing and construction. GMR Highways Limited is a subsidiary of GMR Group and have 4 operating highways in its portfolio adding to total length of over 1824 lane kms of roads and highways. The company has 133 kms of annuity based road projects and 216 kms of toll based road projects.

Content

- Key/recent developments
- Operational Performance
- Portfolio mix

Key/recent developments:

- In September 2022, the company has changed its name to GMR Airport infrastructure Ltd. The company has demerged its non-airport business -- EPC and Urban infrastructure to GMR Power and Urban Infra Limited.
- In April 2021, the demerger of the company's airport vertical, other businesses became operational. Apart from unlocking the true potential of the businesses, it will enable divestment of some non-core assets in of highways.
- The four highway projects that are on the block to monetise are the Hyderabad-Vijayawada Expressway, Ambala-Chandigarh Expressway, Pochannpalli Expressway and the Chennai Outer Ring Road. The first two are toll projects while the remaining work on the annuity model. The two projects based on annuity have a short span of contract left while there is decent growth in traffic on the toll projects.

Capital expenditure plans

Operational Performance

- The company has 29 projects in its portfolio comprising airports, power and roads. Of these, four project are road projects, in which 2 are annuity projects and 2 toll projects.

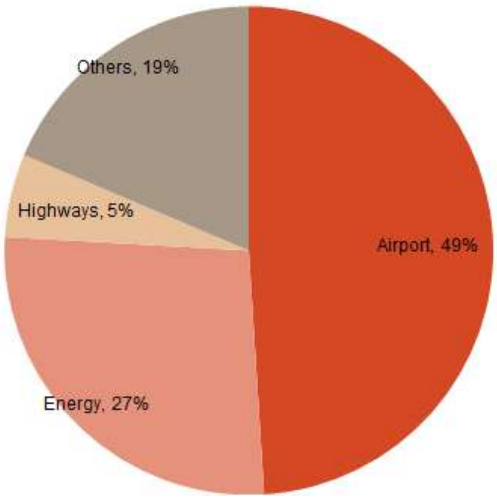
List of Operational GMR project	Length	GMR Stake	Commercial Operating Date	Concession Period Ends
BOT Annuity Projects				
Pochanpalli	103	100%	Jul-09	Sep-26
Chennai ORR	30	90%	Jun-13	Dec-30
BOT (Toll) Projects				
Ambala Chandigarh	35	100%	Mar-09	May-26
Hyderabad Vijaywada	181	90%	Dec-12	Mar-35

Source: Company, CRISIL Research

Portfolio mix

Revenue mix in Q1 FY23

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Source: CRISIL Research, Company Report

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31.0 Company profiles:

Company overview/background

Gayatri Projects Ltd. is the flagship company of the esteemed and well diversified Gayatri Group that has interests in infrastructure, power, hospitality, real estate and industry. With an annual turnover of Rs.3,463.00 crores, net worth of Rs.1,329.63 crores and total assets of Rs.5,864.00 crore on a Standalone basis in FY19, it is one of Indias leading infrastructure players.Established in 1963 as a partnership firm specializing in irrigation construction projects, it has now established itself as one of Indias leading infrastructure companies with a rich and diverse experience and expertise in both construction and ownership of infrastructure assets.
The Gayatri Infra Ventures Limited will merge with its parent company Gayatri Projects Limited and all the BOT Road Assets will be demerged into Gayatri Highways Limited (erstwhile name Gayatri Domicile Private Limited).The company is making strong headways in owning and developing road and power assets.Gayatri Highways Limited operates as construction and investment company with 7 operational BOT Road Projects (SPVs) under it. The Company makes investments in companies engaged in the construction, operation, and maintenance of roads, highways, bridges, and tunnels. Gayatri Highways Limited operations are spread throughout India. Gayatri Projects currently has 2 subsidiaries viz..Gayatri Energy Ventures Private Limited and Bhandara Thermal Power Corporation Limited.

The company has diverse geographical presence with operations in 19 states. Odisha (15%) and Uttar Pradesh (25%) are the two largest contributors to the order book followed by Telangana (12%), Maharashtra (12%), Andhra Pradesh (11%) and Jammu & Kashmir (7%)

Content

- Key/recent developments
- Details of new initiatives
- Operational Performance
- Portfolio mix

Key/recent developments

- In October 2021, the company won the arbitration case for Expressway in Hyderabad city. The amount, Rs 49.74 cr would be fully utilized towards reducing debt and improving balance-sheet leverage.
- In July 2021, the company signed a MoU with a foreign investor for exploring fund infusion options to manage its tight liquidity situation arising from cash flow mismatch.
- In June 2021, National Highways Authority of India (NHAI) declared the company a non-performer and prohibited from participating in the ongoing and future bids for the road projects till defects and deficiencies in one of the companys project- Varanasi Sultanpur 4-laning project in Uttar Pradesh were rectified.

Details of new initiatives

- In Nov 2020, company announced that it received Rs 208 crore net of statutory deductions under the GoI scheme of monetisation of 'under litigation arbitral award' against bank guarantees. The company along with its joint venture (JV) partner had been awarded an arbitration claim wofth Rs 703 crore including interests for its road project in Nagaland and Gayatri Projects' portion in the same was Rs 264 crore. The company has now received 75% of the claim (including further interest of Rs 27.74 crore for the period from the date of award till the date of payment) after furnishing bank guarantees of similar amount

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Capital expenditure plans

Operational Performance

The Company has 7 Operational BOT Road Assets under it, 4 BOT Annuity and 3 BOT Toll Assets. The Total Value of the BOT Road Assets under the Company is Rs. 7,043 Crores.

List of Operational Gayarti project ltd	Length (KM)	Commercial Operating Date	Concession Period	Concession Ends	Toll/Annunity
Gayatri Jhansi Roadways Limited (GJRL)	49.7	11-Jun-10	20 Years	31st March, 2027	Annuity
Gayatri Lalitpur Roadways Limited (GLRL)	50	31-Jul-10	20 Years	31st March, 2027	Annuity
Hyderabad Expressways Limited (HEL)	13	16-Aug-10	15 Years	14h November, 202	Annuity
Cyberabad Expressways Limited (CEL)	11.7	30-Mar-12	15 Years	14h November, 202	Annuity
HKR Roadways Limited (HKRRL)	207	31-May-14	25 Years	14th February, 203	Toll
Indore Dewas Tollways Limited (IDTL)	45.05	29-May-15	25 Years		Toll
Sai Maatarini Tollways Limited (SMTL)	166.2	8-Aug-17	24 Years	1st May, 2037	Toll

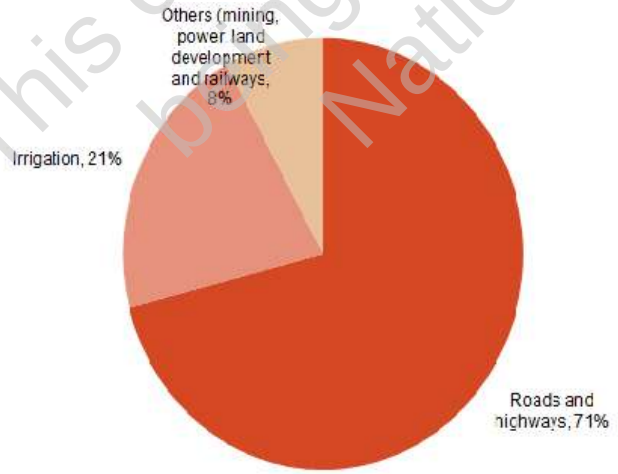
Below are few onging transporation project of Gayatri Projects Ltd.

Ongoing transporation Projects
Nagpur Mumbai Expressway near Shiridi 29.39 Kms (6 Lane)
Purvanchal Expressways around Lucknow 80 Kms. (6 Lane))
6 Lane tunnel at Khambataki Ghat)
3 Packages of Bihar State Road Projects 75.10 Kms. (2 Lane))
6 Lane Elevated Corridor at Hyderabad 6.25 Kms.)
4 National Highways around Varanasi 256 Kms (4 Lane))
4 National Highways in Odisha - 315 Kms. (4 Lane))
Jammu Ring Road 58 Kms. (4 Lane) & Tunnel 1.50 Kms.)
Bihar State Road Projects 96 Kms. (4 Lane))
2 Lane Mizoram State Road Project - 118.50 Kms.)
4 Lane Dimapur Kohima Road Project 16.90 kms)
Iqbalgarh - Vadodara Section of Western Dedicated Freight Corridor)
6 Lane tunnel at Khambataki Ghat)

Source: Company reports, CRISIL Research

Portfolio mix

Segmental Diversification



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Source: CRISIL Research, Company Report

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32.0 Company profiles:

Company overview/background

The Hyderabad-based company undertakes construction and infrastructure projects, such as development of transportation, irrigation, water resources, railways, smart cities, and real estate in India. The Company has built expressways, tunnels, dams, canals, spillways, national highways, flyovers and bridges throughout various states, including Andhra Pradesh,New Delhi, Madhya Pradesh, Assam, Uttar Pradesh, Telangana, Tamil Nadu, Rajasthan, Maharashtra and Bihar. The subsidiaries of the company includes Madhucon Infra Limited, Madhucon Toll Highway Limited, Madurai-Tuticorin Expressways etc.

Content

- Details of new initiatives
- Operational Performance
- Portfolio mix

Key/recent developments

Details of new initiatives

- The company has arbitration claims against the NHAI for four its projects: Barasat-Krishnagar Expressways Limited (DBFOT), Vijayawada-Machilipatnam Expressways Limited (DBFOT-Toll), Ranchi Expressways (DBFOT-Annuity), Madurai-Tuticorin which are still under dispute.

Capital expenditure plans

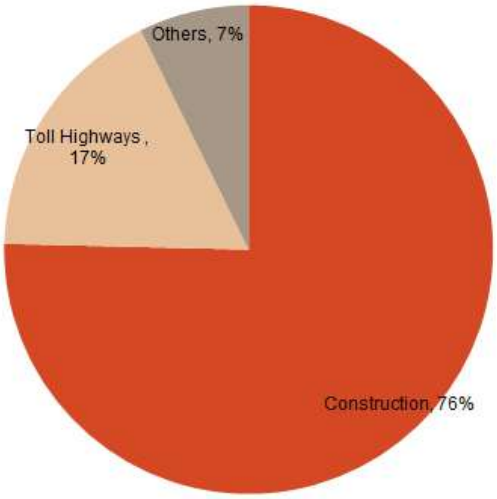
Operational Performance

- The Company has completed 2,400 lane kms of State & National Highways so far and another 1,700 lane kms are under construction.
- The Company executed Irrigation projects such as Canals, Dams, Tunnels, Spillways, Pump house and Lift Irrigation Projects having a total value of Rs 3,387.61 Crore are under progress in the State of Andhra Pradesh, Gujarat, Maharashtra, Madhya Pradesh, Uttar Pradesh and Telangana. Out of which work amounting to Rs. 2,035.49 crore was already executed till FY21, while work amounting to Rs. 1,352.12 Crore is the balance outstanding to be executed

Portfolio mix

Revenue mix (fiscal 2021):

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Source: CRISIL Research, Company Reports

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33.0 Company profiles:

Company overview/background

Incorporated in 1998, IRB Infrastructure Developers Ltd (IRBIDL) is an established road developer with expertise in build-operate-transfer (BOT) toll road projects. With toll roads, construction, and real estate as IRB's business segments, about 68% of its revenue in fiscal 2019 was from the construction business.

IRB undertakes engineering, procurement, and construction (EPC) contracts through its subsidiary, Modern Road Makers Pvt Ltd. It has formed a separate subsidiary, IRB Sindhudurg Airport Pvt Ltd, for greenfield airport projects and carries out real estate activity under Aryan Infrastructure Investments.

The company is currently one of the few established players still participating in road projects under the public private participation model.

Content

- Key/recent developments
- Details of new initiatives
- Operational Performance
- Portfolio mix

Key/recent developments

- In April 2022, the company commenced toll collection on the the Palsit-Dankuni national highway in West Bengal, and will continue to collect toll for the concession period of 17 years
- In April 2022, the company announced that the project of eight lane Vadodara Kim Expressway has been issued a Provisional Certificate by the Competent Authority upon substantial completion of the works. Consequently, the SPV is eligible for receipt of bi-annually Annuity payments from NHAI for the operation period of 15 years
- In October 2021, the company was looking to raise Rs 5347 cr from Spain's infrastructure group Ferrovial S.A. and Singapore state investor GIC
- In April 2021, the comapny received a letter of award for an Rs 828 cr project in the state of Himachal Pradesh from the NHAI. The project involved Rehabilitation and Upgradation to Four Lane configuration and Strengthening the Border of Punjab/Himachal Pradesh of NH 20 (New NH 154) of the section from Pathankot to Mandi in Himachal Pradesh on Hybrid Annuity Mode (HAM).
- In March 2021, the company won two highway projects in West Bengal and Himachal Pradesh. With the entry in West Bengal and Himachal Pradesh, the company spread its footprints to 10 states across India.

Capital expenditure plans

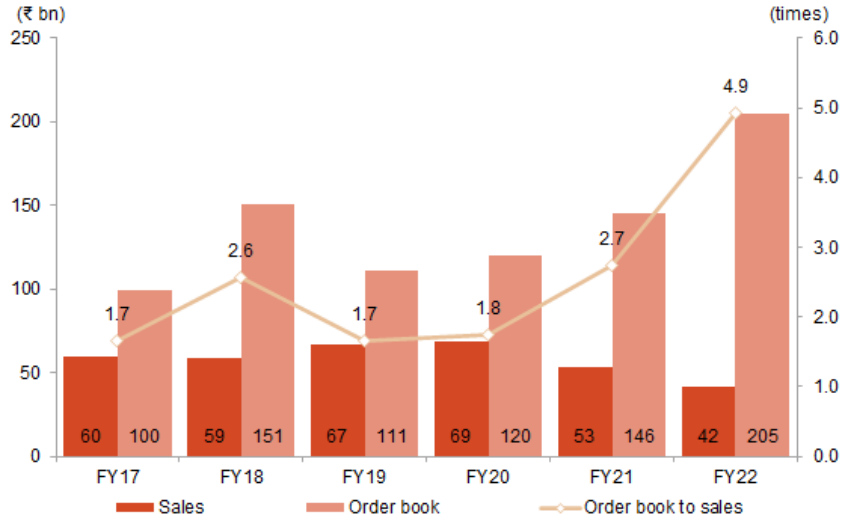
Operational Performance Status of HAM Project

Name of HAM stretch	Model	State	Project cost (Rs mn)	Concession period (years)	Date of Start
Vadodara - Mumbai 8 Lane Expressway	NHAI	Gujarat	17,550	15 Years over Construction Period	November 9, 2021
Pathankot Mandi	NHAI	Himachal Pradesh	8,280	15 Years over Construction Period	May 18, 2022
Chittoor Thachur	NHAI	Tamil Nadu	9,090	15 Years over Construction Period	January 23, 2023

Source: Company reports, CRISIL Research

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Order book to sales trend



Source: Company reports, CRISIL Research

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34.0 Company profiles:

Company overview/background

PNC Infratech is an India-based infrastructure construction, development and management company. It executes infrastructure projects, including highways, bridges, flyovers, power transmission lines, airport runways, and industrial area development and has expertise in engineering, procurement and construction (EPC) projects in roads and highways.

Content

- Key/recent developments
- Operational Performance
- Portfolio mix

Key/recent developments

- In Feb 2022, construction of six lane road of Package-I of Kanpur-Lucknow Expressway of 17.15 kilometre (km) length and Package-II of the same Expressway of length 45.24 km. The company bid a project cost of Rs 1,413 crore for the former and Rs 1,513 crore for the latter. Both the projects have to be constructed in 30 months.
  Besides, the company also emerged as the lowest bidder for four laning of Sonauli-Gorakhpur section of NH-29E in Uttar Pradesh for a length of 79.54 km. The project cost is Rs 1,458 crore and is to be completed in 24 months
- In Feb 2022, the company bagged a new hybrid annuity highway project of Rs 885 crore from NHAI. The Project is of length 32.98 kms, requiring four laning of Mathura Bypass to Gaju Village section
- PNC Infratech has 11 Hybrid Annuity Model projects under its portfolio of which 6 are under construction and two are awaiting appointed date. Apart from this the company received PCOD in February 2020 for the Dausa Lalsot Kathun project while financial closure is in progress for the Jagdishpur Faizabad and Meerut Nazibabad projects.

Capital expenditure plans

Operational Performance

PNC Infratech's HAM portfolio:

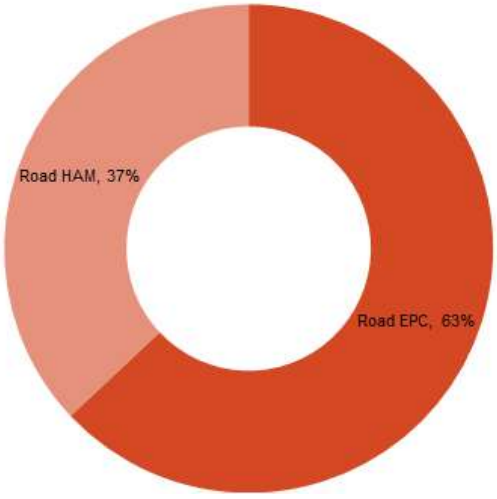
Award Date	Length (kms)	Awarded cost (Rs. Mn.)	Project Name	State Name	Project Status Name
30-Jul-2016	83	8,200	Dausa - Lalsot - Kauthun	Rajasthan	Completed
06-Mar-2017	73	14,340	Chitradurga -Davanagere	Karnataka	Under Construction
24-Mar-2017	77	14,100	Jhansi - Khajuraho (Package I)	Uttar Pradesh	Under Construction
24-Mar-2017	85	13,100	Jhansi - Khajuraho (Package II)	Uttar Pradesh	Under Construction
13-Nov-2017	145	20,183	Chakeri - Allahabad	Uttar Pradesh	Under Construction
17-Mar-2018	45	11,970	Aligarh - Kanpur (Package-II : Bhadwas-Kalyanpur)	Uttar Pradesh	Completed
01-Jun-2018	56	10,128	Challakere - Hariyur Section	Karnataka	Under Construction
27-Feb-2020	70	16,020	Unnao - Lalganj Section	Uttar Pradesh	Under Construction
09-Mar-2020	61	20,520	Aligarh - Kanpur (Pacakage V : Mitrasen-Kanpur)	Uttar Pradesh	Under Construction
09-Mar-2020	60	15,300	Jagdishpur-Faizabad Section	Uttar Pradesh	Under Construction
23-Jun-2020	54	14,120	Meerut - Nazibabad	Uttar Pradesh	Under construction

Source: Company reports, CRISIL Research

Portfolio mix

Road EPC projects constitute 63% of the order book, which stood at Rs 15,676 cr as on March 2023

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Note: The player profile will be updated till March 2023.

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35.0 Company profiles:

Company overview/background

Established in 1976, Ashoka Buildcon (ABL) is an infrastructure development company with widespread presence in eleven states. It develops and builds infrastructure facilities on design, build, finance, operate and transfer (DBFOT) basis in the highways sector, and on engineering, procurement and construction (EPC) basis in the highways and power sectors. Ashoka Concessions Ltd. (ACL) was set up in November 2011 as a subsidiary of ABL, which transferred seven BOT projects to the former. SBI Macquarie infused Rs 800 crore through a stake dilution of 34% in ACL, which acts as an exclusive BOT project developer for both ABL and SBI Macquarie. All the HAM projects awarded to ABL have also been housed under ACL.

Content

- Key/recent developments
- Operational Performance
- Portfolio mix

Key/recent developments

- In April 2023, the Company has received Letters of Award (LoA) from Maharashtra State Electricity Distribution Company Limited (MSEDCL) for Development of Distribution Infrastructure at Seven Circles in the state of Maharashtra.The total contract value is Rs 2,285 Crs.

- In March 2023, the company Received Letter of Acceptance (LoA) from Ministry of Railways, Chief Engineer/Construction/Central, North Central Railway for the Project viz. (EPC) Agreement for Gwalior - Sheopurkalan GC Project of North Central Railway .The accepted Contract Value for the Project is Rs 285 Crs.

- In April 2022, the company entered into a Share Purchase Agreement ("SPA") with National Investment and Infrastructure Fund Limited ("NIIF") and GVR Ashoka Chennai ORR Limited ("CORR") for the sale of 18,90,00,000 equity shares in CORR, constituting 100% of the share capital of CORR, from the Company to NIIF for an aggregate financial consideration of Rs686 crore subject to adjustment of cash and working capital, discharge of sponsor loans, settlement of trade payables and any recoveries made by the Tamil Nadu Road Development Corporation Limited, as agreed under the share purchase agreement

- In March 2022, the company received a letter of award (LoA) from NHAI to develop 6 lane access controlled greenfield highway -Baswantpur to Singondi section of national highway on Hybrid Annuity Mode (HAM) under Bharatmala Pariyojanal. The accepted bid project cost for the project is Rs 1,079 crore and construction period is 912 days from the appointed date

Capital expenditure plans

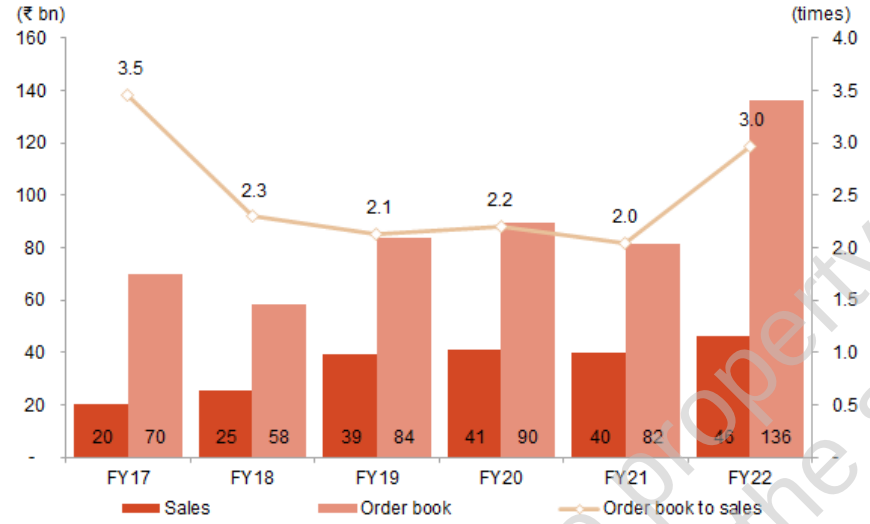
Operational Performance Status of Road projects

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Projects	% Stake (ACL/ABL)	Status	TPC	Estimated Equity (including PIM)	Estimated Debt	Equity Invested (including PIM)*	Total Debt Drawn*
Kharar-Ludhiana	100%	COD	1,450	210	600	226	568
Ranastalam-Anandpuram	100%	COD(P)	1,040	150	415	158	391
Vadodara Kim	100%	COD(P)	1,483	208	600	205	568
Khairatunda-BarwaAdda	100%	COD	712	97	270	113	254
Belgaum-Khanapur	100%	COD(P)	746	108	295	87	176
Tumkur-Shivamogga–II	100%	UC	1,006	134	385	119	292
Tumkur-Shivamogga–I	100%	COD(P)	741	99	275	102	239
Kandi-Ramsanpalle	100%	COD(P)	725	90	235	99	177
Tumkur-Shivamogga–IV	100%	UC	1,127	144	430	73	0
Tumkur-Shivamogga–III	100%	UC	755	91	250	93	120
Basawantpur Singnodi	100%	UC	1,082	183	390	77	56
Total			**10,867**	**1,514**	**4,145**	**1,352**	**2,841**

Source: Company reports, CRISIL Research

Order book to sales trend



Source: Company reports, CRISIL Research

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36.0 Company profiles:

Company overview/background

Dilip Buildcon is promoted by Mr Dilip Suryavanshi and his family. The company was set up as a proprietorship firm (Dilip Builders) in fiscal 1989, reconstituted as a private limited company in 2006 and then as a public limited company in fiscal 2017. The company, based in Bhopal, undertakes road construction on an engineering, procurement and construction (EPC) basis and road development on a build operate transfer (BOT) basis. It also provides EPC services across bridges, buildings, dams, canals, water supply & mining. The company has presence across 17 states and a strength of 35,365 employees. It owns construction equipment vehicles with a fleet size of 11,673 vehicles as of June 2019. Till date the company has executed over 100 EPC projects and laid 15,000 kms of road since its inception.

In August 2017, Dilip Buildcon had announced 100% stake sale in its 24 road projects (18 operational, 6 under construction HAM as of January 2019) portfolio to the Shrem group for Rs 16,020 mn, out of which it expects to receive Rs 8,140 mn from stake sale of its 18 operational SPVs and balance Rs 7,880 mn towards the 6 under construction HAM projects.

Content

- Key/recent developments
- Operational Performance
- Portfolio mix

Key/recent developments

- In April 2022, the company has been declared as L-1 bidder for the tender floated by the National Highways Authority of India on Hybrid Annuity basis in the state of Jharkhand.The project is for Four Laning of Mehgama-Hansdiha section of NH-133 with a bid project is Rs976 crore and expected completion period is 24 months
- In April 2022, the company has received a provisional completion certificate for Bellary to Byrapura Section in Karnataka
- In April 2021, the company's board of directors approved the issue and allotment of 94.45 lakh equity shares at issue price of Rs 540 per unit including a premium of Rs 530 against the floor price of Rs 568.41 per share aggregating to more than Rs 510 cr.
- In March 2021, the company won a Rs 1,137 cr contract from NHAI in Karnataka under Bharatmala Pariyojana.

Capital expenditure plans

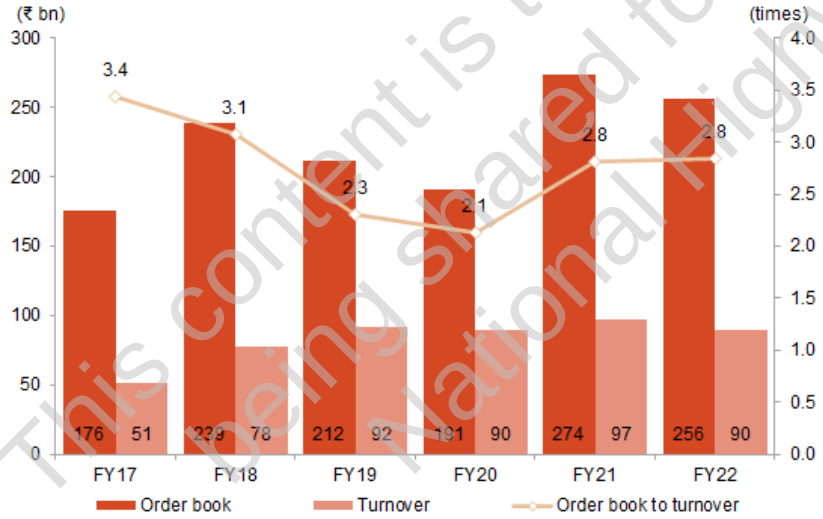
Operational Performance HAM projects - current status

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Project Name	Payment Milestone	Appointed Date	Work done as on Jan 2022
DBL Chandikhole Bhadrak Highways Limited	PCOD achieved on 24.07.2022	16.12.2018	100%
DBL Rewa Sidhi Highways Private Limited	PCOD achieved on 10.11.2022	14.12.2018	100%
DBL Bangalore Nidagatta Highways Private Limited	PCOD achieved on 12.12.2022	14.05.2019	100%
DBL Nidagatta Mysore Highways Private Limited	PCOD achieved on 09.03.2023	10.12.2019	100%
Pathrapali Kathghora Highways Private Limited	4th PM, 75% Physical Progress	04.12.2020	89%
Dodaballapur- Hoskote Highways Private Limited	5th PM, 90% Physical Progress	22.02.2021	94%
Repallewada Highways Limited	3rd PM, 50% Physical Progress	01.03.2021	74%
Narenpur Purnea Highways Private Limited	4th PM, 75% Physical Progress	18.03.2021	76%
Dhrol Bhadra Highways Limited	4th PM, 75% Physical Progress	28.10.2021	74%
Bangalore Malur Highways Limited	6th PM, 50% Physical Progress	15.09.2021	53%
Malur Bangarpet Highways Limited	6th PM, 50% Physical Progress	20.09.2021	53%
DBL Viluppuram Highways Limited	7th PM, 60% Physical Progress	30.11.2021	65%
DBL Poondiyankuppam Highways Limited	5th PM, 40% Physical Progress	15.11.2021	48%
Bangarupalem Gudipala Highways Limited	2nd PM, 10% Physical Progress	04.10.2022	16%
Sannur Bikarnakette Highways Limited	2nd PM, 10% Physical Progress	10.10.2022	18%
Raipur-Visakhapatnam-CG-2 Highways Limited	1st PM, 5% Physical Progress	09.01.2023	7%
Maradgi S Andola-Baswantpur Highways Limited	-	24.04.2023	-
Mehgama-Hansdiha Highways Limited	-	09.05.2023	-
Karimnagar-Warangal Highways Limited	-	Jun 2023 (E)	-
Urga-Pathalgaon Highways Limited	-	Sep 2023 (E)	-
Kodur to Vanavolu (Bengaluru – Vijaywada Economic Corridor) (Package 1)	-	Sep 2023 (E)	-
Odulapalle to Nallacheruvu (Bengaluru – Vijaywada Economic C	-	Sep 2023 (E)	-
Audireddipalle to Mallapalle (Bengaluru – Vijaywada Economic	-	Sep 2023 (E)	-

Source: Company reports, CRISIL Research

Trend in order book and turnover



Source: Company reports, CRISIL Research

Note- This is the latest data available

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37.0 Company profiles:

Company overview/background

KNR Constructions Ltd (KNRCL) was established in 1995. It is a construction company with expertise in engineering, procurement and construction (EPC) services across roads and highways, irrigation and urban water infrastructure management. Its order book is dominated by road projects (75%), followed by irrigation. The company is an established player in the south, especially in Andhra Pradesh, Karnataka, Kerala, Telangana and Tamil Nadu, which account for 90% of its order book.

Content

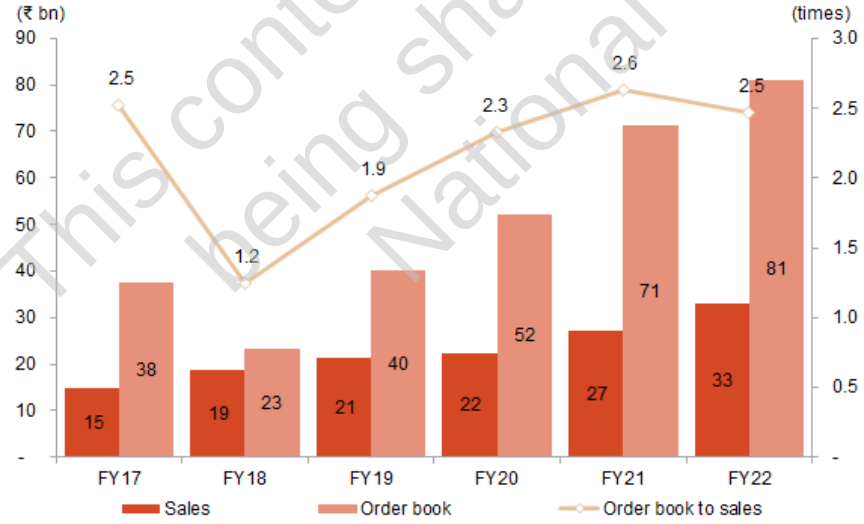
- Key/recent developments
- Operational Performance
- Portfolio mix

Key/recent developments

- In December 2021, the company has transferred its 49% stake in subsidiary company, KNR Shankarampet Projects (SPV) to Cube Highways and Infrastructure III. The transaction is contemplated to be completed in two stages, the first stage of transfer of 49% is under current intimation and the second stage scheduled to be completed after expiry of mandatory lock-in period as per the Concession Agreement subject to various regulatory approvals
- In August 2021, the Board of Directors of the company approved the dilution of its entire stake in three wholly owned subsidiary- KNR Shankarampet Projects, KNR Srirangam Infra, and KNR Tirumala Infra to Cube Highways and Infrastructure III Pte. Ltd and affiliates. The transaction will be based on the share purchase agreements
- In March 2021, the company bagged a Rs 1,100-cr contract for four-laning 48 km on National Highway 75 between BC Road and Periyashanthi (Dharmasthala Cross) proposed by the NHAI.
- In March 2021, the company received letter of acceptance for a road project in Kerala. The project involves six laning Ramanattukara Junction to start of Valanchery bypass section of NH-66 on Hybrid Annuity Mode under Bharatmala Pariyojana in Kerala.

Capital expenditure plans

Operational Performance Order book to sales trend



Source: CRISIL Research Note- Latest data available is till FY22

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Status of HAM projects:

	Particulars	Magadi to Somwarpeth	Oddanchatram to Madathukulam	Ramanattukara to Valanchery	Valanchery to Kappirikkad	Chittor to Thatchur
Project Detail	SPV Name	KNR Somwarpeth Infra	KNR Palani Infra	KNR Ramanattukara Infra	KNR Guruvayur Infra	KNR Ramagiri Infra
	Stake	100%	100%	100%	100%	100%
	Project Type	Hybrid Annuity	Hybrid Annuity	Hybrid Annuity	Hybrid Annuity	Hybrid Annuity
	State	Karnataka	Tamil Nadu	Kerala	Kerala	Andhra Pradesh
	Client	KSHIP	NHAI	NHAI	NHAI	NHAI
	No of Lanes	Two	Four	Six	Six	Six
	Length(KM)	166	45.4	39.7	37.4	34.7
	Concession Period	9 Years	17 Years	17.5 Years	17.5 Years	17 Years
Financials	Bid Project Cost (Rs. Mn)	11445	9200	23675	21,400.00	10,415.00
	Total Project Cost (Rs. Mn)	11276	7920	21500	19,594.00	0.0
	Grant (Rs. Mn)	7,485	3,945	10,250	9,243	0.0
	Estimated Equity (Rs. Mn)	1,221	805	2,250	2,092	0.0
	Estimated Debt (Rs. Mn)	2,570	3,170	9,000	8,260	0.0
	Appointed Date	12th February 2020	5th October 2020	21stJanuary 2022	21stJanuary 2022	25th January 2023
Progress	% Physical Progress	68.90%	85.60%	14.30%	16.60%	0.00%
	Equity Invested (Rs. Mn)	987	644	1169	131	0.1
	Grant Received (Rs. Mn)	5,240	3,489	2,590	2,494	0.0
	Debt Already Drawn (Rs. Mn)	0	2,000	0.0	0.0	0.0

Source: CRISIL Research

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38.0 Company profiles:

Company overview/background

Larsen & Toubro Ltd, incorporated in 1946, is the largest engineering and construction company in India. It is a global conglomerate with presence in over 30 countries, engaged in engineering, construction, manufacturing and financial services. The company executes engineering, procurement and construction (EPC) projects across multiple segments, including, roads, power, ship building and ports.

The company has exposure to infrastructure build-operate-transfer (BOT) projects in roads, power transmission and distribution (T&D), ports, metro rail and real estate. Through its subsidiaries, such as L&T Realty and L&T Hydrocarbons, the company has diversified into real estate and hydrocarbons. It also has a presence in financial services and the IT/ITeS sectors through wholly owned subsidiaries, L&T Finance, L&T Infrastructure Finance and L&T InfoTech.

Content

- Key/recent developments
- Details of new initiatives
- Equity infusion done/plan
- Operational Performance
- Portfolio mix

Key/recent developments

- In April 2022, the companysecured an order from the Tamil Nadu Road Infrastructure Development Corporation to construct the Chennai Peripheral Ring Road EPC-02 Package of Section-II in the Engineering, Procurement and Construction (EPC) mode. The scope of work broadly includes constructing a six-lane greenfield highway of 12.80 kilometres
- In January 2021, the Heavy Civil Infrastructure business of L&T Construction secured a contract from two packages [P4(X) & P4(Y)] of the Mumbai Ahmedabad High Speed Rail Corridor to procure, fabricate, assemble, paint and transport 28 bridges - steel truss superstructures with bearings - to various sites that will cross over roads/ rivers/ railway lines and other structures.

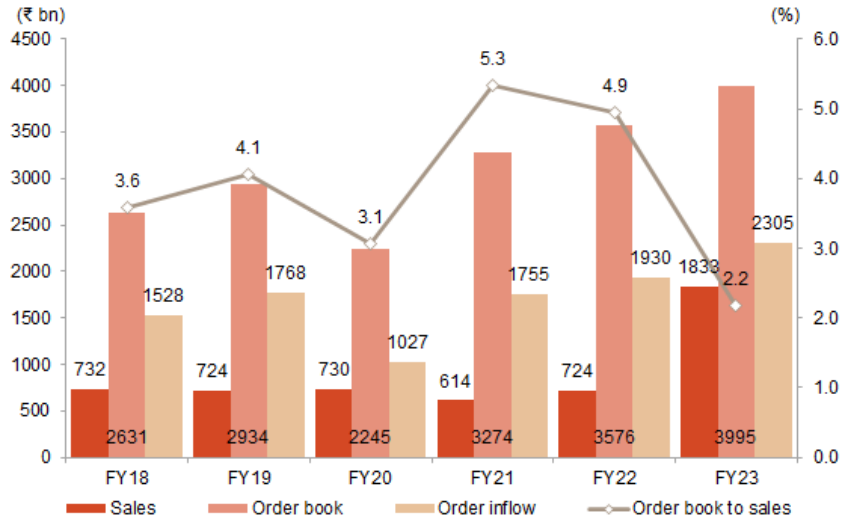
Rgulatory development

- In August 2021, L&T received shareholders' nod to raise up to Rs 4,500 crore through issuance of convertible bonds.

Capital expenditure plans

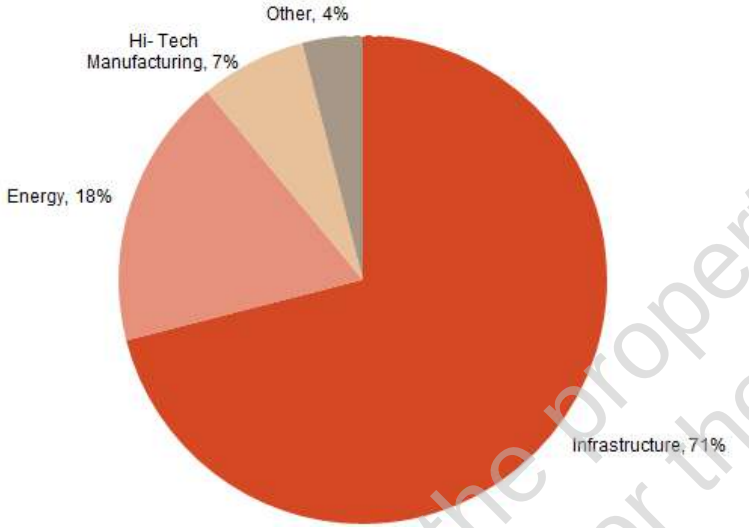
Operational Performance L&T mix is order book composition as on March 2023

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Source: CRISIL Research

Segment revenue (March 2023)



Source: CRISIL Research

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39.0 Peer comparison

Peer comparison

Financial indicators

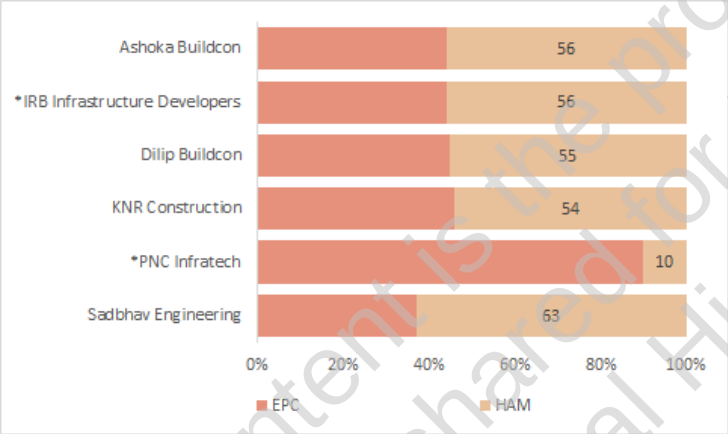
Key Financial Indicators	Unit	Ashoka Buildcon	Dilip Buildcon	IRB Infrastructure Developers*	KNR Construction	PNC Infratech	Sadbhav Engineering
Operating margin	%	14.4	16.0	26.0	19.8	13.7	14.0
Net margin	%	10.7	3.5	12.3	9.0	7.3	2.5
RoCE	%	20.6	16.4	8.3	23.6	20.1	6.0
Current ratio	Times	1.2	1.2	0.6	1.7	2.2	1.5
Interest coverage ratio	Times	8.6	2.6	0.9	12.0	9.7	1.2
Gearing ratio	Times	0.1	0.7	0.6	0.0	0.1	0.6

*Note: - *As of FY22, others as of FY21*

Source: CRISIL Research

Order book is an important indicator of a company's financial capabilities and operational expertise. It shows the number of orders and their value.

Order book break-up

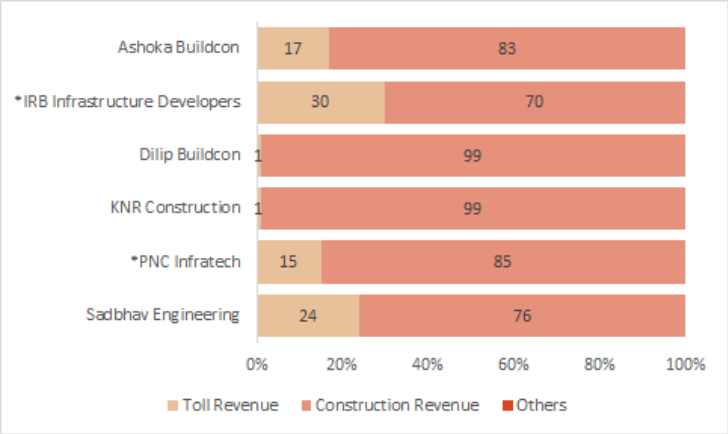


*Note: *HAM project includes BOT projects for Sadbhav Engineering and IRB Infra. Note: *IRB Infra and PNC Infratech as of fiscal 2022, others as of fiscal 2021*

Source: CRISIL Research

Segmental revenue break-up

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*Note: *Data for IRB Infra and PNC Infratech is as of fiscal 2022, others as of fiscal 2021 ii) Consolidated revenue is used*

Source: CRISIL Research

In terms of BOT projects IRB infrastructure developers has higher share of revenue from toll collection. Plus, it has indicated interest in bidding for future BOT proejcts once NHAI is able to revive BOT awarding.

All players have seen a sharp fall in toll revenue collection in the first quarter of fiscal 2021 due to nation-wide lockdown.

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40.0 Benchmarks: New project

Operational parameters

Gestation period

The National Highways Authority of India (NHAI) awards projects that can be completed in two-and-a-half to three years. However, depending on the project model, the time between awarding and completion varies.

For engineering-procurement-construction (EPC) projects, construction typically begins within two-three months of awarding.

For build-operate-transfer (BOT) projects (toll, annuity, hybrid annuity model or HAM), construction takes longer to start as the developer requires time to source funds and achieve financial closure. The appointed date (date from which construction can begin) can take as long as 10-12 months in some cases, especially for HAM which is a comparatively new public-private partnership (PPP) model. Achieving financial closure takes time on account of lenders apprehension towards lending to the sector.

Key economic size

Bharatmala Pariyojna

Bharatmala Pariyojna (BMP) scheme is an umbrella project of the central government since 2015, that aims to improve efficiency in the roads sector. it is expected to supersede the National Highways Development Project (NHDP) and envisage the construction of 65,000 kms of highways under the following categories: national corridor (north-south, east-west, and golden quadrilateral), economic corridor, inter-corridor roads and feeder roads. As per the ministry, Bharatmala, along with the schemes undertaken, could require a total outlay of Rs 6.9 trillion.

Phase-I of the scheme envisages development of about 24,800 km of national highways/ roads, plus residual 10,000 km of NHDP between fiscal 2018 to 2022. Awarding under BMP has begun from fiscal 2018 and we believe it will stretch at least till fiscal 2025 for Phase-I.

Status of Bharatmala scheme

		2017-18		2018-19		
	Overall target (Km)*	Awarding (km)	Amount (Rs mn)	Awarding (km)	Amount (Rs mn)	Cost/km (Rs mn)
Balance road work under NHDP	10,000	3,411	7,21,368	861	1,06,773	194
Bharatmala-Border & International Connectivity Roads	2,000	761	37,651	-	-	49
Bharatmala-Coastal & Port Connectivity Roads	2,000	78	7,406	72	10,247	118
Bharatmala-Economic Corridor	9,000	1,035	2,96,744	379	30,534	231
Bharatmala-Expressways	800	124	89,564	177	60,367	498
Bharatmala-Inter-corridor & Feeder Roads	6,000	236	49,241	267	54,288	206
Bharatmala-National Corridor Efficiency Improvements	5,000	260	49,291	317	49,624	171
Bharatmala others	-	1,489	1,51,848	149	36,915	115
Total	**34,800**	**7,394**	**14,03,113**	**2,222**	**3,48,748**	

*Note: *24,800 km of BMP and 10,000 km of residual NHDP to be constructed by fiscal 2022 under phase 1*

Source: NHAI, CRISIL Research

National Highway Development Project

The National Highway Development Project was launched in 2000 to for development of roads in various parts of the country.

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The project implemented by NHAI, aimed to construct more than 30,000 km of road in seven phases.

The scheme is now replaced by Bharatmala pariyojana scheme. As of June 2019, 5,000-5,500 km of NHDP remains awarded.

NHDP phases

NHDP phases	Stretches	Cost/Km (Rs mn)
I	Golden Quadrilateral (GQ) – which connects Delhi, Kolkata, Mumbai and Chennai	
II	Connects North-South & East-West Corridor, ports connectivity & others	257
III	Connecting state capital, economic important places and tourist places	142
IV	Improved two-lane standards with paved shoulders	144
V	Six-laning of national highways; 6,500-km stretch under GQ is considered	183
VI	Owing to construction of expressways, the cost/km is higher than all other NHDP phases. Expressways have wider routes, cement pavements and higher standard of construction, leading to higher cost/ km	683
VI	Construction of ring roads	192

Source: NHAI, CRISIL Research

Status of NHDP as of FY18

	2015-16		2016-17		2017-18		
	Awarding (Km)	Total Project cost (Rs. Millions)	Awarding (Km)	Total Project cost (Rs. Millions)	Awarding (Km)	Total Project cost (Rs. Millions)	Cost/km (Rs. Millions)
Phase I	-	-	-	-	-	-	-
Phase II	336	111,220	208	31,110	218	53,204	257
Phase III	1067	144,010	486	74,330	730	105,475	142
Phase IV	2533	318,760	2608	325,055	964	234,808	144
Phase V	135	30,970	983	136,590	618	150,287	183
Phase VI	52	25,540	20	14,010	61	51,340	683
Phase VII	62	11,370	32	840	158	36,130	192

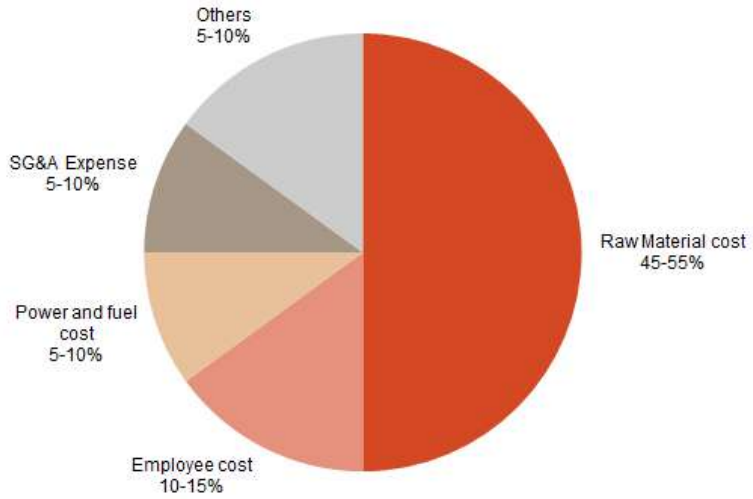
Note: i) Numbers mentioned are for phases I-VII of NHDP ii) Cost/km numbers are average for FY16, FY17 and FY18 iii) FY18 nos are based on numbers available is not an exhaustive list

Source: NHAI, CRISIL Research

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41.0 Benchmarks: Operating costs

Cost break-up



Note: Cost breakup for bitumen roads

Source: CRISIL Research

Raw materials (bitumen, cement and aggregates material) comprise 45-55% of overall cost. Employee cost (10-15%) includes recruiting & technical assistance fees, and employee wages. 60-70% of NHAI projects are bitumen based and rest are cement based. State and Rural roads, however, are largely bitumen based.

Payment from NHAI in HAM and EPC projects are adjusted based on price index. Hence, any change in raw material cost will be passed on to the authority for NHAI projects in case of HAM and EPC.

However, for BOT projects, the volatility in raw material prices is a risk for developers as it has to absorbed by them.

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42.0 Operational data : Road network

Road network | Addition to National Highway Length (planwise)

Addition to National Highway Length (planwise)		
(kms)	**Length added**	**Total length**
As on 1.4.1947	-	21,440
Pre First Plan (1947-1951)	815	22,255
First Plan (1951-1956)	-	22,255
Second Plan (1956-1961)	1,514	23,769
Third Plan (1961-1966)	179	23,948
Interregnum period (1966-1969)	52	24,000
Fourth Plan (1969-1974)	4,819	28,819
Fifth Plan (1974-1978)	158	28,977
Interregnum period (1978-1980)	46	29,023
Sixth Plan (1980-1985)	2,687	31,710
Seventh Plan (1985-1990)	1,902	33,612
Interregnum period (1990-1992)	77	33,689
Eighth Plan (1992-1997)	609	34,298
Ninth Plan (1997-2002)		
1997-1998	4,219	38,517
1998-1999	11,068	49,585
1999-2000	2,425	52,010
2000-2001	5,727	57,737
2001-2002	375	58,112
Tenth Plan (2002- 2007)		
2002-2003	-	58,112
2003-2004	7,457	65,569
2004-2005	-	65,569
2005-2006	1,551	67,120
2006-2007	-530	66,590
Eleventh Plan (2007-2012)		
2007-2008	164	66,754
2008-2009	3,794	70,548
2009-2010	386	70,934
2010-2011	n.a	70,934
2011-2012	n.a	71,772
Twelfth Plan (2013-2017)		
2012-13	n.a	79,116
2013-14	n.a	92,851
2014-15	n.a	96,214
2015-16	n.a	1,00,475
2016-17	3,458	1,03,933
2017-18	16,610	1,20,543
n.a: Not Available		
Note: Length of National highways denotified during Xth plan in year 2006-07 is 530 km.		
Source: National Highways Authority of India, Ministry of Road Transport and Highways (MORTH) & CRISIL Research		

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Road network | Bharatmala Phase-wise awarding

Bharatmala (BMP) Phase-wise awarding

	2018-22	2017-18	2018-19	2019-20	2020-21	2021-22
(Unit: KM)	**BMP Phase-1 target construction**	**Awarding**	**Awarding**	**Awarding**	**Awarding**	**Awarding**
Balance road work under NHDP	10,000	3,411	861	-	-	-
Bharatmala-Border & International Connectivity Roads	2,000	761	-	-	-	-
Bharatmala-Coastal & Port Connectivity Roads	2,000	78	72	-	-	-
Bharatmala-Economic Corridor	9,000	1,035	379	-	-	-
Bharatmala-Expressways	800	124	177	-	-	-
Bharatmala-Inter-corridor & Feeder Roads	6,000	236	267	-	-	-
Bharatmala-National Corridor Efficiency Improvements	5,000	260	317	-	-	-
Bharatmala others	-	1,489	149	-	-	-
Total	**34,800**	**7,394**	**2,222**	**3,211**	**4,818**	**6,306**

Source: National Highways Authority of India

Road network | Capacity of national highways

Percentage of National Highway in terms of width

Width of carriageway	National Highways length (2010-11)		National Highways length (2011-12)		National Highways length (2012-13)		National Highways length (2015-16)	
	(km)	(per cent)	(km)	(per cent)	(km)	(per cent)	(km)	(per cent)
Four / Six / Eight - lane	16,187	22.8	17,700	24.7	19,128	24.2	24,705	24.5
Two-lane	36,995	52.2	38,536	53.7	40,658	51.4	55,603	55.0
One-lane	17,752	25.0	15,536	21.6	19,330	24.4	20,703	21.0
Total	**70,934**	**100.0**	**71,772**	**100.0**	**79,116**	**100.0**	**1,00,475**	**100.0**

Note:-2013-14 and 2014-15 data is not available

Source: PIB, CRISIL Research

Road network | India: Existing road network (National highways, their length)

India: Existing road network (National highways, their length) - As on 2020-21

Na me o f State / UTs	National Highway No.	Total Length (in km)
Andhra Pradesh	16, 216, 216A, 716, 26, 326, 326A, 30, 40, 140, 340, 340C, 42, 44, 544D, 150A, 65, 165, 516D, 565, 765, 67, 167, 69, 71, 75, 167A, 516E, 167B, 365BB, 365BG, 544DD, 544E, 130CD, 716A, 716B, 516C, 167BG, 544F, 167K, 342, N E7 167BG, 69, 71, 75	**7339.95**
Arunachal Pradesh	13, 113, 313, 513, 713, 713A, 15, 115, 215, 315, 315A, 415, 515,	**2,537.39**
Assam	2, 702, 702C, 702D, 6, 306, 8 , 208A, 15, 115, 215, 315, 315A , 415, 515, 715, 7 15A, 17, 117, 117A, 217, 27, 127, 127A, 127B , 127C , 127D, 127E, 427, 627, 29, 129, 329, 329A, 37, 715K	**3,935.91**
Bihar	19, 119, 219, 319, 20, 120, 22, 122, 122A , 322, 722, 922, 27, 227, 227A, 327, 327A, 527, 527A, 527B, 527C, 527D, 727, 727A, 31, 131, 131A , 231, 331, 431, 531, 33, 133, 133B, 333, 333A, 333B, 139, 124C, 227F, 227J, 227L, 727AA, 133E, 122B, 333C, 527E, 327AD, 319A, 131B, 131G	**5,420.78**
Chandigarh	5	**15.28**
Chhattisgarh	30, 130, 130A, 130B, 130C, 130D, 930, 43, 343, 45, 49, 149B, 53, 153, 353, 63, 163, 163A, 130CD, 143B,	**3,620.45**
Delhi	9, 44, 48, 248BB, 148A, 248BB, 709B, 344M, 148AE, 148NA, 344N, 3 44P, NE3	**157.1**
Goa	748, 66, 366, 566, 748AA, 166S	**299.3**
Gujarat	27, 927D, 41, 141, 341, 47, 147, 48, 848, 848A, 848B, 51, 151, 251, 351, 53, 753B, 953, 56, 58, 64, 68, 168, 168A, 756, 148M, 751D, 751DD, 351F, 147D, 751, 151A, 148N, 754K, NE1, NE4, 351K, 351G, 151K, 848K, 151AD, 927C, 927K, 351K, 351G, 151K, 848K, 151AD, 927C, 927K	**7,744.00**
Haryana	703, 5, 105, 7, 907, 9, 709, 709A, 11, 919, 334B, 44, 344, 444A, 48, 148A, 148B, 248A, 52, 152, 352, 352A, 54, 254, 248BB, 152A, 907G, 352R, 352W, 709AD, 334D, 148N, 152D, 148NA, 344N, 344P, NE2, NE5,	**3,236.70**
Himachal Pradesh	3, 103, 303, 503, 503A, 5, 105, 205, 305, 505, 505A, 705 , 7, 707, 907, 907A, 44, 154, 154A,	**2,606.88**
Jammu & Kashmir		

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and Ladakh	1, 301, 501, 701, 3, 44, 244, 144, 144A, 444, 244A, 701A,	**2,423.21**
Jharkhand	114A, 18, 118, 19, 419, 20, 220, 320, 22, 522, 33, 133, 133A, 133B, 333, 333A, 39, 139, 43,143, 143A, 343, 49, 143H, 143D, 320G, 143AG, 320D, 218, 143B	**3,366.76**
Karnataka	44, 48, 648, 748, 948, 50, 150, 150A, 52, 160, 65, 66, 766, 766C 67, 167, 367, 69, 169, 169A, 369, 73, 173, 75, 275, 181, 166E, 548B, 561A, 752K,161A, 544DD, 544E, 548H, 748AA, 367A, 948A, 369E, 373, 275K, 766E, 766EE, NE7	**7,412.05**
Kerala	544, 744, 66, 766, 966, 966 A, 966 B, 183, 183A, 85, 185	**1,781.57**
Madhya Pradesh	719, 27, 927A, 30, 34, 934, 135, 135B, 39, 339, 339B, 539, 43, 543, 943, 44, 45, 46, 146, 146B, 346, 47, 347, 347C, 347B, 547, 52, 552, 752B, 752C, 56, 548C, 752G, 161G, 347A, 753L, 147E, 135BB, 135BD, 135BG, 135C, 347BG, 552G, 148N, 148NG	**8,940.54**
Maharashtra	130D, 930, 543, 44, 47, 347C, 547, 48, 348A, 348, 548, 848, 848A, 50, 150, 52, 53, 353C, 353D, 353E, 753, 753A, 753B, 953, 60, 160, 61, 161, 361, 63, 65, 965, 66, 166, 166A, 548C, 753E, 548E, 752G, 561, 753F, 548A, 166E, 266, 548B, 548CC, 161H, 161G, 361H, 548D, 561A, 965C, 752I, 965G, 752K, 347A, 930D, 361B, 353B, 247, 161A, 361C, 161E, 353I, 753J, 753L, 353J, 353K, 752E, 752H, 753M, 548H, 160A, 160B, 753C, 965D, 753BB, 160D, 348B, 348BB, 753AB, 160C, 166H, 761, 753H, 166D, 652, 465, 647, 461B, 160H, 361F, 965DD, 166F, 166G, 548DD, NE4, 547E,	**17,930.60**
Manipur	2, 102, 202, 102A, 102B, 102C, 29, 129A, 37, 137, 137A	**1,750.34**
Meghalaya	6, 106, 206, 217, 127B	**1,155.60**
Mizoram	2, 102B, 302, 502, 502A, 6, 306, 306A, 108	**1,422.50**
Nagaland	2, 202, 702, 702A, 702B, 702D, 29, 129, 129A, 229, 329A	**1,547.68**
Odisha	16, 316, 516, 18, 20, 220, 520, 26, 326, 326A, 130C, 143, 49, 149, 53, 153B, 353, 55, 57, 157, 59, 63, 126, 130CD, 316A, 516A, 157A, 126A, 655, 720, 143H, 320D,	**5,897.08**
Puducherry	32, 332	**64**
Punjab	3, 503, 503A, 703, 703A, 5, 205, 205A, 7, 9, 44, 344, 344A, 344B, 148B, 52, 152, 54, 154, 154A, 254, 754, 62, 354, 148BB, 105B, 152A, 703B, 354E, 354B, 703AA, NE5, NE5A , 503D, 754A, 754AD, 205K	**4,099.12**
Rajasthan	709, 11, 919, 21, 23, 123, 25, 125, 325, 27, 927A, 44, 48, 148, 148B, 148D, 248, 248A, 448, 52, 552, 752, 54, 56, 156, 58, 158, 458, 758, 62, 162, 162A, 68, 168, 168A, 954, 311, 921, 70, 925, 925A, 911, 552G, 148N, 754K, 911A, 148C, 968, 148NG	**10,350.12**
Sikkim	10, 310, 310A, 710, 510, 717A, 717B, 310AG	**709.07**
Tamil Nadu	16, 716, 32, 132, 332, 532, 36, 136, 336, 536, 38, 138, 40, 42 44, 544, 544, 944, 48, 648, 948, 66, 75, 77, 79, 81, 181, 381, 83, 183,85, 87, 544H, 179A, 383, 381, 381B, 785, 716, 744A, 948A, 136B,179B, 132B, 179D, 332A, 844, 716B,	**6,858.14**
Telangana	30, 44, 150, 353C, 61, 161, 63, 163, 563, 65, 365, 365A, 365B, 363, 565, 765, 167, 353B, 161B, 365BB, 365BG, 765D, 161AA, 161BB, 167K	**3,973.66**
Tripura	8, 108, 108A, 108 B, 208, 208A	**853.81**
Uttar Pradesh	307, 9, 509, 709A, 19, 219, 519, 719, 21, 123, 24, 27, 2 27A, 727, 727A, 927, 28, 128, 30, 230, 330, 330B, 530, 330A , 730, 730A , 31, 731, 731A, 931, 931A, 34, 334, 334A, 334B, 334C, 534, 734, 234, 35, 135, 135B, 335, 39, 339, 539, 44, 344, 552, 709B, 135BB, 730H, 321, 731AG, 709AD, 319D, 124C, 727B, 727H, 727G, 128B, 128C, 328, 328A, 330D, 530B, 730B, 731K, 727BB, 730S, 730C, 334D, 128A, 135C, 135A, 124D, 321G, 334DD, 727AA, 731B, NE2, NE3, N E6	**11,830.88**
Uttarakhand	7, 107, 107A, 307, 507, 707, 707A, 9, 109, 109D, 309, 309A, 309B, 30, 34, 134, 334, 334A, 534, 734, 344, 731K,	**3,105.81**
West Bengal	10, 110, 12, 112, 512, 14, 114, 114A, 314, 16, 116, 116B, 17, 317, 317A, 517, 717, 717A, 18, 19, 419, 27, 327, 327B, 31, 131A, 33, 133A, 49, 316A, 116A, 327C, 312, 2 18	**3,664.50**
A & N Islands	4	**330.7**
Dadra & Nagar Haveli	848A, NE4	**37**
Daman & Diu	848B, 251	**22.0**
Total		**1,36,440**
Source : MORTH, CRISIL Research		

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Road network | State-wise road length in relation to area and population

State-wise road length in relation to area and population

	Total road length (kms)	Road length		Total length of national highways (kms)	Road length	
		Per 100 sq kms of area	Per one lakh of population		Per 100 sq kms of area	Per one lakh of population
STATES						
Andhra Pradesh & Telangana	2,97,939	108.3	352.3	10,170	3.0	9.6
Arunachal Pradesh	30,692	36.7	2,218.1	2,537	3.0	181.6
Assam	3,29,520	420.1	1,056.0	3,845	4.9	12.2
Bihar	2,06,484	219.3	198.4	4,839	5.1	4.6
Chhattisgarh	95,809	70.9	375.1	3,523	2.3	12.0
Goa	16,063	433.9	1,101.3	292.9	7.1	18.0
Gujarat	1,79,144	91.3	296.4	5,456	2.5	8.2
Haryana	48,482	109.7	191.2	2,741	5.9	10.3
Himachal Pradesh	55,759	100.2	812.3	2,643	4.7	38.5
Jammu & Kashmir	49,716	22.4	396.4	2,601	1.2	20.7
Jharkhand	66,786	83.8	202.5	2,661	3.3	8.0
Karnataka	3,45,515	180.2	565.5	6,991	3.4	10.6
Kerala	2,00,808	516.9	601.1	1,782	4.7	5.4
Madhya Pradesh	2,89,940	94.1	399.2	8,053	1.7	7.2
Maharashtra	6,13,418	199.3	545.9	16,239	2.4	6.6
Manipur	24,776	111.0	867.6	1745.7	7.8	61.1
Meghalaya	21,727	96.9	732.3	1204.4	5.4	40.5
Mizoram	8,108	38.5	739.0	1422.5	6.6	125.9
Nagaland	36,114	217.8	1,825.3	1546.7	6.9	58.1
Odisha	2,88,083	185.0	686.3	5,413	3.1	11.5
Punjab	1,08,379	215.2	390.6	3,228	5.5	10.0
Rajasthan	2,54,279	74.3	370.9	8,972	2.3	11.5
Sikkim	8,243	116.2	1,350.0	463	6.5	75.8
Tamil Nadu	2,61,035	200.7	361.8	5,918	3.8	6.9
Tripura	39,365	375.4	1,071.5	853.8	7.7	21.9
Uttar Pradesh	4,22,412	175.3	211.4	9,017	3.5	4.2
Uttarakhand	61,018	114.1	605.0	2,842	5.1	26.9
West Bengal	3,16,730	356.9	347.0	3,004	3.3	3.2
UNION TERRITORIES						
Andaman & Nicobar Islands	1,493	18.1	392.3	330.7	4.0	87.0
Chandigarh	2,821	2,474.6	267.3	15.3	13.2	1.4
Dadra & Nagar Haveli	1,134	231.0	329.9	31	6.3	9.0
Daman & Diu	496	446.8	203.9	22	19.8	9.0
Delhi	17,625	1,188.5	105.0	78.9	5.4	0.5
Lakshadweep	209	696.7	324.2	0	-	-
Puducherry	3,174	647.8	254.3	64	13.1	5.1
All INDIA (excluding JRY Roads)	47,03,296	143.1	388.4	1,20,543	3.1	8.3

Note: Road lengths are as of March 2018, area and population as per Census 2011

Source: MORTH

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Road network | Targets and achievements of MORTH

Targets and achievements for MORTH		
Year	**Targets for construction in km**	**Achievement in km**
2011-12	5824	5013
2012-13	6187	5732
2013-14	6330	4260
2014-15	6300	4410
2015-16	10950	6143
2016-17	15000	8231
2017-18	15000	9829
2018-19	16420	10855
2019-20	11000	10237
2020-21	11000	13286
N.A.- Not Available		
Source: PIB, CRISIL Research		

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48.0 Operational data : Investments and Funding

Investments and Funding | Capital expenditure on state roads

Government capital expenditure

(Rs billion)	2009-10 (Budget estimates)	2009-10 (Revised estimates)	2009-10 Accounts	2010-11 (Budget estimates)	2010-11 (Revised estimates)	2010-11 Accounts
Andhra Pradesh	16.7	15.5	12.3	14.5	14.2	10.4
Arunachal Pradesh	2.9	6.4	3.5	1.9	6.3	5.7
Assam	8.0	8.0	6.0	7.0	7.1	4.1
Bihar	25.7	25.8	30.5	35.7	37.2	40.6
Chhattisgarh	10.9	6.8	6.4	9.0	9.5	8.1
Goa	1.9	2.2	2.4	2.2	2.5	2.8
Gujarat	10.2	12.7	13.0	14.7	14.2	13.8
Haryana	15.4	13.0	11.6	10.1	9.6	8.7
Himachal Pradesh	3.5	4.9	5.0	3.9	4.0	4.3
J & K	1.9	1.2	-	1.1	4.7	9.8
Jharkhand	6.3	7.4	-	7.0	8.2	8.2
Karnataka	16.0	15.5	24.2	18.5	23.0	29.0
Kerala	5.3	7.5	8.4	22.0	8.4	14.1
Madhya Pradesh	19.3	18.7	19.6	19.3	21.2	19.8
Maharashtra	13.7	29.8	30.8	16.3	24.4	23.6
Manipur	0.8	3.3	3.0	2.4	3.1	2.8
Meghalaya	2.3	1.6	1.6	2.0	2.0	2.3
Mizoram	0.9	1.1	1.1	0.7	1.8	1.5
Nagaland	1.7	2.7	2.4	2.1	2.8	3.2
Orissa	8.8	9.5	9.2	12.4	11.8	12.9
Punjab	5.0	5.6	5.4	5.4	5.0	5.7
Rajasthan	5.1	4.7	4.3	5.6	5.8	5.5
Sikkim	1.5	1.6	1.0	2.0	2.1	1.0
Tamil Nadu	31.1	27.3	26.9	34.0	30.5	30.4
Telangana	-	-	-	-	-	-
Tripura	2.2	3.4	3.0	2.8	2.7	2.2
Uttarakhand	6.3	8.6	7.9	6.4	9.0	8.7
Uttar Pradesh	46.0	49.4	41.2	39.3	44.5	46.1
West Bengal	4.5	6.1	6.2	7.6	7.3	5.7
NCR	14.7	19.5	19.3	16.3	16.0	13.9
Puducherry	1.3	0.5	0.6	1.4	0.8	0.9
Total	**289.8**	**320.3**	**306.8**	**323.4**	**339.6**	**345.7**

(Rs billion)	2011-12 (Budget estimates)	2011-12 (Revised estimates)	2011-12 Accounts	2012-13 (Budget estimates)	2012-13 (Revised estimates)	2012-13 (Accounts)
Andhra Pradesh	18.9	18.8	12.0	27.7	27.2	21.1
Arunachal Pradesh	3.9	7.7	7.2	2.1	7.5	4.4
Assam	10.0	10.0	5.8	11.7	11.7	7.1
Bihar	38.8	41.0	40.6	38.1	41.4	32.9
Chhattisgarh	13.8	12.6	6.6	26.8	18.5	12.7
Goa	2.5	2.8	3.0	2.5	2.7	2.0
Gujarat	18.2	18.4	17.9	20.9	24.7	24.4
Haryana	12.1	10.6	9.3	11.9	14.3	12.2
Himachal Pradesh	5.4	6.5	6.6	7.3	6.9	6.9
J & K	4.1	3.1	10.7	1.8	1.6	5.4

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Jharkhand	16.9	7.9	8.0	16.4	16.4	15.0
Karnataka	25.9	30.2	38.7	29.8	35.5	45.5
Kerala	12.5	20.6	16.6	26.9	34.0	20.0
Madhya Pradesh	18.5	16.9	17.0	23.4	18.7	20.7
Maharashtra	28.1	27.4	27.6	30.9	28.7	28.6
Manipur	2.9	3.0	2.9	2.1	2.0	1.8
Meghalaya	3.1	3.1	3.2	3.4	3.4	4.0
Mizoram	1.1	1.7	1.3	3.2	3.7	1.0
Nagaland	2.3	3.2	3.5	2.7	5.7	3.4
Orissa	14.6	12.3	12.4	16.6	14.4	15.2
Punjab	6.2	4.8	3.9	4.2	13.9	2.1
Rajasthan	6.7	11.7	10.8	13.7	13.9	14.1
Sikkim	2.2	2.6	1.4	3.3	3.5	3.1
Tamil Nadu	35.4	30.0	34.4	40.5	40.4	33.5
Telangana	-	-	-	-	-	-
Tripura	1.3	2.5	2.3	1.9	3.1	2.9
Uttarakhand	9.5	8.2	8.1	7.9	9.3	8.7
Uttar Pradesh	47.6	53.3	45.7	49.9	56.5	64.3
West Bengal	8.5	7.6	6.7	12.7	16.5	13.6
NCR	10.0	9.3	9.2	14.5	14.5	9.3
Puducherry	1.9	0.8	0.8	1.0	0.8	0.7
Total	**382.8**	**388.5**	**373.9**	**455.9**	**491.4**	**436.6**

(Rs billion)	**2013-14 (Accounts)**	**2014-15 (Budget estimates)**	**2015-16 (Budget estimates)**	**2014-15 (Accounts)**	**2015-16 (Revised estimates)**	**2016-17 (Budget estimates)**
Andhra Pradesh	26.9	13.4	18.3	21.5	22.6	20.1
Arunachal Pradesh	6.5	9.6	5.6	6.0	7.9	1.4
Assam	7.3	19.0	17.7	8.8	23.2	22.4
Bihar	40.8	52.9	48.5	41.8	46.4	56.5
Chhattisgarh	18.0	32.7	45.2	25.8	38.3	56.3
Goa	2.3	3.0	3.5	2.3	3.5	4.4
Gujarat	26.0	26.0	27.5	25.2	21.4	25.7
Haryana	17.4	18.0	17.2	13.8	20.7	27.2
Himachal Pradesh	6.9	8.6	11.3	8.4	12.5	12.3
J & K	3.9	8.5	9.1	4.5	12.2	10.5
Jharkhand	18.8	24.9	29.9	24.4	31.9	39.9
Karnataka	52.1	41.0	39.3	50.5	54.8	53.3
Kerala	14.0	13.5	23.7	14.8	22.0	22.2
Madhya Pradesh	23.0	26.1	37.1	28.5	36.5	43.0
Maharashtra	41.3	34.4	36.2	34.1	47.2	45.0
Manipur	2.5	2.2	2.7	2.2	3.6	2.8
Meghalaya	4.9	5.5	5.8	5.0	5.8	4.9
Mizoram	0.9	1.9	1.7	1.8	2.1	2.5
Nagaland	3.1	3.0	1.3	2.7	2.6	1.3
Orissa	20.8	45.2	56.3	43.1	71.9	57.7
Punjab	3.8	10.7	14.2	9.3	11.6	11.0
Rajasthan	22.3	37.7	30.4	27.1	31.4	42.6
Sikkim	2.9	3.7	2.6	2.4	2.9	2.0
Tamil Nadu	39.8	50.3	69.1	44.2	55.2	70.6
Telangana	–	21.4	42.8	11.4	23.0	30.3
Tripura	3.2	5.9	6.6	5.4	7.0	5.2
Uttarakhand	10.3	14.6	9.6	14.8	13.6	16.9
Uttar Pradesh	98.6	145.2	147.5	139.1	156.4	187.0
West Bengal	14.7	20.8	21.0	12.6	34.2	23.6
Total	**533.2**	**699.7**	**781.7**	**631.4**	**822.1**	**898.6**

(Rs billion)	**2016-17**	**2017-18**	**2017-18**	**2017-18**	**2018-19**	**2018-19**

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(Rs billion)	2016-17 (Accounts)	2017-18 (Budget estimates)	2017-18 (Revised estimates)	2017-18 (Accounts)	2018-19 (Budget estimates)	2018-19 (Revised estimates)
Andhra pradesh	20.9	19.1	16.9	3.7	19.5	10.9
Arunachal pradesh	3.8	6.3	16.3	11.6	8.3	36.6
Assam	15.3	23.5	25.6	21.0	29.8	62.0
Bihar	53.3	55.1	58.8	53.7	54.7	57.0
Chattisgarh	34.1	61.3	44.6	46.8	51.5	40.4
Goa	3.4	5.3	5.2	3.4	6.1	5.8
Gujarat	22.0	29.8	31.6	27.7	32.2	32.5
Haryana	14.8	19.5	18.7	15.8	18.8	18.6
Himachal pradesh	14.6	15.1	16.4	15.3	17.0	19.1
J&K	8.3	12.5	11.3	11.0	8.6	10.8
Jharkhand	42.9	50.0	50.1	50.4	40.0	40.0
Karnataka	73.1	59.9	73.1	69.6	72.0	87.9
Kerala	28.2	22.1	3.2	2.6	14.3	9.0
Madhya pradesh	34.7	55.4	58.3	63.9	59.2	57.3
Maharashtra	33.3	84.0	50.7	61.2	82.6	105.1
Manipur	4.6	6.0	6.8	6.8	6.2	6.2
Meghalaya	5.7	7.0	7.0	7.0	6.2	6.2
Mizoram	3.7	4.3	6.2	6.2	3.2	3.2
Nagaland	1.7	1.1	2.8	1.4	1.5	1.4
Odisha	65.3	63.6	66.9	68.2	67.3	77.9
Punjab	13.4	8.5	11.7	6.7	10.4	9.1
Rajasthan	24.0	47.8	47.0	45.4	52.6	42.7
Sikkim	2.6	3.7	6.6	6.6	5.7	5.7
Tamil nadu	57.5	86.2	74.0	68.0	88.1	79.0
Telangana	22.6	20.5	18.4	21.7	26.2	21.5
Tripura	8.6	6.2	5.4	2.7	3.9	1.4
Uttarakhand	13.0	13.0	13.5	14.0	13.2	12.3
Uttar Pradesh	223.6	149.8	156.0	76.4	194.9	198.0
West Bengal	18.9	26.8	39.4	35.2	35.6	43.5
Total	**867.8**	**963.4**	**942.3**	**823.8**	**1,029.4**	**1,100.9**

(Rs billion)	2019-20 (Budget estimates)
Andhra pradesh	22.2
Arunachal pradesh	20.0
Assam	51.0
Bihar	55.4
Chattisgarh	45.4
Goa	6.3
Gujarat	38.8
Haryana	20.0
Himachal pradesh	17.8
J&K	11.1
Jharkhand	47.0
Karnataka	80.0
Kerala	15.1
Madhya pradesh	71.1
Maharashtra	64.5
Manipur	6.2
Meghalaya	6.2
Mizoram	3.2
Nagaland	1.4
Odisha	63.6
Punjab	11.1

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Rajasthan	35.0
Sikkim	5.7
Tamil nadu	107.0
Telangana	0.2
Tripura	1.4
Uttarakhand	11.5
Uttar Pradesh	242.6
West Bengal	38.5
Total	**1,099.1**

Note: Top 9 states account for more than 70% of State road investments

Source: State budget documents

Investments and Funding | Investment in Roads and Highways

Investment in Roads and Highways (2014-15 to 2023-27)

(Rs billion)	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2023-27P
National highways	409	654	882	1,089	1,154	1,409	1,410	1,648	9,566
State roads	743	887	1,055	957	1,204	1,248	1,235	1,454	9,636
Rural roads	170	183	179	170	234	215	226	273	1,150
Total	**1,322**	**1,724**	**2,116**	**2,216**	**2,592**	**2,872**	**2,871**	**3,375**	**21,506**

P: Projected

Source: CRISIL Research

Investments and Funding | NHAI - Financial Structure

NHAI - Financial Structure (Rs.Bn)

Year	Cess Fund	Ploughing back of funds deposited by NHAI in CFI	IEBR
2014-15	96	54	33
2015-16	165	65	280
2016-17	74	75	331
2017-18	154	85	505
2018-19	180	96	620
2019-20	161	106	750
2020-21RE	239	115	650
2021-22BE	347	128	650

Note: RE: Revised Estimates, BE: Budget Estimates

Source : Budget document, CRISIL Research

Investments and Funding | Revenues from cess on petrol and diesel

Revenues from cess on petrol and diesel

(Rs billion)	2014-15	2015-16	2016-17	2017-18	2018-19	FY20RE	FY21BE
Central Road Infra Fund (Receipts)	258	432	519	585	629	1,224	1,261

Note: RE :- Revised Estimates, BE :- Budget estimates

Source: Budget documents, MORTH

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52.0 Operational data : Player financials

Player financials | Consolidated

Companies with exposure to roads sector: Margins and RoCE (Consolidated)

Company	Year Ending	Operating profit margins (per cent)	Net Profit Margins (per cent)	RoCE (per cent)	Gearing
Ahluwalia Contracts (India) Ltd -(Consolidated)	Mar-11	9.4	4.1	29.2	0.6
	Mar-12	1.6	-3.1	-3.5	0.9
	Mar-13	-1.8	-5.0	-7.1	1.4
	Mar-14	2.6	2.3	13.4	1.1
	Mar-15	10.8	5.8	21.5	0.5
	Mar-16	12.9	6.8	29.5	0.3
	Mar-17	12.4	6.0	28.2	0.2
	Mar-18	13.3	7.0	32.8	0.0
	Mar-19	12.3	6.7	24.4	0.1
	Mar-20	8.1	3.4	15.5	0.1
	Mar-21	7.8	3.9	16.7	0.0
Ashoka Buildcon Limited-(Consolidated)	Mar-11	20.9	17.2	16.4	1.3
	Mar-12	21.9	7.7	10.8	1.6
	Mar-13	20.2	2.4	7.4	1.9
	Mar-14	22.4	2.5	5.7	1.9
	Mar-15	22.3	-0.1	6.6	2.1
	Mar-16	34.2	-8.9	10.1	2.1
	Mar-17	30.7	-4.3	10.8	2.3
	Mar-18	30.0	-3.4	15.6	12.5
	Mar-19	25.9	-0.8	17.9	15.7
	Mar-20	27.5	3.3	20.2	11.9
	Mar-21	27.8	5.9	18.9	8.1
B L Kashyap and Sons Ltd -(Consolidated)	Mar-11	7.9	3.1	10.7	1.1
	Mar-12	6.4	-0.3	10.0	1.2
	Mar-13	7.7	0.5	9.8	1.2
	Mar-14	-2.4	-6.3	-3.9	1.5
	Mar-15	2.3	-7.1	-0.4	1.9
	Mar-16	8.1	-0.7	6.5	2.0
	Mar-17	9.8	0.5	7.3	1.7
	Mar-18	8.9	2.0	9.5	1.2
	Mar-19	7.5	-0.8	4.7	1.1
	Mar-20	2.6	-7.7	-0.9	1.1
	Mar-21	8.2	-7.7	6.5	1.4
Consolidated Construction Consortium Ltd -(Consolidated)	Mar-11	7.5	2.2	13.8	0.7
	Mar-12	5.1	-0.5	7.0	1.1
	Mar-13	1.0	-4.5	-0.2	1.5
	Mar-14	-23.8	-27.3	-18.1	3.3
	Mar-15	-19.6	-27.3	-4.0	9.3
	Mar-16	-9.6	-46.3	-3.6	20.9
	Mar-17	-1.4	-27.1	-0.9	63.7
	Mar-18	-1.3	-15.9	2.8	-19.1
	Mar-19	0.7	-15.6	3.3	-8.6
	Mar-20	-17.6	-45.6	-4.4	-4.7
	Mar-21	-22.1	-50.5	-1.3	-5.1
Era Infra Engineering Ltd -(Consolidated)	Mar-11	19.4	5.9	14.2	1.9
	Mar-12	19.7	1.2	13.2	2.6
	Mar-13	19.8	2.4	10.5	3.3
	Mar-14	8.3	-20.9	-0.9	6.3
	Mar-15	11.0	-50.3	-1.4	13.8
	Mar-16	-31.7	-111.0	-6.0	-15.2
Gammon India Ltd -(Consolidated)	Mar-11	6.4	1.3	10.0	4.6
	Mar-12	10.7	-1.5	6.9	6.1

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	Mar-12	10.7	-1.0	6.9	6.1
	Mar-13	6.7	-12.5	-0.2	14.6
	Dec-13	2.5	-16.9	-2.6	47.1
	Sep-14	6.3	-20.3	-0.5	-109.5
	Mar-16	18.1	-11.1	5.7	-67.3
	Mar-17	2.3	-71.4	-2.8	-11.8
	Mar-18	52.3	-229.0	-25.4	-2.4
	Mar-19	-14.5	-131.6	-32.7	-1.5
	Mar-20	33.4	-728.2	6.5	-1.2
	Mar-21	-37.3	-1457.7	-35.3	-1.0
Gayatri Projects Ltd -(Consolidated)	Mar-11	19.5	1.5	5.4	3.5
	Mar-12	18.2	-0.5	5.7	5.4
	Mar-13	22.6	-1.3	4.8	6.9
	Mar-14	26.1	-5.0	2.4	9.8
	Mar-15	21.3	-3.5	3.4	5.8
	Mar-16	12.8	-2.7	5.0	-12.5
	Mar-17	16.2	0.0	11.3	4.5
	Mar-18	17.0	-1.0	10.2	2.3
	Mar-19	15.9	4.6	14.8	1.9
	Mar-20	11.3	-1.7	9.3	2.2
	Mar-21	11.3	1.1	11.7	2.2
Hindustan Construction Company Ltd -(Consolidated)	Mar-11	9.3	-1.5	7.1	6.1
	Mar-12	5.9	-7.2	0.8	9.1
	Mar-13	5.5	-6.2	2.7	14.0
	Mar-14	9.7	-3.7	6.5	16.2
	Mar-15	12.2	-2.1	8.9	19.7
	Mar-16	12.0	-6.4	8.1	-16.0
	Mar-17	8.4	-9.9	5.5	-13.4
	Mar-18	7.5	-9.7	5.5	-5.5
	Mar-19	7.4	-3.4	-0.8	-4.1
	Mar-20	9.2	2.1	37.4	-4.8
	Mar-21	4.7	-7.4	4.2	-3.3
Hindustan Dorr-Oliver Ltd -(Consolidated)	Mar-11	8.5	3.6	22.3	1.5
	Jun-12	-2.1	-7.7	-5.6	8.3
	Mar-13	-10.4	-28.2	-38.1	-9.5
	Mar-14	-15.8	-36.1	-8.8	-16.1
	Mar-15	-97.9	-212.0	-138.5	-1.2
	Mar-16	-14.0	-77.6	-25.3	-1.2
IL&FS Engineering and Construction Company Ltd -(Consolidated)	Mar-11	-4.6	0.1	6.1	4.3
	Sep-12	-0.2	-7.3	2.4	9.5
	Mar-14	3.4	-3.5	6.9	48.7
	Mar-15	6.7	-1.1	11.4	14.3
	Mar-16	-9.4	-20.5	-6.1	-8.5
	Mar-17	8.2	-2.5	16.6	-11.2
	Mar-18	8.2	0.8	17.0	-15.0
	Mar-19	-7.1	-164.9	-204.1	-1.5
	Mar-20	1.1	-72.0	-105.2	-1.2
	Mar-21	-46.7	-75.5	-330.7	-1.0
IL&FS Transportation Networks Ltd -(Consolidated)	Mar-11	25.6	11.5	18.5	2.6
	Mar-12	22.3	10.3	14.9	4.2
	Mar-13	22.1	8.9	12.3	4.3
	Mar-14	22.3	7.7	9.7	5.0
	Mar-15	22.2	7.1	8.9	5.5
	Mar-16	24.4	1.1	9.2	5.8
	Mar-17	35.7	1.9	10.0	7.0
	Mar-18	27.5	0.9	10.2	7.4
IRB Infrastructure Developers Ltd -(Consolidated)	Mar-11	44.7	18.9	15.3	1.8
	Mar-12	43.9	15.8	14.0	2.4
	Mar-13	44.5	15.0	12.0	2.7
	Mar-14	47.1	12.3	10.5	3.2
	Mar-15	57.6	13.6	10.1	3.0
	Mar-16	52.0	12.5	10.4	3.3
	Mar-17	52.3	12.2	12.0	2.7
	Mar-18	47.3	16.2	12.5	2.4

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	Mar-19	43.9	12.7	11.3	2.6
	Mar-20	43.5	10.5	17.3	1.4
	Mar-21	47.5	2.2	7.7	2.7
ITD Cementation India Ltd -(Consolidated)	Dec-10	10.6	0.7	13.3	1.5
	Dec-11	10.3	1.4	14.3	1.7
	Dec-12	11.9	1.4	13.4	2.0
	Dec-13	10.8	0.6	13.1	1.9
	Dec-14	4.2	0.9	12.9	1.3
	Dec-15	6.7	-2.1	4.3	1.2
	Dec-16	9.8	1.7	19.1	0.6
	Dec-17	8.4	3.5	21.2	0.8
	Mar-19	10.6	2.6	16.7	0.5
	Mar-20	9.0	1.5	12.5	0.5
	Mar-21	7.9	0.6	11.0	0.4
IVRCL Ltd -(Consolidated)	Mar-11	11.3	0.3	8.2	1.3
	Jun-12	8.7	-2.2	5.4	2.1
	Mar-13	8.4	-6.4	2.7	2.5
	Mar-14	6.0	-18.3	-1.5	4.2
	Mar-15	0.9	-42.0	-5.6	11.4
	Mar-16	-10.6	-51.5	-4.0	-41.5
	Mar-17	-10.0	-33.3	-6.3	-12.3
	Mar-18	-10.2	-121.9	-12.4	-5.4
	Mar-19	-3.5	-165.1	-7.5	-2.6
	Mar-20	-28.6	-211.7	-14.7	-1.7
JMC Projects (India) Ltd -(Consolidated)	Mar-11	8.4	2.6	15.5	0.6
	Mar-12	7.1	2.2	16.0	1.3
	Mar-13	4.5	0.3	6.5	2.5
	Mar-14	5.0	-0.4	5.3	3.8
	Mar-15	8.5	-1.2	7.0	5.4
	Mar-16	12.0	-2.6	7.9	3.3
	Mar-17	12.6	-1.7	9.4	3.3
	Mar-18	14.0	0.9	13.2	3.5
	Mar-19	13.9	2.2	16.4	3.0
	Mar-20	14.2	0.0	14.1	3.2
	Mar-21	12.5	-0.7	13.3	3.4
	Mar-22	8.1	0.3	25.6	-1.8
Kaushalya Infrastructure Development Corporation Ltd-(Consolidated)	Mar-11	11.1	3.1	8.1	0.5
	Mar-12	11.1	3.0	8.5	0.4
	Mar-13	19.5	-7.6	3.3	0.5
	Mar-14	-71.8	-99.9	-5.4	0.6
	Mar-15	2.1	-119.5	-0.6	0.7
	Mar-16	-7181.5	-7285.5	-46.4	2.2
	Mar-17	-1416.4	-1179.8	-4.4	2.7
	Mar-18	-113.6	-147.1	-1.2	2.3
	Mar-19	65.7	86.0	20.9	0.7
	Mar-20	-3189.3	-3400.1	-9.0	0.8
	Mar-21	-30.0	28.1	3.4	0.6
KNR Constructions Ltd -(Consolidated)	Mar-11	14.8	5.6	24.6	0.2
	Mar-12	15.5	5.4	19.1	0.1
	Mar-13	15.4	6.6	13.7	0.3
	Mar-14	15.1	7.0	9.7	0.6
	Mar-15	15.8	6.2	5.1	0.9
	Mar-16	15.0	9.6	12.3	0.9
	Mar-17	16.3	6.0	11.9	0.8
	Mar-18	22.0	11.1	16.6	0.7
	Mar-19	24.0	11.5	18.1	0.6
	Mar-20	25.8	10.4	17.6	0.5
	Mar-21	24.4	13.1	23.2	0.4
Larsen & Toubro Ltd -(Consolidated)	Mar-11	16.6	8.7	16.1	1.5
	Mar-12	16.1	7.4	13.5	1.7
	Mar-13	16.2	7.1	13.4	2.0
	Mar-14	16.7	5.7	12.5	2.2
	Mar-15	15.4	5.4	10.9	2.2

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	Mar-16	15.1	4.6	10.6	2.5
	Mar-17	15.2	5.9	12.2	2.3
	Mar-18	15.7	6.7	12.3	2.2
	Mar-19	15.5	7.6	13.3	2.3
	Mar-20	16.2	7.5	12.5	2.2
	Mar-21	15.9	9.5	15.0	1.7
	Mar-22	13.8	6.6	11.5	1.5
Madhucon Projects Ltd.-(Consolidated).	Mar-11	14.0	-22.6	0.4	4.0
	Mar-12	9.6	-59.5	-1.9	14.9
	Mar-13	31.9	-33.4	1.0	78.2
	Mar-14	22.6	-13.2	4.2	-45.4
	Mar-15	32.1	-0.1	9.8	-49.2
	Mar-16	35.3	1.0	12.7	-54.1
	Mar-17	19.7	-42.8	1.9	-9.4
	Mar-18	-4.8	-101.3	-3.2	-3.9
	Mar-19	6.1	-41.5	-2.8	-3.3
	Mar-20	6.4	-154.6	-118.7	-1.2
	Mar-21	-4.0	-28.8	-2.6	-1.4
Man Infraconstruction Ltd -(Consolidated)	Mar-11	16.1	10.5	19.2	0.0
	Mar-12	18.6	11.7	17.7	0.1
	Mar-13	8.7	11.0	11.0	0.0
	Mar-14	2.9	7.4	8.1	0.2
	Mar-15	11.0	17.5	11.9	0.2
	Mar-16	14.6	5.1	7.4	0.6
	Mar-17	24.5	14.5	15.8	0.4
	Mar-18	30.7	16.8	19.7	0.6
	Mar-19	27.1	11.5	11.8	0.6
	Mar-20	-0.9	-4.6	2.1	0.6
	Mar-21	22.6	7.8	9.6	0.7
MBL Infrastructures Ltd -(Consolidated)	Mar-11	13.7	6.2	25.8	1.0
	Mar-12	13.5	5.7	22.8	1.3
	Mar-13	10.8	4.2	14.0	1.7
	Mar-14	11.0	4.4	14.8	1.7
	Mar-15	12.5	4.0	13.7	1.7
	Mar-16	11.3	3.7	12.4	1.9
	Mar-17	1.2	-2.9	1.8	2.8
	Mar-18	11.4	-48.4	-0.1	2.6
	Mar-19	24.8	-169.6	-8.8	3.3
	Mar-20	-25.5	124.7	23.0	-24.8
	Mar-21	-7.5	31.2	1.4	42.2
	Mar-22	-25.3	0.1	-1.5	14.2
NCC Ltd -(Consolidated)	Mar-11	12.0	3.6	10.3	1.8
	Mar-12	14.0	0.9	8.5	2.1
	Mar-13	12.1	0.7	9.5	1.7
	Mar-14	10.3	-0.1	10.0	1.4
	Mar-15	10.4	0.4	12.2	1.0
	Mar-16	10.9	0.9	12.5	1.0
	Mar-17	8.0	0.1	9.1	0.7
	Mar-18	10.7	1.6	11.1	0.5
	Mar-19	12.5	4.4	18.7	0.6
	Mar-20	12.7	3.5	13.8	0.4
	Mar-21	11.6	3.6	12.3	0.4
	Mar-22	9.2	4.4	15.2	0.2
Patel Engineering Ltd -(Consolidated)	Mar-11	15.5	2.9	12.7	1.8
	Mar-12	12.7	1.9	10.5	1.9
	Mar-13	14.1	1.8	11.5	2.1
	Mar-14	13.6	3.3	10.2	2.4
	Mar-15	14.9	2.0	9.0	2.7
	Mar-16	11.1	-4.9	5.4	3.0
	Mar-17	11.1	-2.6	7.1	2.4
	Mar-18	23.5	4.6	11.3	1.4
	Mar-19	16.0	6.5	11.4	1.2
	Mar-20	7.1	0.3	6.4	0.9

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	Mar-21	12.3	-14.6	0.8	0.9
	Mar-22	15.6	2.1	11.3	0.9
PNC Infratech Limited-(Consolidated)	Mar-11	11.5	6.3	28.2	0.3
	Mar-12	12.3	6.3	20.4	0.8
	Mar-13	12.4	5.9	13.4	1.0
	Mar-14	14.4	3.6	9.9	1.4
	Mar-15	15.4	4.9	10.7	2.0
	Mar-16	21.4	7.0	15.9	1.2
	Mar-17	23.6	5.8	13.5	1.4
	Mar-18	28.8	10.9	15.7	1.2
	Mar-19	24.4	10.3	16.2	1.4
	Mar-20	21.6	10.7	19.2	1.4
	Mar-21	24.5	8.6	19.1	2.2
Pratibha Industries Ltd -(Consolidated)	Mar-11	13.8	5.1	19.0	1.3
	Mar-12	13.5	4.9	17.1	3.0
	Mar-13	13.9	3.8	14.9	3.7
	Mar-14	14.3	0.7	10.8	3.8
	Mar-15	14.0	1.3	11.4	4.1
	Mar-16	17.1	0.6	16.0	6.0
	Mar-17	-14.1	-49.7	-6.6	19.8
	Mar-18	-201.0	-217.8	-70.6	-2.6
	Mar-19	-100.8	-418.4	-70.8	-1.3
Punj Lloyd Ltd -(Consolidated)	Mar-11	5.4	-1.0	4.6	1.6
	Mar-12	7.8	1.0	10.2	2.0
	Mar-13	9.6	-0.2	9.2	2.7
	Mar-14	4.7	-5.9	2.8	3.8
	Mar-15	-6.7	-16.7	-3.1	12.6
	Mar-16	-20.9	-46.5	-14.3	-5.0
	Mar-17	-18.4	-17.7	2.5	-4.3
	Mar-18	-4.2	-1.4	-3.3	-3.8
Ramky Infrastructure Ltd -(Consolidated)	Mar-11	11.9	6.9	19.6	1.1
	Mar-12	13.2	5.0	16.9	1.5
	Mar-13	11.6	4.7	12.9	1.6
	Mar-14	-15.2	-18.6	-5.9	2.4
	Mar-15	-14.1	-28.1	-3.0	4.1
	Mar-16	0.2	-2.1	9.8	7.7
	Mar-17	8.3	-0.7	13.1	6.8
	Mar-18	3.3	2.0	12.8	5.6
	Mar-19	11.3	0.0	11.6	4.9
	Mar-20	-2.0	-19.0	2.8	7.2
	Mar-21	10.9	1.8	9.6	6.4
Sadbhav Engineering Ltd -(Consolidated)	Mar-11	15.6	2.8	17.0	14.3
	Mar-12	14.7	4.1	10.2	2.7
	Mar-13	18.4	-1.4	6.0	3.6
	Mar-14	16.1	1.0	7.5	4.3
	Mar-15	17.3	-7.6	4.9	4.5
	Mar-16	24.8	-5.4	9.4	7.3
	Mar-17	27.7	-3.7	9.2	9.7
	Mar-18	29.4	-2.3	11.0	11.0
	Mar-19	28.0	-1.0	11.6	14.6
	Mar-20	32.8	31.7	116.2	0.2
	Mar-21	26.7	-10.6	16.2	-3.2
Simplex Infrastructures Ltd -(Consolidated)	Mar-11	8.6	2.6	13.9	1.5
	Mar-12	7.6	1.4	12.5	1.8
	Mar-13	7.9	0.8	9.7	2.1
	Mar-14	9.4	1.0	9.8	2.0
	Mar-15	9.7	0.4	9.2	2.3
	Mar-16	11.4	1.8	12.3	2.4
	Mar-17	11.5	2.4	13.0	2.2
	Mar-18	11.1	2.0	12.0	2.2
	Mar-19	9.8	2.0	11.7	1.8
	Mar-20	2.6	-8.0	0.6	2.2
	Mar-21	0.7	-21.3	-1.0	3.6
Simplex Projects Ltd -(Consolidated)	Mar-11	11.9	5.5	15.1	1.6

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Simplex Projects Ltd -(Consolidated)	Mar-11	11.9	5.5	15.1	1.6
	Mar-12	10.6	0.2	8.1	1.6
	Mar-13	10.7	0.4	7.7	1.9
	Mar-14	9.0	0.2	7.1	2.1
	Mar-15	6.0	-6.9	3.7	2.7
	Mar-16	2.7	-20.3	-1.1	5.2
	Mar-17	9.9	0.5	5.6	5.8
	Mar-18	6.8	0.4	1.0	5.1
	Mar-19	6.6	0.5	0.6	5.7
SPML Infra Ltd -(Consolidated)	Mar-11	10.2	1.8	11.0	1.4
	Mar-12	14.1	1.3	10.8	1.4
	Mar-13	6.5	0.6	11.6	1.5
	Mar-14	-1.1	-0.9	10.5	1.8
	Mar-15	8.9	0.0	13.6	1.6
	Mar-16	10.7	-0.5	14.5	2.2
	Mar-17	5.6	-0.2	14.7	2.8
	Mar-18	10.9	2.3	14.1	2.6
	Mar-19	8.7	2.0	11.3	2.6
	Mar-20	3.6	0.4	9.3	4.0
	Mar-21	1.7	-17.2	-2.6	7.1
Unity Infraprojects Ltd -(Consolidated)	Mar-11	14.1	5.4	19.8	1.5
	Mar-12	15.5	5.1	24.2	1.5
	Mar-13	14.3	4.3	20.2	1.8
	Mar-14	12.1	0.3	9.7	2.8
	Mar-15	-2.6	-31.3	-1.4	5.0
	Mar-16	-35.0	-127.2	-6.7	-10.9
	Mar-17	-319.1	-466.8	-30.1	-3.4
Va Tech Wabag Limited-(Consolidated)	Mar-11	9.1	3.9	19.3	0.1
	Mar-12	9.0	5.1	20.8	0.2
	Mar-13	9.6	5.6	20.8	0.1
	Mar-14	8.4	5.1	21.8	0.2
	Mar-15	8.6	4.4	20.0	0.2
	Mar-16	8.0	3.6	17.3	0.4
	Mar-17	9.3	3.5	17.9	0.3
	Mar-18	8.4	4.3	17.2	0.4
	Mar-19	6.5	3.2	12.5	0.6
	Mar-20	8.9	3.3	15.8	0.4
	Mar-21	7.7	3.6	12.7	0.3
	Mar-22	8.0	4.4	12.7	0.3
Valecha Engineering Ltd -(Consolidated)	Mar-11	7.4	2.8	10.5	1.1
	Mar-12	10.1	2.2	8.5	1.9
	Mar-13	12.5	-1.1	7.7	2.5
	Mar-14	15.3	0.1	7.6	2.8
	Mar-15	6.1	-11.9	-0.3	4.3
	Mar-16	-9.7	-31.9	-10.0	41.2
	Mar-17	4.6	-45.6	-4.3	-1.4
	Mar-18	0.0	-90.0	-14.1	-1.4
	Mar-19	2.8	-71.2	-63.1	-1.0
	Mar-20	7.1	-65.1	12.7	-0.9
Welspun Enterprises Ltd-(Consolidated)	Mar-11	12.7	-11.8	3.4	0.8
	Mar-12	16.8	1.0	6.2	0.8
	Mar-13	25.3	1.4	5.5	0.8
	Mar-14	12.0	-25.5	-4.2	0.8
	Mar-15	-3.4	0.0	11.0	0.3
	Mar-16	-21.9	-0.6	0.4	0.1
	Mar-17	-6.3	1.1	1.6	0.1
	Mar-18	7.6	6.5	9.3	0.3
	Mar-19	10.6	7.1	13.6	0.4
	Mar-20	11.6	8.4	11.7	0.5
	Mar-21	11.3	8.5	11.6	16.7
	Mar-22	10.6	9.0	11.4	-98.4

Source: CRISIL Research

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Player financials | Standalone

Companies with exposure to roads sector: Margins and RoCE (Standalone)

Company	Year Ending	Operating profit margins (per cent)	Net Profit Margins (per cent)	RoCE (per cent)	Gearing
Ahluwalia Contracts (India) Ltd	Mar-11	9.2	4.2	30.5	0.5
	Mar-12	1.5	(2.8)	(2.5)	0.8
	Mar-13	(1.7)	(5.5)	(9.3)	1.2
	Mar-14	2.9	2.3	13.1	1.1
	Mar-15	10.9	5.8	21.5	0.5
	Mar-16	12.9	6.8	29.4	0.3
	Mar-17	12.2	6.1	28.1	0.2
	Mar-18	13.3	7.0	30.4	-
	Mar-19	12.5	6.7	24.3	0.1
	Mar-20	8.0	3.4	15.5	0.1
	Mar-21	7.8	3.9	16.3	0.0
ARSS Infrastructure Projects Ltd	Mar-11	22.5	9.0	22.9	2.1
	Mar-12	13.9	(2.5)	9.3	2.7
	Mar-13	13.2	(8.5)	4.4	4.0
	Mar-14	22.7	0.2	8.7	4.5
	Mar-15	31.5	1.0	8.4	4.7
	Mar-16	30.3	0.8	7.8	5.1
	Mar-17	(17.0)	(39.2)	(12.7)	46.0
	Mar-18	20.6	(9.3)	(2.5)	39.8
	Mar-19	11.0	(2.4)	0.7	54.4
	Mar-20	(6.2)	2.7	0.9	42.1
	Mar-21	(16.1)	(19.2)	(3.0)	(120.0)
Ashoka Buildcon Limited	Mar-11	14.9	7.6	17.2	0.5
	Mar-12	14.7	7.8	17.4	0.4
	Mar-13	12.5	6.2	16.7	0.3
	Mar-14	13.1	6.6	16.5	0.2
	Mar-15	12.9	7.2	19.0	0.4
	Mar-16	13.7	6.7	14.3	0.3
	Mar-17	12.9	8.8	13.2	0.1
	Mar-18	12.8	9.7	16.2	0.1
	Mar-19	13.9	7.5	16.9	0.4
	Mar-20	15.3	9.8	20.4	0.2
	Mar-21	14.4	10.7	18.3	0.1
B L Kashyap and Sons Ltd	Mar-11	7.4	3.2	13.6	0.9
	Mar-12	3.8	0.1	8.3	1.0
	Mar-13	5.9	0.6	9.6	0.9
	Mar-14	(3.5)	(6.7)	(4.4)	1.2
	Mar-15	1.9	(6.6)	0.2	1.4
	Mar-16	8.1	0.1	7.7	1.5
	Mar-17	9.6	1.4	9.8	1.4
	Mar-18	10.3	5.2	13.0	1.0
	Mar-19	8.1	1.9	6.9	0.8
	Mar-20	2.3	(3.9)	1.6	0.8
	Mar-21	8.7	0.3	8.9	0.8
Consolidated Construction Consortium Ltd	Mar-11	23.0	7.2	13.9	0.7
	Mar-12	8.9	0.4	7.9	1.0
	Mar-13	2.7	(7.8)	0.8	1.3
	Mar-14	(22.8)	(25.4)	(16.8)	2.7
	Mar-15	(18.4)	(23.8)	(2.5)	6.6
	Mar-16	(10.2)	(44.1)	(3.4)	11.3
	Mar-17	(0.7)	(23.3)	(0.1)	24.2

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	Mar-18	(0.6)	(16.6)	2.7	(26.5)
	Mar-19	1.0	(16.3)	2.7	(9.1)
	Mar-20	(19.2)	(41.5)	(3.8)	(4.7)
	Mar-21	(18.3)	(51.3)	(2.3)	(4.9)
Dilip Buildcon Limited-(Infac)	Mar-11	20.9	8.4	29.2	2.0
	Mar-12	22.0	9.3	35.4	2.3
	Mar-13	25.3	10.9	38.0	1.7
	Mar-14	20.8	10.9	26.6	1.7
	Mar-15	22.1	5.3	17.6	2.5
	Mar-16	20.3	5.5	34.6	2.4
	Mar-17	20.4	7.2	17.6	1.4
	Mar-18	18.2	8.1	20.9	1.2
	Mar-19	17.8	8.4	19.8	1.1
	Mar-20	17.6	4.7	17.3	0.9
Era Infra Engineering Ltd	Mar-11	19.5	6.6	15.2	1.7
	Mar-12	19.5	1.5	14.2	2.1
	Mar-13	19.8	3.7	12.9	2.4
	Mar-14	8.3	(19.1)	(1.1)	4.2
	Mar-15	11.3	(47.8)	(1.7)	7.9
	Mar-16	(31.2)	(110.0)	(7.8)	(15.7)
Gammon India Ltd	Mar-11	5.3	2.2	12.7	1.1
	Mar-12	9.5	1.6	12.2	1.4
	Mar-13	2.5	(8.8)	0.8	2.2
	Dec-13	(6.4)	(24.0)	(12.5)	4.7
	Sep-14	(2.1)	2.3	13.6	4.9
	Mar-16	16.9	1.7	12.7	2.2
	Mar-17	(14.7)	(231.9)	(18.4)	6.0
	Mar-18	30.5	(826.4)	(34.7)	(3.6)
	Mar-19	40.2	(862.3)	(77.6)	(1.5)
	Mar-20	(93.7)	(1,558.2)	(79.5)	(1.2)
	Mar-21	(76.9)	(1,356.6)	808.9	(1.0)
Gayatri Projects Ltd	Mar-11	13.8	3.6	14.9	2.8
	Mar-12	15.9	2.4	14.3	2.4
	Mar-13	14.9	2.3	13.8	2.3
	Mar-14	15.5	2.7	11.1	2.3
	Mar-15	10.9	1.3	9.7	2.6
	Mar-16	15.3	3.3	11.2	2.3
	Mar-17	16.2	3.5	13.1	2.8
	Mar-18	17.1	6.2	16.2	1.7
	Mar-19	15.9	6.1	16.9	1.4
	Mar-20	12.6	(11.3)	(2.3)	2.1
	Mar-21	11.6	1.5	13.7	2.0
Hindustan Construction Company Ltd	Mar-11	13.5	0.8	9.0	2.4
	Mar-12	10.9	(5.5)	4.1	3.5
	Mar-13	9.6	(3.6)	5.8	4.0
	Mar-14	15.4	2.0	11.8	3.8
	Mar-15	18.8	1.8	12.4	3.6
	Mar-16	16.9	2.0	12.5	2.8
	Mar-17	17.1	1.4	12.5	1.6
	Mar-18	14.0	1.7	11.9	1.3
	Mar-19	12.2	(44.9)	(41.4)	2.6
	Mar-20	12.7	(4.6)	15.5	2.9
	Mar-21	11.7	(21.9)	(0.3)	6.5
Hindustan Dorr-Oliver Ltd	Mar-11	9.9	5.7	27.1	0.8
	Jun-12	0.5	(4.2)	1.0	1.8
	Mar-13	(26.6)	(50.3)	(37.2)	7.6
	Mar-14	(22.1)	(39.0)	(10.7)	(20.4)
	Mar-15	(104.2)	(221.1)	(180.6)	(1.0)

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	Mar-16	(7.6)	(96.8)	(11.7)	(1.2)
	Mar-17	(142.3)	(559.6)	(242.7)	(1.0)
IL&FS Engineering and Construction Company Ltd	Mar-11	(6.2)	0.2	5.9	4.2
	Sep-12	0.5	(6.8)	3.2	10.1
	Mar-14	2.2	(4.7)	6.5	196.4
	Mar-15	7.9	(0.2)	12.8	14.6
	Mar-16	1.4	(10.2)	5.5	(171.2)
	Mar-17	9.7	0.3	17.2	23.6
	Mar-18	8.4	0.4	15.2	26.0
	Mar-19	(6.6)	(164.3)	(219.4)	(1.4)
	Mar-20	1.1	(72.2)	(104.1)	(1.2)
	Mar-21	(66.5)	(85.8)	(312.3)	(1.0)
IL&FS Transportation Networks Ltd	Mar-11	34.1	17.8	18.4	1.1
	Mar-12	21.2	9.1	16.5	1.5
	Mar-13	19.9	8.0	16.0	1.9
	Mar-14	18.4	7.7	13.4	2.0
	Mar-15	16.1	9.2	12.2	2.6
	Mar-16	7.4	(2.4)	9.6	3.6
	Mar-17	12.9	6.8	12.3	4.1
	Mar-18	15.7	8.1	11.9	4.5
	Mar-19	(856.8)	(9,468.8)	119.3	(0.1)
	Mar-20	(229.0)	(798.7)	(146.5)	(1.0)
IRB Infrastructure Developers Ltd.	Mar-11	15.5	31.3	5.6	0.9
	Mar-12	11.1	13.3	9.5	1.2
	Mar-13	10.6	9.2	13.0	1.1
	Mar-14	10.3	13.0	15.2	1.3
	Mar-15	10.3	6.1	9.9	1.2
	Mar-16	8.5	10.6	12.6	1.2
	Mar-17	11.0	6.0	10.4	1.5
	Mar-18	11.0	15.3	9.4	2.2
	Mar-19	13.3	9.7	9.5	1.7
	Mar-20	13.1	7.0	6.5	3.1
	Mar-21	13.6	6.9	5.4	3.5
ITD Cementation India Ltd	Dec-10	9.7	0.9	10.9	1.5
	Dec-11	10.8	1.8	12.1	1.7
	Dec-12	12.3	1.8	12.5	1.7
	Dec-13	9.9	0.8	11.5	1.7
	Dec-14	5.3	1.2	12.3	1.2
	Dec-15	6.1	(2.3)	2.4	1.0
	Dec-16	9.8	1.7	20.1	0.6
	Dec-17	9.0	3.9	20.9	0.8
	Mar-19	13.1	3.6	17.2	0.2
	Mar-20	11.7	2.1	10.8	0.3
	Mar-21	8.9	0.7	9.1	0.3
IVRCL Limited	Mar-11	9.6	2.8	13.1	1.1
	Jun-12	8.5	0.3	9.6	1.2
	Mar-13	8.5	(2.8)	7.5	1.3
	Mar-14	(0.9)	(17.2)	(2.9)	2.8
	Mar-15	3.0	(22.5)	(0.6)	4.2
	Mar-16	(17.6)	(46.8)	(6.4)	11.5
	Mar-17	(14.5)	(6.6)	(7.9)	13.9
	Mar-18	(40.5)	(155.1)	(21.3)	(3.9)
	Mar-19	(19.6)	(243.4)	(8.3)	(2.2)
	Mar-20	(142.4)	(537.6)	(23.0)	(1.5)
J. Kumar Infraprojects Ltd	Mar-11	14.3	7.9	29.5	0.4
	Mar-12	16.0	7.3	23.8	0.4
	Mar-13	16.6	7.6	22.4	0.5
	Mar-14	17.1	7.1	19.3	1.0

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	Mar-15	18.0	7.1	17.6	0.7
	Mar-16	17.0	7.0	14.4	0.3
	Mar-17	16.9	7.4	12.6	0.3
	Mar-18	15.7	6.7	13.3	0.4
	Mar-19	15.7	6.4	15.3	0.4
	Mar-20	14.4	6.2	13.1	0.4
	Mar-21	12.3	2.5	7.9	0.3
JMC Projects (India) Ltd	Mar-11	8.7	2.9	16.7	0.5
	Mar-12	7.4	2.5	19.4	0.8
	Mar-13	4.9	0.7	11.0	1.0
	Mar-14	5.3	0.9	11.9	1.1
	Mar-15	7.2	1.0	13.0	1.7
	Mar-16	9.3	1.7	14.2	1.2
	Mar-17	9.5	2.5	13.3	0.9
	Mar-18	11.3	3.8	16.0	1.0
	Mar-19	11.1	4.3	18.1	0.8
	Mar-20	11.8	2.1	14.6	0.9
	Mar-21	10.1	1.9	13.5	0.8
	Mar-22	9.0	(2.9)	(2.4)	1.1
Kaushalya Infrastructure Development Corporation Ltd	Mar-11	11.2	3.2	8.1	0.5
	Mar-12	11.2	3.0	8.5	0.4
	Mar-13	19.4	(7.7)	3.3	0.5
	Mar-14	(74.8)	(100.6)	(5.3)	0.6
	Mar-15	1.7	(120.4)	(0.6)	0.7
	Mar-16	(8,301.9)	(8,418.3)	(46.6)	2.2
	Mar-17	(1,493.5)	(1,282.8)	(4.5)	2.6
	Mar-18	(84.7)	(146.8)	(1.1)	2.5
	Mar-19	(344.9)	3,767.0	19.7	0.8
	Mar-20	(2,209.2)	(3,023.7)	(6.4)	1.0
	Mar-21	(18.0)	0.1	5.9	0.9
KNR Constructions Ltd	Mar-11	16.8	7.5	22.7	0.2
	Mar-12	18.4	7.2	20.1	0.1
	Mar-13	16.8	7.8	16.1	0.2
	Mar-14	15.8	7.5	15.0	0.2
	Mar-15	16.8	7.0	11.5	0.2
	Mar-16	17.8	18.3	25.5	0.2
	Mar-17	15.5	10.4	20.4	0.2
	Mar-18	20.4	14.1	21.1	0.2
	Mar-19	20.3	12.3	19.0	0.2
	Mar-20	22.0	10.0	18.4	0.1
	Mar-21	20.2	9.0	22.1	0.0
Larsen & Toubro Ltd	Mar-11	12.7	9.0	24.2	0.3
	Mar-12	11.7	8.4	21.2	0.4
	Mar-13	10.6	9.5	20.7	0.3
	Mar-14	11.6	9.7	20.1	0.3
	Mar-15	11.8	8.7	16.9	0.4
	Mar-16	9.8	7.8	15.0	0.3
	Mar-17	10.2	8.2	14.9	0.2
	Mar-18	9.6	7.2	15.0	0.2
	Mar-19	8.8	9.1	19.3	0.2
	Mar-20	8.5	8.0	13.4	0.5
	Mar-21	9.3	15.4	21.9	0.4
	Mar-22	9.3	7.8	13.8	0.30
Madhucon Projects Ltd	Mar-11	10.3	1.9	9.6	1.23
	Mar-12	10.7	2.0	11.7	1.08
	Mar-13	17.3	3.2	10.9	0.97
	Mar-14	22.0	3.7	13.5	0.8
	Mar-15	17.6	3.5	13.6	0.9

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	Mar-16	20.6	3.1	10.0	0.7
	Mar-17	19.6	2.3	9.4	0.8
	Mar-18	15.0	2.0	5.7	0.8
	Mar-19	3.4	2.7	1.1	0.9
	Mar-20	(1.9)	(39.4)	(17.8)	1.2
	Mar-21	(16.2)	(5.6)	0.9	1.3
Man Infraconstruction Ltd	Mar-11	16.3	12.8	20.3	-
	Mar-12	18.1	17.6	18.8	-
	Mar-13	8.4	11.8	10.6	0.0
	Mar-14	0.8	10.1	7.1	0.0
	Mar-15	9.1	26.0	12.3	0.0
	Mar-16	6.7	20.3	10.7	-
	Mar-17	10.4	41.5	13.9	-
	Mar-18	15.1	38.2	14.2	-
	Mar-19	29.3	65.2	17.6	0.0
	Mar-20	0.1	64.2	10.4	-
	Mar-21	3.1	77.3	12.2	-
MBL Infrastructures Ltd	Mar-11	12.9	6.1	26.7	0.8
	Mar-12	12.7	5.7	24.3	1.0
	Mar-13	10.0	4.1	15.8	1.2
	Mar-14	10.4	4.3	18.5	1.1
	Mar-15	11.9	3.9	17.5	1.1
	Mar-16	10.2	3.7	15.3	1.2
	Mar-17	0.8	(2.9)	2.0	2.1
	Mar-18	7.4	(5.8)	10.2	1.3
	Mar-19	28.4	(163.4)	(10.4)	1.3
	Mar-20	24.2	212.9	21.0	0.8
	Mar-21	(33.4)	63.8	6.6	0.7
	Mar-22	15.2	85.6	4.3	0.6
Mukand Engineers Ltd	Mar-11	18.7	8.6	18.4	0.7
	Mar-12	13.6	5.1	11.5	0.8
	Mar-13	11.3	4.8	11.6	0.8
	Mar-14	8.6	2.1	8.6	0.8
	Mar-15	5.5	0.5	7.2	0.7
	Mar-16	0.8	(6.0)	(0.0)	0.9
	Mar-17	3.2	(2.0)	5.1	1.1
	Mar-18	(5.5)	(14.3)	(2.1)	1.6
	Mar-19	(19.7)	(41.8)	(10.7)	4.9
	Mar-20	(41.6)	(72.6)	(18.4)	(7.0)
	Mar-21	(82.1)	(138.8)	(24.6)	(2.4)
NCC Ltd	Mar-11	10.0	3.3	11.9	1.0
	Mar-12	7.8	0.7	9.1	0.9
	Mar-13	8.5	1.1	10.6	0.9
	Mar-14	6.6	0.7	10.4	1.0
	Mar-15	7.6	1.2	14.0	0.6
	Mar-16	9.4	3.0	16.2	0.6
	Mar-17	9.0	3.0	13.3	0.5
	Mar-18	11.5	3.7	14.1	0.3
	Mar-19	11.9	4.7	19.7	0.4
	Mar-20	13.1	4.6	14.9	0.4
	Mar-21	11.9	3.6	12.2	0.3
	Mar-22	10.4	4.9	15.3	0.2
Patel Engineering Ltd	Mar-11	16.6	2.7	12.3	1.6
	Mar-12	12.9	2.3	10.9	1.6
	Mar-13	14.4	1.6	12.6	1.9
	Mar-14	14.3	4.6	12.0	2.2
	Mar-15	18.0	2.9	11.6	2.4
	Mar-16	14.5	(1.1)	9.5	2.8

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	Mar-17	18.1	1.4	11.2	2.1
	Mar-18	22.4	2.9	12.5	1.1
	Mar-19	13.9	4.0	9.6	1.0
	Mar-20	6.0	1.5	8.9	0.8
	Mar-21	9.6	(8.1)	3.5	0.8
	Mar-22	15.1	1.7	10.5	0.8
PBA Infrastructure Ltd	Mar-11	18.6	3.5	13.4	2.4
	Mar-12	13.3	4.1	14.6	1.7
	Mar-13	15.3	0.5	10.6	1.6
	Mar-14	13.1	(0.9)	9.6	1.9
	Mar-15	14.1	(11.3)	6.3	2.8
	Mar-16	18.4	(24.6)	4.8	5.0
	Mar-17	11.1	(33.1)	1.4	8.7
	Mar-18	4.4	(36.0)	1.3	129.6
	Mar-19	3.1	7.2	2.2	41.6
	Mar-20	0.9	7.7	0.4	32.0
	Mar-21	20.0	9.1	0.4	28.3
Petron Engineering Construction Ltd	Mar-11	13.6	6.6	35.5	0.2
	Mar-12	12.1	4.8	29.9	0.8
	Mar-13	6.7	0.0	9.4	1.3
	Mar-14	12.2	1.0	10.6	1.0
	Mar-15	9.9	0.0	14.9	1.1
	Mar-16	9.1	1.0	12.2	0.8
	Mar-17	2.9	(4.3)	1.4	0.6
	Mar-18	(58.9)	(75.4)	(134.8)	10.1
	Mar-19	3.9	(12.1)	(0.7)	(199.8)
Pnc Infratech Limited	Mar-11	11.5	6.3	28.2	0.3
	Mar-12	12.3	6.3	22.0	0.6
	Mar-13	12.4	6.0	17.3	0.4
	Mar-14	13.6	6.0	14.6	0.4
	Mar-15	14.3	6.5	19.5	0.5
	Mar-16	13.4	12.1	22.3	0.0
	Mar-17	13.4	11.9	14.5	0.1
	Mar-18	17.4	14.0	16.3	0.1
	Mar-19	15.5	11.1	19.3	0.2
	Mar-20	16.4	9.9	25.3	0.1
	Mar-21	14.2	7.7	19.3	0.1
Pratibha Industries Ltd	Mar-11	14.3	5.6	20.3	0.9
	Mar-12	14.5	5.5	18.0	1.6
	Mar-13	16.9	5.8	14.8	1.9
	Mar-14	16.4	2.3	9.4	2.8
	Mar-15	14.3	2.5	9.8	3.2
	Mar-16	20.8	1.7	13.7	4.7
	Mar-17	(22.6)	(77.5)	(10.1)	12.9
	Mar-18	(157.2)	(240.7)	(78.7)	(2.5)
	Mar-19	(80.0)	(502.7)	(102.7)	(1.2)
Punj Lloyd Ltd	Mar-11	7.2	(0.3)	3.6	0.9
	Mar-12	13.0	1.0	8.3	1.1
	Mar-13	10.2	0.2	8.2	1.3
	Mar-14	11.8	0.1	8.6	1.4
	Mar-15	(1.5)	(10.8)	2.4	1.6
	Mar-16	(16.4)	(44.7)	(7.2)	3.1
	Mar-17	(3.7)	(22.3)	0.5	32.0
	Mar-18	1.1	7.7	1.4	41.9
Ramky Infrastructure Ltd	Mar-11	10.7	5.2	21.6	0.8
	Mar-12	10.4	2.5	15.2	1.0
	Mar-13	8.9	2.0	12.7	1.1
	Mar-14	(23.0)	(24.6)	(22.1)	2.4

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	Mar-15	(28.3)	(35.8)	(20.6)	7.5
	Mar-16	(0.7)	0.8	19.3	7.3
	Mar-17	7.8	3.7	22.0	4.7
	Mar-18	0.4	4.7	18.1	2.6
	Mar-19	9.5	2.8	12.6	2.2
	Mar-20	4.0	0.2	7.9	1.5
	Mar-21	6.8	5.9	11.2	1.2
Sadbhav Engineering Ltd	Mar-11	11.5	5.3	24.6	0.6
	Mar-12	11.2	5.3	24.1	0.6
	Mar-13	8.7	4.1	13.7	0.9
	Mar-14	9.5	4.5	12.6	1.1
	Mar-15	10.6	2.9	11.8	0.8
	Mar-16	10.6	4.1	12.7	0.8
	Mar-17	10.9	5.7	11.3	1.1
	Mar-18	12.1	6.3	12.2	0.8
	Mar-19	12.4	5.2	12.0	0.8
	Mar-20	12.7	3.8	9.1	0.6
	Mar-21	14.0	2.5	6.0	0.6
Simplex Infrastructures Ltd	Mar-11	8.5	2.6	13.7	1.5
	Mar-12	7.7	1.5	12.7	1.8
	Mar-13	8.1	0.9	9.9	2.1
	Mar-14	9.6	1.0	10.1	2.1
	Mar-15	10.0	0.6	9.4	2.3
	Mar-16	10.9	1.8	12.1	2.4
	Mar-17	11.1	2.1	12.7	2.2
	Mar-18	11.1	2.0	12.1	2.2
	Mar-19	9.9	2.0	11.7	1.8
	Mar-20	6.7	(8.1)	0.8	2.2
	Mar-21	0.8	(22.8)	(1.0)	3.6
Simplex Projects Ltd	Mar-11	12.0	5.7	15.2	1.6
	Mar-12	11.9	0.5	8.3	1.6
	Mar-13	12.5	0.8	8.0	1.8
	Mar-14	9.2	0.7	7.5	2.0
	Mar-15	6.4	(6.6)	3.8	2.5
	Mar-16	2.9	(20.2)	(1.0)	5.0
	Mar-17	9.4	0.8	5.6	5.4
	Mar-18	6.4	0.7	0.9	4.8
	Mar-19	6.2	0.8	0.5	5.2
	Mar-20	8.2	0.5	0.4	5.7
	Mar-21	6.9	0.1	0.2	9.0
SPML Infra Ltd	Mar-11	9.9	2.4	14.6	1.0
	Mar-12	11.1	0.3	12.1	1.1
	Mar-13	5.7	1.1	15.5	1.1
	Mar-14	(3.6)	0.5	15.7	1.2
	Mar-15	10.2	0.8	17.6	1.3
	Mar-16	11.8	0.9	17.9	1.5
	Mar-17	5.1	0.1	16.6	2.4
	Mar-18	13.7	3.2	14.6	2.9
	Mar-19	10.4	3.5	13.0	3.5
	Mar-20	6.6	0.3	7.9	3.8
	Mar-21	7.0	(17.4)	(2.1)	6.6
Unity Infraprojects Ltd	Mar-11	13.6	5.5	19.3	1.3
	Mar-12	13.8	5.2	23.5	1.2
	Mar-13	13.6	4.5	19.8	1.4
	Mar-14	10.4	0.3	14.0	2.3
	Mar-15	(10.8)	(44.7)	(2.1)	4.2
	Mar-16	(91.0)	(251.3)	(8.7)	36.4
	Mar-17	(309.6)	(445.2)	(35.0)	(2.7)

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Va Tech Wabag Limited	Mar-11	11.4	6.9	28.1	-
	Mar-12	11.5	7.5	26.6	0.2
	Mar-13	13.1	8.5	25.9	0.1
	Mar-14	11.9	7.7	23.3	0.1
	Mar-15	12.1	7.2	21.5	0.1
	Mar-16	10.7	7.5	22.4	0.3
	Mar-17	12.2	4.2	15.7	0.1
	Mar-18	10.3	6.3	17.2	0.3
	Mar-19	8.7	5.9	14.2	0.5
	Mar-20	10.1	3.4	15.4	0.5
	Mar-21	8.1	4.0	11.7	0.3
	Mar-22	9.0	4.3	11.9	0.3
Valecha Engineering Ltd	Mar-11	7.4	2.7	11.3	0.8
	Mar-12	9.5	3.1	11.4	0.9
	Mar-13	10.0	2.6	11.7	0.9
	Mar-14	11.4	2.8	11.0	1.0
	Mar-15	1.9	(9.3)	(2.5)	1.4
	Mar-16	(15.2)	(25.9)	(21.0)	3.4
	Mar-17	(2.0)	(14.0)	2.6	7.6
	Mar-18	(10.9)	(17.6)	5.1	20.6
	Mar-19	(1.9)	0.6	0.5	16.2
	Mar-20	(0.0)	0.8	0.5	14.5
Welspun Enterprises Ltd	Mar-11	2.2	(14.0)	1.0	0.5
	Mar-12	6.8	0.7	3.6	0.4
	Mar-13	(13.9)	2.0	3.5	0.4
	Mar-14	(11.6)	(28.6)	(9.7)	0.3
	Mar-15	(20.7)	5.2	3.5	0.1
	Mar-16	(22.8)	22.2	3.1	0.0
	Mar-17	(6.5)	13.5	4.0	0.1
	Mar-18	7.2	11.0	10.5	-
	Mar-19	10.5	8.8	13.9	0.1
	Mar-20	11.7	9.1	11.7	0.2
	Mar-21	12.1	7.6	7.7	0.3
	Mar-22	11.0	7.1	6.7	0.3

Source: CRISIL Research

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54.0 Operational data : Forecasts

Forecasts | National highways - Total length constructed/ upgraded (KM) by NHAI

National highways - Total length constructed/ upgraded (KM) by NHAI

2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22E	2026-27P
1,886	2,623	3,071	3,380	3,979	4,175	4,673	6250-6450

P: Projected

Source: CRISIL Research

Forecasts | National highways - Year-wise break-up of total length awarded (KM) by NHAI

National highways - Year-wise total length awarded (KM) by NHAI

2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22E	2022-23P	2026-27P
4,344	4,336	7,394	2,222	3,211	4,818	6,306	5000-5500	4500-5001

P: Projected

Source: CRISIL Research

Forecasts | National highways - Year-wise estimated investment (Rs billion)

National highways - Year-wise estimated investment (Rs billion)

2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2023-27P
409.0	654.0	882.0	1,089.0	1,154.0	1,409.0	1,410.0	9566

P: Projected

Source: CRISIL Research

Forecasts | Rural roads - Year-wise investments (Rs billion) under PMGSY

Rural roads - Year-wise investments (Rs billion) under PMGSY

2014-15	2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2023-27P
169.8	164.9	159.8	170.2	234.0	214.6	226.2	273.0	1,127.0

P: Projected

Source: National Rural Roads Development Agency, CRISIL Research

Forecasts | rural roads - Year-wise length constructed upgraded (KM) under PMGSY

Rural roads - Year-wise length constructed upgraded (KM) under PMGSY

2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2023-27P
35,154	47,446	48,402	49,038	27,056	37,700	41,969	161,000

P: Projected

Source: National Rural Roads Development Agency, CRISIL Research

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State roads: Overall investments (Rs billion)

2015-16	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2023-27P
887	1055	957	1204	1248	1,235.0	1,454.0	9,636.0

P: Projected

Source: RBI, CRISIL Research

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60.0 Operational data : Operating metrics

Key operating metrics - Q4 2022-23

National Highway	Units	FY 2018	FY 2019	FY 2020	FY 2021	FY22	FY23	FY24P	FY25P
Total Awarding	km	7,397	2,222	3,211	4,818	6306	6,003	5000-5500	5000-5500
Total Execution	Km	3,071	3,380	3,979	4,218	4,325	4,882	5000-6000	5000-6000

Note : P: Projected

Source: NHAI, CRISIL Research

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Annexure VI

RBSA Valuation Advisors LLP
VALUATION | INVESTMENT BANKING | RESTRUCTURING | TRANSACTION SERVICES
TRANSACTION TAX | ADVISORY SERVICES



Enterprise and Equity Valuation of National Highways Infra Projects Private Limited as of 31st July 2023

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RBSA Valuation Advisors LLP
VALUATION | INVESTMENT BANKING | RESTRUCTURING | TRANSACTION SERVICES
TRANSACTION TAX | ADVISORY SERVICES

RBSA Valuation Advisors LLP

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Report Ref No: RVA2324AMDREP042

07/10/2023

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

Sub: Valuation of National Highways Infra Projects Private Limited

Dear Sir,

We refer to our appointment letter dated 17th May 2023 wherein RBSA Valuation Advisors LLP ("RBSA") was appointed by National Highways Infra Investment Managers Private Limited ("NHIIMPL"/ the "Investment Manager") for valuation of National Highways Infra Projects Private Limited ("NHIPPL" or the "SPV"), as an independent valuer, as per Regulation 2(zzf) of the SEBI (Infrastructure Investment Trust) Regulations, 2014 ("SEBI InvIT Regulations"), our Report Ref No: RVA2324DELREP004 dated 26 May 2023 ("March 2023 Valuation Report") for valuation of NHIPPL as at 31 March 2023 and our subsequent discussions for updating the valuation of NHIPPL as at 31 July 2023 ("Valuation Date").

NHIPPL is a wholly owned subsidiary of National Highways Infra Trust ("NHIT" or the "Trust" or "InvIT") and has been incorporated as a special purpose vehicle to operate and maintain the road projects. NHIPPL has entered into concession agreements with National Highway Authority of India ("NHAI" or "Sponsor") to operate, maintain and transfer 8 Toll Road projects under the Toll, Operate and Transfer ("TOT") model (together referred to as the "Specified Projects" and individually referred to as the "Project"). The Specified Projects held by NHIPPL as at the Valuation Date comprise the following:

1. Palanpur (Gujarat) to Abu Road (Rajasthan)
2. Abu Road (Rajasthan) to Swaroopganj (Rajasthan)
3. Kothakota Bypass (Telangana) to Kurnool (Andhra Pradesh)
4. Belgaum (Karnataka) to Kagal (Karnataka)
5. Chittorgarh (Rajasthan) to Kota (Rajasthan)
6. Agra Bypass (Uttar Pradesh)
7. Shivpuri (Madhya Pradesh) to Jhansi (Uttar Pradesh)
8. Borkhedi – Wadner – Deodhari – Kelapur (Maharashtra/Telangana Border)

NHIT 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 the Trustee to the Trust, within the meaning of the SEBI InvIT Regulations. NHAI monetized the Specified Projects through the InvIT (Infrastructure Investment Trust) route.

RBSA VALUATION ADVISORS LLP RVL

The Trust intends to undertake the fair valuation of the SPV as on 31 July 2023 ("Valuation Date") as per the SEBI InvIT Regulations.

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 valuation of National Highways Infra Projects Private Limited.

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 31 July 2023, on a 'going concern value' 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 the Report complies with the SEBI InvIT Regulations and guidelines, circulars or notifications issued by SEBI there under.

Please note that the Report must be read in conjunction with the Report including Assumptions and Limiting Conditions specified therein. 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 and other regulatory and supervisory authority, as may be required under the applicable regulations.

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

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

RBSA VALUATION ADVISORS LLP *

Name: Ravishu Vinod Shah
Designation: Partner
Asset Class: Securities or Financial Assets (RV No.: IBBI/RV/06/2020/12728)
07/10/2023

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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 was 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.

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.

National Highways Infra Projects Private Limited ("NHIPPL" or the "SPV") is a wholly owned subsidiary of the Trust, which has been incorporated as a special purpose vehicle to operate and maintain the road projects. NHIPPL has entered into concession agreements with NHAI to operate, maintain and transfer 8 Toll Road projects under the Toll, Operate and Transfer ("TOT") model (together referred to as the "Specified Projects").

Accordingly, the Investment Manager and the Trustee intend to undertake the fair valuation of the SPV as on 31st July2023 ("Valuation Date"). 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 Valuation of National Highways Infra Projects Private Limited.

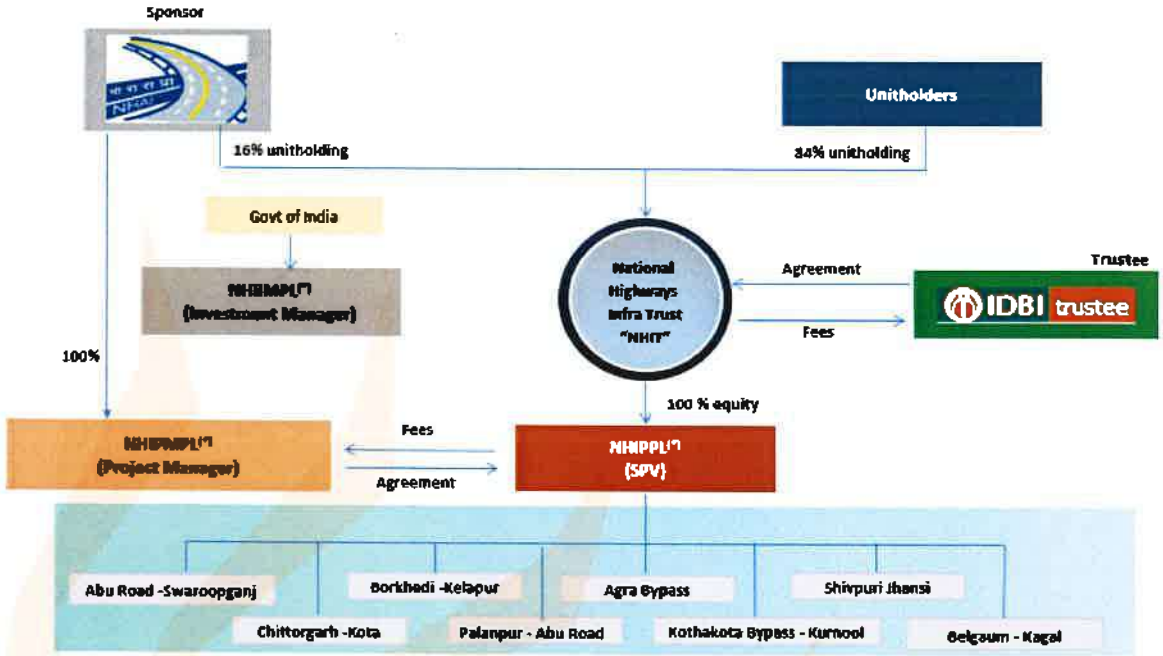
The details of the Specified Projects are as under:

Sr. No.	Name of Section	NH	Total Length (Kms)	Toll Plaza	Start Kms	End Kms
1	Palanpur (Gujarat) to Abu Road (Rajasthan)	NH-27	45.000	Khemana	601.000	646.000
2	Abu Road (Rajasthan) to Swaroopganj (Rajasthan	NH-27	31.000	Undavariya	646.000	677.000
3	Kothakota Bypass (Telangana) to Kurnool (Andhra Pradesh)	NH-44	74.622	Pullur	135.469	211.000
4	Belgaum (Karnataka) to Kagal (Karnataka)	NH-48	77.705	Hattargi and Kognoli	515.000	592.705
5	Chittorgarh (Rajasthan) to Kota (Rajasthan)	NH-27	160.500	Bassi, Aroli and Dhaneshwar	891.929	1052.429
6	Agra Bypass (Uttar	NH-2 –	32.800	Raibha	176.800 KM of	13.030 KM of

Sr. No.	Name of Section	NH	Total Length (Kms)	Toll Plaza	Start Kms	End Kms
	Pradesh)	NH-3			NH-2	NH-3
7	Shivpuri (Madhya Pradesh) to Jhansi (Uttar Pradesh)	NH-27	75.300	Raksha	1305.000 KM of NH-27	1380.387 KM of NH-27
8	Borkhedi – Wadner – Deodhari – Kelapur (Maharashtra/Telangana Border)	NH-44	138.150	Daroda and Kelapur	36.600 KM of NH-44	175.600 KM of NH-44

Source: Information provided by the Management

National Highways Infra Trust Structure



**NHIPPL - National Highways Infra Projects Private Limited, NHIIMPL - National Highways Infra Investment Managers Private Limited, NHIPMPL – National Highways InvIT Project Managers Private Limited*

Note: - National Highways Infra Trust Structure as on 31st July 2023.

Source: Information provided by the Management

RBSA VALUATION ADVISORS LLP

Valuation Analysis

The Discounted Cash Flow ("DCF") method under the Income Approach has been adopted for the Enterprise Valuation of the SPV. Free Cash Flow to Firm ("FCFF") 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 projected FCFF of the SPV beginning from 1st August 2023 until the end of the respective concession period of the Specified Projects, using an appropriate Weighted Average Cost of Capital ("WACC").

The Investment Manager has appointed independent consultants to carry out Traffic study for estimation of toll revenue and Technical Due Diligence study for estimation of operating and maintenance expenses and major maintenance expenses, for each of the Specified Projects of the SPV over their respective concession periods. We have relied upon the Traffic Study Reports and Technical Due Diligence 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 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.

Management represented that:

- It expects a reduction in the interest rate on the Term Loan availed by the Trust from a bank from ~8.65% to ~8%., considering *inter-alia* ongoing negotiations between the bank and the Trust.
- It expects a reduction in the capital expenditure for the Specified Projected to be borne by the SPV from ~INR 1,383 Crore to ~INR 1,212 Crore, considering inter-alia actual contracts awarded so far, actual bids and Management's estimate.

The implication of aforementioned has been for the valuation of NHIPPL as at 31 July 2023

Further, the Management represented that:

- There are no ongoing material litigations including tax disputes and claims in relation to the Specified SPVs of 31st July 2023.
- In respect of additional stamp duty demand notice by the Government of Karnataka for the Belgaum Kagal project for an amount of INR 69.91 Cr, the Management does not expect any financial impact on NHIPPL since NHIPPL has a confirmation from NHAI as part of pre-bid clarification wherein any demand for additional stamp duty shall be treated as change in law under the provisions of Concession Agreement.

Enterprise Valuation of NHIPPL as of 31 July 2023 has been carried out considering *inter-alia* Traffic Study Reports and Technical Due Diligence 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 31st July 2023 is as follows:

SPV	WACC	Enterprise Value (INR Cr)	Equity Value (INR Cr.)
National Highways Infra Projects Private Limited ("NHIPPL")	10.50%	11,270.8	1,845.6

Particulars	In INR cr.
Enterprise Value	**11,270.8**
Less: Debt	(9,520.9)
Less: Debt like items	(0.1)
Add: Cash and cash equivalent*	95.8
Equity Value	**1,845.6**

** Cash and cash equivalent as at 31 July 2023 excludes fixed deposits aggregating ~INR 4.9 Cr which was earmarked by the Bank of Maharashtra ("BoM") for issue of Performance Guarantee to NHAI. Management represented that this FD is expected to be released once non-fund limit by BoM is sanctioned. Considering the aforementioned, working capital as at 31 July 2023 includes the aforementioned FD and the same is projected to be released in the subsequent period.*

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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 was 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.

- National Highways Infra Projects Private Limited is a wholly owned subsidiary of National Highways Infra Trust and has been incorporated as a special purpose vehicle to operate and maintain the road projects. NHIPPL has entered into a concession agreement with NHAI to operate, maintain and transfer 8 Toll road projects under the Toll, Operate and Transfer model.

- National Highways Infra Projects Private Limited entered into concession agreements with NHAI in March 2021 for the following five projects (collectively referred to as "Round 1" assets):
  1. Palanpur (Gujarat) to Abu Road (Rajasthan)
  2. Abu Road (Rajasthan) to Swaroopganj (Rajasthan)
  3. Kothakota Bypass (Telangana) to Kurnool (Andhra Pradesh)
  4. Belgaum (Karnataka) to Kagal (Karnataka)
  5. Chittorgarh (Rajasthan) to Kota (Rajasthan)

  Subsequently, NHIPPL entered into concession agreements with NHAI in October 2022 for the following additional three projects (collectively referred to as "Round 2" assets):
  1. Agra Bypass (Uttar Pradesh)
  2. Shivpuri (Madhya Pradesh) to Jhansi (Uttar Pradesh)
  3. Borkhedi – Wadner – Deodhari – Kelapur (Maharashtra/Telangana Border)

  Round 1 assets and Round 2 assets are together referred to as the Specified Road 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.

- A full valuation of the SPV has to be carried out not less than once in every financial year as per Regulation 21(4) contained in the Chapter V of the SEBI InvIT Regulations.

  The Trust intends to undertake the fair valuation of the SPV encompassing the Specified Projects, as on 31 July 2023 ("Valuation Date") as per the SEBI InvIT Regulations.

- 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.

- 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:
  i. We are competent to undertake the financial valuation in terms of the SEBI InvIT Regulations;
  ii. We are an independent registered valuer entity and have prepared the Report on a fair and unbiased basis; and
  iii. 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 31 July 2023. 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.

- The Valuation of the SPV is impartial, true and fair and in compliance with the SEBI InvIT Regulations.



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; (iii) Traffic Study Reports and Technical Due Diligence Reports for the Specified Projects by independent consultants, iv) Provisional financial statements of the SPV for the period ended 31 July 2023 and (iv) 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 27 September 2023.

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's 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 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.

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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.

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. 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.

3.14. 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.

3.15. This Report does not look into the business/ commercial reasons behind the acquisition of the Specified Projects by the SPV 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.

3.16. We are not advisors with respect to legal tax and regulatory matters for the SPV. No investigation of the SPV's claim to title of assets has been made for the purpose of this Report and the SPV's 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.

3.17. 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 whose wider scope might uncover.

3.18. The outbreak of the Novel Coronavirus ("COVID-19"), declared by the World Health Organization as a "Global Pandemic" on 11th March 2020 and second wave of the same in April 2021, has adversely affected the Global and Indian economy. The third wave on account of Omicron hit India in January 2022. 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. Though economic recovery is being witnessed in India coupled with the Government's vaccination efforts and fall in covid cases, with many countries declaring the

same as common flu. There are still higher uncertainties in the near to medium term. Considering the unprecedented set of circumstances, Value 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 Value 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.

3.19. 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.

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:

- Concession Agreements for the Specified Projects entered into between the SPV and NHAI;
- 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 (together referred to as the "Traffic Study Reports");
- Reports of independent consultants appointed by the Investment Manager for Technical Due Diligence study to estimate the operating and maintenance expenses and major maintenance expenses for the duration of the concession period for each of the Specified Projects of the SPV (together referred to as the "Technical Due Diligence Reports");
- Provisional Financial statements of NHIPPL for the period ended 31st July 2023;
- Projected financial statements of the SPV from 1st April 2023 till the end of the concession period of the Specified Projects, which the Management expects to be their best estimate of the expected performance of the SPV encompassing the Specified Projects ("Management Projections");
- Discussions with the Management to inter-alia understand the historical and expected future performance of the SPV and the Specified Projects, 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.

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 key terms of Concession Agreements;
- Analysis of the Management Projections;
- Considered the Traffic Study Reports and Technical Due Diligence Reports;
- Analysis of the key economic and industry factors which may affect the valuation of the SPV;
- Analysis of the financial performance (Profit & Loss Statement) of the SPV for 1st April 2022 to 31 March 2023 and for the period 1 April 2023 to 31st July 2023;
- Analysis of the financial position (balance sheet) of the SPV as of 31 July 2023;
- 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 and Equity Value of the SPV.

6. Industry Overview

Road Infrastructure in India

- India has the second largest road network in the world, spanning a total of ~ 6.23 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	144,634	2%
State Highways	186,908	3%
Other Roads	5,902,539	95%
Total	6,234,081	

Source: IBEF February 2023 Report

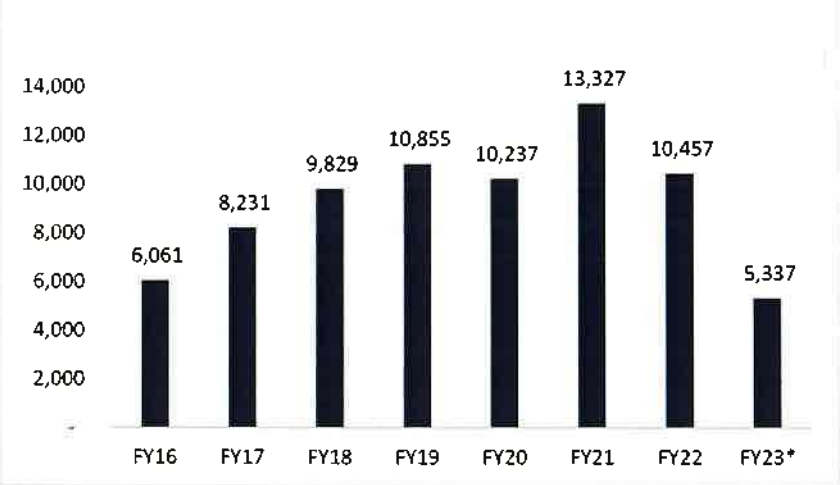
- This road network transports ~64.5 per cent of all goods in the country and ~90 per cent of India's total passenger traffic uses road network to commute. Road transportation has gradually increased over the years with improvement in connectivity between cities, towns, and villages in the country.

Strong momentum in expansion of roadways

- In FY23, the Ministry of Road Transport and Highways constructed national highways extending ~5,337 kms.
- To transform road infrastructure in Punjab, Haryana and Rajasthan, the Indian government has planned to construct roads for INR 11,000 crore (US$ 1.48 billion).
- The Ministry of Road Transport & Highways extended certain relief measures provided earlier in view of the second COVID-19 wave. The central government sanctioned >INR 600 crore (US$ 81 million), of the Central Road and Infrastructure Fund ("CRIF"), for construction of 42 roads and bridges in Uttarakhand.
- Odisha has completed 62,192 kms of roads under the Pradhan Mantri Gram Sadak Yojana ("PMGSY") programme, making it one of the highest performing states in construction of rural roads.



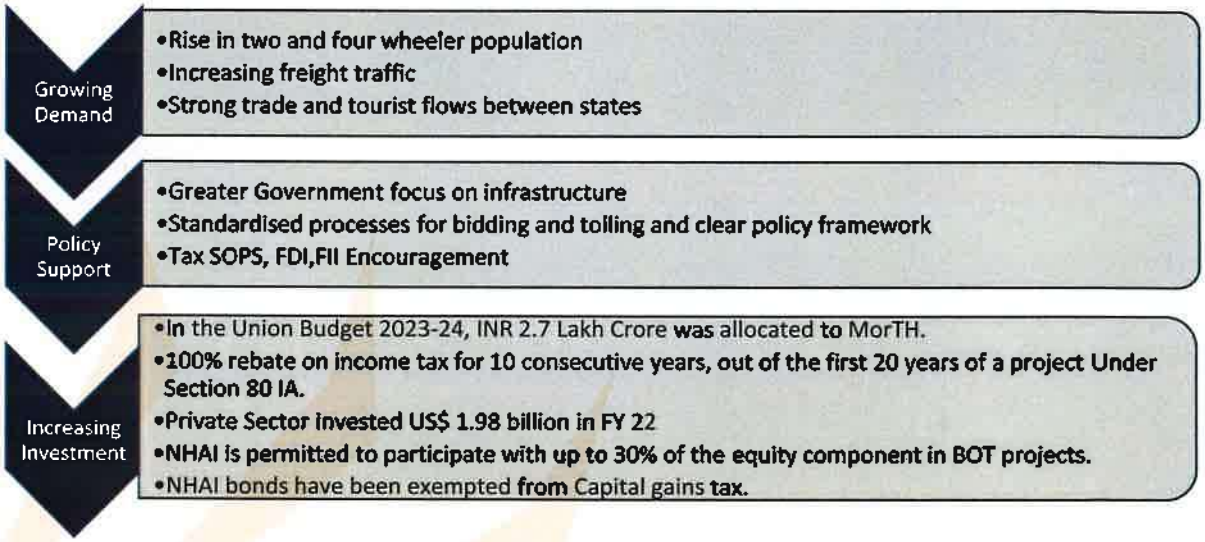
Highway Construction in India (Kms)



Source: IBEF February 2023 Report

**Till December* 2022

Growth Drivers



Source: IBEF February 2023 Report & Union Budget 2023-24

Growth prospects

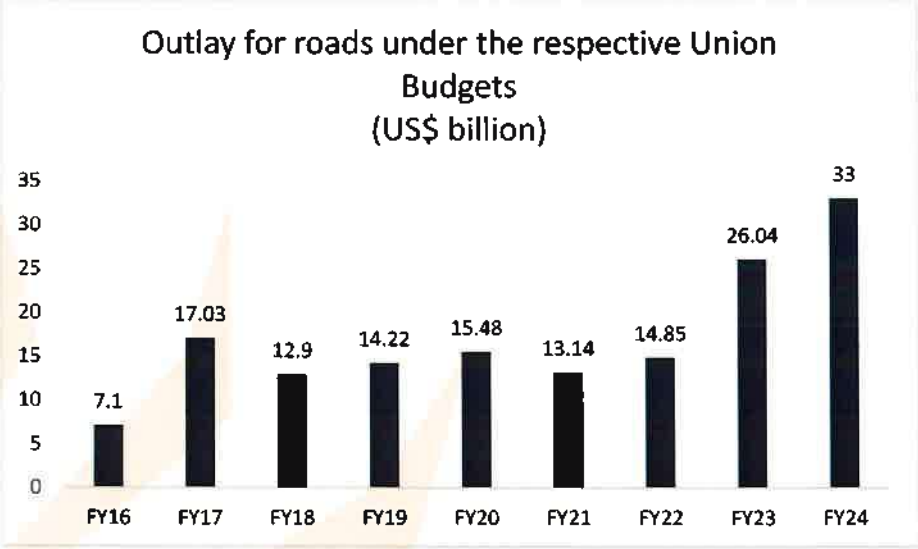
- In December 2021, the government set a highway monetization target of INR 2 trillion (US$ 26.20 billion) for the next 3 years.
- In October 2021, the Indian government announced five road projects in Ladakh, measuring 255 kms in length, to boost connectivity in the region.
- In August 2021, Union Minister of Road Transport and Highways, Mr. Nitin Gadkari, announced to launch 1,080-km (road construction) projects worth INR 25,370 crore (US$ 3.4 billion) under the Bharatmala Pariyojana—the ambitious road and highways project that aims to build highways from Maharashtra, Gujarat, Rajasthan, Punjab, Haryana and then cover the entire string of Himalayan territories.

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- In 2018, the Indian government announced its plan to construct the Delhi-Mumbai Express Highway (extending 1,380 kms), to improve connectivity from Delhi to Mumbai, covering states such as Haryana, Rajasthan, Gujarat and Madhya Pradesh. As of September 2021, contracts for >1,200 kms have been awarded. The estimated cost to construct the Delhi-Mumbai Express Highway is INR 98,000 crore (US$ 13.08 billion).
- 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 2023-24

- The Government has allocated INR 2.7 lakh crore for Ministry of Road Transport and Highways – which is ~36.0% higher than last year's budget allocation.
- The Government plans to complete 25,000 Kilometers of National Highways.
- In July 2021, the Union Minister for Road Transport and Highways, Mr. Nitin Gadkari, laid the foundation stone for 16 National Highway projects in Manipur. These projects will cost US$ 556.67 million to build and will cover a total distance of 298 kms.
- To transform road infrastructure in Punjab, Haryana and Rajasthan, the Indian government has planned to construct roads extending 313 kms for INR 11,000 crore (US$ 1.48 billion).



Source: IBEF Road Report February 2023

Government initiatives: -

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

   The government's ambitious National Infrastructure Pipeline which is to be implemented untill 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 111 Lakh Crores to be undertaken by the central government, state governments and the private sector. The Roads sector is expected to account for 18% capital expenditure over FY2019-25.

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: MorTH Website

NHAI will consider only those projects that require minimal land acquisition worth INR 3 trillion under Bharatmala Pariyojana Scheme. A total of 65,000 kms of roads and highways are to be constructed under Bharatmala Pariyojana.

3. **Gati Shakti – National Master Plan**

India's Gati Shakti program has consolidated a list of 81 high impact projects, out of which road infrastructure projects were the top priority. The major highway projects include the Delhi-Mumbai expressway (1,350 kilometres), Amritsar-Jamnagar expressway (1,257 kilometres) and Saharanpur-Dehradun expressway (210 kilometres). The main aim of this program is a faster approval process which can be done through the Gati Shakti portal and digitized the approval process completely.

4. **Taxes and Other Sops**

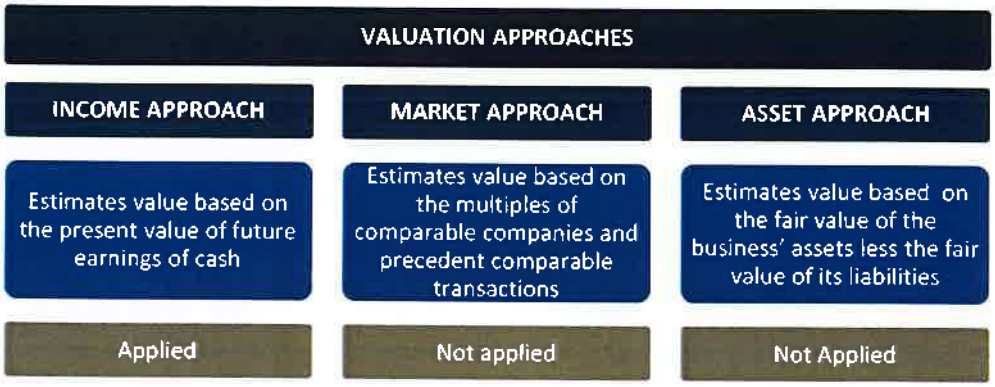
Companies enjoy 100% tax exemption in road projects for 5 years and 30% relief over the next 5 years.

5. **Rural Development**

Under the Union Budget 2023-24, the Government of India has allocated INR 19,000 crores for Pradhan Mantri Gram Sadak Yojana (PMGSY). As of 14th July 2022 the number of roads constructed under PMGSY stood at 13,217 with a total length of 65,320 kms.

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7. Valuation Approach and Methodology



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 31st July 2023. The attached Report is drawn up with reference to accounting and financial information as on 31st July 2023.

- **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, the 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 engaged in the same or a similar line	▪ The Specified Projects of the SPV are operational and does not have project implementation risk. Further, 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.

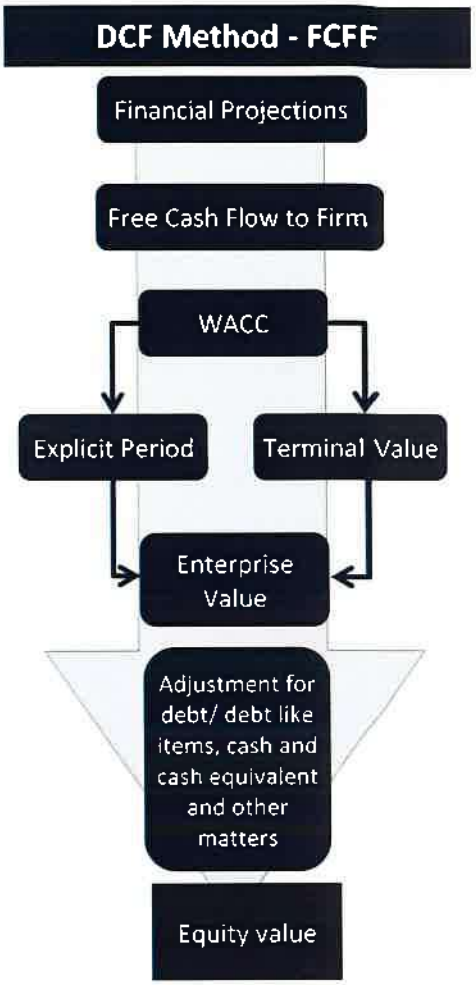
Approach & Method	Applied/Not Applied	Description	Rationale
		of business as the subject company. ▪ The appropriate multiple is generally based on the performance of listed companies with similar business models and size.	which may differ from the other projects. Accordingly, this method is not adopted.
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 are expected to make the operating profits. 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 value' 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.

Income Approach

The Income Approach is widely used for valuation under "Going Concern Value" premise. 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* estimated economic life of the projects and terms of the Concession Agreement, 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.



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:

We have carried out the Enterprise and Equity Valuation of the SPV as of 31st July 2023, considering *inter-alia* the latest Traffic Study Reports and Technical Due Diligence 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.

- **Operating Revenue:** Operating revenue for the Specified Projects for their respective concession period (the "Projected Period") have been estimated by the Management considering the traffic projections from Traffic Study Reports of independent traffic consultants appointed by NHIIMPL and toll rates basis NHAI regulations.

- **Operational and Maintenance Expenses (Routine maintenance)**: O&M expenses for the Projected Period have been estimated by the Management considering the Technical Due Diligence Reports of independent technical consultants appointed by NHIIMPL.

- **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. MMR expenses for the Projected Period have been estimated by the Management considering the Technical Due Diligence Reports of independent technical consultants appointed by NHIIMPL.

- **Project Management (PM) Expenses**: PM expenses are being paid to the Project Manager for management of all the toll road projects. These expenses have been estimated by the Management considering the PM agreement with the Project Manager.

- **Insurance Expenses**: Insurance expenses for the Projected Period have been estimated by the Management considering the Technical Due Diligence Reports of independent technical consultants appointed by NHIIMPL.

- **SPV Costs:** The Management has estimated the base year cost for each project and annual escalation thereafter:

- **Depreciation and Amortization**: Service Concession License to collect toll has been amortized over the period of concession.

- **Taxes:** Income taxes have been estimated considering, as appropriate, brought forward business losses and unabsorbed depreciation, tax depreciation/ amortisation policy followed by the SPV and the corporate income tax rate of 25.17%.

- **Capital Expenditure:** Capital expenditure aggregating ~INR 1,212 crore is projected to be incurred by the SPV during FY2024 and FY2025 for the Specified Projects considering *inter-alia* Technical Due Diligence Reports of independent technical consultants appointed by NHIIMPL, actual contracts awarded so far, actual bids and Management's estimate.

- **Working Capital:** Considering the nature of the business of operating toll road projects, the working capital requirement for the Projected Period has been estimated basis the net working capital position as of 31st March 2023 as a percentage of revenue which was around 0.01%.

8.2. Specified Projects of NHIPPL

8.2.1. Palanpur (Gujarat) to Abu Road (Rajasthan)

8.2.1.1. Project Overview

Parameters	Details
Project Name	NH27 (NH14) Palanpur/Khemana – Abu Road (Stretch 3)
Length of the project	45.00 kms
Toll Plaza Location	Khemana
Concession Start Date	16th December 2021
Concession End Date	15th December 2051

Source: Information provided by the Management

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:

The Investment Manager has confirmed that there are no key changes in the status of one-time sanctions/ approvals since 31 March 2023 as reported in our valuation report our Ref No: RVA2324DELREP004 dated 26 May 2023 ("March 2023 Valuation Report")

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

The Investment Manager has confirmed that there are no key changes in the status of periodic clearances since 31 March 2023 as reported in March 2023 Valuation Report.

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): Nil since the implementation date (16th December 2021) until the Valuation Date.

Forecasted Major Maintenance Expenses (INR Cr):

Particulars for the year/ period ended	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
Major Maintenance Expenses	-	-	-	-	84.82	1.82	6.32

Particulars for the year/ period ended	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036	FY2037
Major Maintenance Expenses	-	-	-	-	-	4.64	-

Particulars for the	FY2038	FY2039	FY2040	FY2041	FY2042	FY2043	FY2044

year/ period ended								
Major Maintenance Expenses	-	-	154.96	-	14.80	2.95	-	

Particulars for the year/ period ended	FY2045	FY2046	FY2047	FY2048	FY2049	FY2050	FY2051	FY2052
Major Maintenance Expenses	-	190.78	-	-	-	27.02	-	236.4

Source: Information provided by the Management

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 the Valuation Date.

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 for this project as at the Valuation Date.

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 is adequately covered by insurance.

G. Physical Inspection

Physical inspection of the Project was carried out for March 2023 Valuation Report. We have not carried out physical inspection of the Project for this valuation.

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8.2.2. Abu Road (Rajasthan) to Swaroopganj (Rajasthan)

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
Concession Start Date	16th December 2021
Concession End Date	15th December 2051

Source: Information provided by the Management

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:

The Investment Manager has confirmed that there are no key changes in the status of one-time sanctions/ approvals since 31 March 2023 as reported in the March 2023 Valuation Report.

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

The Investment Manager has confirmed that there are no key Changes in the status of periodic clearances since 31 March 2023 as reported in the March 2023 Valuation Report..

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): Nil since the implementation date (16th December 2021) until the Valuation Date.

Forecasted Major Maintenance Expenses (INR Cr):

Particulars for the year/ period ended	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
Major Maintenance Expenses	-	-	-	-	55.24	1.82	-

Particulars for the year/ period ended	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036	FY2037
Major Maintenance Expenses	4.50	-	-	-	-	4.64	-

Particulars for the year/ period ended	FY2038	FY2039	FY2040	FY2041	FY2042	FY2043	FY2044
Major Maintenance Expenses	-	-	94.23	-	10.19	2.95	-

Particulars for the year/ period ended	FY2045	FY2046	FY2047	FY2048	FY2049	FY2050	FY2051	FY2052

Major Maintenance Expenses	-	147.34	-	-	-	19.20	-	143.49

Source: Information provided by the Management

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 the Valuation Date..

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 for this project as at the Valuation Date.

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 is adequately covered by insurance.

G. Physical inspection

Physical inspection of the Project was carried out for March 2023 Valuation Report. We have not carried out physical inspection of the Project for this valuation.

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8.2.3. Kothakota Bypass (Telangana) to Kurnool (Andhra Pradesh)

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
Concession Start Date	16th December 2021
Concession End Date	15th December 2051

Source: Information provided by the Management

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:

The Investment Manager has confirmed that there are no key changes in the status of one-time sanctions/ approvals since 31 March 2023 as reported in the March 2023 Valuation Report.

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

The Investment Manager has confirmed that there are no key changes in the status of periodic clearances since 31 March 2023 as reported in the March 2023 Valuation Report.

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): Nil since the implementation date (16th December 2021) until the Valuation Date

Forecasted Major Maintenance Expenses (INR Cr):

Particulars	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
Major Maintenance Expenses	-	-	0.32	-	4.16	-	-

Particulars	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036	FY2037
Major Maintenance Expenses	23.45	239.15	21.79	-	4.84	-	-

Particulars	FY2038	FY2039	FY2040	FY2041	FY2042	FY2043	FY2044
Major Maintenance Expenses	338.77	-	38.09	12.46	-	-	453.67

Particulars	FY2045	FY2046	FY2047	FY2048	FY2049	FY2050	FY2051	FY2052
Major Maintenance Expenses	-	-	69.85	4.14	-	479.84	-	-

Source: Information provided by the Management

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 the Valuation Date.

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 for this project as at the Valuation Date.

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 is adequately covered by insurance.

G. Physical inspection

Physical inspection of the Project was carried out for March 2023 Valuation Report. We have not carried out physical inspection of the Project for this valuation.

8.2.4. Belgaum (Karnataka) to Kagal (Karnataka)

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
Concession Start Date	16th December 2021
Concession End Date	15th December 2051

Source: Information provided by the Management

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

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

The Investment Manager has confirmed that there are no key changes in the status of one-time sanctions/ approvals since 31 March 2023 as reported in the March 2023 Valuation Report.

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

The Investment Manager has confirmed that there are no key changes in the status of periodic clearances since 31 March 2023 as reported in the March 2023 Valuation Report.

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): Nil since the implementation date (16th December 2021) until the Valuation Date

Forecasted Major Maintenance Expenses (INR Cr):

Particulars	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
Major Maintenance Expenses	-	-	-	-	-	3.65	-

Particulars	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036	FY2037
Major Maintenance Expenses	-	-	-	-	178.34	33.99	-

Particulars	FY2038	FY2039	FY2040	FY2041	FY2042	FY2043	FY2044
Major Maintenance Expenses	4.18	-	-	240.96	-	54.62	5.14

Particulars	FY2045	FY2046	FY2047	FY2048	FY2049	FY2050	FY2051	FY2052
Major Maintenance Expenses	-	-	295.46	-	-	95.00	154.22	-

Source: Information provided by the Management

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

In respect of additional stamp duty demand notice by the Government of Karnataka for the Belgaum Kagal project for an amount of INR 69.91 Cr, the Management does not expect any financial impact on NHIPPL since NHIPPL has a confirmation from NHAI as part of pre-bid clarification wherein any demand for additional stamp duty shall be treated as change in law under the provisions of Concession Agreement. As represented by the Management except as aforementioned, there are no litigations pending as at the Valuation Date.

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 for this project as at the Valuation Date.

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 is adequately covered by insurance.

G. Physical inspection

Physical inspection of the Project was carried out for the March 2023 Valuation Report. We have not carried out physical inspection of the Project for this valuation

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8.2.5. Chittorgarh (Rajasthan) to Kota (Rajasthan)

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
Concession Start Date	16th December 2021
Concession End Date	15th December 2051

Source: Information provided by the Management

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

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

The Investment Manager has confirmed that there are no key changes in the status of one-time sanctions/ approvals since 31 March 2023 as reported in the March 2023 Valuation Report.

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

The Investment Manager has confirmed that there are no key changes in the status of periodic clearances since 31 March 2023 as reported in the March 2023 Valuation Report.

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): Nil since the implementation date (16th December 2021) until the Valuation Date

Forecasted Major Maintenance Expenses (INR Cr):

Particulars	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030
Major Maintenance Expenses	-	-	-	-	73.30	24.5	-

Particulars	FY2031	FY2032	FY2033	FY2034	FY2035	FY2036	FY2037
Major Maintenance Expenses	-	-	-	104.66	-	51.44	-

Particulars	FY2038	FY2039	FY2040	FY2041	FY2042	FY2043	FY2044
Major Maintenance Expenses	-	-	114.25	-	-	70.44	-

Particulars	FY2045	FY2046	FY2047	FY2048	FY2049	FY2050	FY2051	FY2052
Major Maintenance Expenses	-	118.83	-	-	-	-	-	-

Source: Information provided by the Management

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 the Valuation Date .

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 for this project as at the Valuation Date .

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 is adequately covered by insurance.

G. Physical inspection

Physical inspection of the Project was carried out for the March 2023 Valuation Report. We have not carried out physical inspection of the Project for this valuation.

8.2.6. Agra Bypass (Uttar Pradesh)

8.2.6.1. Project Overview

Parameters	Details
Project Name	NH-2 – NH-3 Agra Bypass (Uttar Pradesh)
Length of the project	32.80 kms
Toll Plaza Location	Raibha
Concession Start Date	29th October 2022
Concession End Date	28th October 2042

Source: Information provided by the Management

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

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

The Investment Manager has confirmed that there are no key changes in the status of one-time sanctions/ approvals since 31 March 2023 as reported in the March 2023 Valuation Report. .

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

The Investment Manager has confirmed that there are no key changes in the status of periodic clearances since 31 March 2023 as reported in the March 2023 Valuation Report.

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): Nil since the implementation date (29th October 2022) until the Valuation Date

Forecasted Major Maintenance Expenses (INR Cr):

Particulars for the year/ period ended	31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28	31-Mar-29	31-Mar-30
No of Months	12	12	12	12	12	12	12
Major Maintenance Expenses	-	-	-	-	-	43.29	1.57

Particulars for the year/ period ended	31 Mar-31	31 Mar-32	31 Mar-33	31 Mar-34	31 Mar-35	31-Mar-36	31 Mar-37
No of Months	12	12	12	12	12	12	12
Major Maintenance Expenses	7.68	-	-	-	-	-	4.00

Particulars for the year/ period ended	31 Mar-38	31 Mar-39	31 Mar-40	31 Mar-41	31 Mar-42	30-Sep-42
No of Months	12	12	12	12	12	6
Major Maintenance Expenses	-	-	95.96	16.80	-	-

Source: Information provided by the Management

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 against the project as at the Valuation Date .

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 associated with the project as at the Valuation Date .

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. Physical inspection

Physical inspection of the Project was carried out for the March 2023 Valuation Report. We have not carried out physical inspection of the Project for this valuation

8.2.7. Shivpuri (Madhya Pradesh) to Jhansi (Uttar Pradesh)

8.2.7.1. Project Overview

Parameters	Details
Project Name	NH27 Shivpuri (Madhya Pradesh) to Jhansi (Uttar Pradesh)
Length of the project	75.30 kms
Toll Plaza Location	Raksha
Concession Start Date	29th October 2022
Concession End Date	28th October 2042

Source: Management information

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

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

The Investment Manager has confirmed that there are no key changes in the status of one-time sanctions/ approvals since 31 March 2023 as reported in the March 2023 Valuation Report

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

The Investment Manager has confirmed that there are no key changes in the status of periodic clearances since 31 March 2023 as reported in the March 2023 Valuation Report .

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): Nil since the implementation date (29th October 2022) until the Valuation Date

Forecasted Major Maintenance Expenses (INR Cr):

Particulars for the year/ period ended	31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28	31-Mar-29	31-Mar-30
No of Months	12	12	12	12	12	12	12
Major Maintenance Expenses	-	-	-	-	-	88.25	1.26

Particulars for the year/ period ended	31 Mar-31	31 Mar-32	31 Mar-33	31 Mar-34	31 Mar-35	31-Mar-36	31 Mar-37
No of Months	12	12	12	12	12	12	12
Major Maintenance Expenses	10.73	-	-	-	129.64	-	3.20

Particulars for the year/ period ended	31 Mar-38	31 Mar-39	31 Mar-40	31 Mar-41	31 Mar-42	30-Sep-42
No of Months	12	12	12	12	12	6
Major Maintenance Expenses	-	21.89	-	133.30	-	-

Source: Information provided by the Management

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 against the project as at the Valuation Date .

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 associated with the project as at the Valuation Date .

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. Physical inspection

Physical inspection of the Project was carried out for the March 2023 Valuation Report. We have not carried out physical inspection of the Project for this valuation

8.2.8. Borkhedi – Wadner – Deodhari – Kelapur (Maharashtra/Telangana Border)

8.2.8.1. Project Overview

Parameters	Details
Project Name	NH44 Borkhedi – Wadner – Deodhari - Kelapur (Maharashtra)
Length of the project	138.15 kms
Toll Plaza Location	Daroda and Kelapur
Concession Start Date	29th October 2022
Concession End Date	28th October 2042

Source: Management information

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

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

The Investment Manager has confirmed that there are no key changes in the status of one-time sanctions/ approvals since 31 March 2023 as reported in March 2023 Valuation Report

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

The Investment Manager has confirmed that there are no key changes in the status of periodic clearances since 31 March 2023 as reported in March 2023 Valuation Report.

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): Nil since the implementation date (29th October 2022) until the Valuation Date

Forecasted Major Maintenance Expenses (INR Cr):

Particulars for the year/ period ended	31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28	31-Mar-29	31-Mar-30
No of Months	12	12	12	12	12	12	12
Major Maintenance Expenses	-	-	5.02	28.39	-	221.86	16.16

Particulars for the year/ period ended	31 Mar-31	31 Mar-32	31 Mar-33	31 Mar-34	31 Mar-35	31-Mar-36	31 Mar-37
No of Months	12	12	12	12	12	12	12
Major Maintenance Expenses	-	6.18	-	-	298.34	-	24.97

Particulars for the year/ period ended	31 Mar-38	31 Mar-39	31 Mar-40	31 Mar-41	31 Mar-42	30-Sep-42
No of Months	12	12	12	12	12	6
Major Maintenance Expenses	7.59	-	-	338.09	24.42	-

Source: Information provided by the Management

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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 against the project as at the Valuation Date .

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 associated with the project as at the Valuation Date.

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. Physical inspection

Physical inspection of the Project was carried out for March 2023 Valuation Report. We have not carried out physical inspection of the Project for this valuation.

9. Valuation Conclusion

We have carried out the Enterprise and Equity Valuation of the SPV as of 31st July 2023, considering *inter-alia* Traffic Study Reports and Technical Due Diligence 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.

Management represented that:

- It expects a reduction in the interest rate on the Term Loan availed by the Trust from a bank from ~8.65% to ~8%., considering *inter-alia* ongoing negotiations between the bank and the Trust.
- It expects a reduction in the capital expenditure for the Specified Projected to be borne by the SPV from ~INR 1,383 Crore to ~INR 1,212 Crore, considering inter-alia actual contracts awarded so far, actual bids and Management's estimate.

The implication of aforementioned has been for the valuation of NHIPPL as at 31 July 2023

The Valuation summary of NHIPPL as of 31st July 2023 is as follows:

SPV	WACC	Enterprise Value (INR Cr)	Equity Value (INR Cr.)
National Highways Infra Projects Private Limited ("NHIPPL")	10.50%	11,270.8	1,845.6

Particulars	In INR cr.
Enterprise Value	**11,270.8**
Less: Debt	(9,520.9)
Less: Debt like items	(0.1)
Add: Cash and cash equivalent*	95.8
Equity Value	**1,845.6**

** Cash and cash equivalent as at 31 July 2023 excludes fixed deposits aggregating ~INR 4.9 Cr which was earmarked by the Bank of Maharashtra ("BoM") for issue of Performance Guarantee to NHAI. Management represented that this FD is expected to be released once non-fund limit by BoM is sanctioned. Considering the aforementioned, working capital as at 31 July 2023 includes the aforementioned FD and the same is projected to be released in the subsequent period.*

Appendices

Appendix 1 - WACC

Particulars		Remarks
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
Unlevered Beta – Industry	~ 0.44	Beta is a measure of the risk of the shares of a company. ß is the co-variance between the return on sample stock and the return on the market. In order to determine the appropriate beta factor for the Company, consideration must be given either to the market beta of the Company or betas of comparable quoted companies. Unlevered beta has been estimated based on the 5-year monthly beta of select comparable companies.
Cost of Equity (Ke)		
Risk Free Rate (Rfr)	~7.13%	Based on 10-year zero coupon yield curve for GoI securities as at 31st July 2023
Equity Market Risk Premium	~7.00%	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	~ 0.89	Considering *inter-alia* 5-year monthly beta of comparable companies and debt-to-equity ratio
Additional Risk Premium	~1.00%	Considering *inter-alia* nature of revenue of the Specified Projects (toll collection), projected performance of the SPV, macro-economic additional uncertainties due to Covid 19 pandemic and certain global events, partially offset by the operational nature of the Specified Projects.
Cost of Equity (Ke)	**~14.34%**	
Cost of Debt (Kd)		
Pre-Tax Cost of Debt (Kd)	~8.21%	Management estimate considering *inter-alia* prevailing interest rate as of 31st July 2023 and expected reduction in interest rate on the term loan from a bank based on the ongoing negotiations
Effective tax rate	~17.7%	Estimated considering *inter-alia* business losses and unabsorbed depreciation, tax depreciation/ amortization policy followed by the SPV and corporate income tax rate
Post-Tax Cost of Debt (Kd)	**~ 6. 75%**	
WACC	**10.55%**	
Rounded off WACC	**10.50%**	



Appendix 2 – Discounted Cash Flow (DCF)

Enterprise & Equity Valuation of the SPV as at 31 July 23

Amount in INR Cr.

Financial Year		8 months ending FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032
Months		8.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
Revenue		636.5	953.4	1,134.8	1,310.6	1,455.7	1,566.1	1,662.7	1,787.7	1,845.2
Operating EBITDA before MMR Provisions		435.1	726.2	889.0	1,049.2	1,179.1	1,273.3	1,352.6	1,459.3	1,491.6
Less: IM Expenses		(7.6)	(10.8)	(11.9)	(13.0)	(14.3)	(15.8)	(17.4)	(19.1)	(21.0)
Less: Income Tax		-	-	-	-	-	-	-	-	-
Less: MMR Expenses		-	-	(5.3)	(28.4)	(217.6)	(385.2)	(25.3)	(46.4)	(245.3)
Less: Capital Expenditure		(872.1)	(339.4)	-	-	-	-	-	-	-
(Increase)/Decrease in Working Capital		(27.5)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Free Cashflows to Firm		**(472.1)**	**376.1**	**871.8**	**1,007.8**	**947.2**	**872.3**	**1,310.0**	**1,393.8**	**1,225.3**
Time to Midpoint		0.33	1.17	2.17	3.17	4.17	5.17	6.17	7.17	8.17
Discount Factor	10.50%	0.97	0.89	0.81	0.73	0.66	0.60	0.54	0.49	0.44
Discounted Cash Flow		**(456.6)**	**334.6**	**702.1**	**734.5**	**624.6**	**520.5**	**707.4**	**681.1**	**541.8**

Mid Point Working	31-Jul-23	31-Mar-24	31-Mar-25	31-Mar-26	31-Mar-27	31-Mar-28	31-Mar-29	31-Mar-30	31-Mar-31	31-Mar-32
Days		122.00	426.50	791.50	1,156.50	1,522.00	1,887.50	2,252.50	2,617.50	2,983.00
Time to Midpoint		**0.33**	**1.17**	**2.17**	**3.17**	**4.17**	**5.17**	**6.17**	**7.17**	**8.17**

Financial Year		FY2033	FY2034	FY2035	FY2036	FY2037	FY2038	FY2039	FY2040	FY2041	FY2042
Months		12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
Revenue		1,990.4	2,229.8	2,486.0	2,706.6	2,931.9	3,183.9	3,456.4	3,755.2	4,059.2	4,400.9
Operating EBITDA before MMR Provisions		1,626.2	1,841.9	2,074.5	2,244.9	2,442.3	2,664.6	2,876.6	3,124.2	3,389.7	3,688.5
Less: IM Expenses		(23.1)	(25.4)	(28.0)	(30.7)	(33.8)	(37.2)	(40.9)	(45.0)	(49.5)	(54.5)
Less: Income Tax		-	(202.3)	(338.0)	(516.0)	(585.0)	(563.2)	(700.8)	(644.2)	(649.9)	(898.6)
Less: MMR Expenses		(21.8)	(104.7)	(611.2)	(94.7)	(32.2)	(350.5)	(21.9)	(497.5)	(741.6)	(49.4)
Less: Capital Expenditure		-	-	-	-	-	-	-	-	-	-
(Increase)/Decrease in Working Capital		(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Free Cashflows to Firm		**1,581.3**	**1,509.6**	**1,097.4**	**1,603.4**	**1,791.3**	**1,713.6**	**2,113.0**	**1,937.5**	**1,948.7**	**2,685.9**
Time to Midpoint		9.17	10.17	11.17	12.18	13.18	14.18	15.18	16.18	17.18	18.18
Discount Factor	10.50%	0.40	0.36	0.33	0.30	0.27	0.24	0.22	0.20	0.18	0.16
Discounted Cash Flow		**632.7**	**546.6**	**359.6**	**475.4**	**480.6**	**416.1**	**464.3**	**385.2**	**350.6**	**437.3**

Mid Point Working	31-Jul-23	31-Mar-33	31-Mar-34	31-Mar-35	31-Mar-36	31-Mar-37	31-Mar-38	31-Mar-39	31-Mar-40	31-Mar-41	31-Mar-42
Days		3,348.50	3,713.50	4,078.50	4,444.00	4,809.50	5,174.50	5,539.50	5,905.00	6,270.50	6,635.50
Time to Midpoint		**9.17**	**10.17**	**11.17**	**12.18**	**13.18**	**14.18**	**15.18**	**16.18**	**17.18**	**18.18**

Financial Year		FY2043	FY2044	FY2045	FY2046	FY2047	FY2048	FY2049	FY2050	FY2051	FY2052
Months		12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	8.48
Revenue		4,026.9	3,269.5	3,518.5	3,798.1	4,101.2	4,430.7	4,764.6	5,139.5	5,519.2	4,226.1
Operating EBITDA before MMR Provisions		3,399.5	2,729.5	2,942.9	3,185.2	3,446.2	3,728.6	4,011.2	4,330.3	4,648.8	3,540.6
Less: IM Expenses		(59.9)	(39.0)	(42.9)	(47.2)	(51.9)	(57.1)	(62.8)	(69.1)	(76.0)	(83.6)
Less: Income Tax		(803.1)	(556.5)	(724.4)	(669.0)	(755.6)	(914.6)	(983.2)	(903.2)	(1,096.0)	(755.2)
Less: MMR Expenses		(131.0)	(458.8)	-	(456.9)	(365.3)	(4.1)	-	(621.1)	(154.2)	(379.9)
Less: Capital Expenditure		-	-	-	-	-	-	-	-	-	-
(Increase)/Decrease in Working Capital		0.0	0.1	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	0.6
Free Cashflows to Firm		**2,405.5**	**1,675.2**	**2,175.5**	**2,012.0**	**2,273.3**	**2,752.7**	**2,965.1**	**2,736.9**	**3,322.6**	**2,322.5**
Time to Midpoint		19.18	20.18	21.18	22.18	23.18	24.18	25.18	26.18	27.18	28.04
Discount Factor	10.50%	0.15	0.13	0.12	0.11	0.10	0.09	0.08	0.07	0.07	0.06
Discounted Cash Flow		**354.4**	**223.3**	**262.5**	**219.7**	**224.6**	**246.1**	**239.9**	**200.4**	**220.1**	**141.3**

Mid Point Working	31-Jul-23	31-Mar-43	31-Mar-44	31-Mar-45	31-Mar-46	31-Mar-47	31-Mar-48	31-Mar-49	31-Mar-50	31-Mar-51	15-Dec-51
Days		7,000.50	7,366.00	7,731.50	8,096.50	8,461.50	8,827.00	9,192.50	9,557.50	9,922.50	10,234.50
Time to Midpoint		**19.18**	**20.18**	**21.18**	**22.18**	**23.18**	**24.18**	**25.18**	**26.18**	**27.18**	**28.04**

RBSA VALUATION ADVISORS LLP
RM.

Amount in INR Cr.

Particulars	Jul-23
Enterprise Value	**11,270.8**
Less: Debt	(9,520.9)
Less: Debt like items	(0.1)
Add: Cash and cash equivalent*	95.8
Equity Value	**1,845.6**

** Cash and cash equivalent as at 31 July 2023 excludes fixed deposits aggregating ~INR 4.9 Cr which was earmarked by the Bank of Maharashtra ("BoM") for issue of Performance Guarantee to NHAI. Management represented that this FD is expected to be released once non-fund limit by BoM is sanctioned. Considering the aforementioned, working capital as at 31 July 2023 includes the aforementioned FD and the same is projected to be released in the subsequent period.*

Annexure VIIa

NATIONAL HIGHWAYS INFRA INVESTMENT MANAGERS PRIVATE LIMITED
Registered Office: G-5 & 6, Sector-10, Dwarka, New Delhi– 110075,
Tel: 011-25076536, FAX: 011-25076536. Email: nhiimpl@nhai.org
CIN: U65929DL2020GOI366835

Date: 25th April, 2023

To, **The Corporate Relations Department** **BSE Limited** Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai - 400 001	**To,** **The Listing Department,** **National Stock Exchange of India Limited** Exchange Plaza, C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051

Ref: Scrip Code: 543385; Scrip ID/Symbol: NHIT

Subject: Credit Rating of National Highways Infra Trust (NHAI InvIT)

Dear Sir/Madam,

Pursuant to Regulation 23 and any other applicable provisions of the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, read with circular no. CIR/IMD/DF/127/2016 dated November 29, 2016, and Regulation 55 of the Securities and Exchange Board of India (Listing Obligations and Disclosures Requirements) Regulations, 2015, please find attached rating letters issued by the credit rating agencies, CARE Ratings Limited and India Ratings & Research Private Limited to NHAI InvIT .

Request you to take note of the same.

Sincerely,

For National Highways Infra Trust

By Order of the Board

National Highways Infra Investment Managers Private Limited

Gunjan Singh
Company Secretary and Compliance Officer

No. CARE/ARO/GEN/2023-24/1020

Mr. Mathew George
Chief Financial Officer
National Highways Infra Trust
G-5, 6, NHAI Corporate Office, Sector-10
Dwarka
New Delhi
Delhi 110075

April 25, 2023

Confidential

Dear Sir,

Credit rating for bank facilities/Instruments/Issuer Rating

This has reference to your email dated April 14, 2023 on the above subject.

2. In this connection, we invite your attention to our rating letter **no. CARE/ARO/RL/2022-23/4731, CARE/ARO/RL/2022-23/4733 and CARE/ARO/RL/2022-23/4728** dated **October 10, 2022** assigning the rating to the long-term bank facilities, instruments and issuer rating of your Trust. We confirm that the following ratings are outstanding for your Trust.

Facilities	Amount (Rs. crore)	Rating[1]
Long Term Bank Facilities	**850.00**	**CARE AAA; Stable**
Long Term Bank Facilities	**2000.00**	**CARE AAA; Stable**
Public Issue of Non-Convertible Debentures	**1500.00**	**CARE AAA; Stable**
Issuer Rating#	**-**	**CARE AAA; Stable**

#the above 'Issuer Rating' is subject to consolidated debt/enterprise value not exceeding 49%

Please refer to CARE's Rating symbols at Annexure 1

3. CARE Ratings Ltd. reserves the right to revise/reaffirm/withdraw the rating assigned as also revise the outlook, as a result of periodic review/surveillance, based on any event or information which in the opinion of CARE Ratings Ltd. warrants such an action. CARE Ratings Ltd. shall also be entitled to publicize/disseminate all the afore-mentioned rating actions in any manner considered appropriate by it, without reference to you.

4. All the other clauses vide our letter dated October 10, 2022 would continue to apply for the above rating(s).

If you need any clarification, you are welcome to approach us in this regard.

Thanking you,

Yours faithfully,

Ritu Dalal

Ritu Dalal

Analyst
ritu.dalal @careedge.in

Setu Gajjar

Setu Gajjar
Assistant Director
setu.gajjar@careedge.in

[1]Complete definitions of the ratings assigned are available at www.careedge.in and in other CARE Ratings Ltd.'s publications.

Encl.: As above

Disclaimer

The ratings issued by CARE Ratings Limited are opinions on the likelihood of timely payment of the obligations under the rated instrument and are not recommendations to sanction, renew, disburse or recall the concerned bank facilities or to buy, sell or hold any security. These ratings do not convey suitability or price for the investor. The agency does not constitute an audit on the rated entity. CARE Ratings Limited has based its ratings/outlooks based on information obtained from reliable and credible sources. CARE Ratings Limited does not, however, guarantee the accuracy, adequacy or completeness of any information and is not responsible for any errors or omissions and the results obtained from the use of such information. Most entities whose bank facilities/instruments are rated by CARE Ratings Limited have paid a credit rating fee, based on the amount and type of bank facilities/instruments. CARE Ratings Limited or its subsidiaries/associates may also be involved with other commercial transactions with the entity. In case of partnership/proprietary concerns, the rating /outlook assigned by CARE Ratings Limited is, inter-alia, based on the capital deployed by the partners/proprietor and the current financial strength of the firm. The rating/outlook may undergo a change in case of withdrawal of capital or the unsecured loans brought in by the partners/proprietor in addition to the financial performance and other relevant factors. CARE Ratings Limited is not responsible for any errors and states that it has no financial liability whatsoever to the users of CARE Ratings Limited's rating. Our ratings do not factor in any rating related trigger clauses as per the terms of the facility/instrument, which may involve acceleration of payments in case of rating downgrades. However, if any such clauses are introduced and if triggered, the ratings may see volatility and sharp downgrades.

Annexure 1

CARE Rating Symbols and Definitions for Long /Medium Term Debt Instruments

Symbols	Rating Definition
CARE AAA	Instruments with this rating are considered to have the highest degree of safety regarding timely servicing of financial obligations. Such instruments carry lowest credit risk.
CARE AA	Instruments with this rating are considered to have high degree of safety regarding timely servicing of financial obligations. Such instruments carry very low credit risk.
CARE A	Instruments with this rating are considered to have adequate degree of safety regarding timely servicing of financial obligations. Such instruments carry low credit risk.
CARE BBB	Instruments with this rating are considered to have moderate degree of safety regarding timely servicing of financial obligations. Such instruments carry moderate credit risk.
CARE BB	Instruments with this rating are considered to have moderate risk of default regarding timely servicing of financial obligations.
CARE B	Instruments with this rating are considered to have high risk of default regarding timely servicing of financial obligations.
CARE C	Instruments with this rating are considered to have very high risk of default regarding timely servicing of financial obligations.
CARE D	Instruments with this rating are in default or are expected to be in default soon

Modifiers {"+" (plus) / "-" (minus)} can be used with the rating symbols for the categories CARE AA to CARE C. The modifiers reflect the comparative standing within the category.

India Ratings & Research
A Fitch Group Company

FitchGroup

Mr. Suresh Goyal
MD & CEO
National Highways Infra Investment Managers Pvt Ltd (On Behalf of National Highways Infra Trust)
G 5&6, Sector 10, Dwarka,
New Delhi - 110075

April 17, 2023

Dear Sir/Madam,

Re: Rating Letter for debt instruments of National Highways Infra Trust

This is in reference to the rating action commentary released on 10th October 2022.

India Ratings and Research (Ind-Ra) is pleased to communicate the following rating of National Highways Infra Trust's (NHIT) debt instument:

Instument Type	Size of Issue (INR million)	Rating/Outlook
Non-Convertible Debentures	INR15,000	IND AAA/Stable
Rupee Term Loan	INR28,500	IND AAA/Stable

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security.

The manner of India Ratings' factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in India where the rated security is offered and sold, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors

Users of India Ratings' ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action commentary provides information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

Ratings are based on established criteria and methodologies that India Ratings is continuously evaluating and updating. Therefore, ratings are the collective work product of India Ratings and no individual, or group of individuals, is solely responsible for a rating. All India Ratings reports have shared authorship. Individuals identified in an India Ratings report were involved in, but are not solely responsible for, the opinions stated therein.

The individuals are named for contact purposes only.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. India Ratings is not your advisor, nor is India Ratings providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services. Investors may find India Ratings ratings to be important information, and India Ratings notes that you are responsible for communicating the contents of this letter, and any changes with respect to the rating, to investors.

It will be important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

In this letter, "India Ratings" means India Ratings & Research Pvt. Ltd. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please email us at infogrp@indiaratings.co.in

Sincerely,

India Ratings



Dr Devendra Pant
Senior Director

Annexure: Facilities Breakup

Instrument Description	Banks Name	Ratings	Outstanding/Rated Amount(INR million)
Non Convertible Debenture	NA	IND AAA/Stable	15000
Term Loan	State Bank of India	IND AAA/Stable	10000
Term Loan	Axis Bank Limited	IND AAA/Stable	6000
Term Loan	Bank of Maharashtra	IND AAA/Stable	12500



India Ratings & Research
A Fitch Group Company

FitchGroup

Mr. Suresh Goyal
MD & CEO
National Highways Infra Investment Managers Pvt Ltd (On Behalf of National Highways Infra Trust)
G 5&6, Sector 10, Dwarka,
New Delhi - 110075

June 23, 2023

Dear Sir/Madam,

Re: Rating Letter for BLR & NCDs of National Highways Infra Trust

India Ratings and Research (Ind-Ra) has taken the following rating actions on National Highways Infra Trust (NHIT):

Instrument Type	Maturity Date	Size of Issue (million)	Rating/Outlook	Rating Action
Long-Term Issuer Rating	-	-	IND AAA/Stable	Affirmed
Proposed rupee term loan (RTL)	-	INR45,000	IND AAA/Stable	Assigned
RTL	31 March 2042	INR28,500	IND AAA/Stable	Affirmed
Public issue of non-convertible debentures (NCDs)	-	INR15,000	IND AAA/Stable	Affirmed

In issuing and maintaining its ratings, India Ratings relies on factual information it receives from issuers and underwriters and from other sources India Ratings believes to be credible. India Ratings conducts a reasonable investigation of the factual information relied upon by it in accordance with its ratings methodology, and obtains reasonable verification of that information from independent sources, to the extent such sources are available for a given security.

The manner of India Ratings factual investigation and the scope of the third-party verification it obtains will vary depending on the nature of the rated security and its issuer, the requirements and practices in India where the rated security is offered and sold, the availability and nature of relevant public information, access to the management of the issuer and its advisers, the availability of pre-existing third-party verifications such as audit reports, agreed-upon procedures letters, appraisals, actuarial reports, engineering reports, legal opinions and other reports provided by third parties, the availability of independent and competent third-party verification sources with respect to the particular security or in the particular jurisdiction of the issuer, and a variety of other factors.

Users of India Ratings ratings should understand that neither an enhanced factual investigation nor any third-party verification can ensure that all of the information India Ratings relies on in connection with a rating will be accurate and complete. Ultimately, the issuer and its advisers are responsible for the accuracy of the information they provide to India Ratings and to the market in offering documents and other reports. In issuing its ratings India Ratings must rely on the work of experts, including independent auditors with respect to financial statements and attorneys with respect to legal and tax matters. Further, ratings are inherently forward-looking and embody assumptions and predictions about future events that by their nature cannot be verified as facts. As a result, despite any verification of current facts, ratings can be affected by future events or conditions that were not anticipated at the time a rating was issued or affirmed.

India Ratings seeks to continuously improve its ratings criteria and methodologies, and periodically updates the descriptions on its website of its criteria and methodologies for securities of a given type. The criteria and methodology used to determine a rating action are those in effect at the time the rating action is taken, which for public ratings is the date of the related rating action commentary. Each rating action commentary provides

information about the criteria and methodology used to arrive at the stated rating, which may differ from the general criteria and methodology for the applicable security type posted on the website at a given time. For this reason, you should always consult the applicable rating action commentary for the most accurate information on the basis of any given public rating.

Ratings are based on established criteria and methodologies that India Ratings is continuously evaluating and updating. Therefore, ratings are the collective work product of India Ratings and no individual, or group of individuals, is solely responsible for a rating. All India Ratings reports have shared authorship. Individuals identified in an India Ratings report were involved in, but are not solely responsible for, the opinions stated therein. The individuals are named for contact purposes only.

Ratings are not a recommendation or suggestion, directly or indirectly, to you or any other person, to buy, sell, make or hold any investment, loan or security or to undertake any investment strategy with respect to any investment, loan or security or any issuer. Ratings do not comment on the adequacy of market price, the suitability of any investment, loan or security for a particular investor (including without limitation, any accounting and/or regulatory treatment), or the tax-exempt nature or taxability of payments made in respect of any investment, loan or security. India Ratings is not your advisor, nor is India Ratings providing to you or any other party any financial advice, or any legal, auditing, accounting, appraisal, valuation or actuarial services. A rating should not be viewed as a replacement for such advice or services. Investors may find India Ratings ratings to be important information, and India Ratings notes that you are responsible for communicating the contents of this letter, and any changes with respect to the rating, to investors.

It will be important that you promptly provide us with all information that may be material to the ratings so that our ratings continue to be appropriate. Ratings may be raised, lowered, withdrawn, or placed on Rating Watch due to changes in, additions to, accuracy of or the inadequacy of information or for any other reason India Ratings deems sufficient.

Nothing in this letter is intended to or should be construed as creating a fiduciary relationship between India Ratings and you or between India Ratings and any user of the ratings.

In this letter, "India Ratings" means India Ratings & Research Pvt. Ltd. and any successor in interest.

We are pleased to have had the opportunity to be of service to you. If we can be of further assistance, please email us at infogrp@indiaratings.co.in

Sincerely,

India Ratings



Dr Devendra Pant
Senior Director

Annexure: Facilities Breakup

Instrument Description	Banks Name	Ratings	Outstanding/Rated Amount(INR million)
Rupee Term Loan	State Bank of India	IND AAA/Stable	10000.00
Rupee Term Loan	Axis Bank Limited	IND AAA/Stable	6000.00
Rupee Term Loan	Bank of Maharashtra	IND AAA/Stable	4000.00
Rupee Term Loan	Bank of Maharashtra	IND AAA/Stable	8500.00
Proposed Rupee Term Loan	NA	IND AAA/Stable	45000.00

NCDs:

ISIN	Date of Issue	Coupon Rate	Maturity date	Size of Issue (million)	Rating/Outlook
INE0H7R07017	25 October 2022	7.90% p.a.	25 October 2035	INR4,500.0	IND AAA/Stable
INE0H7R07025	25 October 2022	7.90% p.a.	25 October 2040	INR4,500.0	IND AAA/Stable
INE0H7R07033	25 October 2022	7.90% p.a.	25 October 2047	INR6,000.0	IND AAA/Stable
Total				**INR15,000.0**	

Annexure: VIII

Details of Sponsor, Investment Manager, Trustee, valuer, directors of the Trustee or Investment Manager or sponsor

1. Sponsor:- National Highways Authority of India

NHAI is an autonomous body under Ministry of Road Transport and Highways (MoRTH) and was established on 15th June 1989 by the NHAI Act, as a body corporate, having a perpetual succession and common seal. It was made operational in February 1995, with the appointment of the Chairman and other Members. NHAI is responsible for the development, maintenance and management of the national highways in India entrusted to it by the Central Government.

NHAI has an all-India presence through its different offices (regional offices/ project implementation units/ corridor management units) in different cities. The functioning of NHAI is governed by NHAI Act, and the rules and regulations framed thereunder.

Pursuant to Section 17 of the NHAI Act, NHAI may receive additional capital and grants from the Central Government to discharge its functions. Additionally, NHAI has not issued any shares against such capital or grants invested by the Central Government.

As per Section 3(3) of the NHAI Act, NHAI shall consist of: (i) a chairman; (ii) not more than six full-time members; and (iii) not more than six part-time members, and each of the above shall be appointed by the Central Government by notification in the official gazette.

Head office and address for correspondence:
G-5 & 6,
Sector – 10,
Dwarka, New Delhi – 110 075

2. Investment Manager:- National Highways Infra Investment Managers Private Limited

National Highways Infra Investment Managers Private Limited ("NHIIMPL") was incorporated as a Private Limited Company on 25th July 2020 under the Companies Act, 2013. The Investment Manager was initially incorporated as a wholly owned subsidiary of NHAI. Subsequently, NHAI transferred its entire shareholding in the Investment Manager to the President of India, acting through the Ministry of Road Transport and Highways, Government of India. Accordingly, at present, the Investment Manager is a government company as defined under the Companies Act, 2013, as amended. The CIN of the Investment Manager is U65929DL2020GOI366835.

The principal business of the Investment Manager in terms of its memorandum of association is, inter alia:

a) to carry on the business of acting as investment manager investment adviser, trustee, settler, sponsor, promoter, portfolio manager, manager, administrator, attorney, agent, consultant, representative or nominee of or for any collective investment schemes, trusts, special purpose vehicles, infrastructure investment trusts, real estate investment trusts, properties and/ or assets

of any kind, including any fund set up, formed or established in India or in any other country by the Company or by any other person including bodies corporate, limited liability partnerships, partnerships, trusts, societies, associations of persons or by government, state or local authority (whether incorporated or not) of any other agency or organization with respect to any class of assets, and to thereby settle, administer, manage, deploy funds, acquire, take up, manage, invest, hold, sell, deal or dispose of all or any property, investments, securities or other assets of any kind whatsoever, acting in such capacity;

b) to negotiate and obtain concessions from the appropriate Government/ s for the rights to build, operate and own or transfer highways, interchangers, viaducts and bridges and any other structures, buildings and services that are ancillary thereto in India and upon such terms for such benefits as may be set forth in the concessions or negotiated from time to time and generally to carry on the business of owners, operators or toll collectors or concessionaires of highways, bridges, tunnels, railways, ports, airports, public utilities, telecommunication facilities and any other rights, properties, utilities and services wherever situated; and

c) to carry on the business of builders and contractors for the construction, upgradation, maintenance and repairs of roads, highways, bridges, viaducts, buildings, interchangers, tunnels, railways, ports, airports, public utilities, telecommunication and other related works and generally to carry on the business of engineers, contractors, consultants, advisors, managers and administrators in all its branches, mechanical, electrical and telecommunication, engineering and incidental thereto, to provide financing or act as guarantors for project financing to the owner where to required.

The Trustee i.e. IDBI Trusteeship Services Limited, vide their letter dated 31st July 2020, appointed NHIIMPL as the Investment Manager of the proposed Trust, based on the recommendation of the Sponsor

Registered office and address for correspondence:
G - 5 & 6, Sector 10, Dwarka,
New Delhi 110 075
Contact Person: Suresh Goyal
Tel: +91 11 2507 6536
Fax: +91 11 2507 6536
Email: cs.nhim@nhai.org

List of Directors of Investment Manager Company as on 30th September, 2023:

1. Mr. Shailendra Narain Roy, Independent Director
2. Mr. Pradeep Singh Kharola, Independent Director
3. Mr. Mahavir Prasad Sharma, Independent Director
4. Mr. Sumit Bose, Independent Director
5. Mr. Suresh Krishan Goyal, Managing Director & CEO
6. Mr. Amit Kumar Ghosh, Nominee Director
7. Mr. N R V V M K Rajendra Kumar, Nominee Director
8. Ms. Kavita Saha, Non-Sponsor Director
9. Mr. Bruce Ross Crane, Non-Sponsor Director

Changes in Directorship as on the date of this report (after 30th September, 2023):

- Ms. Kavita Saha, Non-Sponsor Director of the Company resigned w.e.f. 8th November, 2023
- Mr. Bruce Crane, Non-Sponsor Director of the Company resigned w.e.f. 7th November, 2023
- Mr. Pushkar Kulkarni, appointed as an Additional Unitholder Nominee Director (Non-Executive Director) w.e.f. 8th November, 2023
- Mr. Debapratim Hajara, appointed as an Additional Unitholder Nominee Director (Non-Executive Director) w.e.f. 8th November, 2023

List of Key Managerial Personnel of Investment Manager Company as on 30th September, 2023:

1. Mr. Suresh Goyal, Managing Director and CEO
2. Mr. Mathew George, Chief Financial Officer
3. Ms. Gunjan Singh, Company Secretary and Compliance Officer

3. Trustee: IDBI Trusteeship Services Limited

IDBI Trusteeship Services Limited ("ITSL"), is a Public limited company incorporated on 8th March 2001 under the Companies Act, 1956, having CIN U65991MH2001GOI131154 and having its registered office at Universal Insurance Building, Ground Floor, SIR Phirozshah Mehta Road, Fort, Bazargate Mumbai - 400001, Maharashtra.

ITSL is a trusteeship company which has been registered with SEBI on 4th September 2001. The Company was jointly promoted by IDBI Bank Limited, Life Insurance Corporation of India (LIC) and General Insurance Corporation of India (GIC), for providing corporate and other trusteeship services.

ITSL is a premiere registered intermediary with SEBI under the Securities and Exchange Board of India (Debenture Trustees) Regulations, 1993, as a debenture trustee having registration number IND000000460 and such registration is valid until suspended or cancelled by SEBI.

Registered office and address for correspondence:

Universal Insurance Building,
Ground Floor, SIR Phirozshah Mehta Road,
Fort, Bazargate
Mumbai - 400001, Maharashtra
Contact Person: Mr. Deepak Kumar/ Mr. Mahendra Singh Chouhan
Tel: (+91) (11) 4513 8885, 8097474713
Fax: +91 22 6631 1776
E-Mail: delhiitsl@idbitrustee.com
Website: www.idbitrustee.com

List of Directors:

1. Mr. Pradeep Kumar Jain
2. Ms. Jayashree Ranade

3. Mr. Pradeep Kumar Malhotra
4. Ms. Baljinder Kaur Mandal
5. Mr. Jayakumar Subramoniapillai
6. Mr. J. Samuel Joseph (resigned w.e.f. 18th April 2023

4. Valuer: RBSA VALUATION ADVISORS LLP

Registered office and address for correspondence:

Unit No. 1121, 2nd Floor,
Building No. 11, Solitaire Corporate Park,
Guru Hargovindji Road, Chakala,
Andheri East, Mumbai - 400093
Contact Person: Ravishu Vinod Shah
Tel: +91 22 6130 6000
E-Mail: ravishu.shah@rbsa.in
Reg No.: IBBI/RV-E/5/2019/110

Annexure-IX Total Operating Expenses of the InvIT for the period April 2023 to September 2023

OPERATING EXPENSES	**Amount (in Crore)**
Investment Manger Fees	9.02
Trustee Fees	0.05
Finance Charges	122.82
Other Expenses	1.07

Annexure X- Material Litigation and Regulatory Actions

I. Litigation involving the Trust

There are no pending criminal, regulatory or other material litigations involving the Trust as on the date of the Half yearly report.

II. Litigation involving Associates of the Trust

As on the date of the Half yearly report, the Trust does not have any Associate.

III. Litigations involving the Project SPV

There are no pending criminal, regulatory or other material litigations involving the Project SPV as on the date of the Half yearly report.

IV. Litigations involving the Associates of the Project SPV

Please see the section entitled "*– Litigations involving the Associates of the Sponsor*" below.

V. Litigations involving the Sponsor

Criminal matters

There are no pending criminal litigations involving the Sponsor as on the date of the Final Placement Memorandum

Regulatory matters

1. An application was filed by Amresh Singh against Union of India and others including NHAI before the National Green Tribunal ("**Tribunal**") alleging the rampant dumping of soil by NHAI contractors directly in the river Chenab and Tawi without prior environmental clearance. After considering all the documents placed on record, while referring the report of Monitoring Committee, the Tribunal was not satisfied with the actions taken by NHAI, and accepted the recommendations of the Monitoring Committee and directed the J&K Pollution Control Board to take appropriate actions in consultation with CPCB against the names mentioned in the report of the Monitoring Committee. The Bench also directed NHAI to take strict actions against the non-compliant contractors and sub-contractors at the HQ level. The matter is currently pending.

2. An application was filed before the National Green Tribunal Principal Bench, New Delhi regarding the Ghazipur Dump Site and the environmental problems that are caused due to the unsegregated, un-recycled large mountain of dump. The Sponsor was not a party to these proceedings till 2017 and East Delhi Municipal Corporation ("**EDMC**") had been exploring the implementation of a project to undertake the removal and processing of the municipal solid waste dumped at the site. In view of the same, the EDMC held discussions with the Sponsor for use of solid waste for construction of embankments in the expansion of NH-24 or other National Highway projects undertaken by the Sponsor. In view of our role, we were impleaded in the case in 2017. The matter is currently pending.

Material civil matters

The following material civil cases are initiated by Contractors/Concessionaires (hereinafter mentioned as the "**Claimant**") against the Sponsor in relation to various projects across India:

Arbitrations

1. Abhijeet Angul Sambalpur Toll Road Limited has initiated arbitration proceedings against the Sponsor in relation to the rehabilitation and up-gradation of four laning of the Angul-Sambalpur section of NH-42 in the State of Odisha. The claims raised relate to the compensation for losses suffered by the Claimant on account of delay in procurement of site and necessary approvals, wrongful termination of the concession agreement and debarment from participation in bidding for future projects of the Sponsor. The claims raised by the Claimant amount to ₹ 21070 million. The Sponsor has also filed counter claim for ₹ 12827.2 million. The matter is currently pending.

2. M/s IRB Ahmedabad Vadodara Super Express Tollway Private Limited has initiated arbitration proceedings against the Sponsor in relation to six laning of Ahmedabad to Vadodara Section of NH-8 from Km 6.400 to Km 108.700 (Length 102.300) in the State of Gujarat and improvement of Ahmedabad-Vadodara Expressway from Km 0.000 to Km 93.302 in the State of Gujarat (Length DBFOT) toll basis. The claims filed by the Claimant for competing road and premium not being payable, Illegal Demand of Additional Premium and Interest By The Respondent, Illegal Retention of Performance Bank Guarantee by the Respondent, Wrongful retention of Bank Guarantees and compensation towards loss of interest and bank commission charge and Cost of Arbitration. The Claimant has raised a claim for ₹ 12659.4 million. The Sponsor has also filed counter claims against the Claimant for ₹ 5900 million. The matter is currently pending.

3. Jhansi Expressways Limited has initiated an arbitration proceeding against the Sponsor in relation to the designing, development and maintenance of certain sections of NH-75 in the States of Uttar Pradesh and Madhya Pradesh. The claims relate to compensation for non-payment of annuities and interest, for additional direct costs incurred by the Claimant due to material breach of the concession agreement and additional costs incurred by the Claimant in respect of interest payments during the construction period beyond the scheduled project completion date. The claims raised by the Claimant amount to ₹ 20611.5 million. The Sponsor has also filed a counter claim against the Claimant for the failure relating to compliance of the maintenance obligation, reimbursement of one-half of remuneration, costs and expenses of the independent consultant, delayed cost due to time overrun and also on account of loss of toll revenue due to delay. The counter claim is for an amount of ₹ 13980 million. The said matter is currently pending.

4. M/s Indore Dewas Tollways Limited. has initiated arbitration proceedings against the Sponsor in relation to 6-laning of Indore-Dewas Section of Nh-3 from Km 577.550 to Km 610.000 and Km 0.000 to Km 12.600 (approx. length 45.05Km) in the State of Madhya Pradesh under NHDP Phase-V to be executed as BOT(Toll) project on DBFOT pattern. The claims filed by the Claimant for claim for utilization of resources beyond the scheduled 6-laning date, as envisaged in the respective concession agreement, compensation for Claimant's loss towards additional interest during construction, compensation towards Claimants loss of toll revenue attributable to respondents misrepresentation and subsequent default in maintaining feeder roads, refund of additional concession fee/premium paid by the Claimant, compensation/ indemnification towards loss of profit claimants EPC contractor. The Claimant has raised a claim for ₹ 10709

million. The Sponsor has also filed counter claims against the Claimant for ₹ 5353.4 million. The matter is currently pending.

5. M/s GVK Deoli Kota Expressway Private Limited has initiated arbitration proceedings against the Sponsor in relation to design, construction, development, finance, operation and maintenance of four laning of Deoli- Kota Section of NH-12 from Km 165.000 to Junction of NH-76 on Kota Bypass (approx. length 83.04 Kms) in the State of Rajasthan on BOT (Toll) project on DBFOT pattern under NHDP phase–II. The claims filed by the Claimant for claim on account of prolongation costs and extended stay at the site, loss suffered on account of additional overhead and loss of profit, loss of toll revenue, claim on account of increase in cost of the project due additional works done by the Claimant owing to the change of scope, claim on account of additional expenses incurred by the Claimant towards tunnel work, claim on account of excessive repair and prolonged maintenance duration of existing road, claim on account of the Respondent in making the termination payment and claim on account of future loss to Claimant. The Claimant has raised a claim for ₹ 60130 million. The Sponsor has also filed counter claims against the Claimant for ₹ 5657.6 million. The matter is currently pending.

6. Panipat Jalandhar NH One Tollway Private Limited has initiated arbitration proceedings against the Sponsor in relation Six laning of Panipat-Jalandhar Section of NH-1 from Km. 96.000 to Km. 387.100 in the State of Haryana and Punjab on BOT (Toll) basis on DBFOT pattern under NHDP Phase-V 9 (Ref-III). The Claimant has raised a claim for ₹ 29318.2 million. The Sponsor has also filed counter claims against Claimant for ₹ 15850.5 million. The matter is currently pending.

7. Panipat Jalandhar NH One Tollway Private Limited has initiated arbitration proceedings against the Sponsor in relation Six laning of Panipat-Jalandhar Section of NH-1 from Km. 96.000 to Km. 387.100 in the State of Haryana and Punjab on BOT (Toll) basis on DBFOT pattern under NHDP Phase-V 9 (Ref-II). The Claimant has raised a claim for ₹ 53279.9 million. The Sponsor has also filed counter claims against Claimant for ₹ 17308.1 million. The matter is currently pending.

8. Panipat Jalandhar NH One Tollway Private Limited has initiated arbitration proceedings against the Sponsor in relation Six laning of Panipat-Jalandhar Section of NH-1 from Km. 96.000 to Km. 387.100 in the State of Haryana and Punjab on BOT (Toll) basis on DBFOT pattern under NHDP Phase-V 9 (Ref-II). The Claimant has raised a claim for ₹ 70359.3 million. The Sponsor has also filed counter claims against Claimant for ₹ 32847.2 million. The matter is currently pending.

9. M/s Bareilly Highways Project Limited has initiated arbitration proceedings against the Sponsor in relation to Four laning of Bareilly-Sitapur section of NH-24 from km 262.000 to km. 413.200 in state of UP under NHDP-III on DBFOT Basis. (Ref-2). The Claimant has raised a claim for ₹ 5450 million. The Sponsor has also filed counter claims against the Claimant for ₹ 12594.3 million. The matter is currently pending.

10. M/s Lucknow- Sitapur Expressways Limited has initiated arbitration proceedings against the Sponsor in relation to Four laning of Bareilly-Sitapur section of NH-24 from Km 262.000 to Km 413.200 (approx. 151.200km) in the State of UP under NHDP Phase-III of DBFOT basis.(Ref-1). The Claimant has raised a claim for ₹ 31767.6 million. The Sponsor has also filed counter claims against the Claimant for ₹ 17049.9 million. The matter is currently pending.

11. M/s Lucknow- Sitapur Expressways Limited has initiated arbitration proceedings against the

Sponsor in relation to Improvement, Operation and Maintenance including Strengthening and widening of existing 2-Lane Road to 4 Lane Dual Carriageway from Km. 488.270 to Km. 413.200 (Lucknow- Sitapur Section) in the State of Uttar Pradesh on build, operate and transfer (BOT) basis. The Claimant has raised a claim for ₹ 7470 million. The Sponsor has also filed counter claims against the Claimant for ₹ 3270 million. The matter is currently pending.

12. M/s Tantia Raxaul Private Limited has initiated arbitration proceedings against the Sponsor in relation to two laning with paved shoulder of Pioprakothi to Raxaul Section of NH-28A from Km 0.600 to Km 62.064 in the state of Bihar. The claims filed by the Claimant were in relation to claim for termination payment for default of respondent, claim for non-finalisation of location and correct notification for toll plaza (along with interest at the rate of 18%) , claim for delay in handover for land/ right of way/ site (along with interest at the rate of 18%) , claim for additional interest during construction on account of extended construction period, claim for increased distance/lead for stone aggregate, claim for inflation/ price escalation (along with interest at the rate of 18%), claim for additional cost of maintenance, claim for increased overheads of concessionaire (along with interest at the rate of 18%), claim for increased overheads of EPC contractor (along with interest at the rate of 18%), claim for idling/underutilisation of plant, machinery & equipment, and claim for loss of profits of EPC contractor. The Claimant has raised a claim for ₹ 9861.7 million. The Sponsor has also filed counter claims against the Claimant for ₹ 2873.6 million. The matter is currently pending.

13. M/s Haridwar Highways Project Limited has initiated arbitration proceedings against the Sponsor in relation to Four laning of Muzaffarnagar-Haridwar Section from Km 131.00 to Km 211.000 of NH-28 in the state of UP and Uttarakhand under NHDP Phase-II as BOT (Toll) on DBFOT pattern. The claim raised by Claimant amounts to ₹ 54752.5 million. The Sponsor has also filed counter claims against the Claimant for ₹ 27019.9 million. The said matter is currently pending.

14. M/s MEP Chennai Bypass Toll Road Private Limited has initiated arbitration proceedings against the Sponsor in relation to operation and maintenance of Chennai Bypass section from Km 0.000 to Km 32.600 of NH-4 & 5 in the State of Tamil Nadu on OMT basis. The claims filed by the Claimant were in relation to amount due towards concession fee (up to April 8, 2016), damages for non-completion of project facilities calculated up to April 8, 2016, amount due towards non-fulfilment of condition precedent and damages for non-maintenance of project highway calculated up to April 8, 2016. The Claimant has raised a claim for ₹ 5033 million. The Sponsor has also filed counter claims against the Claimant for ₹ 8704.3 million. The matter is currently pending.

15. M/s Kurukshetra Expressway Private Limited has initiated arbitration proceedings against the Sponsor in relation to four laning of Rohtak-Bawal section of NH-352 (Old NH-71) from Km 363.300 (Design Km. 363.300) to Km 450.800 (Design Km 445.553) under NHDP-III in the State of Haryana on DBFOT basis. The claims were raised under the terms of the relevant concession agreement. The Claimant has raised a claim for ₹ 9150 million. The matter is currently pending.

16. M/s Kurukshetra Expressway Private Limited has initiated arbitration proceedings against the Sponsor in relation to four laning of Rohtak-Bawal section of NH-352 (Old NH-71) from Km 363.300 (Design Km. 363.300) to Km 450.800 (Design Km 445.553) under NHDP-III in the State of Haryana on DBFOT basis. The Claimant has raised a claim for ₹ 37773.7 million. The Sponser has filled counter claims against the claimant for 3685 million against claimed amount. The matter is currently pending.

17. M/s Ranchi Expressway Limited has initiated arbitration proceedings against the Sponsor in relation to the four laning of Ranchi- Rargaon-Jamshedpur Section from Km 114.00 to Km 277.500 of NH-33 in the State of Jharkhand on BOT(Annuity) basis under NHDP Phase-II. The claims filed by the Claimant were in relation to payment towards value of work done, amount payable towards maintenance of existing road, refund of amount expended on interest during construction, compensation payable due to delay in handling over of land, extra expenditure due to escalation of cost of work done, loss incurred due to idling of machinery due to prolongation of project, loss of overheads due to prolongation of project, loss of overheads and profits on value of work done due to illegal termination and claim for amount of revenue loss (loss of annuity). The Claimant has raised a claim for ₹ 89402.5 million. The Sponsor has also filed counter claims against the Claimant for ₹ 26471.1 million. The matter is currently pending.

18. M/s Navayuga Bangaluru Tollways Pvt. Ltd. has initiated arbitration proceedings against the Sponsor in relation to the Designing, Engineering, Finance, Construction, Operation and Maintenance of Access controlled highway project namely, the development and the capacity improvement of the existing carriageways from km 10.000 to 29.500, on the Bangalore Nelamangala section of the National Highway No.4 (NH-4) in the State of Karnataka on BOT basis. The claims filed by the Claimant were in relation to Loss of Toll Revenue, Force free run, Change in Law, Loss of Toll Revenue – Non Revision of Toll rates, Termination payment & Compensation, BG Charges, COVID. The Claimant has raised a claim for ₹ 50471.9 million. The Sponsor has filed its counter claim of Rs. 6112.9 million against the Claimant. The matter is currently pending.

19. M/s Millennium City Expressways Pvt. Ltd. has initiated arbitration proceedings against the Sponsor in relation to the 8/6 lane highway from Km.14.300 to km. 42.000 at Delhi-Gurgaon section of NH-8 on BOT basis. The claims filed by the Claimant were in relation to the Loss of profit on account of closure of the Km. 24 Toll Plaza (such amount calculated until 24.06.2021), Loss of profit on account of commissioning of the competing/alternate road facilities alternatively, extend Concession Period by a period of ninety four (94) months, Loss of profit suffered due to failure to provide requisite security at the Main Toll Plaza, thereby resulted in loss of toll revenue from the residents of nearby 31 villages, Various works carried out by the Claimant as change of scope, which were over and above the Project Agreements, payment for which remains pending despite the Claimant having already completed such additional works, Compensation/extension due to Demonetization, Compensation/extension due to Pandemic/Covid, On account of additional compliance with the Joint Action Plan that was over and above the Project Agreements. The Claimant has raised a claim for ₹ 24160 million. The Sponsor has also filed counter claims against the Claimant for ₹ 8500 million. The matter is currently pending.

20. M/s AE Tollway Ltd. has initiate arbitration proceedings against the Sponsor in relation to the 6-laning of Agra-Etawah Bypass Section of NH-2 from km. 199.660 to km, 323.525 under NHDP Phase-V in the State of UP on BOT (Toll) basis. The claims filed by the Claimant were in relation to the Additional cost incurred towards Interest during Construction (IDC) for the delayed Period, Additional direct cost incurred during the delayed period, Fixed Overhead (FOH) payable to EPC Contractor, Escalation cost. The Claimant has raised a claim for ₹ 13179.8 million. The Sponsor has filed a Counter-claims of ₹ 11875.1 million against the Claimant. The matter is currently pending before the Arbitral Tribunal.

21. Pink City Expressway Pvt. Ltd. has initiate arbitration proceedings against the Sponsor in relation to the 6 laning of Gurgaon-Kotputli-Jaipur Section of NH-8 from Km 42.700 to Km

273.00 (Length 225.60 Km.) in the State of Haryana & Rajasthan to be executed as BOT (Toll) on DBFOT pattern under NHDP PH-V. (Ref-III). The claims filed by the Claimant were in relation to the delay in handing over of ROW, idle of resources deployed in the way of man power, towards machineries, plant and equipment beyond the date of completion. The Claimant has raised a claim for ₹ 42870 million. The Sponsor has filed the Counter-claims of ₹ 149524.5 million against the Claimant. The matter is currently pending before the Arbitral Tribunal.

22. Vijai Infra Limited has initiated arbitration proceedings against the Sponsor in relation to the Two Laning with paved shoulders of Sitarganj-Bareilly section of NH-74 from Km 254.820 to Km329.280 in State of Uttar Pradesh & Uttarakhand under NHDP Phase-IV on EPC Mode. The claims filed by the Claimant were in relation to the delay in handing over of ROW, idle of resources deployed in the way of man power, towards machineries, plant and equipment beyond the date of completion. The Claimant has raised a claim for ₹ 10058.6 million The Sponsor has filed the Counter-claims of ₹ 2621 million against the Claimant. The matter is currently pending before the Arbitral Tribunal.

23. KM Toll Road Private Limited has initiated arbitration proceedings against the Sponsor in relation to the Construction, operation and maintenance of National Highway No. 8A extension including section from km 0.00 to km 71.40 (approximately 71.40 km) on the Gandhidham (Kandla) – Mundra Port section of National Highway No. 8A Extension in the state of Gujarat by Four-Laning and subsequent Six-Laning thereof on design, build, finance, operate and transfer ("DBFOT") basis. The claims filed by the Claimant for declaration for valid termination of the Concession Agreement by the Claimant, Termination Payment, refund to the Claimant of sum wrongfully deducted purportedly towards non-compliance of Punch List items, pay towards Change in Law etc. The Claimant has raised a claim for ₹ 18730 million. The matter is currently pending before the Arbitral Tribunal.

24. GMR Hyderabad Vijaywada Expressway Pvt Ltd has initiated arbitration proceedings against the Sponsor in relation to 4/6 laning of Hyderabad- Vijaywada Section from Km 40.000 to Km 221.500 of NH-9 (New NH-65) in the State of Andhra Pradesh (BOT). The claims filed by the Claimant were in relation to the extension of the Concession period, damages in lieu of the extension of the Concession period. The Claimant has raised a claim for ₹ 17331.4 million. The matter is currently pending before the Arbitral Tribunal.

25. Gorakhpur Infrastructure Co. Pvt. Ltd.has initiated arbitration proceedings against the Sponsor in relation to Design construction Finance Operation and Maintenance of Km.0.000 to Km. 32.270 of Gorakhpur Bypass on NH-28 (existing Km. 255.700 to Km. 279.800) in the State of Uttar Pradesh on BOT (Annuity) basis. The Claimant has raised a claim for ₹ 7101 million. The Sponsor is yet to file the Counter-claim against the Claimant. The matter is currently pending before the Arbitral Tribunal.

26. M/s Raebareilly Allahabad Highway Private Limited has initiated arbitration proceedings against the Sponsor in relation to Two Laning with Paved shoulder of Raebareli to Allahabad section of NH-24B from kn. 82.000 to km. 188.600 in the state of Uttar Pradesh through Public Private Partnership on Design, Build, Finance, Operate and Transfer on the Toll Basis under NHDP-IVA.. The Claimant has raised a claim for ₹ 6842 million. The Sponsor has filed the Counter-claim of ₹ 782.30 million against the Claimant. The matter is currently pending before the Arbitral Tribunal.

27. Solapur Tollways Pvt. Ltd..has initiated arbitration proceedings against the Four laning of Solapur-Mah/Knt border Section of NH-9 from Km. 249+000 to Km.348.800 in the State of

Maharashtra is being executed on DBFOT basis. The Claimant has raised a claim for ₹ 8265.8 million. The Sponsor has filed the Counter-claim of ₹ 8100 million against the Claimant. The matter is currently pending before the Arbitral Tribunal.

28. M/s Solapur Yedeshi Tollwayt Ltd has initiated arbitration proceedings against the Four laning of Solapur- Yedeshi section of NH-21 from km.0.000 to km 100.000 (Design Length -98.717 km) in the state of Maharashtra to be executed for BOT (Toll) on DBFOT pattern under NHDP Phase IV. The Claimant has raised a claim for ₹ 7900 million. The Sponsor has filed the Counter-claim of ₹ 1400 million against the Claimant. The matter is currently pending before the Arbitral Tribunal.

29. Madhucon Projects Ltd. has initiated arbitration proceedings against the Widening & Strengthening of existing NH from 2-lane to 4-lane from km.255.00 to km 230.500 of Raha to Dharmatul Section of NH-37 in Assam on East-West Corridor under Phase-II programme of NHDP Contract Package EW-II (AS-02). The Claimant has raised a claim for ₹ 6762.60 million. The Sponsor has filed the Counter-claim of ₹ 950.80 million against the Claimant. The matter is currently pending before the Arbitral Tribunal.

30. Transstroy Dindigul-Theni-Kumli Tollways Pvt Ltd has initiated arbitration proceedings against Two laning with paved shoulder of Dindigul-Theni Section from Km 2.750 to Km 73.400 of NH-45 (Extn.) and Theni-Kumli section of NH-220 from Km 215.500 to Km 273.600 in the State of Tamil Nadu under DBFOT Annuity basis. The Claimant has raised a claim for ₹ 7481.2 million. The Sponsor filed the Counter-claim against the Claimant of Rs. 7656.8 million. The matter is currently pending before the Arbitral Tribunal.

31. Transstroy Dindigul-Theni-Kumli Tollways Pvt Ltd has initiated arbitration proceedings against Two laning with paved shoulder of Dindigul-Theni Section from Km 2.750 to Km 73.400 of NH-45 (Extn.) and Theni-Kumli section of NH-220 from Km 215.500 to Km 273.600 in the State of Tamil Nadu under DBFOT Annuity basis. The Claimant has raised a claim for ₹ 5258.4 million. The matter is currently pending before the Arbitral Tribunal.

32. M/s JSR Mulbagal Tollways Pvt Ltd has initiated 4-laning of Mulbagal-AP/Karnataka Border Section of NH-75 (Old NH-4) from Km 216.912 to Km 239.100 in the state of Karnataka to be executed on Design,Build, Finance, Operate and Transfer (DBFOT/BOT) basis in BOT (Toll) mode under NHDP Phase-III. The claimant has raised the amount of Rs. 22715 million. The sponsor has filed the counterclaim of Rs.131.9 million. The matter is currently pending before the Arbitration Tribunal.

33. M/S Bilaspur Pathrapali Road Private Ltd. has initiated arbitration proceedings against 4-lane with paved shoulder configuration of Bilaspur-Pathrapali (Km. 0+000 to Km. 53+300) section of NH-111 (New NH-130) in the State of Chhattisgarh under Bharat-Mala on Hybrid Annuity. The Claimant has raised a claim for ₹ 5000 million. Counter-claim in this matter is yet to be file. The matter is currently pending before the Arbitral Tribunal.

34. M/s Madurai Tuticorin Expressway Ltd. has initiated arbitration proceedings against Madurai-Tuticorin Section NH-38 (Old NH-45B) From Km138.800 to Km.264.500 (Madurai Tuticorin Section BOT (Toll) (Ref-2). The Claimant has raised a claim for ₹ 42310 million. Counter-claim in this matter is yet to be file. The matter is currently pending before the Arbitral Tribunal.

35. M/s Madurai Tuticorin Expressway Ltd. has initiated arbitration proceedings against Madurai-Tuticorin Section NH-38 (Old NH-45B) From Km138.800 to Km.264.500 (Madurai Tuticorin

Section BOT (Toll) (Ref-2). The Claimant has raised a claim for ₹ 81993.1 million. Counter-claim in this matter is of 2902.6 million. The matter is currently pending before the Arbitral Tribunal.

36. Madhucon Project Ltd. has initiated arbitration proceedings against 4-laning of Patna to Koilwar section of NH-30 from existing ch. Km. 181.300 to km. 137.375 (design length 33.250 km.) in the State of Bihar under NHDP Phase-III on EPC Mode. The Claimant has raised a claim for ₹ 6570 million. Counter-claim in this matter is not filed to be file. The matter is currently pending before the Arbitral Tribunal.

37. Bharat Road Network Ltd. has initiated arbitration proceedings against Design, Construction, Development, Finance, Operation and Maintenance of (i) KM 270.000 (Trissur) to Km 316.700 (Angamali) and (ii) Improvement, Operation and Maintenance of Km 316.700 (Angamali) to Km 342.000(Edapally) of NH-47 in the State of Kerala on BOT basis. The Claimant has raised a claim for ₹ 15260 million. The Sponsor has filed the Counter-claim of 3734.5 million against the Claimant. The matter is currently pending before the Arbitral Tribunal.

38. PCL has initiated arbitration proceedings against four laning of Angul-Sambalpur Section of NH-42 from Km.112.00 to Km.265.00 in the State of Orissa under NHDP-IV to be executed as BOT (Toll) on DBFOT Pattern. The Claimant has raised a claim for ₹ 5205.7 million. The Sponsor has not filed the Counter-claim. The matter is currently pending before the Arbitral Tribunal.

39. IRB Tumkur - Chitradurga Tollways Pvt. Ltd. has initiated arbitration proceedings against 6-laning of Tumkur-Chitradurga (excluding Tumkur & Chitradurga bypass) Section from km 75.00 to km 189.00 of NH-4 (Approx. 114.00 km) in the State of Karnataka to be excuted as BOT (Toll) Project on DBFOT pattern under NHDP. The Claimant has raised a claim for ₹ 6340 million. The Sponsor has filed the Counter-claim of 12827.2 million against the Claimant. The matter is currently pending before the Arbitral Tribunal.

40. IRB Infrastructure Developers Limited has initiated arbitration proceedings against the Four Laning of Yedeshi-Aurangabad Section of NH-211 from Km. 111.000 to km. 2909.200 in the State of Maharshtra under NHDP Phase IV A & B as BOT (Toll) on DBFOT pattern under NHDP Phase IV. The Claimant has raised a claim for ₹ 15018.4 million. The matter is currently pending before the Arbitral Tribunal.

Material civil matters filed by the Sponsor

41. NHAI has filed a petition before the High Court of Delhi (challenging the award of the arbitral tribunal) against West Haryana Highway Private Limited. The amount challenged before the High Court of Delhi is ₹ 5478.9 million. The petition is marked as OMP (COMM) 3/2020. The matter is currently pending.

42. NHAI has filed a petition before the High Court of Delhi (challenging the award of the arbitral tribunal against Chennai Elevated Tollways Ltd. The amount challenged before the High Court of Delhi is ₹ 21179.5 million. The petition is marked as OMP (COMM) 309/2022. The matter is currently pending.

43. NHAI has filed a petition before the High Court of Delhi (challenging the award of the arbitral tribunal) against Gwalior Bypass Project Limited. The claims challenged are claims for interest on delayed release of annuity amount along with interest due to delayed payment of regular annuity, claim for interest on debt after COD till December 31, 2016 and interest incurred on

price escalation form PCOD till October 31, 2016. The amount challenged before the High Court of Delhi is ₹ 5328 million. The petition is marked as OMP (COMM) 521/2018.The matter is currently pending.

44. NHAI has filed a petition before the High Court of Delhi (challenging the award of the arbitral tribunal) against M/s GMR. The NHAI has challenged the Final Report released by Sole Arbitrator on 28.02.2022 which has determined the loss in terms of Article 41 amounting to ₹ 16720 million in favour of the Concessionaire. The petition is marked as O.M.P. (Comm) 319/2022. The matter is currently pending.

45. NHAI has filed a petition before the High Court of Delhi challenging the award of the Arbitral Tribunal against TK Toll Pvt. Ltd. The Sponsor has challenged the entire award passed by the Arbitral Tribunal vide petition numbered OMP Comm 24/2023; OMP (ENF.) (COMM.) 3/2023, EX.APPL. (OS)Nos.345/2023, 755/2023 before the Hon'ble High Court of Delhi. The amount challenged before the Hon'ble High Court of Delhi is ₹ 5870 million. The matter is currently pending.

46. NHAI has filed a petition before the Hon'ble High Court of Delhi challenging the award of the Arbitral Tribunal against the GMR-HVEL. The amount challenged before the Hon'ble High Court of Delhi is ₹ 7520 million. The petition numbered FAO (OS) (COMM) 108/2020; 109/2020; 110/2020 before the Hon'ble High Court of Delhi. The matter is currently pending.

47. NHAI has filed a petition before the Hon'ble High Court of Delhi challenging the award of the Arbitral Tribunal against the Jetpur Somnath Tollways Pvt. Ltd. The Sponsor has challenged the entire award passed by the Arbitral Tribunal vide petition numbered as OMP (Comm) 5/2022 before the Hon'ble High Court of Delhi. The amount challenged before the Hon'ble High Court of Delhi is ₹ 14817 million. The matter is currently pending.

48. NHAI has filed a petition before the Hon'ble High Court of Delhi challenging the award of the Arbitral Tribunal against the M/s Surat Hazira NH-6 Tollway Pvt Ltd. NHAI has challenged the entire award passed by the Arbitral Tribunal vide petition numbered as OMP (Comm) 237/2021 before the Hon'ble High Court of Delhi. The amount challenged before the Hon'ble High Court of Delhi is ₹ 32326.8 million. The matter is currently pending.

49. NHAI has filed a petition before the Hon'ble High Court of Delhi challenging the award of the Arbitral Tribunal against the OSEPL. The petition marked as FAO (OS) (Comm) No.191/2023 before the Hon'ble High Court of Delhi. The amount challenged before the Hon'ble High Court of Delhi is 9454.9 million. The matter is currently pending.

50. NHAI has filed a petition before the Hon'ble High Court of Delhi challenging the award of the Arbitral Tribunal against the BEPL. The petition marked as OMP (Comm) No. 272/2023 before the Hon'ble High Court of Delhi. The amount challenged before the Hon'ble High Court of Delhi is 5250 million. The matter is currently pending.

51. NHAI has filed a petition before the Hon'ble High Court of Delhi challenging the award of the Petition against the M/s IRB Ahmedabad Vadodara Super Express Tollway Pvt. NHAI has challenged the entire award passed by the Arbitral Tribunal vide petition numbered as FAO (OS) (COMM) 284/2022 before the Hon'ble High Court of Delhi. The amount challenged before the Hon'ble High Court of Delhi is ₹ 12659.4 million. The matter is currently pending.

Other material litigation

Considering the business and purpose of the Sponsor, it is imperative for the Sponsor to have an effective mechanism for the acquisition of land for building roads. Taking this need of the Sponsor into account, the parliament has enacted the NH Act, a special enactment which overrides the Land Acquisition Act, 1894 in cases where the land is acquired for the purposes of building National Highways. The Parliament has enacted the Right to Fair Compensation and Transparency in Land Acquisition, Rehabilitation and Resettlement Act, 2013, which is applicable to land acquisitions under NH Act with effect from January 1, 2015 (i.e. one year from the date of commencement of the Act, subject to notification by Central Government). The process of acquiring land is a very cumbersome process and it leads to a large number of disputes. At present there are approximately 72,000 land acquisition cases pending before various Courts/Tribunals/Competent Authorities for adjudication.

VI. Litigations involving the Associates of the Sponsor

Except as disclosed below, as on the date of the Final Placement Memorandum, there are no pending criminal or material litigations or regulatory actions involving the Associates of the Sponsor.

Sr. No	Name of Associate	Number of proceedings outstanding	Amount involved (₹ in million)
Direct Tax			
1.	Paradip Port Road Company Limited	5	7.74
2.	Tuticorin Port Road Company Limited	3	1.97
3.	Vishakhapatnam Port Road Company Limited	3	1.73
4.	Calcatta Haldia Port Road Company Limited	3	-
5.	Mumbai JNPT Port Road Company Limited	2	-
6.	New Mangalore Port Road Company Limited	2	-
7.	Chennai Ennore Port Road Company Limited	1	-
8.	Ahmedabad Vadodara Expressway Company Limited	7	112.14

VII. Litigations involving the Project Manager

There are no pending criminal, regulatory or other material litigations involving the Project Manager as on the date of the Half Yearly report.

VIII. Litigations involving the Associates of the Project Manager

Please see the section entitled " – *Litigations involving the Associates of the Sponsor*" above.

IX. Litigations involving the Investment Manager

There are no pending criminal, regulatory or other material litigations involving the Investment Manager as on the date of the Half Yearly report.

X. Litigations involving the Associates of the Investment Manager

As the President of India is the Promoter of the Investment Manager, persons or entities that may be classified as 'associates' of the Investment Manager in terms of Regulation 2(1)(b)(ii) and Regulation 2(1)(b)(iii) of the InvIT Regulations, have not been identified as 'associates' of the Investment Manager. Consequently, information or disclosures required to be included with respect to such persons or entities pursuant to the InvIT Regulations has not been included in the Half yearly report.

XI. Litigations involving the Trustee

1. **SBICAP Trustee & Ors Vs. ITSL & Ors.- O.S.No. 25877/2013, before the City Civil court Bangalore case was transferred on 31.05.2019 to Commercial div. CITY CIVIL and SESSIONS JUDGE Bangalore case is registered as Commercial Disputes case in Com. O.S. No.25877/2013**

Current Updates -

On 21/08/2023, the counsel for the Plaintiffs filed a memo stating that they have challenged the Order of the Hon'ble Commercial Court on the Interlocutory Application, which was filed by the Plaintiff, in the Writ Petition Number 17774 of 2023 and the Hon'ble High Court has stayed the captioned matter by Four weeks.. Accordingly, the matter is posted on 14th September 2023 for the further orders of the High Court or Plaintiff Evidence.
Also, the Notice from the Hon'ble High Court is issued only to Defendant No 2 and 3 and not to other Defendants. Hence, other defendants need not be contested in WP No 17774/2023. ITSL is a Defendant No.1 and is not required to appear before Hon'ble High Court.
The matter has been stayed by the order of the Hon'ble High Court of Karnataka and the stay is extended for the further period of four weeks. Hence, the matter is posted on 08th December, 2023. Await further orders from the High Court.

Brief Background -

SBI Cap Trustee (the "**Plaintiff**") had filed a suit before the City Civil Court, Bangalore against the Trustee and others (the "**Defendants**") requiring sale of pledged shares for a particular price by SREI Fund/Investors, for whom the Trustee was acting as the share pledge trustee. India Competitive Global Fund (ICGC) acting through the SREI Investment Manager had a First & Exclusive Charge over the Pledged shares. At the instructions of the ICGC & SREI Investment Manager had transferred the Pledged shares to their demat account as they has First & Exclusive right over the shares. We as Share Pledge Trustee has acted on the instructions of the Lenders/Investors. ICGC/SREI sold the shares and appropriated the amounts towards their dues and transferred the surplus amount to the Plaintiff. The Plaintiff is acting for a consortium of lenders and has residual interest. The Plaintiff's case is that the ICGC/SREI has appropriated more amount than their dues. The aggregate claim amount is Rs. 1,550.3 million. The Branch Manager of SBI along with their counsel submitted to the Court that they are willing to explore settlement. The Court referred the matter for pre-conciliation efforts. In the afternoon session, our Advocate appeared before the Conciliator. Advocate briefly explained the dispute to the Conciliator. The Plaintiff informed the Conciliator that if Trinity provides the details of

the loan transaction and a statement of accounts in relation to the same, this information would help them resolve the dispute quickly. The case was listed on 30.09.2021 for further conciliation. As no representative was present on behalf of the Company, the Court has recorded that there is no settlement between the parties. The case was adjourned to October 27, 2021 for the parties to proceed with the litigation. The case is now revolving around the proving of the dues by ICGC/SREI and appropriation of amounts. We as ITSL had no role in sale of shares, maintenance of books of accounts and appropriation of amounts and transfer of surplus amount. The matter was adjourned to 16.11.2021 for framing of Issues, 23.11.2021 for filing of list of witnesses ICGC, SREI & ITSL, for filing of affidavit of evidence by SBI, 07.12.2021 for cross examination of witnesses of SBI, 14.12.2021 for filing of affidavit of evidence by ICGC/SREI /Trinity/ITSL and 21.12.2021 for cross examination of witnesses of Trinity and ITSL and 07.01.2022 for further orders. We as ITSL has filed an application under Order 1 Rule 10(2) read with Section 151 of the Code of Civil Procedure, 1908 for unsuiting ITSL from the suit and for deleting the name of ITSL from the array of the parties. The matter is now listed on 30.06.2022 for arguments on the application of ITSL for deleting the name of ITSL from the array of the parties. ITSL has no role in sale of shares & appropriation of sale proceeds. The Plaintiff appeared and filed the amended plaint and copies of the documents in two volumes (volume I consisting of 410 pages and volume II consisting of 598 pages). The Learned Judge upon examining the volumes observed that the Plaintiff had not filed the statement of truth. Therefore, the Learned Judge adjourned the matter for filing the statement of truth and additional written statement, if any. ITSL has filed its additional Written Statement on 12th August, 2022. The matter adjourned to 25th January, 2023 for the reply arguments by the Defendants 2 & 3. The main contention taken by the Plaintiff Advocate while arguing on IA is that they are entitled for complete residual dues which Defendant No 2 & 3 have received while selling the pledged shares. Plaintiff's IAs dismissed as not survived for consideration. Now the matter is posted on 08th December, 2023.

2. Balmer Lawrie and Company Limited Vs. ICICI Venture Value Fund & Ors -Civil Suit No. 107 of 2011 before the Calcutta High Court

Current Update.

The success of the Petitioner against the Trustee in the instant petition being agitated is remote. The matter is currently pending.

Brief Background.

Balmer Lawrie and Company Limited and another (the "Plaintiffs") had filed a petition before the Calcutta High Court against the Trustee and certain others (the "Defendants") challenging the validity of the sale transaction of 1,48,20,000 shares in Transafe Services Limited by the Defendant to the Plaintiff. The Plaintiffs have inter alia sought (a) the recovery of consideration received by the Defendants for the allegedly void contract being ₹ 237.12 million and (b) interest at the rate of 18% per annum on the decretal amount.

3. Future Corporate Resources Limited (FCRL) – Appeal No.81 of 2021- FCRL Vs. SEBI.

Current Status.

The case is against FCRL Employees Trust and not against ITSL. The matter is sub-judice. SAT has reserved its order. The SAT vide Order dated the 19th April, 2023 directed the parties to file Written Submissions within 10 days. Written Submissions filed. The Orders awaited.

Brief Background.

In the matter of FCRL ESOP Trust, SEBI Adjudicating Officer has passed an order dated the February 3, 2021, on the ground of insider trading against eight persons including FCRL Employees Trust of which ITSL is a trustee. FCRL along with FCRL Employee Welfare Trust has been jointly and severally directed to disgorge an amount of ₹ 2, 75, 68,650/-. ITSL has submitted that ITSL as a trustee has acted on the instructions of the committee and not liable for insider trading and has not gained or received any amount. ITSL and FCRL Employee Welfare Trust are separate. All the said persons have filed an appeal before SAT against the said SEBI Order dated the February 3, 2021. SAT has given the next date of hearing on 18.04.2023. The matter was part heard on 18.04.2023 and adjourned to 19.04.2023. On 19.04.2023, SAT has reserved its order and directed parties to file Written Submissions within 10 days. Written Submissions filed. The Orders awaited.

4. Muthoot Finance Ltd. Vs. Trustees Association of India (TAI), ITSL, Axis Trustee & SBICAP Trustee) – (Case No.29 of 2021) before Competition Commission of India(CCI).

Current Update :

At the hearing held on 21st February,2023, the Bombay High Court directed CCI to first decide the jurisdictional issue, leaving all other contentions open. Matter to go before CCI.
We have filed detailed application on 21st March, 2023 before CCI to decide upon jurisdiction and as opined by SEBI test laid down in the case of Bharti Airtel is not satisfied, therefore, recall the Prima Facie Order and forthwith close the proceedings against TAI (including Respondent DTs).

Brief Background

On 10.09.2021, the Competition Commission of India(CCI) received an information from Muthoot Finance Limited (Informant) against Trustees Association of India (TAI) and three of its members, i.e., IDBI Trusteeship Services Limited, Axis Trustee Services Limited, and SBI CAP Trustee Company Limited (collectively referred to as 'OPs') for alleged contravention of Sections 3(3) and 4 of the Competition Act, 2002 (Competition Act) (hereinafter referred to as the 'Information'). I .e. for entering into anti-competitive agreement and formation of Cartel. CCI.

The CCI has passed an order dated 23.12.2021 under Section 26(1) of the Competition Act, 2002 (Competition Act) directing the Director General to investigate the conduct of Trustees' Association of India's (TAI), IDBI Trusteeship Services Limited (IDBI), Axis Trustee Services Limited and SBICAP Trustee Company (together referred to as the 'OPs') and its office bearers for *prima facie* violating Section 3(1) read with Section 3(3) of the Competition Act (Prima Facie Order) dealing with anti-competitive horizontal agreement (including cartel).

TAI, ITSL, Axis Trustee & SBICAP Trustee filed Civil Writ Petition Nos. 3781 of 2022, 3791 of 2022, 3842 of 2022 and 3847 of 2022 respectively before Bombay High Court challenging the jurisdiction of CCI as the SEBI as Sectoral Regulator has Jurisdiction to decide the matter. The matter has been adjourned to 15th February, 2023 for hearing on Application by CCI for vacation of Stay.

At the hearing held on 21st February,2023, the Bombay High Court directed CCI to first decide

the jurisdictional issue, leaving all other contentions open. Matter to go before CCI.

We have filed detailed application on 21st March, 2023 before CCI to decide upon jurisdiction and as opined by SEBI test laid down in the case of Bharti Airtel is not satisfied, therefore, recall the Prima Facie Order and forthwith close the proceedings against TAI (including Respondent DTs).

5. R.K. Mohata Family Trust Vs. ITSL & Ors.

Current Status

Arising out of SLP© No. 411 of 2023 filed by Authum Investments & Infrastructure Ltd.(AIIL) Vs. R.K.Mohtta Family Trust & Ors, Supreme Court vide their Order dated the 3rd March,2023 allowed the Resolution Plan filed by AIIL and directed AIIL to make the payments prior to 31st March, 2023. AIIL has made the payment.

Brief Background

One Mr .R.K.Mohata Family Trust has filed Commercial Suit (lodging) No. 27568 of 2021 before Bombay High Court against ITSL & RHFL praying for holding of meeting of debenture holders of RHFL as also damages of Rs.1,05,50,902 against ITSL towards his investment. Hon'ble Bombay High Court vide their orders dated the 31.03.2022 read with the Order dated the 06.04.2022 and the order dated the 10.05.2022directed ITSL to hold the meeting of debenture holders. ITSL convened a meeting of the debenture holders on 13.05.2022 and as directed by Hon'ble Bombay High Court and the Results of the voting of meeting have been placed before the Hon'ble Bombay High Court in sealed cover. The matter is *sub-judice* before the Hon'ble Bombay High Court. Authum (AIIL) filed an appeal before the Hon'ble Supreme Court against the order of BHC. The matter was listed for hearing on 31st January, 2023. The matter was part heard and thereafter adjourned.

6. SCR 109885 – 1/394/14 - J Patel & 68 Others (All investors of Dynamic India Fund III) Vs. Dynamic India Fund III, International Financial Services, ICICI Venture Funds Management Company Limited, ICICI Bank and ITSL , before Supreme Court of Mauritius.

Current Update

Hearing for the appeal filed by the Plaintiffs, against the order dated June 03, 2022 was scheduled on May 18, 2023. The matter has now been fixed for Merits on November 16, 2023 before the Supreme Court.

Brief Background.

Suit is filed by investors seeking compensation and damages of Rs. USD 103, 699, 976 for the loss of their investments in Dynamic India Fund III from Dynamic India Fund III, International Financial Services, ICICI Venture Funds Management Company Limited, ICICI Bank and ITSL.

All the Defendants including ICICI Venture have raised preliminary objections to the Suit.

DIF III has raised five preliminary objections to the Suit viz. (i) Plaintiffs have been wrongly styled; (ii) Suit is a disguised derivative action and the appropriate court to hear it is the Commercial Court and not the Civil Court; (iii) there is a connected Stay Application filed

before the Commercial Court by DIF III that the Suit has to be stayed as the Suit is a Class Action suit and hence the Commercial Court and not the Civil Court has the jurisdiction to hear the Suit; (iv) the Plaintiffs should have put the other shareholders of DIF III into cause; and (v) the Plaintiffs have to provide Security for costs to all the Defendants.

The other Defendants have raised preliminary objections with respect to privity of contract and jurisdiction of Mauritius Courts.

Nearly 6 years after the Suit was filed in 2014 in Mauritius, on January 28, 2020, the court heard arguments on only two of the preliminary objections raised by ICICI Bank and ICICI Venture viz. (a) Mauritius court lacks jurisdiction to hear disputes between non-Mauritians (both the Plaintiffs and the Defendants No. 3 and 4 i.e. ICICI Bank and ICICI Venture are not Mauritius residents); and (b) Mauritius court is not the convenient forum to hear the disputes raised.

The arguments relied, amongst others, related to the facts that (a) alleged conduct of ICICI Bank and ICICI Venture did not admittedly happen in Mauritius and offences, if any, happened in India; (b) investments were in real estate projects in India; (c) investments were in a real estate fund in India; and (d) Indian law governs the contractual relationship between the parties.

By an order dated June 9, 2020 the Supreme Court of Mauritius stayed the proceedings as against ICICI Bank and ICICI Venture on the grounds that none of the allegations made against ICICI Bank and ICICI Venture occurred in Mauritius and hence the courts in Mauritius lack jurisdiction to adjudicate such allegations. In the subsequent hearing on July 1, 2020, the Plaintiffs informed the Court of their decision not to appeal against the order staying the proceedings as against ICICI Venture and ICICI Bank. The proceedings would continue against the other Defendants viz. DIF III, IFS and the Trustee.

The Supreme Court of Mauritius vide its order dated the 3rd June, 2022 have deleted ICICI Bank and ICICI Venture Fund Management Company Ltd. from the array of the parties allowed to continue the case against Dynamic India Fund III, SANE Mauritius and the WITECO now ITSL.

The Plaintiffs have filed an appeal against the said Judgement dated the 3rd June,2022 passed by The Supreme Court of Mauritius.

ICICI Venture Fund Management Company Ltd. is taking care of the matter on behalf of ITSL as a Trustee and also appointed Counsels to defend ITSL. We have taken up the matter with the ICICI Venture stating that WITECO now ITSL is also not a Mauritius resident and Mauritius court is not the convenient forum to hear the disputes raised and hence lacks the jurisdiction. Further, ITSL is acting only as a trustee and there cannot be any claim against ITSL at all as ICICI Venture Fund Management Company Ltd. was Investment Manager of the Fund who has managed all affairs of the Fund.

7. Pawan Kapoor & Anr. Vs. SEBI & Ors.(Karvy Data Management Services Ltd)

Current Update.

The matter has been listed on 05/02/2024

Brief Background

In the case of Karvy Data Management Services Ltd ; one Pawan Kapoor & Amri Resorts Pvt. Ltd. the Debenture Holders have filed Writ Petition before Delhi High Court, inter alia against ITSL alleging various non compliances by ITSL and for not initiating action against Karvy Data Management Services Ltd. for defaults in payment of interest & Principal. The matter was listed before Hon'ble Delhi High Court on 19.12.2022. The Hon'ble Delhi High Court has directed Ministry of Corporate affairs to investigate in the complaint and provide report. The matter has been listed on 05/02/2024.

8. Mr. Kamlakar Babu Alias Baburao Patil & Others and ITSL & Others

Current Update.

At the hearing held on 23rd October, 2023 written statements together with the Affidavit in reply was filed before the Hon'ble City Civil Court. The matter has now been adjourned to 19th December, 2023.

Brief Background.

One Kamalakar B. P has filed declaratory civil suit bearing No 226/2023 of which we have received notice from court of civil judge (Senior Division) Thane on 28/07/2023. The suit is basically for declaration of deed of mortgage dated 15/06/2021 executed by defendant no. 2 to no.7 in favour of ITSL as defendant No 1 as void, illegal, invalid, non-est, not binding on the plaintiffs together with relief for permanent injunction from entering into the suit property, selling in auction and/or agreeing to sale in auction the suit property under the garb or colour whatsoever. The plaintiff has also prayed for temporary injunction from selling of the suit property.

9. Contempt Petition (Civil) No.953 of 2023 in Civil Appeal No. 1581 of 2023- Praduman Tondon & Ors. Vs.Sanjay Soumitra Dangi & Ors. (Authum/RHFL case) before Supreme Court of India.

This Contempt petition has been filed against Order dated the 3rd March, 2023 passed by Hon'ble Supreme Court of India. The case of the Petitioners is that the cut-off date of 15th April 2022 for voting on the Resolution Plan and the Distribution Mechanism was not known. The matter was listed on 22/09/2023. Senior Counsel suggested to file an application for deletion of ITSL's name from array of the parties. The application is being prepared and filed. The fresh date in the matter is yet to be notified. We have engaged Shardul Amarchand Mangaldas & Co Advocates & Solicitors to represent ITSL before the Supreme Court.

Annexure XI

RISK FACTORS

Risks Related to the Structure of the Trust

1. The Project SPV and IM Company, were incorporated in last 3 years and have limited operating history and historical financial information.

   Our inability to successfully operate and manage the Toll Roads in an efficient and cost-effective manner could have an adverse effect on our results of operations and our ability to meet our payment obligations under the Units.

2. We must maintain certain investment ratios pursuant to SEBI InvIT Regulations.

   Failure to comply with these conditions may present additional risks to us, including divestment of certain assets, delisting and other penalties, which could have a material, adverse effect on our business, financial condition and results of operations.

3. We may not be able to make distributions to Unitholders or the level of distributions may fall as the Trust's distributions will be based on the cash flows generated from the operations to be undertaken by the underlying Project SPV held by the Trust and not on whether the Trust makes an accounting profit or loss.

   The Trust will substantially rely on the receipt of interest, dividends, and principal repayments (net of applicable taxes and expenses) from the Project SPV in order to make distributions to Unitholders.

4. The regulatory framework governing infrastructure investment trusts in India is untested and the interpretation and enforcement thereof involve uncertainties, which may have a material, adverse effect on the ability of certain categories of investors to invest in the units, our business, financial condition and results of operations and our ability to make distributions to Unitholders.

Risks Relating to Our Business and the Concession Agreements

5. Any payment by the Project SPV, including in the event of the termination of the Concession Agreements, is subject to a mandatory escrow arrangement that restricts its flexibility to utilize the available funds.

   The consent of NHAI, in its capacity as the concessioning authority (the "Authority"), and lenders, is required to amend the order of outflow of payments from such escrow account.

6. The Sponsor, whose interests may be different from the other Unitholders, will be able to exercise significant influence over certain activities of the Trust, and under the InvIT Regulations, it has the ability to divest its holdings in the Units three years following the Offer.

   Given the influence that the Sponsor exerts on the Investment Manager, and consequently the operations and credibility of the Trust, any material divestiture by the Sponsor in the Units, or any conflict of interest that it has compared to that of other Unitholders, could have a material adverse impact on our business, financial condition and results of operations.

7. The cost of implementing new technologies for collection of tolls and monitoring our projects in a cost-effective and timely manner could materially and adversely affect our business, financial condition and results of operations.

8. We may face limitations and risks associated with debt financing and refinancing as we are subject to regulatory restrictions in relation to our debt financing and refinancing.

9. Certain actions of the Project SPV require the prior approval of NHAI, and no assurance can be given that NHAI will approve such actions in a timely manner or at all.

10. The Project SPV's toll-road concessions may be terminated prematurely under certain circumstances.

    The Toll Roads concessions of the Project SPV are our principal assets. We will be unable to continue the operation of a particular road concession without a continuing concession right from NHAI, in its capacity as Authority. A concession may be terminated by NHAI for certain reasons set forth in the Concession Agreements.

11. Toll collections and Toll Road traffic volumes may be affected by existing or new competing roads and bridges and other modes of transportation, and any improvements to, or construction of, such roads, bridges and other modes of transportation.

12. Our business will be subject to seasonal fluctuations that may affect our cash flows.

13. Toll rate & collections and Toll Road traffic volumes are dependent on factors beyond our control and are subject to significant fluctuations.

14. We are subject to risks associated with outbreaks of diseases or similar pandemics or public health threats, such as the novel coronavirus ("COVID-19"), which could have a material adverse impact on our business and our results of operations and financial condition.

15. Leakage of the tolls through toll evasion, fraudulent acts on the part of road users or our toll collection operators, theft, technical faults in our toll collection systems, or unlawful roadway entries or exits by road users to avoid paying the required toll collected on the Toll Roads may adversely affect toll collections.

16. The termination payment due to us upon termination of the Concession Agreements may not adequately compensate us for the actual costs and investments associated with the Toll Roads in a timely manner or at all and thus may not provide us with sufficient funds to repay the Units.

17. Toll collections are affected by applicable toll rates and revisions to such rates and the number of road users subject to such rates.

18. Our revenues under the Transitional Support Agreement are dependent on successful continuation of underlying tolling contracts.

19. The operation of the Toll Roads and the revenues generated from them may be impacted as a result of any capacity augmentation or other works required to be carried out in accordance with the terms of the Concession Agreements or any RFPs floated by the Sponsor.

20. Changes in the policies adopted by governmental entities or in the relationships of any member of the Trust with the Government or State Governments could materially and adversely affect our business, financial performance and results of operations.

21. The Valuation Report, and any underlying reports, are not opinions on the commercial merits of the Trust or the Project SPV, nor are they opinions, expressed or implied, as to the future trading price of the Units or the financial condition of the Trust upon listing, and the valuation contained therein may not be indicative of the true value of the Project SPV's assets.

22. We have referred to the data derived from (i) Technical Consultant Report commissioned from the Technical Consultant, (ii) Traffic Reports commissioned from the Traffic Consultants and (ii) CARE Report, Crisil Report and other public sources which are based on certain bases, estimates and assumptions that are subjective in nature and may not be accurate.

23. Certain provisions of the standard form of Concession Agreements may be untested, and the Concession Agreements may contain certain restrictive terms and conditions which may be subject to varying interpretations.

24. We may be subject to increases in costs, including operation and maintenance costs, which we cannot recover by increasing toll fees under the Concession Agreements.

25. Leakage of the toll fees on the Project SPV's roads may materially and adversely affect our revenues and financial condition.

26. We will depend on certain directors, executive officers and key employees of the Investment Manager, the Project Manager and the Project SPV, and such entities may be unable to appoint, retain such personnel or to replace them with similarly qualified personnel, which could have a material, adverse effect on the business, financial condition, results of operations and prospects of the Trust.

27. There can be no assurance that we will be able to successfully undertake future acquisitions of road assets or efficiently manage the infrastructure road assets we have acquired or may acquire in the future.

28. The Project SPV may not be able to comply with its maintenance obligations under the Concession Agreements, which may result in the termination of the Concession Agreements, the suspension of the Project SPV's rights to collect tolls or the requirement that the Project SPV pay compensation or damages to NHAI.

29. The insurance policies for the InvIT Assets, currently in place for any protection against various risks associated with our Operations or any future insurance coverage obtained may be inadequate.

30. The Sponsor and the Trustee are involved in certain legal and other proceedings, which may not be decided in their favour.

31. We do not own the "NHAI" trademark and logo. Our license to use the "NHAI" trademark and logo may be terminated under certain circumstances and our ability to use the trademark and logo may be impaired.

32. We will depend on NHAI and various third parties to undertake certain activities in relation to the operation and maintenance of the InvIT Assets. Any delay, default or unsatisfactory performance by these third parties could materially and adversely affect our ability to effectively operate or maintain the InvIT Assets.

33. The Project SPV may be held liable for the payment of wages to the contract labourers engaged indirectly in our operations.

34. Significant differences exist between Indian GAAS used to prepare the Sponsor's Audited Financial Information and other accounting principles, such as Ind-As and IFRS, with which investors may be more familiar.

35. The Project SPV/s may not be able to claim depreciation in relation to toll collection rights acquired from the Sponsor.

36. We are subject to environmental, social and safety risks associated with the operation of the Toll Roads which could adversely affect our business, cashflows and our results of operations.

37. The completion certificate and provisional completion certificate in respect of one of the R1 Toll Roads are not traceable and accordingly, alternate documents have been relied upon in relation to certain disclosures.

38. We are subject to government regulation and if we fail to obtain, maintain or renew our statutory and regulatory licenses, permits, and approvals required to operate our business, results of operations and cash flows may be adversely affected.

Risks Related to the Trust's Relationship with the Sponsor and the Investment Manager

39. The Sponsor, whose interests may be different from the other Unitholders, will be able to exercise significant influence over certain activities of the Trust.

40. The Investment Manager may not be able to implement its investment or corporate strategies and the fees payable to the Project Manager are dependent on various factors.

41. While the Sponsor had communicated its intention of transferring around 1500 km of roads, the Trust may be unable to bid effectively for them.

42. Parties to the Trust are required to maintain the eligibility conditions specified under Regulation 4 of the InvIT Regulations on an ongoing basis. The Trust may not be able to ensure such ongoing compliance by the Sponsor, the Investment Manager, the Project Manager and the Trustee, which could result in the cancellation of the registration of the Trust.

43. The Investment Manager is required to comply with certain ongoing reporting and management obligations in relation to the Trust. There can be no assurance that the Investment Manager will be able to comply with such requirements.

44. Our Investment Manager is wholly-owned and controlled by the GoI, which makes us susceptible to changes to its policies.

45. The InvIT Regulations allow for sponsors of listed InvITs to be declassified from the status of sponsors subject to certain conditions. There can be no assurance that our Sponsor will not exercise its ability to be declassified as the Sponsor of the Trust.

46. Compliance with the European Union Directive on Alternative Investment Fund Managers may increase administrative and regulatory burdens on the Investment Manager and the Trust.

Risks related to India

47. Changing laws, rules and regulations and legal uncertainties may materially and adversely affect our business, financial condition and results of operations.

48. Significant increases in the price or shortages in the supply of crude oil and products derived therefrom, including petrol and diesel fuel, could materially and adversely affect the volume of traffic at the projects operated by the Project SPV and the Indian economy in general, including the infrastructure sector.

49. We may be affected by competition law in India and any adverse application or interpretation of the Competition Act could materially and adversely affect our business.

50. Any downgrading of India's debt rating by rating agencies could have a negative impact on our business.

Risks Related to Ownership of the Units

51. The Trust may be dissolved, and the proceeds from the dissolution thereof may be less than the amount invested by the Unitholders.

52. The reporting requirements and other obligations of infrastructure investment trusts post-listing are still evolving. Accordingly, the level of ongoing disclosures made to and the protection granted to Unitholders may be more limited than those made to or available to the shareholders of a company that has listed its equity shares upon a recognized stock exchange in India.

53. Unitholders may not be able to enforce a judgment of a foreign court against the Trust or the Investment Manager.

54. Any additional debt financing or issuance of additional Units may have a material, adverse effect on the Trust's distributions, and investors/unitholders ability to participate in future rights offerings may be limited.

    The Investment Manager may require additional debt financing or the issuance of additional Units in order to support the operating business or to make acquisitions and investments. If obtained, any such additional debt financing may decrease distributable income, and any issuance of additional Units may dilute existing Unitholders' entitlement to distributions.

    We are not required to offer pre-emptive rights to existing Unitholders when issuing new Units. Compliance with securities laws or other regulatory provisions in some jurisdictions may prevent certain investors from participating in any future rights issuances and thereby result in dilution of their existing holdings in Units.

55. The Trust may be unable to dispose of its non-performing assets in a timely manner.

56. Fluctuations in the exchange rate of the Indian Rupee with respect to the U.S. Dollar or other currencies will affect the foreign currency equivalent of the value of the Units and any distributions.

57. Unitholders are unable to require the redemption of their Units.

58. The Units have limited trading history and may not have an active or liquid marketing future.

59. Any future issuance of Units by us or sales of Units by the Sponsor or any of other significant Unitholders may materially and adversely affect the trading price of the Units.

60. Our rights and the rights of the Unitholders to recover claims against the Investment Manager or the Trustee are limited.

61. Information and the other rights of Unitholders under Indian law may differ from such rights available to equity shareholders of an Indian company or under the laws of other jurisdictions.

62. The price of the Units may fluctuate with the market conditions and other factors.

Risks Related to Tax

63. Unitholders should consider the impact of U.S. Foreign Account Tax Compliance Act withholding.

64. The Trust may be classified as a passive foreign investment company for U.S. federal income tax purposes, which could subject U.S. holders of Units to significant adverse tax consequences.

65. Some of our roads assets enjoy certain benefits under Section 80-IA of the Income Tax Act and any change in these tax benefits applicable to us may materially and adversely affect our results of operations.

66. Tax laws are subject to changes and differing interpretations, which may materially and adversely affect our operations.

67. Changes in legislation or the rules (either through gazetted notifications, circular or emanating through any task force or committee established by Government) relating to such tax regimes, rates and/or surcharges could materially and adversely affect our business, prospects and results of operations.

68. Investors may be subject to Indian taxes arising out of capital gains on the sale of Units and on any dividend or interest component of any returns from the Units.

69. The Finance Act 2023, provides for tax on the unitholders for such portion of distribution received by them that is not covered under section 10(23FC) or 10(23FCA) of the IT Act and that which is not chargeable to tax under section 115UA(2) of the IT Act. Any distribution not covered under the aforementioned clauses will be taxed in the hands of the unitholders as 'income' under section 56(2)(xii) of the IT Act, provided the amount received (including similar distributions in earlier years to the same unitholder or any other unitholder) is in excess of the amount at which units were issued by the InvIT, as reduced by the amount which would have been charged to tax earlier under this provision. The aforementioned amounts received by a unitholder being a specified person covered under section 10(23FE) of the IT Act shall not be subject to taxes upon the fulfilment of certain conditions set out in the IT Act. Further, any such distribution received by a unitholder to the extent not chargeable to tax under section 56(2)(xii) and not covered under sections 10(23FC), 10(23FCA) or 115UA(2) shall be reduced from the cost of units. There can be no assurance that there will be no adverse impact on the tax incidence to the unitholders pursuant to the Finance Act 2023.



Annexure XII

A.R. & CO.
Chartered Accountants

Delhi Office:
A-403, Gayatri Apartment Airlines
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Cell No.-9810195084, 9810444051
E-mail: ar_co1981@yahoo.co.in
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Corporate and Correspondence Office:
C-1, II Floor, RDC, Raj Nagar,
Ghaziabad-201001 Delhi-NCR National
Capital region Of Delhi

INDEPENDENT AUDITOR'S REVIEW REPORT ON THE UNAUDITED STANDALONE INTERIM FINANCIAL INFORMATION OF THE TRUST FOR THE HALF YEAR ENDED ON 30 SEPTEMBER, 2023

To,
The Board of Directors
National Highways Infra Investment Managers Private Limited
(Investment Manager of National Highways Infra Trust)
G-5 & 6, Sector-10,
Dwarka, Delhi - 110075

1. We have reviewed the accompanying Statement of Unaudited Standalone Interim financial Information of National Highways Infra Trust (the 'Trust'), consisting of Unaudited Standalone Interim Balance Sheet, Unaudited Standalone Interim Statement of profit and loss (Including Other Comprehensive Income), Cash Flow Statment and other explanatory notes thereto including Net Distributable Cash Flows (NDCFs) for the Half year ended 30.09.2023 (hereinafter referred to as "the Statement") attached herewith, being submitted by National Highways Infra Investment Managers Private Limited (the 'Investment Manager') for the purpose of expressing a conclusion that whether anything has come to our notice that causes us to believe that the Statement is not prepared, in all material respects, in accordance with the applicable Indian Accounting Standards ('Ind AS') and other recognized accounting practices and policies, or that it contains any material misstatement.

2. The Statement, which is the responsibility of the Investment Manager and has been approved by the Board of Directors of the Investment Manager, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, "Interim Financial Reporting" (Ind AS 34) as prescribed in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other accounting principles generally accepted in India, to the extent not inconsistent with the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended,

A.R. & Co. New Delhi Chartered Accountants

including any guidelines and circulars issued thereunder ("SEBI InvIT Regulations"). Our responsibility is to express a conclusion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of Investment manager personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement is not prepared, in all material respects, in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') as prescribed in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as /amended) and other accounting principles generally accepted in India, or that it contains any material misstatement.

5. The Statement includes Audited Standalone Financial Results of Trust for the year ended 31.03.2023 and unaudited Standalone Financial Result of Trust for the half year ended 30.09.2023.

For A. R. & Co.
Chartered Accountants
FRN. 002744C

A.R. & Co. New Delhi Chartered Accountants

CA Mohd Azam Ansari
Partner
Membership No: 511623
UDIN: 23511623BGWTHB3345

Place: New Delhi
Date: 08-11-2023

NATIONAL HIGHWAYS INFRA TRUST

Unaudited Standalone Interim Balance Sheet as at September 30, 2023

(All amounts in ₹ lakh unless otherwise stated)

Particulars	As at September 30, 2023 (Unaudited)	As at March 31, 2023 (Audited)
ASSETS		
1) Non - Current Assets		
(a) Financial Assets		
(i) Investments	1,39,563.52	1,39,553.52
(ii) Loans	8,94,606.66	8,90,606.66
(iii) Other Financial Assets	9,865.13	9,670.84
Total Non Current Assets	**10,44,035.31**	**10,39,831.02**
2) Current Assets		
(a) Financial Assets		
(i) Cash and Cash Equivalents	18,666.64	14,080.38
(ii) Other Financial Assets	62,711.94	46,692.16
(b) Other Current Assets	1,489.54	1,119.47
Total Current Assets	**82,868.13**	**61,892.01**
TOTAL ASSETS	**11,26,903.44**	**11,01,723.03**
EQUITY AND LIABILITIES		
EQUITY		
1) Unit Capital	7,41,593.47	7,41,604.32
2) Initial Settlement Amount	0.10	0.10
3) Other Equity	82,714.59	60,432.64
Total Equity	**8,24,308.16**	**8,02,037.06**
LIABILITIES		
1) Non-Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	2,95,192.64	2,92,158.33
Total Non Current Liabilities	**2,95,192.64**	**2,92,158.33**
2) Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	2,000.00	2,000.00
(ii) Trade Payables		
(a) Total Outstanding, dues of micro and small enterprises	2.27	3.88
(b) Total outstanding, dues of creditors other than micro and small enterprises	224.88	342.69
(iii) Other Financial Liabilities	5,162.05	5,129.59
(b) Other Current Liabilities	0.23	42.50
(c) Current Tax Liabilities (Net)	13.20	8.98
Total Current Liabilities	**7,402.64**	**7,527.64**
TOTAL EQUITY & LIABILITIES	**11,26,903.44**	**11,01,723.03**

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National Highways Infra Trust New Delhi

NATIONAL HIGHWAYS INFRA TRUST

Unaudited Standalone Interim Statement of Profit and Loss for the Quarter and Half year ended September 30, 2023

(All amounts in ₹ lakh unless otherwise stated)

Particulars	Half Year ended		Quarter ended			Half Year ended March 31, 2023	Year ended March 31, 2023
	September 30, 2023	September 30, 2022	September 30, 2023	June 30, 2023	September 30, 2022		
	(Unaudited)	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*	*(Audited)*	*(Audited)*
INCOME							
Revenue from Operations	59,626.53	39,431.01	30,136.71	29,489.82	19,917.38	55,267.29	94,698.30
Interest Income	443.08	84.07	191.71	251.37	38.68	268.21	352.28
Profit on sale of investments	147.66	34.24	106.16	41.50	29.36	387.96	422.20
Other Income	2.83	36.41	2.83	-	1.00	280.18	316.59
Total Income	**60,220.10**	**39,585.73**	**30,437.41**	**29,782.69**	**19,986.42**	**56,203.64**	**95,789.37**
EXPENSES							
Investment Manger Fees	902.47	606.66	453.70	448.77	304.99	657.05	1,263.70
Trustee Fees	4.81	4.81	2.42	2.39	2.42	4.79	9.60
Valuation expenses	3.24	-	2.16	1.08	-	4.00	4.00
Annual listing fees	26.97	10.03	13.56	13.41	5.04	9.97	20.00
Rating fees	0.10	0.20	0.05	0.05	0.20	-	0.20
Audit Fees							
- Statutory audit fees	2.88	0.88	1.64	1.24	0.14	2.02	2.90
- Other audit services (including certification)	0.40	0.80	0.36	0.04	0.80	0.08	0.88
Custodian Fees	1.58	0.42	0.79	0.79	0.21	0.42	0.84
Finance Charges	12,282.18	5,421.65	6,271.66	6,010.52	2,773.89	11,168.52	16,590.17
Other Expenses	71.65	38.84	9.13	62.52	21.60	151.32	190.16
Total Expenses	**13,296.27**	**6,084.29**	**6,755.47**	**6,540.81**	**3,109.30**	**11,998.16**	**18,082.45**
Profit/(Loss) before Exceptional Items and Tax	**46,923.83**	**33,501.44**	**23,681.94**	**23,241.88**	**16,877.12**	**44,205.48**	**77,706.92**
Exceptional Items (net)	-	-	-	-	-	-	-
Profit / (Loss) before Tax	**46,923.83**	**33,501.44**	**23,681.94**	**23,241.88**	**16,877.12**	**44,205.48**	**77,706.92**

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National Highways Infra Trust New Delhi

(All amounts in ₹ lakh unless otherwise stated)

Particulars	Half Year ended		Quarter ended			Half Year ended March 31, 2023	Year ended March 31, 2023
	September 30, 2023	September 30, 2022	September 30, 2023	June 30, 2023	September 30, 2022		
Tax Expenses							
Current Tax	252.51	68.86	127.32	125.18	29.08	405.03	473.89
Provision for Tax for Earlier Years	0.32	-	0.32	-	-	0.01	0.01
Deferred Tax expense/(credit)	-	(2.73)	-	-	0.43	(0.43)	(3.16)
Total Tax	**252.82**	**66.13**	**127.64**	**125.18**	**29.51**	**404.61**	**470.74**
Profit/ (loss) for the period	**46,671.00**	**33,435.31**	**23,554.30**	**23,116.70**	**16,847.62**	**43,800.86**	**77,236.17**
Other Comprehensive Income							
Items that will not be reclassified to Profit and Loss	-	-	-	-	-	-	-
Items that will be reclassified to Profit and Loss	-	-	-	-	-	-	-
Total Comprehensive Income for the period	**46,671.00**	**33,435.31**	**23,554.30**	**23,116.70**	**16,847.62**	**43,800.86**	**77,236.17**
Earnings per Unit							
Basic	6.42	5.62	3.24	3.18	2.83	6.10	11.76
Diluted	6.42	5.62	3.24	3.18	2.83	6.10	11.76
Debt- Equity Ratio:	0.36	0.23	0.36	0.36	0.23	0.37	0.37
Debt Service coverage ratio	3.28	4.43	5.53	2.41	4.26	4.71	4.60
Interest Service coverage ratio	4.82	7.18	4.78	4.87	7.08	4.96	5.68
Security Cover ratio	3.27	N.A	3.27	3.28	N.A	3.21	3.21
Outstanding redeemable preference shares	-	-	-	-	-	-	-
Capital redemption reserve/debenture redemption	-	-	-	-	-	-	-
Networth :	8,24,308.16	6,26,267.62	8,24,308.16	8,13,495.01	6,26,267.62	8,02,037.06	8,02,037.06
Net Profit after tax :	46,671.00	33,435.31	23,554.30	23,116.70	16,847.62	43,800.86	77,236.17
Current Ratio:	11.19	6.30	11.19	15.17	6.30	8.22	8.22
Long term debt to working capital:	3.91	2.46	3.91	4.48	2.46	5.37	5.37
Bad debts to Accounts receiveable ratio:	-	-	-	-	-	-	-
Current liability ratio:	0.02	0.07	0.02	0.02	0.07	0.03	0.03
Total debts to total assets:	0.26	0.19	0.26	0.26	0.19	0.27	0.27
Debtors turnover:	N.A	N.A	N.A	N.A	N.A	N.A	N.A
Inventory turnover:	N.A	N.A	N.A	N.A	N.A	N.A	N.A
Operating margin %	98.30%	98.32%	98.39%	98.20%	98.32%	98.50%	98.42%
Net profit margin %	78.27%	84.79%	78.16%	78.39%	84.59%	79.25%	81.26%

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National Highways Infra Trust New Delhi

NATIONAL HIGHWAYS INFRA TRUST

Unaudited Interim Standalone Statement of Cash Flows for the Quarter and Half Year ended September 30, 2023

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	Half Year ended		Quarter ended			Half Year ended	Year ended
	September 30, 2023	September 30, 2022	September 30, 2023	June 30,2023	September 30, 2022	March 31, 2023	March 31, 2023
	(Unaudited)	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*	*(Audited)*	*(Audited)*
A. Cash flows from operating activities							
Net Profit/(Loss) Before Tax	46,923.83	33,501.44	23,681.94	23,241.89	16,877.12	44,205.48	77,706.92
Adjustments:							
Finance Cost (net)	12,171.19	5,412.78	6,164.38	6,006.81	2,769.44	11,177.39	16,590.17
Interest Income on Bank FDR	(443.08)	(84.07)	(191.71)	(251.37)	(84.07)	(268.21)	(352.28)
Interest Income on Long Term Loan given to SPV	(59,626.53)	(39,431.01)	(30,136.71)	(29,489.82)	(19,917.38)	(55,267.29)	(94,698.30)
Interest received on Long Term Loan given to SPV	43,605.94	26,700.00	20,435.94	23,170.01	13,100.00	31,961.00	58,661.00
Profit on redemption of Mutual Funds	(147.66)	(34.24)	(106.16)	(41.50)	(29.36)	(387.96)	(422.20)
Operating cash flows before Working Capital Changes	**42,483.68**	**26,064.90**	**19,847.67**	**22,636.02**	**12,715.75**	**31,420.40**	**57,485.30**
Movements in Working Capital							
Decrease / (Increase) in Other Non Current Financial Assets	-	50.81	-	-	(244.03)	(66.23)	(15.42)
Decrease / (Increase) in Other Current Financial Assets	(2.92)	(107.26)	(0.37)	(2.55)	(67.03)	(183.36)	(290.62)
Decrease / (Increase) in Other Current Assets	(370.07)	(55.04)	(156.34)	(213.73)	(41.82)	(779.92)	(834.96)
Increase / (Decrease) in Trade & Other Payables	(119.41)	(308.26)	(97.92)	(21.48)	3.96	701.39	393.13
Increase / (Decrease) in Other Financial Liabilities	-	(133.07)	-	-	(16.93)	133.07	(0.00)
Increase / (Decrease) in Other Current Liabilities	(42.28)	9,485.15	(9.60)	(32.68)	9,318.29	(9,542.45)	(57.30)
Increase / (Decrease) in Current Tax Liabilities	-	-	-	-	-	-	-
Cash used in operating activities	**41,949.00**	**34,997.23**	**19,583.45**	**22,365.56**	**21,668.19**	**21,682.90**	**56,680.13**
Income Tax paid	(248.61)	(220.69)	(197.02)	(51.59)	(37.87)	(405.98)	(626.67)
Net Cash Flows used in operating activities -A	**41,700.39**	**34,776.54**	**19,386.43**	**22,313.97**	**21,630.32**	**21,276.92**	**56,053.46**
B. Cash flows from investing activities							
Long Term Loans given	(4,000.00)	-	(4,000.00)	-	-	(2,84,966.66)	(2,84,966.66)
Purchase of Non Current Investments	(10.00)	-	-	(10.00)	-	-	-
Investment in FDR	(262.67)	-	(78.53)	(184.14)	-	(6,299.18)	(6,299.18)
Profit on redemption of Mutual Funds	147.66	34.24	106.16	41.50	29.36	387.96	422.20
Interest Received from Bank on FDR	515.19	46.23	336.43	178.77	46.23	122.17	168.40
Net Cash Flows used in investing activities - B	**(3,609.82)**	**80.47**	**(3,635.94)**	**26.13**	**75.59**	**(2,90,755.72)**	**(2,90,675.25)**

A.R. & Co. New Delhi Chartered Accountants

National Highways Infra Trust New Delhi

NATIONAL HIGHWAYS INFRA TRUST

Unaudited Interim Standalone Statement of Cash Flows for the Quarter and Half Year ended September 30, 2023

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	Half Year ended		Quarter ended			Half Year ended	Year ended
	September 30, 2023	September 30, 2022	September 30, 2023	June 30,2023	September 30, 2022	March 31, 2023	March 31, 2023
	(Unaudited)	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*	*(Audited)*	*(Audited)*
C. Cash flows from financing activities							
Proceeds from Issue of unit capital	-	-	-	-	-	1,43,013.67	1,43,013.67
Expense incurred towards initial public debt offering	-	-	-	-	-	(1,689.00)	(1,689.00)
Expense incurred towards institutional unit allotment	(10.85)	(34.13)	-	(10.85)	(15.87)	(1,065.00)	(1,099.13)
Financing charges paid	-	-	-	-	-	(197.00)	(197.00)
Proceeds from Long Term Borrowings -NCD	-	-	-	-	-	1,50,000.00	1,50,000.00
Proceeds from Long Term Loans from External Lenders	4,000.00	-	4,000.00	-	-	-	-
Distribution paid to unit holders	(24,389.05)	(24,700.80)	(12,741.15)	(11,647.91)	(19,998.72)	(10,227.06)	(34,927.86)
Repayment of Long Term Borrowings	(1,001.98)	(500.67)	(501.17)	(500.81)	(247.15)	(510.31)	(1,010.98)
Finance Costs Paid	(12,102.43)	(5,401.82)	(3,158.30)	(8,944.13)	(2,759.36)	(5,779.04)	(11,180.86)
Net Cash Flows from financing activities -C	**(33,504.32)**	**(30,637.42)**	**(12,400.63)**	**(21,103.70)**	**(23,021.10)**	**2,73,546.26**	**2,42,908.84**
Net Increase/Decrease in Cash and Cash equivalents (A+B+C)	4,586.26	4,219.59	3,349.86	1,236.40	(1,315.20)	4,067.46	8,287.05
Cash and Cash Equivalents at the Beginning of the year/period	14,080.38	5,793.33	15,316.78	14,080.38	11,328.12	10,012.92	5,793.33
Cash and Cash Equivalents at the end of the year/period	**18,666.64**	**10,012.92**	**18,666.64**	**15,316.78**	**10,012.92**	**14,080.38**	**14,080.38**

Chartered Accountants A.R. & Co. New Delhi

National Highways Infra Trust New Delhi

NATIONAL HIGHWAYS INFRA TRUST

Disclosures pursuant to SEBI circulars (SEBI Master Circular No. CIRSEBI/HO/DDHS_Div3/P/CIR/2021/1673 dated 29th November, 2021 issued under the InvIT regulations)

a. Statement of Net Distributable Cash Flows (NDCF) (All amounts in ₹ lakh unless otherwise stated)

S. No.	Particulars	Half Year ended September 30, 2023
		(Unaudited)
1	**Profit after tax as per Statement of profit and loss/income and expenditure (Standalone) (A)**	46,671.00
2	Add: Income recognised in previous year and received in this year	43,605.94
3	Less :- Interest expenses recognised in previous year and paid in this period	(5,129.59)
4	Add: Depreciation and amortization as per statement of profit and loss account. Incase of Impairment reversal, same needs to be deducted from profit and loss.	-
5	Add/Less: Loss/gain on sale of infrastructure assets	-
6	Add: Proceeds from sale of infrastructure assets adjusted for the following: related debts settled or due to be settled from sale proceeds; directly attributable transaction costs; proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT regulations	-
7	Add: Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit/ (loss) recognised in profit and loss account	-
8	Add/ Less: Any other item of non- cash expense/ non cash income (net of actual cash flows for these items), if deemed necessary by the Investment Manager. For example, any decrease/ increase in carrying amount of an asset or a liability recognised in profit and loss /income and expenditure on measurement of the asset or the liability at fair value; Interest cost as per effective interest rate method, deferred tax lease rents recognised on a straight line basis, etc.	(54,748.95)
9	Less: Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements.	(1,264.65)
10	**Total Adjustment (B)**	**(17,537.26)**
11	**Net Surplus (C) = (A+B)**	**29,133.74**
12	Add: Opening Cash	2,431.84
13	Less: NDCF already distributed to Unitholders	12,741.15
14	**Balance Distributable Cash Flows**	**18,824.44**
15	Less: Amounts set-aside for payment of liabilities	(5,631.64)
16	**Balance Net Distributable Cash Flows for the Half Year ended Sep 30, 2023**	**13,192.80**

A.R. & Co. New Delhi Chartered Accountants

National Highways Infra Trust New Delhi

NATIONAL HIGHWAYS INFRA TRUST

Disclosures pursuant to SEBI circulars (SEBI Master Circular No. CIRSEBI/HO/DDHS_Div3/P/CIR/2021/1673 dated 29th November, 2021 issued under the InvIT regulations)

b. Investment manager fees

i) The Investment Manager's fee as per agreement dated 21st October 2020 will initially be Rs. 1,100 Lakh (Rupees Eleven Hundred Lakhs) per annum.

ii) The Investment Management Agreement is revised and the fee with effect from 1st April 2023 has been agreed at Rs 1,800 Lakhs (Rupees Eighteen hundred lakhs) for the Financial Year 2023-24.

iii) The management fee set out in paragraph (ii) above shall be subject to escalation on an annual basis at the rate of 10% of the management fee for the previous year.

iv) Any applicable taxes, cess or charges, as the case may be, shall be in addition to the management fee and shall be payable by National Highways Infra Trust (NHIT) to the Investment Manager (NHIIMPL).

Payment of frequency: Payment of management fee shall be made by National Highways Infra Trust (NHIT) to the Investment Manager (NHIIMPL) in advance on a quarterly basis at the beginning of each quarter of a financial year.

c. Statement of earnings per unit ('EPU')

Basic EPU amounts are calculated by dividing the profit for the period/ year attributable to Unit holders by the weighted average number of units outstanding during the period/ year. Diluted EPU amounts are calculated by dividing the profit/(loss) attributable to unit holders by the weighted average number of units outstanding during the period/ year plus the weighted average number of units that would be issued on conversion of all the dilutive potential units into unit capital.

(All amounts in ₹ lakh unless otherwise stated)

Particulars	Quarter Ended		Half Year Ended		Year ended March 31, 2023
	July 2023 to Sep 2023	July 2022 to Sep 2022	Apr 2023 to Sep 2023	Apr 2022 to Sep 2022	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Profit for the period / year (₹ lakhs)	23,554.30	16,847.62	46,671.00	33,435.31	77,236.17
Weighted average number of units outstanding for computation of basic and diluted earning per unit.	72,64,05,200	59,52,00,000	72,64,05,200	59,52,00,000	65,66,68,738
Earning per unit (basic and diluted) (₹)	**3.24**	**2.83**	**6.42**	**5.62**	**11.76**

d. Contingent Liabilities

Corporate Gurantee issued to senior lenders	2,00,000.00	2,00,000.00	2,00,000.00	2,00,000.00	2,00,000.00
Corporate Gurantee issued to Debenture Trustee on behalf of Non Convertible Debnture Holders	1,50,000.00	-	1,50,000.00	-	1,50,000.00

e.) Other funding commitments

Commitment for loan to Subsidiary Company (Project SPV- NHIPPL)	1,33,700.00	52,000.00	1,33,700.00	52,000.00	1,37,700.00

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Additional disclosures as required by paragraph 6 of Annexure A to the SEBI Circular No. CIR/IMD/DF/127/2016

f. Statement of Related Parties

A. List of Related Parties as per requirement of IND AS 24 – "Related Party Disclosures"

Enterprises where Control / significant influence exists	**National Highways Infra Projects Private Limited (Subsidiary Company) (NHIPPL)**
	NHIT Eastern Projects Private Limited (Subsidiary Company) (NEPPL)

B. List of additional related parties as per Regulation 2(1)(zv) of the SEBI InvIT Regulations

Parties to the Trust

National Highways Infra Investment Managers Private Limited (NHIIMPL) - Investment Manager (IM) of the Trust
IDBI Trusteeship Services Limited (ITSL) - Trustee of the Trust
National Highways Authority of India (NHAI) - Sponsor
National Highways InvIT Project Managers Private Limited (NHIPMPL)- Project Manager

Promoters of the Parties to the Trust specified above

Government of India ((acting through Ministry of Road, Transport & Highways (MORTH)) - Promoter of NHIIMPL
IDBI Bank Limited (IDBI Bank) - Promoter of ITSL
Government of India ((acting through Ministry of Road, Transport & Highways (MORTH)) - Promoter of NHAI
National Highways Authority of India (NHAI)- Promoter of NHIPMPL

Directors of the parties to the Trust specified above

Directors of NHIIMPL

Mr. Suresh Krishan Goyal
Mr. Shailendra Narain Roy
Mr. Mahavir Prasad Sharma
Mr. Pradeep Singh Kharola
Mr. Amit Kumar Ghosh
Mrs. Kavita Saha
Mr. Bruce Ross Crane
Mr. N.R.V.V.M.K. Rajendra Kumar
Mr. Sumit Bose

Directors of ITSL
Mr. Pradeep Kumar Jain
Ms. Jayashree Ranade
Mr. Pradeep Kumar Malhotra
Ms. Baljinder Kaur Mandal
Ms. Jayakumar Subramoniapillai

Directors of NHIPMPL
Mr. Akhil Khare
Mr. Ashish Kumar Singh

A.R. & Co. New Delhi Chartered Accountants

National Highways Infra Trust New Delhi

NATIONAL HIGHWAYS INFRA TRUST

Additional disclosure as required by paragraph 6 of Annexure A to the SEBI Circular No. CIR/IMD/DF/127/2016

C. Transactions with Related Parties during the period/year

(All amounts in ₹ lakh unless otherwise stated)

Particulars	Half Year ended September 30, 2023	Year ended March 31, 2023
	(Unaudited)	*(Audited)*
National Highways Infra Projects Private Limited (NHIPPL)		
Advancement of Long Term Loan to NHIPPL	4,000.00	2,84,966.66
Interest on Long-Term Loan given to NHIPPL	59,626.53	94,698.30
Reimbursement of Expenses paid by NHIT on behalf of NHIPPL	0.04	432.66
National Highways Infra Investment Managers Private Limited (NHIIMPL)		
Investment Manager Fee	902.47	1,491.17
Advance Investment Manager Fees	-	86.06
Reimbursement of Expenses to NHIIMPL	-	39.79
National Highways Authority of India (NHAI)		
Issue of units of Trust to NHAI	-	21,366.83
Interest and other Income distribution	3,867.93	5,589.34
IDBI Trusteeship Services Limited (ITSL)		
Trustee Fees	4.81	12.73
Other fees related to Round 1&2 Assets	-	3.54
NHIT Eastern Projects Private Limited		
Investment in equity shares of NEPPL	10.00	-
Reimbursement of expenses	2.88	-

D. Balance outstanding at the end of the period/year

Particulars	As At September 30, 2023	As at March 31, 2023
	(Unaudited)	(Audited)
National Highways Infra Projects Private Limited (NHIPPL)		
Investment in equity shares of NHIPPL	1,29,410.00	1,29,410.00
Long Term Loan to NHIPPL	8,94,606.66	8,90,606.66
Interest receivable on Long Term Loan given to NHIPPL	62,709.02	46,688.43
Reimbursement of Expense paid by NHIT on behalf of NHIPPL	0.04	-
National Highways Authority of India (NHAI)		
Balance outstanding at the end of the period/year		
Issue of units of Trust to NHAI	1,17,922.83	1,17,922.83
National Highways Infra Investment Managers Private Limited (NHIIMPL)		
IM Fees Payable	-	1.89
IDBI Trusteeship Services Limited		
Trustee Fee Payable	4.81	1.73
NHIT Eastern Projects Private Limited		
Investment in equity shares of NEPPL	10.00	-
Amount receivable for Expenses	2.88	-

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NATIONAL HIGHWAYS INFRA TRUST

Notes to the Unaudited Standalone Interim Financial Results for the quarter and Half Year ended 30 September 2023

1 The investor can view the result of the National Highway Infra Trust (Trust) on the Trust's website (https://www.nhaiinvit.in) or on the websites of BSE (www.bseindia.com) or NSE (www.nseindia.com).

2 The Unaudited Standalone Interim Financial results of National Highways Infra Trust ('Trust') for the quarter and Half year ended 30th September, 2023 have been reviewed by the Audit Committee of National Highways Infra Investment Managers Private Limited ('Investment Manager' of Trust) on 8th November, 2023 and thereafter approved by the Board of Directors of the Investment Manager on 8th November, 2023.

3 The Statutory Auditors of the Trust have carried out the Limited Review of Standalone Interim Financial Results of Trust for the Quarter and half year ended 30th September, 2023 and have issued an unmodified review report on these Standalone Interim Financial Results.

4 The unaudited Standalone Interim Financial results comprise the Standalone Interim Balance Sheet as at 30th September, 2023, Standalone Interim Statement of Profit and Loss , Standalone Interim Statement of Cash Flows for the quarter and half year ended 30th September, 2023 and explanatory notes thereto of the National Highways InfraTrust ('the Trust') for the quarter and half year ended 30th September, 2023 ('the Statement'). The Statement has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (Ind AS) and/or any addendum thereto as defined in Rule 2 (1) (a) of the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India. The Statement has been prepared solely for submissions to be made by the Investment Manager with the Stock Exchanges (both BSE and NSE) and as additional information for stakeholders of the Trust and therefore it may not be suitable for another

5 National Highway Infra Trust ("Trust" or "InvIT") is registered as an Irrevocable Trust registered under the provisions of the Indian Trusts Act, 1882 on 19th October, 2020. It was registered under the Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014 on 28th October, 2020 having registration number IN/InvIT/20-21/0014.

6 The Board of Directors of the Investment Manager has declared distribution for Quarter 2 of FY 2023-24 of Rs. 1.816 per unit which comprises of Rs. 1.774 per unit as interest and Rs. 0.042 per unit as other income on surplus funds at the Trust level in their meeting held on 8th November, 2023. Further, the Board of Directors of the Investment Manager had declared distribution for Quarter 1 of FY 2023-24 of Rs. 1.754 per unit which comprises of Rs. 1.742 per unit as interest and Rs. 0.012 per unit as other income on surplus funds at the Trust level in their meeting held on 11th August, 2023.

7 The Trust has invested the amount of Rs. 10 Lakh in the equity share capital of the NHIT Eastern Projects Private Limited (Project SPV's - II) on 16th June 2023.

8 As per Ind AS 36 'Impairment of assets', based on management review on expected future cash flows and economic conditions of the assets of the Trust, no indicators of impairment of assets exist as on the reporting date. Hence no provision for impairment has been recognized in the books on the reporting date

9 As per Ind AS 109, Financial Assets that are measured at amortized cost are required to compute the Expected Credit Loss (ECL). As at the reporting period, the Investment Manager of the Trust assessed the credit risk of the financial assets and concluded that no provision for ECL is required.

10 All values are rounded to nearest lakh, unless otherwise indicated. Certain amounts that are required to be disclosed and do not appear due to rounding off are expressed as 0.00.

11 Previous period/year figures have been reclassified/regrouped wherever necessary to confirm to current period classification.

12 During the half year ended September 30, 2023, the Trust has taken a further disbursement of amounting to Rs. 24 Crores from the Axis Bank Limited and Rs. 16 Crores from the Bank of Maharashtra in accordance with Facility agreement. The Trust has given the above said amount to Project SPV as Loan at the rate of 12.70% p.a. for initial Improvement works.

13 During the half year ended September 30, 2023, the Trust has obtained the sanction of Rs. 750 Crores from the Axis bank for initial improvement works of Round 2 Assets.

For and on behalf of the National Highways Infra Investment Managers Private Limited
(Investment Manager of National Highways Infra Trust)

National Highways Infra Trust New Delhi

Gunjan Singh
Compliance Officer

Mathew George
Chief Financial Officer

Suresh Krishan Goyal
Director
DIN: 02721580

Place: New Delhi
Date: 8th November, 2023

A.R. & Co. New Delhi Chartered Accountants

A.R. & CO.
Chartered Accountants

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Ghaziabad-201001 Delhi-NCR National
Capital region Of Delhi

INDEPENDENT AUDITOR'S REVIEW REPORT ON THE UNAUDITED CONSOLIDATED INTERIM FINANCIAL INFORMATION OF THE TRUST FOR THE HALF YEAR ENDED ON 30 SEPTEMBER, 2023

To,
The Board of Directors
National Highways Infra Investment Managers Private Limited
(Investment Manager of National Highways Infra Trust)
G-5 & 6, Sector-10,
Dwarka, Delhi - 110075

1. We have reviewed the accompanying Statement of Unaudited Consolidated Interim financial Information of National Highways Infra Trust (the 'Trust') and its two subsidiary (hereinafter referred to as "the National Highways Infra Projects Private Limited or NHIPPL and NHIT Eastern Projects Private Limited of NEPPL") (The Trust and its subsidiary "NHIPPL" and "NEPPL" together referred to as "the Group"), consisting of Unaudited Consolidated Interim Balance Sheet, Unaudited Consolidated Interim Statement of profit and loss (Including Other Comprehensive Income), Cash Flow Statement and other explanatory notes thereto including Net Distributable Cash Flows (NDCFs) for the half year ended 30.09.2023 (hereinafter referred to as "the Statement") attached herewith, being submitted by National Highways Infra Investment Managers Private Limited (the 'Investment Manager') for the purpose of expressing a conclusion that whether anything has come to our notice that causes us to believe that the Statement is not prepared, in all material respects, in accordance with the applicable Indian Accounting Standards ('Ind AS') and other recognized accounting practices and policies, or that it contains any material misstatement.

2. The Statement, which is the responsibility of the Investment Manager and has been approved by the Board of Directors of the Investment Manager, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, "Interim Financial Reporting" (Ind AS 34) as prescribed in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other accounting principles generally accepted in India, to the extent not inconsistent with the Securities and Exchange Board of India (Infrastructure Investment Trusts) Regulations, 2014, as amended, including any guidelines and circulars issued thereunder ("SEBI InvIT Regulations"). Our responsibility is to express a conclusion on the Statement

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based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement. A review of interim financial information consists of making inquiries, primarily of Investment manager personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying Statement is not prepared, in all material respects, in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') as prescribed in Rule 2(1)(a) of the Companies (Indian Accounting Standards) Rules, 2015 (as amended) and other accounting principles generally accepted in India, or that it contains any material misstatement.

5. The accompanying Statement includes the unaudited interim financial results and other financial information of NHIPPL and NEPPL whose unaudited interim financial results include total revenues of Rs 47173.44 Lakhs, total net comprehensive Profit after tax of Rs.15652.55 Lakhs for the half year ended September 30, 2023, as considered in the Statement which have been reviewed by the independent Chartered Accountant.

   Our conclusion on the Statement is not modified in respect of the above matter with respect to our reliance on the work done and the report of the other auditor.

For A. R. & Co.
Chartered Accountants
FRN. 002744C



CA Mohd Azam Ansari
Partner
Membership No: 511623
UDIN: 23511623BGWTHC7760

Place: New Delhi
Date: 08-11-2023

NATIONAL HIGHWAYS INFRA TRUST

SEBI Registration Number :-IN/InvIT/20-21/0014

Unaudited Consolidated Interim Balance Sheet as at September 30, 2023

(All amounts in ₹ lakh unless otherwise stated)

Particulars	As at September 30, 2023 (Unaudited)	As at March 31, 2023 (Audited)
ASSETS		
1) Non - Current Assets		
(a) Property, Plant and Equipment	178.76	125.17
(b) Goodwill	10,144.46	10,144.46
(c) Other Intangible Assets	9,89,956.81	10,01,400.09
(d) Intangible Assets under Development	616.22	-
(e) Financial Assets		
(i) Other Financial Assets	9,868.32	9,672.44
(f) Deferred Tax Assets	7,570.65	4,685.32
(g) Other Non Current Assets	469.61	-
(h) Non Current Tax Assets (Net)	20.04	12.06
Total Non Current Assets	**10,18,824.88**	**10,26,039.54**
2) Current Assets		
(a) Financial Assets		
(i) Trade Receivables	392.85	350.87
(ii) Cash & Cash Equivalents	26,865.69	21,124.08
(iii) Bank Balances other than Cash & Cash Equivalents	510.23	-
(iv) Other Financial Assets	3.57	297.36
(b) Other Current Assets	1,628.46	1,343.35
Total Current Assets	**29,400.80**	**23,115.66**
TOTAL ASSETS	**10,48,225.68**	**10,49,155.20**
EQUITY AND LIABILITIES		
EQUITY		
1) Unit Capital	7,41,593.47	7,41,604.32
2) Initial Settlement Amount	0.10	0.10
3) Other Equity	(11,208.14)	(2,469.86)
Total Equity	**7,30,385.42**	**7,39,134.56**
LIABILITIES		
1) Non-Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	2,95,192.64	2,92,158.33
(b) Provisions	10,976.20	6,318.81
Total Non Current Liabilities	**3,06,168.84**	**2,98,477.14**
2) Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	2,000.00	2,000.00
(ii) Trade Payables		
(a) Total Outstanding, dues of micro and small enterprises	448.15	137.23
(b) Total outstanding, dues of creditors other than micro and small enterprises	3,997.90	3,871.17
(iii) Other Financial Liabilities	5,175.44	5,284.95
(b) Other Current Liabilities	36.17	240.61
(c) Provisions	0.56	0.56
(d) Current Tax Liabilities (Net)	13.20	8.98
Total Current Liabilities	**11,671.42**	**11,543.50**
TOTAL EQUITY & LIABILITIES	**10,48,225.68**	**10,49,155.20**

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NATIONAL HIGHWAYS INFRA TRUST

SEBI Registration Number :-IN/InvIT/20-21/0014

Unaudited Consolidated Interim Statement of Profit and Loss for the Quarter and Half year ended September 30, 2023

(All amounts in ₹ lakh unless otherwise stated)

Particulars	Half Year ended		Quarter ended			Half Year ended March 31, 2023	Year ended March 31, 2023
	September 30, 2023	September 30, 2022	September 30, 2023	June 30, 2023	September 30, 2022		
	(Unaudited)	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*	*(Audited)*	*(Audited)*
INCOME							
Revenue from Operations	47,173.44	27,547.20	23,591.34	23,582.10	13,809.80	41,170.00	68,717.20
Interest Income	470.03	84.07	218.66	251.37	38.68	289.36	373.43
Profit on sale of investments	476.27	102.47	265.22	211.05	71.55	568.70	671.17
Other Income	14.27	35.41	6.49	7.78	-	290.70	326.11
Total Income	**48,134.01**	**27,769.15**	**24,081.71**	**24,052.30**	**13,920.03**	**42,318.76**	**70,087.91**
EXPENSES							
Investment Manger Fees	902.47	606.66	453.70	448.77	304.99	657.04	1,263.70
Trustee Fees	4.81	4.81	2.42	2.39	2.42	4.79	9.60
Valuation expenses	3.24	-	2.16	1.08	-	4.00	4.00
Annual listing fees	26.97	10.03	13.56	13.41	5.04	9.97	20.00
Rating fees	0.10	0.20	0.05	0.05	-	-	0.20
Insurance Expenses	393.08	251.12	197.71	195.37	126.25	377.62	628.74
Custodian Fees	1.58	0.42	0.79	0.79	0.21	0.42	0.84
Project Management Fees	495.60	495.60	247.80	247.80	247.80	495.60	991.20
Operating Expenses	7,808.38	3,211.68	4,154.21	3,654.17	1,998.11	5,813.37	9,025.05
Employee Benefit Expenses	463.91	69.04	268.77	195.14	57.34	242.29	311.33
Finance Cost	12,518.17	5,432.08	6,386.22	6,131.95	2,778.98	11,189.24	16,621.32
Depreciation & Amortization Expenses	11,464.03	6,679.23	5,810.27	5,653.77	3,238.78	10,881.40	17,560.63
Other Expenses	1,022.03	248.65	481.71	540.32	163.81	1,652.07	1,900.72
Audit Fees							
- Statutory audit fees	9.19	1.88	5.33	3.86	0.94	5.85	7.73
- Other audit services (including certification)	0.40	1.30	0.36	0.04	0.65	0.87	2.17
Total Expenses	**35,113.97**	**17,012.70**	**18,025.06**	**17,088.91**	**8,925.32**	**31,334.53**	**48,347.23**
Profit/(Loss) before Exceptional Items and Tax	**13,020.04**	**10,756.45**	**6,056.65**	**6,963.39**	**4,994.71**	**10,984.23**	**21,740.68**
Exceptional Items (net)	-	-	-	-	-	-	-
Profit / (Loss) before Tax	**13,020.04**	**10,756.45**	**6,056.65**	**6,963.39**	**4,994.71**	**10,984.23**	**21,740.68**

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National Highways Infra Trust New Delhi

(All amounts in ₹ lakh unless otherwise stated)

Particulars	Half Year ended		Quarter ended			Half Year ended March 31, 2023	Year ended March 31, 2023
	September 30, 2023	September 30, 2022	September 30, 2023	June 30, 2023	September 30, 2022		
	(Unaudited)	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*	*(Audited)*	*(Audited)*
Tax Expenses							
Current Tax	252.51	68.86	127.32	125.18	29.08	405.03	473.89
Provision for Tax for Earlier Years	0.32	-	0.32	-	-	0.01	0.01
Deferred Tax expense/(credit)	(2,885.33)	(1,683.76)	(1,462.40)	(1,422.93)	(1,125.38)	(2,739.03)	(4,422.79)
Total Tax	**(2,632.51)**	**(1,614.90)**	**(1,334.76)**	**(1,297.75)**	**(1,096.30)**	**(2,333.99)**	**(3,948.89)**
Profit/ (loss) for the period	**15,652.55**	**12,371.35**	**7,391.41**	**8,261.14**	**6,091.01**	**13,318.22**	**25,689.57**
Other Comprehensive Income							
Items that will not be reclassified to Profit and Loss	(1.79)	-	-	-	-	-	-
Items that will be reclassified to Profit and Loss	-	-	-	-	-	-	-
Total Other Comprehensive Income	(1.79)	-	-	-	-	-	-
Total Comprehensive Income for the period	**15,650.76**	**12,371.35**	**7,391.41**	**8,261.14**	**6,091.01**	**13,318.22**	**25,689.57**
Earnings per Unit							
Basic	2.15	2.08	1.02	1.14	1.02	2.03	3.91
Diluted	2.15	2.08	1.02	1.14	1.02	2.03	3.91
Debt- Equity Ratio:	0.41	0.25	0.41	0.40	0.25	0.40	0.40
Debt Service coverage ratio	3.14	6.01	5.74	2.13	7.34	4.42	5.19
Interest Service coverage ratio	2.04	2.98	1.95	2.14	2.80	1.98	2.31
Security Cover ratio	3.27	N.A	3.27	3.28	N.A	3.21	3.21
Outstanding redeemable preference shares (quantity	-	-	-	-	-	-	-
Capital redemption reserve/debenture redemption	-	-	-	-	-	-	-
Networth :	7,30,385.42	5,93,847.77	7,30,385.42	7,35,735.16	5,93,847.77	7,39,134.56	7,39,134.56
Net Profit after tax :	15,650.76	12,371.35	7,391.41	8,261.14	6,091.01	13,318.22	25,689.57
Current Ratio:	2.52	0.85	2.52	2.69	0.85	2.00	2.00
Long term debt to working capital:	16.65	-	16.65	20.85	-	25.25	25.25
Bad debts to Accounts receiveable ratio:	-	-	-	-	-	-	0.03
Current liability ratio:	0.04	0.09	0.04	0.28	0.09	0.04	0.04
Total debts to total assets:	0.28	0.19	0.28	0.03	0.19	0.28	0.28
Debtors turnover:	126.86	82.18	65.60	69.64	184.86	195.67	144.46
Inventory turnover:	N.A	N.A	N.A	N.A	N.A	N.A	N.A
Operating margin %	76.40%	82.21%	75.29%	77.51%	78.95%	77.50%	79.39%
Net profit margin %	33.18%	44.91%	31.33%	35.03%	44.11%	32.35%	37.38%

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NATIONAL HIGHWAYS INFRA TRUST

SEBI Registration Number :-IN/InvIT/20-21/0014

Unaudited Interim Consolidated Statement of Cash Flows for the Quarter and Half Year ended September 30, 2023

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	Half Year ended		Quarter ended			Half Year ended March 31, 2023	Year ended March 31, 2023
	September 30, 2023	September 30, 2022	September 30, 2023	June 30, 2023	September 30, 2022		
	(Unaudited)	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*	*(Audited)*	*(Audited)*
A. Cash flows from operating activities							
Net Profit/(Loss) Before Tax	13,020.04	10,756.45	6,056.65	6,963.39	4,994.71	10,984.23	21,740.68
Adjustments:							
Depreciation and Amortization	11,464.03	6,679.23	5,810.27	5,653.76	3,238.78	10,881.40	17,560.63
Profit on redemption of Mutual Funds	(476.27)	(101.47)	(265.22)	(211.05)	(70.55)	(569.70)	(671.17)
Interest income from FDR	(470.03)	(84.07)	(218.66)	(251.37)	(38.68)	(289.36)	(373.43)
Finance Cost (net)	12,171.19	5,412.78	6,164.38	6,006.81	2,769.44	11,177.39	16,590.17
Provision for major maintenance expenses	4,406.44	-	2,143.36	2,263.08	-	5,879.20	5,879.20
Unwinding interest on major maintenance provision	228.42	-	110.75	117.67	-	24.95	24.95
Provision for Leave encashment and Gratuity	21.26	-	11.53	9.73	-	11.93	11.93
Provision for expected credit loss	-	-	-	-	-	59.60	59.60
Bad debts written off	-	-	-	-	-	9.90	9.90
Operating cash flows before Working Capital Changes	**40,365.08**	**22,662.92**	**19,813.05**	**20,552.02**	**10,893.70**	**38,169.54**	**60,832.46**
Movements in Working Capital							
Decrease / (Increase) in Trade & Other Receivables	(41.98)	530.53	(66.48)	24.50	9.53	(350.43)	180.10
Decrease / (Increase) in Other Non Current Financial Assets	-	-	-	-	-	(208.85)	(208.85)
Decrease / (Increase) in Other Non Current/Current Assets	4.01	182.03	375.22	(371.21)	73.85	(1,016.99)	(834.96)
Decrease / (Increase) in Other Current Financial Assets	(3.57)	(281.01)	(0.62)	(2.95)	(63.25)	(12.52)	(293.53)
Increase / (Decrease) in Trade & Other Payables	437.64	1,222.37	548.07	(110.43)	843.88	2,044.64	3,267.01
Increase / (Decrease) in Other Financial Liabilities	(146.84)	178.33	(45.93)	(100.91)	100.87	(120.85)	57.50
Increase / (Decrease) in Provisions	(0.52)	1,731.28	(0.01)	(0.51)	900.20	(1,731.39)	(0.11)
Increase / (Decrease) in Other Current Liabilities	(196.65)	9,349.35	(11.23)	(185.42)	9,268.39	(9,349.49)	(0.14)
Increase / (Decrease) in Current Tax Liabilities	-	(151.82)	-	-	(8.79)	151.83	-
Cash used in operating activities	**40,417.18**	**35,423.97**	**20,612.08**	**19,805.09**	**22,018.38**	**27,575.49**	**62,999.48**
Income Tax paid	(256.59)	(68.87)	(202.99)	(53.60)	(29.10)	(557.82)	(626.67)
Net Cash Flows used in operating activities -A	**40,160.59**	**35,355.10**	**20,409.09**	**19,751.49**	**21,989.28**	**27,017.67**	**62,372.81**

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(All amounts are in ₹ lakh unless otherwise stated)

Particulars	Half Year ended		Quarter ended			Half Year ended March 31, 2023	Year ended March 31, 2023
	September 30, 2023	September 30, 2022	September 30, 2023	June 30, 2023	September 30, 2022		
	(Unaudited)	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*	*(Unaudited)*	*(Audited)*	*(Audited)*
B. Cash flows from investing activities							
Purchase of Property, Plant & Equipment, including CWIP,	(1,160.17)	(110.41)	(1,101.11)	(59.06)	(109.61)	(2,84,990.60)	(2,85,101.04)
(Investment)/Redemption in FDR	(755.17)	50.81	(571.03)	(184.14)	(244.03)	(6,349.99)	(6,299.19)
Interest received on maturity of FDR	524.41	-	345.64	178.77	-	189.55	189.55
Profit on redemption of mutual funds	476.27	101.47	265.22	211.05	70.55	569.70	671.17
Net Cash Flows used in investing activities - B	**(914.66)**	**41.86**	**(1,061.28)**	**146.62**	**(283.10)**	**(2,90,581.33)**	**(2,90,539.51)**
C. Cash flows from financing activities							
Proceeds from Issue of Unit Capital	-	-	-	-	-	1,43,013.67	1,43,013.67
Expense incurred towards initial public debt offering	-	-	-	(10.85)	-	(1,689.00)	(1,689.00)
Expense incurred towards institutional unit allotment	(10.85)	(34.13)	-	-	(15.87)	(1,065.00)	(1,099.13)
Distribution to Unit Holders	(24,389.05)	(24,700.80)	(12,741.14)	(11,647.91)	(19,998.72)	(10,227.06)	(34,927.86)
Proceeds from Long Term Borrowings including NCDs	4,000.00	-	4,000.00	-	-	1,50,000.00	1,50,000.00
Financing charges paid	-	-	-	-	-	(197.00)	(197.00)
Repayment of Long Term Borrowings	(1,001.98)	(500.67)	(501.17)	(500.81)	(247.16)	(510.31)	(1,010.98)
Finance Costs Paid	(12,102.43)	(5,401.82)	(3,158.30)	(8,944.13)	(2,759.37)	(5,779.04)	(11,180.86)
Net Cash Flows from financing activities -C	**(33,504.32)**	**(30,637.43)**	**(12,400.62)**	**(21,103.70)**	**(23,021.11)**	**2,73,546.26**	**2,42,908.84**
(A+B+C)	5,741.61	4,759.53	6,947.20	(1,205.59)	(1,314.92)	9,982.60	14,742.14
year/period	21,124.08	6,381.94	19,918.49	21,124.08	12,456.39	11,141.47	6,381.94
Cash and Cash Equivalents at the end of the year/period	**26,865.69**	**11,141.47**	**26,865.69**	**19,918.49**	**11,141.47**	**21,124.08**	**21,124.08**

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NATIONAL HIGHWAYS INFRA TRUST

SEBI Registration Number :-IN/InvIT/20-21/0014

Disclosures pursuant to SEBI circulars (SEBI Master Circular No. CIRSEBI/HO/DDHS_Div3/P/CIR/2021/1673 dated 29th November, 2021 issued under the InvIT regulations)

a. Statement of Net Distributable Cash Flows (NDCF) at Trust Level (NHIT) (All amounts in ₹ lakh unless otherwise stated)

S. No.	Particulars	For the Half Year ended September 30, 2023
		(Unaudited)
1	**Profit after tax as per Statement of profit and loss/income and expenditure (standalone) (A)**	**46,671.00**
2	Add:- Income recognised in previous year and received in this year	43,605.94
3	Less:- Interest expenses recognised in previous year and paid in this period	(5,129.59)
4	**Add:** Depreciation and amortization as per statement of profit and loss account. Incase of Impairment reversal, same needs to be deducted from profit and loss.	-
5	**Add/Less:** Loss/gain on sale of infrastructure assets	-
6	**Add:** Proceeds from sale of infrastructure assests adjusted for the following: related debts settled or due to be settled from sale proceeds; directly attributable transaction costs; proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT regulations	-
7	**Add:** Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit/ (loss) recognised in profit and loss account.	-
8	**Add/ Less:** Any other item of non- cash expense/ non cash income (net of actual cash flows for these items), if deemed necessary by the Investment Manager. For example, any decrease/ increase in carrying amount of an asset or a liability recognised in profit and loss /income and expenditure on measurement of the asset or the liability at fair value; Interest cost as per effective interest rate method, deferred tax lease rents recognised on a straight line basis, etc.	(54,748.95)
9	**Less:** Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements.	(1,264.65)
10	**Total Adjustment (B)**	**(17,537.26)**
11	**Net Surplus (C) = (A+B)**	**29,133.74**
12	Add: Opening Cash	2,431.84
13	Less: NDCF already distributed to Unitholders in Q1 of FY 23-24	12,741.15
14	**Balance Distributable Cash Flows**	**18,824.44**
15	Less: Amounts set-aside for payment of liabilities	(5,631.64)
16	**Balance Net Distributable Cash Flows for the Half Year ended Sep 30, 2023**	**13,192.80**

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SEBI Registration Number :-IN/InvIT/20-21/0014

Disclosures pursuant to SEBI circulars (SEBI Master Circular No. CIRSEBI/HO/DDHS_Div3/P/CIR/2021/1673 dated 29th November, 2021 issued under the InvIT regulations)

b. Statement of Net Distributable Cash Flows (NDCF) at SPV Level (NHIPPL)

(All amounts in ₹ lakh unless otherwise stated)

S. No.	Particulars	For the Half Year ended September 30, 2023
		(Unaudited)
1	**Profit after tax as per Statement of profit and loss/income and expenditure (standalone) (A)**	**(31,010.48)**
2	**Add:** Depreciation and amortization as per statement of profit and loss account. Incase of Impairment reversal, same needs to be deducted from profit and loss.	11,463.98
3	**Add/Less:** Loss/gain on sale of infrastructure assets	-
4	**Add:** Proceeds from sale of infrastructure assests adjusted for the following: related debts settled or due to be settled from sale proceeds; directly attributable transaction costs; proceeds reinvested or planned to be reinvested as per Regulation 18(7)(a) of the InvIT regulations	-
5	**Add:** Proceeds from sale of infrastructure assets not distributed pursuant to an earlier plan to re-invest, if such proceeds are not intended to be invested subsequently, net of any profit/ (loss) recognised in profit and loss account. *	(474.19)
6	**Add/ Less:** Any other item of non- cash expense/ non cash income (net of actual cash flows for these items), if deemed necessary by the Investment Manager. For example, any decrease/ increase in carrying amount of an asset or a liability recognised in profit and loss /income and expenditure on measurement of the asset or the liability at fair value; Interest cost as per effective interest rate method, deferred tax lease rents recognised on a straight line basis, etc.	61,397.31
7	**Less:** Repayment of external debt (principal) / redeemable preference shares / debentures, etc. (excluding refinancing) / net cash set aside to comply with DSRA requirement under loan agreements.	(492.50)
8	**Total Adjustments (B)**	71,894.60
9	**Opening Surplus from previous FY 22-23 (C)**	3,896.22
10	**Net Distributable Cash Flows (D) = (A+B+C)**	**44,780.34**
11	**Less: Distributions paid to Trust (as Interest Pass through) upto Aug 2023**	**(37,252.13)**
12	**Balance Distributable Cash Flow upto Sept 2023**	**7,528.22**
13	**Less: Distribution paid for half year ended Sept 23**	**(6,353.81)**
14	**Balance Distributable Cash Flows**	**1,174.41**

* This includes amount utilized for purchase of Property, Plant and Equipment's and Intangible Assets

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NATIONAL HIGHWAYS INFRA TRUST

SEBI Registration Number :-IN/InvIT/20-21/0014

Disclosures pursuant to SEBI circulars (SEBI Master Circular No. CIRSEBI/HO/DDHS_Div3/P/CIR/2021/1673 dated 29th November, 2021 issued under the InvIT regulations)

c. Project Management Fees :-

i) The Project Manager (NHIPMPL) for managing the initial portfolio of assets, is entitled to a Project Manager fee based on the Project Implementation and Management Agreement (PIMA) signed on 30th March, 2021.

ii) The Project Manager fee Payable as per PIMA Agreement dated March 30, 2021 is Rs. 70 lakhs per month for a period of 18 months from the date of commencement of this agreement i.e. 16.12.2021. Further, the fee shall be remain the same till 31.10.2023 as per letter No. NHIPMPL/O&M Fees/01/02 dated 26.09.2023. The project manager's fee for the period thereafter shall be as may be mutually agreed between the parties.

d. Investment manager fees

i) The Investment Manager's fee as per agreement dated 21st October 2020 will initially be Rs. 1,100 Lakh (Rupees Eleven Hundred Lakhs) per annum.

ii) The Investment Management Agreement is revised and the fee with effect from 1st April 2023 has been agreed at Rs 1,800 Lakhs (Rupees Eighteen hundred lakhs) for the Financial Year 2023-24.

iii) The management fee set out in paragraph (ii) above shall be subject to escalation on an annual basis at the rate of 10% of the management fee for the previous year.

iv) Any applicable taxes, cess or charges, as the case may be, shall be in addition to the management fee and shall be payable by National Highways Infra Trust (NHIT) to the Investment Manager (NHIIMPL).

Payment of frequency: Payment of management fee shall be made by National Highways Infra Trust (NHIT) to the Investment Manager (NHIIMPL) in advance on a quarterly basis at the beginning of each quarter of a financial year.

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e. Statement of earnings per unit ('EPU')

Basic EPU amounts are calculated by dividing the profit for the period/ year attributable to Unit holders by the weighted average number of units outstanding during the period/ year. Diluted EPU amounts are calculated by dividing the profit/(loss) attributable to unit holders by the weighted average number of units outstanding during the period/ year plus the weighted average number of units that would be issued on conversion of all the dilutive potential units into unit capital.

(All amounts are in ₹ lakh unless otherwise stated)

Particulars	Quarter Ended		Half Year Ended		For the Year ended March 31, 2023
	July 2023 to Sep 2023	July 2022 to Sep 2022	Apr 2023 to Sep 2023	Apr 2022 to Sep 2022	
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
Profit for the period / year (₹ lakhs)	7,391.41	6,091.01	15,650.76	12,371.35	25,689.57
Weighted average number of units outstanding for computation of basic and diluted earning per unit.	72,64,05,200	59,52,00,000	72,64,05,200	59,52,00,000	65,66,68,738
Earning per unit (basic and diluted) (₹)	**1.02**	**1.02**	**2.15**	**2.08**	**3.91**

f. Statement of Contingent Liabilities/Contingent Assets

(All amounts are in ₹ lakh unless otherwise stated)

i) Contingent Liabilities					
Corporate Guarantee issued to senior lenders	2,00,000.00	2,00,000.00	2,00,000.00	2,00,000.00	2,00,000.00
Corporate Guarantee issued to Debenture Trustee on behalf of Non Convertible Debenture Holders	1,50,000.00	-	1,50,000.00		1,50,000.00
Stamp Duty on Concession agreement on Belgaum Kagal Project (refer note (a))	6,990.00	-	6,990.00	-	-
ii) Contingent Assets					
Stamp Duty on Concession agreement on Belgaum Kagal Project (refer note (b))	6,990.00	-	6,990.00	-	-

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Note (a) Stamp Duty on Concession agreement on Belgaum Kagal Project - The company has received notice from Office of Deputy Registrar of Stamps, Government of Karnataka. As per this notice additional stamp duty of Rs 69.90 crore has been imposed on the company for the concession agreement entered into for Belgaum-Kagal road.
Stamp legislation in certain states also specifies that copy of the main document in respect of any property, or any business within the state also needs to be stamped with original amount of stamp duty, if the original document has not been stamped with full amount of the stamp duty (Karnataka).
There is no specific entry in respect of the concession agreement. Earlier such agreements used to be stamped under the residuary category of the agreements and a nominal amount was paid on such agreements.
Various judicial pronouncements by various high courts have divergent views and the issue is debatable and there is no clarity on the same.
The company is contesting this imposition of duty on concession agreement notice with Government of Karnataka.

Note (b) Contingent Assets
Stamp Duty on Concession agreement on Belgaum Kagal Project- In the event of the stamp duty becoming payable, it shall be reimbursed by NHAI. Since no provision has been recognised in the books with respect to stamp duty, the reimbursement has not been recognised as an asset considering the guidance in Ind AS 37.

g. Capital Commitments as on 30.09.2023

(All amounts are in ₹ lakh unless otherwise stated)

Particular	July 2023 to Sep 2023	July 2022 to Sep 2022	Apr 2023 to Sep 2023	Apr 2022 to Sep 2022	For the Year ended March 31, 2023
The estimated value of contracts to be executed and not provided for	43,388.06	Nil	57,620.00	Nil	Nil
Other Commitments	Nil	Nil	Nil	Nil	Nil
Total	**43,388.06**	**Nil**	**57,620.00**	**Nil**	**Nil**

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NATIONAL HIGHWAYS INFRA TRUST

SEBI Registration Number :-IN/InvIT/20-21/0014

Disclosures pursuant to SEBI circulars (SEBI Master Circular No. CIRSEBI/HO/DDHS_Div3/P/CIR/2021/1673 dated 29th November, 2021 issued under the InvIT regulations)

h. Statement of Related Parties

A. List of Related Parties as per requirement of IND AS 24 – "Related Party Disclosures"

Enterprises where Control / significant influence exists	**National Highways Infra Projects Private Limited (Subsidiary Company) (NHIPPL)**
	NHIT Eastern Projects Private Limited (Subsidiary Company) (NEPPL)

B. List of additional related parties as per Regulation 2(1)(zv) of the SEBI InvIT Regulations

Parties to the Trust

National Highways Infra Investment Managers Private Limited (NHIIMPL) - Investment Manager (IM) of the Trust
IDBI Trusteeship Services Limited (ITSL) - Trustee of the Trust
National Highways Authority of India (NHAI) - Sponsor
National Highways InvIT Project Managers Private Limited (NHIPMPL)- Project Manager

Promoters of the Parties to the Trust specified above

Government of India ((acting through Ministry of Road, Transport & Highways (MORTH)) - Promoter of NHIIMPL
IDBI Bank Limited (IDBI Bank) - Promoter of ITSL
Government of India ((acting through Ministry of Road, Transport & Highways (MORTH)) - Promoter of NHAI
National Highways Authority of India (NHAI)- Promoter of NHIPMPL

Directors of the parties to the Trust specified above

Directors of NHIIMPL
Mr. Suresh Krishan Goyal
Mr. Shailendra Narain Roy
Mr. Mahavir Prasad Sharma
Mr. Pradeep Singh Kharola
Mr. Amit Kumar Ghosh
Mrs. Kavita Saha
Mr. Bruce Ross Crane
Mr. N.R.V.V.M.K. Rajendra Kumar
Mr. Sumit Bose

Directors of NHIPPL
Mr. Suresh Krishan Goyal
Mr.Muralidhara Rao Bugatha
Mr. M. P. Sharma
Mr. Shailendra Narain Roy
Mr. N.R.V.V.M.K. Rajendra Kumar

Directors of NEPPL
Mr. Suresh Krishan Goyal
Mr. Mathew George

Directors of ITSL
Mr. Pradeep Kumar Jain
Ms. Jayashree Ranade
Mr. Pradeep Kumar Malhotra
Ms. Baljinder Kaur Mandal
Ms. Jayakumar Subramoniapillai

Directors of NHIPMPL
Mr. Akhil Khare
Mr. Ashish Kumar Singh

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Additional disclosure as required by paragraph 6 of Annexure A to the SEBI Circular No. CIR/IMD/DF/127/2016

C. Transactions with Related Parties during the period/year

(All amounts in ₹ lakh unless otherwise stated)

Particulars	Half Year ended September 30, 2023	Year ended March 31, 2023
	(Unaudited)	*(Audited)*
National Highways Infra Investment Managers Private Limited (NHIIMPL)		
Investment Manager Fee	902.47	1,491.17
Advance Investment Manager Fees	-	86.06
Other Support Services	2.71	3.12
Reimbursement of Expenses to NHIIMPL on behalf of NHIPPL	-	0.07
Reimbursement of Expenses to NHIIMPL on behalf of NHIT	-	39.79
National Highways Authority of India (NHAI)		
Issue of units of Trust to NHAI	-	21,366.83
Payment related to aquisation of intangible assets	-	2,84,966.66
O & M Expenses	315.60	1,152.32
Double toll fees	272.01	679.17
Independent engineers fees	101.23	345.38
Interest and other Income distribution	3,867.93	5,589.34
IDBI Trusteeship Services Limited (ITSL)		
Trustee Fees	4.81	12.73
Other fees related to Round 1&2 Assets	-	3.54
National Highways InvIT Project Managers Private Limited (NHIPMPL)		
Project Manager Fees	495.60	991.20

D. Summary of transactions with Key Managerial Personnel (KMP)

(All amounts in ₹ lakh unless otherwise stated)

Details of Key Managerial Personnel	Particulars	Half Year ended September 30, 2023	Year ended March 31, 2023
Mr. Suresh Krishan Goyal	Reimbursement of Expenses	0.56	0.39
Mr. M P Sharma	Director's sitting fees	4.80	6.40
Mr. Shailendra Narain Roy	Director's sitting fees	4.80	6.40
Mrs. Ajanta Sen	Salary	-	1.84
Mr. Arun Kumar Jha	Salary	28.56	-
Mr. Arun Kumar Jha	Reimbursement of Expenses	2.83	-
Mr. Bhanu Sharma (CS)	Salary	4.61	3.91

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E. Balance outstanding at the end of the period/year

Particulars	As At September 30, 2023	As at March 31, 2023
	(Unaudited)	(Audited)
National Highways Authority of India (NHAI)		
Balance outstanding at the end of the period/year		
Issue of units of Trust to NHAI	1,17,922.83	1,17,922.83
O&M Fees Payable	937.55	880.35
Double Toll Fees Payable	8.04	148.21
Independent Engineer Payable	372.77	276.03
National Highways Infra Investment Managers Private Limited (NHIIMPL)		
Expense Payable	0.48	0.48
Payable for Other Support Services	2.71	-
IM Fees Payable	-	1.89
IDBI Trusteeship Services Limited		
Trustee Fee Payable	4.81	1.73
National Highways InvIT Project Managers Private Limited (NHIPMPL)		
Project Manager Fee Payable	285.60	762.50

F. Closing Balances with Key Managerial Personnel (KMP)

(All amounts in ₹ lakh unless otherwise stated)

Details of Key Managerial Personnel	Particulars	As At September 30, 2023	As at March 31, 2023
Mr. M P Sharma	Director's sitting fees	0.72	-
Mr. Shailendra Narain Roy	Director's sitting fees	0.72	-

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NATIONAL HIGHWAYS INFRA TRUST

SEBI Registration Number :-IN/InvIT/20-21/0014

Notes to the Unaudited Consolidated Interim Financial Results for the quarter and Half Year ended 30 September 2023

1 The investor can view the result of the National Highway Infra Trust (Trust) on the Trust's website (https://www.nhaiinvit.in) or on the websites of BSE (www.bseindia.com) or NSE (www.nseindia.com).

2 The Unaudited Consolidated Interim Financial results of National Highways Infra Trust ('Trust') for the quarter and Half year ended 30th September, 2023 have been reviewed by the Audit Committee of National Highways Infra Investment Managers Private Limited ('Investment Manager' of Trust) on 8th November, 2023 and thereafter approved by the Board of Directors of the Investment Manager on 8th November, 2023.

3 The Statutory Auditors of the Trust have carried out the Limited Review of Consolidated Interim Financial Results of Trust for the Quarter and half year ended 30th September, 2023 and have issued an unmodified review report on these Consolidated Interim Financial Results.

4 The unaudited Consolidated Interim Financial results comprise the Consolidated Interim Balance Sheet as at 30th September, 2023, Consolidated Interim Statement of Profit and Loss,Consolidated Interim Statement of Cash Flows and explanatory notes thereto of the National Highways Infra Trust ('the Trust') for the quarter and half year ended 30th September, 2023 ('the Statement'). The Statement has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards (Ind AS) and/or any addendum thereto as defined in Rule 2 (1) (a) of the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India. The Statement has been prepared solely for submissions to be made by the Investment Manager with the Stock Exchanges (both BSE and NSE) and as additional information for stakeholders of the Trust and therefore it may not be suitable for another purpose.

5 The consolidated Interim Results incorporate the Interim Results of the Trust and its subsidiary (Project SPV- NHIPPL and NEPPL). The Consolidated Interim Results combine the financial statements of the Trust and its subsidiaries on a line-by-line basis by adding together the like items of assets, liabilities, income, and expenses. All intra-group assets, liabilities, income, expenses and unrealised profits/losses on intra-group transactions are eliminated on consolidation unless the transaction provides evidence of an impairment of transferred asset. The carrying amount of the Group's investment in each subsidiary and the Group's portion of equity in each subsidiary are offset with each other in the consolidated financial statements.

6 National Highway Infra Trust ("Trust" or "InvIT") is registered as an Irrevocable Trust registered under the provisions of the Indian Trusts Act, 1882 on 19th October, 2020. It was registered under the Securities and Exchange Board of India (Infrastructure Investment Trust) Regulations, 2014 on 28th October, 2020 having registration number IN/InvIT/20-21/0014.

7 The Board of Directors of the Investment Manager has declared distribution for Quarter 2 of FY 2023-24 of Rs. 1.816 per unit which comprises of Rs. 1.774 per unit as interest and Rs. 0.042 per unit as other income on surplus funds at the Trust level in their meeting held on 8th November, 2023. Further, the Board of Directors of the Investment Manager had declared distribution for Quarter 1 of FY 2023-24 of Rs. 1.754 per unit which comprises of Rs. 1.742 per unit as interest and Rs. 0.012 per unit as other income on surplus funds at the Trust level in their meeting held on 11th August, 2023.

8 The Trust has invested the amount of Rs. 10 Lakh in the equity share capital of the NHIT Eastern Projects Private Limited (Project SPV's - II) on 16th June 2023.

9 As per Ind AS 36 'Impairment of assets', based on management review on expected future cash flows and economic conditions of the assets of the Trust, no indicators of impairment of assets exist as on the reporting date. Hence no provision for impairment has been recognized in the books on the reporting date

10 As per Ind AS 109, Financial Assets that are measured at amortized cost are required to compute the Expected Credit Loss (ECL). As at the reporting period, the Investment Manager of the Trust assessed the credit risk of the financial assets and concluded that no provision for ECL is required.

11 The Group has not created deferred tax assets on major maintenance obligations, as carried forward business losses will not be available for utilisation within the time limit allowable as per the Income Tax Act based on the future projections of the profitability of the entity.

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12 During the half year ended September 30, 2023, the Group has obtained the sanction of Rs. 750 Crores from the Axis bank for initial improvement works of Round 2 Assets.

13 All values are rounded to nearest lakh, unless otherwise indicated. Certain amounts that are required to be disclosed and do not appear due to rounding off are expressed as 0.00.

14 Previous period/year figures have been reclassified/regrouped wherever necessary to confirm to current period classification.

For and on behalf of the National Highways Infra Investment Managers Private Limited
(Investment Manager of National Highways Infra Trust)

National Highways Infra Trust New Delhi

Gunjan Singh
Compliance Officer

Mathew George
Chief Financial Officer

Suresh Krishan Goyal
Director
DIN: 02721580

A.R. & Co. New Delhi Chartered Accountants

Place: New Delhi
Date: 8th November, 2023