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Executive Summary

Enterprise and Equity Valuation of National Highways Infra Projects Private Limited as of 31st December 2022

RBSA Valuation Advisors LLP

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Private and Confidential

Date: 20th February 2023

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

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

Dear Sir,

We refer to our appointment letter dated 29th December 2020 wherein RBSA Valuation Advisors LLP ("RBSA" or "We" or "us") was appointed by National Highways Infra Investment Managers Private Limited ("NHIIMPL"/ the "Investment Manager"), as an independent valuer, as per Regulation 2(zzf) of the SEBI (Infrastructure Investment Trust) Regulations, 2014 ("SEBI InvIT Regulations") and our subsequent discussions, for carrying out the valuation of National Highways Infra Projects Private Limited ("NHIPPL" or "SPV").

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

NHIPPL is a wholly owned subsidiary of NHIT. NHIPPL has been incorporated as a special purpose vehicle and, as at 31st December 2022 encompass 8 Toll road projects (together referred to as the "Specified Projects"). NHIPPL has entered into concession agreements with NHAI to operate, maintain and transfer the Specified Projects under the Toll, Operate and Transfer ("TOT") model.

The Specified Projects held by NHIPPL as at 31st December 2022 ("Valuation Date") comprise the following:

1. Abu Road (Rajasthan) to Swaroopganj (Rajasthan)
2. Chittorgarh (Rajasthan) to Kota (Rajasthan)
3. Palanpur (Gujarat) to Abu Road (Rajasthan)
4. Kothakota Bypass (Telangana) to Kurnool (Andhra Pradesh)
5. Belgaum (Karnataka) to Kagal (Karnataka)
6. Agra Bypass (Uttar Pradesh)
7. Shivpuri (Madhya Pradesh) to Jhansi (Uttar Pradesh)
8. Borkhedi – Wadner – Deodhari – Kelapur (Maharashtra/Telangana Border)



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The Trust intends to undertake the fair valuation of NHIPL as on 31st December 2022 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 as of 31st December 2022.

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.

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 complies with the SEBI InvIT Regulations and guidelines, circular or notification issued by SEBI there under.

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

Sr. No.	Name of Section	NH	Total Length (Kms)	Toll Plaza	Start Kms	End Kms
1	Abu Road – Swaroopganj	NH-27	31.000	Undavariya	646.000	677.000
2	Chittorgarh – Kota & Chittorgarh Bypass	NH-27	160.500	Bassi, Aroli and Dhaneshwar	891.929	1052.429
3	Palanpur/ Khemana – Abu Road	NH-27	45.000	Khemana	601.000	646.000
4	Kothakota Bypass - Kurnool Highway	NH-44	74.622	Pullur	135.469	211.000
5	Maharashtra / Karnataka Border (Kagal) Highway	NH-48	77.705	Hattargi and Kognoli	515.000	592.705
6	Agra Bypass	NH-2 – NH-3	32.800	Raibha	176.800 KM of NH-2	13.030 KM of NH-3
7	Shivpuri to Jhansi	NH-27	75.300	Raksha	1305.000 KM of NH-27	1380.387 KM of NH-27
8	Borkhedi-Wadner-Deodhari-Kelapur	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 of NHIIMPL



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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 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 free cash flows to the firm (SPV) beginning from 1st January 2023 until the end of the respective concession periods of the Specified Projects, using a Weighted Average Cost of Capital (“WACC”) of 10.50% computed as of the Valuation Date.

Enterprise Valuation of NHIPPL as of 31st December 2022, has been carried out considering *inter-alia* Traffic Study 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 National Highways Infra Projects Private Limited as of 31st December 2022 is as follows:

Particulars	In INR cr.
Enterprise Value	11,073.11
Less: Debt	-9,261.58
Less: Debt like	-6.14
Add: Cash and cash equivalent	40.98
Equity Value	1,846.37

This letter should be read in conjunction with our detailed Report for the valuation of the Specified Projects, including the Assumptions and Limiting Conditions stated therein.

Thank you

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



Name: Ravishu Vinod Shah

Designation: Partner

Asset Class: Securities or Financial Assets (RV No.: IBBI/RV/06/2020/12728)