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Enterprise and Equity Valuation of National Highways Infra Projects Private Limited as of 31st December 2023

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Private and Confidential

Report Ref No: RVA2324AMDREP082

09/02/2024

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: RVA2324AMDREP061 dated 10 November 2023 ("September 2023 Valuation Report") for valuation of NHIPPL as at 30th September 2023 and our subsequent discussions for updating the valuation of NHIPPL as at 31 December 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.



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The Trust intends to undertake the fair valuation of the SPV as on 31st December 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 31st December 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)

Name: Ravishu Vinod Shah

Designation: Partner

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

09/02/2024

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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 December 2023 (“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

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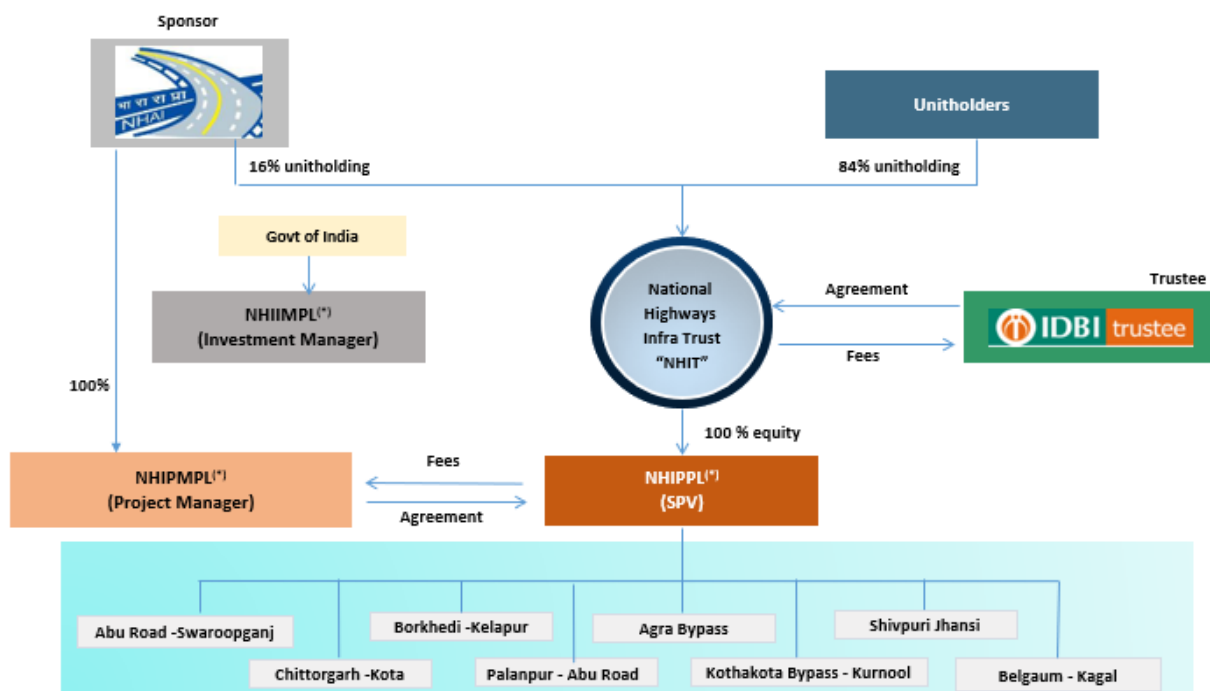
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Sr. No.	Name of Section	NH	Total Length (Kms)	Toll Plaza	Start Kms	End Kms
5	Chittorgarh (Rajasthan) to Kota (Rajasthan)	NH-27	160.500	Bassi, Aroli and Dhaneshwar	891.929	1052.429
6	Agra Bypass (Uttar Pradesh)	NH-2 – NH-3	32.800	Raibha	176.800 KM of NH-2	13.030 KM of 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/Telanga na 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 December 2023.

Source: Information provided by the Management



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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 (“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 January 2024 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.



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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 31st December 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 December 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 December 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 December 2023 is as follows:

SPV	WACC	Enterprise Value (INR Cr)	Equity Value (INR Cr.)
National Highways Infra Projects Private Limited ("NHIPPL")	10.40%	11,711.8	2,092.0

Particulars	In INR cr.
Enterprise Value	11,711.8
Less: Debt	(9,720.5)
Less: Debt like items	(0.1)
Add: Cash and cash equivalent*	100.8
Equity Value	2,092.0

* Cash and cash equivalent as at 31st December 2023 excludes fixed deposits aggregating ~INR 5.1 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 31st December 2023 includes the aforementioned FD and the same is projected to be released in the subsequent period.



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 December 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.



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- 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 December 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 December 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 1st February 2024.
- 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/ SPV 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.



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- 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.



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- **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 December 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 the period 1st April 2023 to 31st December 2023;
- Analysis of the financial position (balance sheet) of the SPV as of 31st December 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 August 2023 Report

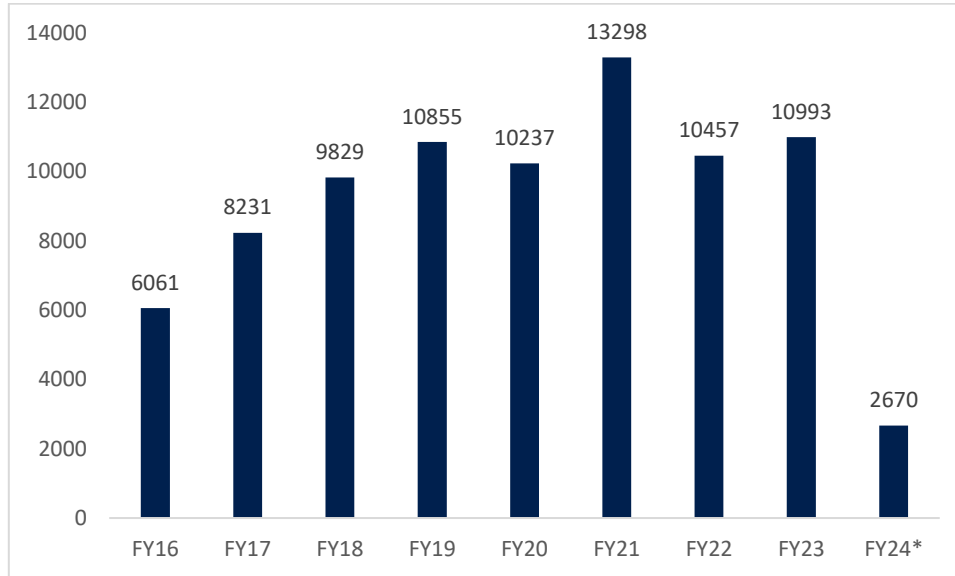
- This road network transports ~64.5 per cent of all goods in the country and ~90 per cent of India’s total passenger traffic uses road network to commute. Road transportation has gradually increased over the years with improvement in connectivity between cities, towns, and villages in the country.

Strong momentum in expansion of roadways

- In FY24 (until July), cumulatively, 2,670 km of National Highways have been constructed and has been 1,125 km awarded.
- In FY23, the Ministry of Road Transport and Highways constructed national highways extending ~10,993 kms. In FY 22 the same was ~10,457 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.
- GOI aims to construct ~25,000 km of National Highways in FY2022-23 at record speed of ~50km per day.



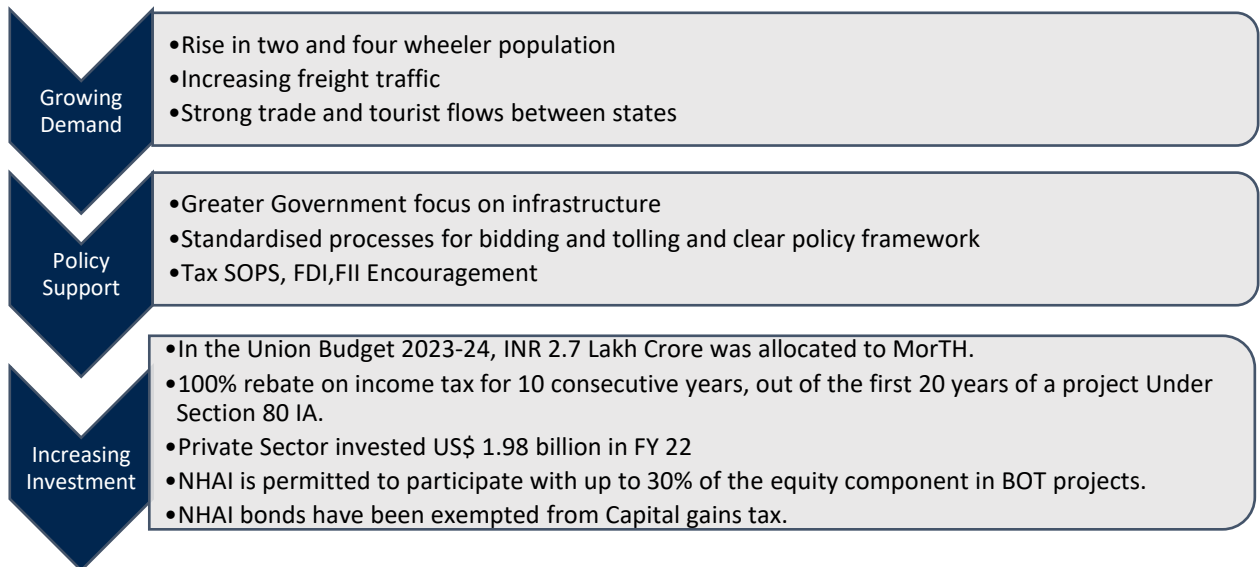
Highway Construction in India (Kms)



* Till July24

Source: IBEF August 2023 Report

Growth Drivers



Source: IBEF August 2023 Report & Union Budget 2023-24

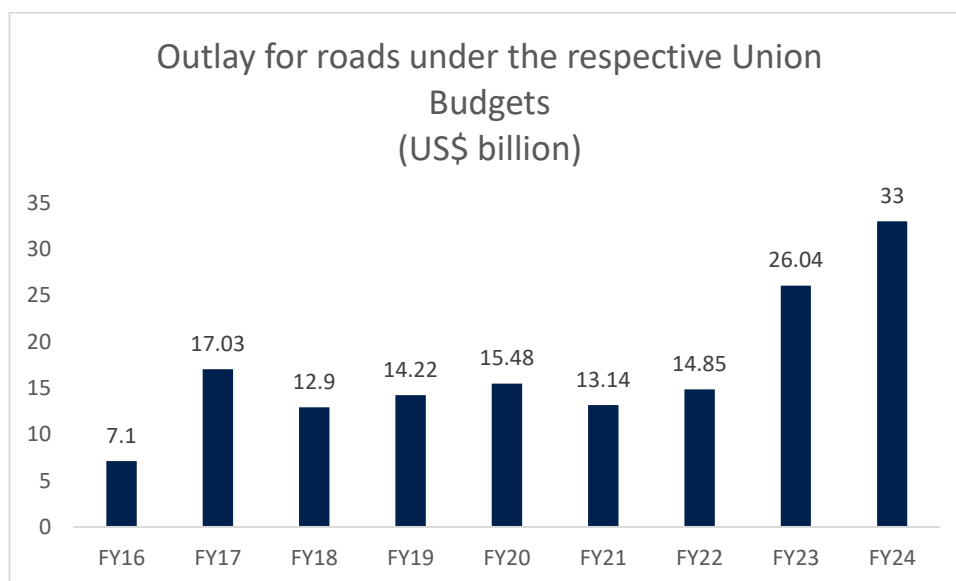
Future Growth prospects

- Mr. Nitin Gadkari, the Union Minister for Road Transport and Highways, informed that under “Parvatmala Pariyojana”, the Government of India plans to develop 250+ projects with a Ropeway length of 1,200+ km over five years.
- A total of 600+ sites are planned to be awarded by 2024-25 of which 144 Wayside Amenities (WSAs) have already been awarded.
- 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.
- 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).

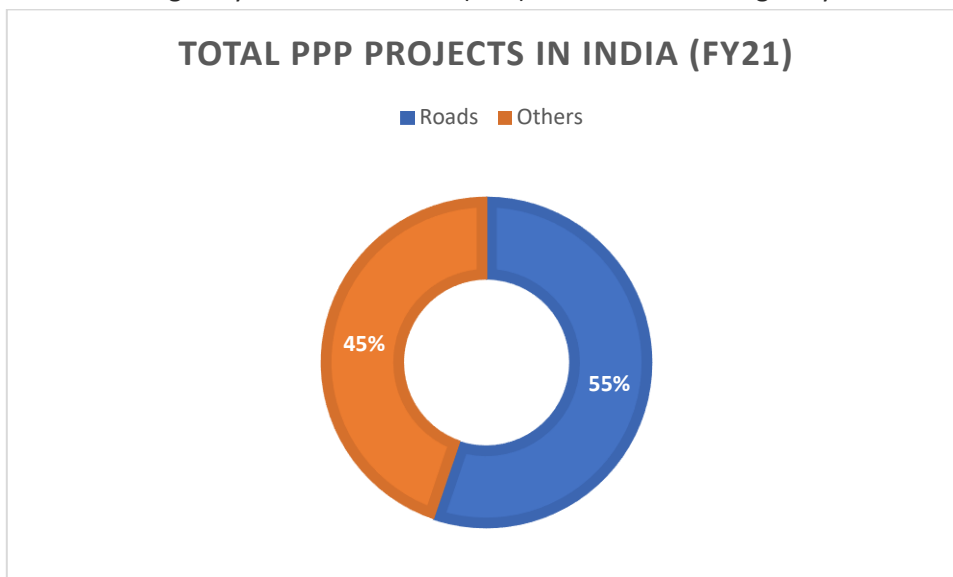


Source: IBEF Road Report August 2023



Private Sector Participation: -

- NHAI is planning to award 1,000-1,500 km of projects under the BOT model in 2023-24.
- During the year 2020–21, 125 PPP projects (Including 69 road projects) with a total cost of Rs 1,72,314 crore were appraised. NHAI targeted 450 kilometers of the Build–operate–transfer (BOT) projects in FY22 and was looking forward to bidding out 600-1000 kilometers of highway stretch under the Build–operate–transfer (BOT) model as of November 2021.
- In August 2020, the Government of India revised the Model Concession Agreement for BOT projects to plug delays by imposing a deadline on the NHAI and incentivizing timely work by concessionaires. According to revised norms, the NHAI will have to hand over 90% of the project land (vacant and ready to build) to private developers, thus creating a more market-friendly sector and attracting more private players.
- In November 2020, L&T Construction bagged a contract to build India’s longest river bridge, across Brahmaputra River connecting Dhubri in Assam to Phulbari in Meghalaya.
- KKR, a global investment firm, announced to acquire the entire stake of Global Infrastructure Partners in Highway Concessions One (HC1) and seven other highway assets totaling 487 kms.



(Source: IBEF Road Report August 2023 & Niti Aayog)

Government initiatives: -

1. National Infrastructure Pipeline (NIP)

The government’s ambitious National Infrastructure Pipeline which is to be implemented until 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		34,800	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.



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5. Rural Development

Under the Interim Union Budget 2024-25, the Government of India has allocated INR 19,000 crores for Pradhan Mantri Gram Sadak Yojana (PMGSY). Over 7 lakh kilometers of roads have been constructed under the first and second phases of the scheme, which is currently in its third phase.



7. Valuation Approach and Methodology

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

Basis and Methodology of Valuation

- Basis of Valuation**

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

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

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

- Valuation Date**

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

The Valuation Date considered for the fair enterprise valuation of the SPV is 31st December 2023. The attached Report is drawn up with reference to accounting and financial information as on 31st December 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.”



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Approach & Method	Applied/Not Applied	Description	Rationale
Income Approach Discounted Cash Flow Method (DCF)	Applied	<ul style="list-style-type: none"> ▪ 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 	<ul style="list-style-type: none"> • 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 <ul style="list-style-type: none"> • Market Price Method 	Not Applied	<ul style="list-style-type: none"> ▪ Under this method, the value of a company is arrived at considering its market price over an appropriate period. 	<ul style="list-style-type: none"> ▪ As the SPV is not listed, this method is not applied
Market Approach <ul style="list-style-type: none"> • Comparable Companies Multiples (“CCM”) Method 	Not Applied	<ul style="list-style-type: none"> ▪ 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 	<ul style="list-style-type: none"> ▪ 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



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Approach & Method	Applied/Not Applied	Description	Rationale
		<p>comparable companies should be engaged in the same or a similar line of business as the subject company.</p> <ul style="list-style-type: none"> ▪ The appropriate multiple is generally based on the performance of listed companies with similar business models and size. 	<p>tenor, project-specific characteristics/ factors, etc. which may differ from the other projects. Accordingly, this method is not adopted.</p>
<p>Market Approach</p> <ul style="list-style-type: none"> • Comparable Transaction Multiples (“CTM”) Method 	<p>Not Applied</p>	<ul style="list-style-type: none"> ▪ 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 	<ul style="list-style-type: none"> ▪ 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
<p>Asset based Approach</p> <ul style="list-style-type: none"> • Adjusted Net Asset Value Method 	<p>Not Applied</p>	<ul style="list-style-type: none"> ▪ 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: <ul style="list-style-type: none"> ▪ 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. 	<ul style="list-style-type: none"> ▪ 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.

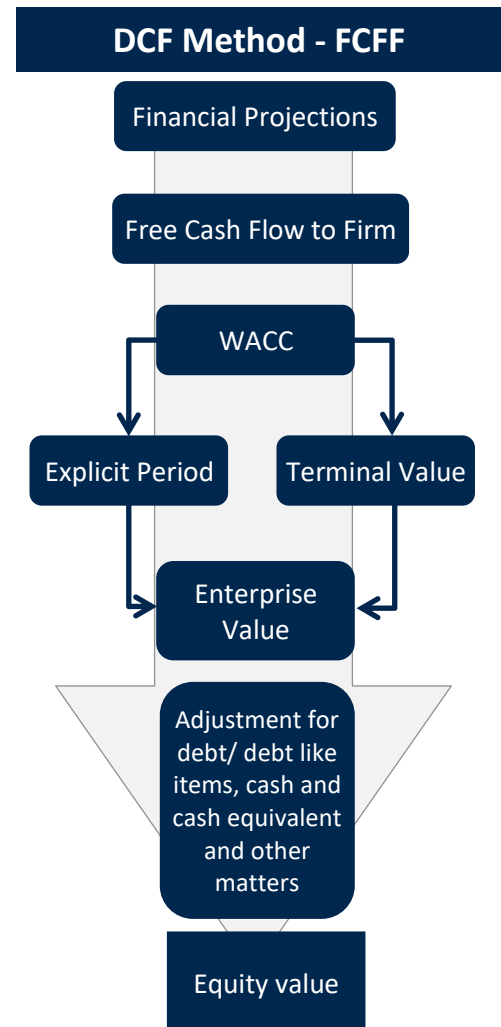


Income Approach

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.



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Weighted Average Cost of Capital (WACC)

WACC has been estimated as under:

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

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

Particulars	Definition/Formula
Ke	$Rf + \beta * (Rm - Rf) + \alpha$
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
β	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**.



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 December 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.



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- **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, FY2025 and FY2026 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 December 2023 as a percentage of revenue which was around 0.01%.
- **Investment Management ("IM") Expenses:** The Trust and Investment Manager has entered into Investment Management Agreement ("IM Agreement") in terms of SEBI InvIT Regulations. IM Expenses has been projected considering inter-alia terms of the IM Agreement and Management's estimate.



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	16 th December 2021
Concession End Date	15 th 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 31st March 2023 as reported in our valuation report our Ref No: RVA2324DELREP004 dated 26th 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 31st 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	-



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Particulars for the year/ period ended	FY2038	FY2039	FY2040	FY2041	FY2042	FY2043	FY2044
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	16 th December 2021
Concession End Date	15 th 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 31st 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 31st 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	-



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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.



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	16 th December 2021
Concession End Date	15 th 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 31st 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 31st 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



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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 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	16 th December 2021
Concession End Date	15 th 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 31st 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 31st 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



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- 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 NHA 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



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	16 th December 2021
Concession End Date	15 th 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 31st 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 31st 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



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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 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	29 th October 2022
Concession End Date	28 th 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 31st 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 31st 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



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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 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	29 th October 2022
Concession End Date	28 th 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 31st 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 31st 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



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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 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	29 th October 2022
Concession End Date	28 th 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 31st 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 31st 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 December 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 31st December 2023

The Valuation summary of NHIPPL as of 31st December 2023 is as follows:

SPV	WACC	Enterprise Value (INR Cr)	Equity Value (INR Cr.)
National Highways Infra Projects Private Limited ("NHIPPL")	10.50%	11,711.8	2,092.0

Particulars	In INR cr.
Enterprise Value	11,711.8
Less: Debt	(9,720.5)
Less: Debt like items	(0.1)
Add: Cash and cash equivalent*	100.8
Equity Value	2,092.0

* Cash and cash equivalent as at 31 December 2023 excludes fixed deposits aggregating ~INR 5.1 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 December 2023 includes the aforementioned FD and the same is projected to be released in the subsequent period.



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Appendix 1 - WACC

Particulars		Remarks
Debt-to-equity Ratio	~ 1.00	Considering <i>inter-alia</i> 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. β is the covariance 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 31 st December 2023
Equity Market Risk Premium	~7.00%	Equity Market equity risk premium is estimated considering <i>inter-alia</i> 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	~ 0.88	Considering <i>inter-alia</i> 5-year monthly beta of comparable companies and debt-to-equity ratio
Additional Risk Premium	~1.00%	Considering <i>inter-alia</i> nature of revenue of the Specified Projects (toll collection), projected performance of the SPV, traffic risk, macro-economic additional uncertainties due to certain global events, partially offset by the operational nature of the Specified Projects.
Cost of Equity (Ke)	~14.27%	
Cost of Debt (Kd)		
Pre-Tax Cost of Debt (Kd)	~8.00%	Management estimate considering <i>inter-alia</i> prevailing interest rate as of 31 st December 2023 and expected reduction in interest rate on the term loan from a bank based on the ongoing negotiations
Effective tax rate	~18.2%	Estimated considering <i>inter-alia</i> business losses and unabsorbed depreciation, tax depreciation/ amortization policy followed by the SPV and corporate income tax rate
Post-Tax Cost of Debt (Kd)	~ 6.54%	
WACC	10.41%	
Rounded off WACC	10.40%	



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Appendix 2 – Discounted Cash Flow (DCF)

Enterprise & Equity Valuation of the SPV as at 31 December 2023

Amount in INR Cr.

Financial Year	3 months ending FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032
Months	3.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00	12.00
Revenue	247.2	955.1	1,138.8	1,313.1	1,462.6	1,573.5	1,672.0	1,798.6	1,858.2
Operating EBITDA before MMR Provisions	89.3	726.3	891.4	1,049.9	1,184.0	1,278.6	1,359.7	1,467.7	1,502.0
Less: IM Expenses	(2.9)	(10.8)	(11.9)	(13.0)	(14.3)	(15.8)	(17.4)	(19.1)	(21.0)
Less: Income Tax	-	-	-	-	-	-	-	-	-
Less: MMR Expenses	-	-	(5.4)	(28.5)	(218.1)	(386.1)	(25.4)	(46.5)	(245.9)
Less: Capital Expenditure	(165.2)	(889.0)	(120.3)	-	-	-	-	-	-
(Increase)/Decrease in Working Capital	(28.5)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)	(0.0)
Free Cashflows to Firm	(107.2)	(173.5)	753.8	1,008.3	951.5	876.7	1,316.9	1,402.1	1,235.1
Time to Midpoint	0.12	0.75	1.75	2.75	3.75	4.75	5.75	6.75	7.75
Discount Factor	10.40%	0.99	0.93	0.84	0.76	0.69	0.62	0.57	0.51
Discounted Cash Flow	(105.9)	(161.1)	634.0	768.2	656.5	547.9	745.4	718.9	573.5

Mid Point Working	31-Dec-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		45.50	273.50	638.50	1,003.50	1,369.00	1,734.50	2,099.50	2,464.50	2,830.00
Time to Midpoint		0.12	0.75	1.75	2.75	3.75	4.75	5.75	6.75	7.75

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	2,005.5	2,248.0	2,507.4	2,730.3	2,958.5	3,213.4	3,489.9	3,793.1	4,100.9	4,445.9
Operating EBITDA before MMR Provisions	1,638.6	1,857.2	2,092.8	2,265.2	2,465.2	2,690.2	2,906.0	3,157.7	3,426.5	3,725.7
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	-	(222.4)	(341.4)	(520.4)	(590.3)	(569.1)	(707.9)	(652.2)	(658.5)	(909.4)
Less: MMR Expenses	(21.8)	(104.9)	(612.6)	(94.9)	(32.3)	(351.4)	(21.9)	(498.7)	(743.4)	(49.5)
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	1,593.6	1,504.5	1,110.7	1,619.1	1,808.8	1,732.5	2,135.1	1,961.8	1,975.0	2,712.2
Time to Midpoint	8.75	9.75	10.75	11.76	12.76	13.76	14.76	15.76	16.76	17.76
Discount Factor	10.40%	0.42	0.38	0.35	0.31	0.28	0.26	0.23	0.21	0.19
Discounted Cash Flow	670.2	573.1	383.3	506.0	511.9	444.1	495.8	412.6	376.2	467.9

Mid Point Working	31-Dec-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		3,195.50	3,560.50	3,925.50	4,291.00	4,656.50	5,021.50	5,386.50	5,752.00	6,117.50	6,482.50
Time to Midpoint		8.75	9.75	10.75	11.76	12.76	13.76	14.76	15.76	16.76	17.76

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	4,069.1	3,301.9	3,554.8	3,837.8	4,143.2	4,477.6	4,815.1	5,190.0	5,577.9	4,271.1
Operating EBITDA before MMR Provisions	3,433.9	2,753.9	2,970.0	3,216.4	3,481.1	3,768.7	4,053.5	4,370.2	4,697.0	3,577.7
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	(816.6)	(570.2)	(740.8)	(687.1)	(776.7)	(940.8)	(1,014.7)	(939.4)	(1,140.8)	(803.3)
Less: MMR Expenses	(131.3)	(459.9)	-	(458.0)	(366.2)	(4.1)	-	(622.5)	(154.6)	(380.8)
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	2,426.1	1,684.9	2,186.3	2,024.0	2,286.3	2,766.6	2,975.9	2,739.2	3,325.6	2,310.6
Time to Midpoint	18.76	19.76	20.76	21.76	22.76	23.76	24.77	25.77	26.77	27.62
Discount Factor	10.40%	0.16	0.14	0.13	0.12	0.11	0.10	0.09	0.08	0.07
Discounted Cash Flow	379.1	238.5	280.3	235.0	240.4	263.5	256.7	214.0	235.4	150.3

Mid Point Working	31-Dec-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		6,847.50	7,213.00	7,578.50	7,943.50	8,308.50	8,674.00	9,039.50	9,404.50	9,769.50	10,081.50
Time to Midpoint		18.76	19.76	20.76	21.76	22.76	23.76	24.77	25.77	26.77	27.62



RBSA Valuation Advisors LLP

VALUATION | INVESTMENT BANKING | RESTRUCTURING | TRANSACTION SERVICES
TRANSACTION TAX | ADVISORY SERVICES



Particulars	Amount in INR Cr.
	Dec-23
Enterprise Value	11,711.8
Less: Debt	(9,720.5)
Less: Debt like items	(0.1)
Add: Cash and cash equivalent*	100.8
Equity Value	2,092.0

* Cash and cash equivalent as at 31st December 2023 excludes fixed deposits aggregating ~INR 5.1 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 31st December 2023 includes the aforementioned FD and the same is projected to be released in the subsequent period.

